

Cross-level strategic leadership and its influence on dynamic capabilities

Immanuel LUTZEYER

*Institut für Arbeitswissenschaft, Ruhr-Universität Bochum,
Universitätsstraße 150, D-44801 Bochum*

Schlüsselwörter: Strategic Leadership, Dynamic Capabilities,
Organizational Adaptability, Microfoundation, Bottom-Up Change

1. Extended Abstract

Within increasingly dynamic environments it is challenging for organizations and their leaders to ensure ongoing organizational adaptability and foster dynamic capabilities (Uhl-Bien & Arena 2018). For successful organizational adaptability managers across all levels have to manage, obtain or develop resources and capabilities to ensure ongoing competitive advantage (Augier & Teece 2009; Hitt & Ireland 2002). It is of key interest to analyze how managerial behavior as a microfoundation of dynamic capabilities impacts organizational adaptability (Samimi et al. 2019; Schoemaker et al. 2018) and a growing body of research has highlighted the importance of strategic leadership in the light of organizational renewal under dynamic conditions (e.g., Antonakis et al. 2014; Pitelis & Wagner 2018; Schoemaker et al. 2018). Current research is limited to the extent that it has predominantly treated strategic leadership as being exclusively carried out by individuals in upper management such as CEOs, top management teams or the board of directors (Finkelstein et al. 2009; Samimi et al. 2019). While it is certainly accurate that leaders at the top of an organization share more strategic responsibility, are less involved in operational day-to-day business, and make strategic decisions of higher impact, other researchers have indicated that strategic leadership occurs across all leadership levels and that for successful organizational adoption managers beyond upper management play a crucial role not only in implementing but also in initiating strategic change (e.g., Crossan et al. 2008; Hitt & Ireland 2002; Teece 2016; Woolridge et al. 2008). Accordingly, the aim of this paper is to extract strategic leadership functions that are important across all leadership levels and link cross-level strategic leadership to dynamic capabilities and organizational adaptability therefore addressing *how* leaders beyond upper management contribute to organizational renewal in a bottom-up manner.

To discuss strategic leadership as a cross-level construct and its relationship with organizational dynamic capabilities this theoretical paper draws upon current conceptualizations of strategic leadership rooted within upper echelons theory (e.g., Boal & Hooijberg 2000; Crossan et al. 2008; Samimi et al. 2019), middle management research (Floyd & Wooldridge 2008) as well as leadership research (e.g., Antonakis & House 2014) and merges them with research around the dynamic capability view (e.g., Schoemaker et al. 2018; Teece 2016) which has become the leading paradigm of organizational adoption to its environment (Schilke et al. 2018) and has also been suggested as a promising theoretical lens for leadership scholars to study leader's

influence on organizational adaptability (Uhl-Bien & Arena 2018). Additionally, strategic leadership is distinguished from more dyadic interpersonal leadership approaches. By reviewing and contrasting the aforementioned approaches four core functions of strategic leadership are extracted that constitute key leadership behaviors which are observable across all management levels and go beyond dyadic leadership and operational tasks: *organizational goal transparency*, i.e. being and making aware of organizational goals, *inward and outward evaluation*, i.e. scanning and evaluating the internal and external environment, *initiating change*, i.e. being able to change course quickly by putting ideas into practice even when facing resistance, and *follower alignment*, i.e. bringing other organizational members in line with set goals. These elaborations are completed by discussing how all four strategic leadership functions are intertwined and how leaders across all levels contribute to organizational sensing, seizing, and transforming capabilities through these functions.

Overall, this theoretical paper makes several contributions to research as it cross-fertilizes the dynamic capability, strategy and leadership literature, helps extend strategic leadership research beyond the mere scope of upper management, and supports the notion of leadership being a pivotal microfoundation of dynamic capabilities and organizational adaptability. From a practical perspective, these findings urge organizations to adopt a more holistic perspective to the strategic process that acknowledges a more active role of managers beyond upper management and encourages the development of the four identified leadership functions within managers across all levels. By addressing leadership's influence on dynamic capabilities, this theoretical paper contributes to our understanding how organizations are able to successfully navigate today's dynamic environments and emphasizes the key role of fostering strategic leadership behavior within leaders.

2. Literatur

- Antonakis J, House RJ (2014) Instrumental leadership: Measurement and extension of transformational–transactional leadership theory. *The Leadership Quarterly* 25: 746–771.
- Augier M, Teece DJ (2009) Dynamic Capabilities and the Role of Managers in Business Strategy and Economic Performance. *Organization Science* 20: 410–421.
- Boal KB, Hooijberg R (2000) Strategic leadership research: Moving on. *The Leadership Quarterly* 11: 515–549.
- Crossan M, Vera D, Nanjad L (2008) Transcendent leadership: Strategic leadership in dynamic environments. *The Leadership Quarterly* 19: 569–581.
- Finkelstein S, Hambrick DC, Cannella AA (2009) *Strategic leadership: Theory and research on executives, top management teams, and boards*. Oxford University Press.
- Hitt MA, Ireland DR (2002) The essence of strategic leadership: Managing human and social capital. *Journal of Leadership & Organizational Studies* 9: 3–14.
- Pitelis CN, Wagner JD (2019) Strategic shared leadership and organizational dynamic capabilities. *The Leadership Quarterly* 30: 233–242.
- Samimi M, Cortes AF, Anderson MH, Herrmann P (2022) What is strategic leadership? Developing a framework for future research. *The Leadership Quarterly* 33: 101353.
- Schilke O, Hu S, Helfat CE (2018) Quo vadis, dynamic capabilities? A content-analytic review of the current state of knowledge and recommendations for future research. *Academy of Management Annals* 12: 390–439.
- Schoemaker PJH, Heaton S, Teece D (2018) Innovation, Dynamic Capabilities, and Leadership. *California Management Review* 61: 1–28.
- Teece DJ (2016) Dynamic capabilities and entrepreneurial management in large organizations: Toward a theory of the (entrepreneurial) firm. *European Economic Review* 86: 202–216.

Uhl-Bien M, Arena M (2018) Leadership for organizational adaptability: A theoretical synthesis and integrative framework. *The Leadership Quarterly*, 29: 89–104.

Wooldridge B, Schmid T, Floyd SW (2008) The middle management perspective on strategy process: Contributions, synthesis, and future research. *Journal of Management* 34: 1190–1221.



Gesellschaft für Arbeitswissenschaft e.V.

Nachhaltig Arbeiten und Lernen

**Analyse und Gestaltung lernförderlicher
und nachhaltiger Arbeitssysteme
und Arbeits- und Lernprozesse**

69. Kongress der
Gesellschaft für Arbeitswissenschaft e.V.

Gottfried Wilhelm Leibniz Universität Hannover

01. – 03. März 2023

GfA-Press

Bericht zum 69. Arbeitswissenschaftlichen Kongress vom 01. – 03. März 2023

**Fakultät Maschinenbau, Institut für Berufswissenschaften der Metalltechnik (IBM) und
Institut für Fabrikanlagen und Logistik (IFA), Leibniz Universität Hannover**

Herausgegeben von der Gesellschaft für Arbeitswissenschaft e.V.
Sankt Augustin: GfA-Press, 2023
ISBN 978-3-936804-32-4

NE: Gesellschaft für Arbeitswissenschaft: Jahresdokumentation

Als Manuskript zusammengestellt. Diese Jahresdokumentation ist nur in der Geschäftsstelle (s. u.) erhältlich.

Alle Rechte vorbehalten.

© GfA-Press, Sankt Augustin

Schriftleitung: Prof. Dr. Rolf Ellegast

im Auftrag der Gesellschaft für Arbeitswissenschaft e.V.

Ohne ausdrückliche Genehmigung der Gesellschaft für Arbeitswissenschaft e.V. ist es nicht gestattet:

- den Kongressband oder Teile daraus in irgendeiner Form (durch Fotokopie, Mikrofilm oder ein anderes Verfahren) zu vervielfältigen,
- den Kongressband oder Teile daraus in Print- und/oder Nonprint-Medien (Webseiten, Blog, Social Media) zu verbreiten.

Die Verantwortung für die Inhalte der Beiträge tragen alleine die jeweiligen Verfasser; die GfA haftet nicht für die weitere Verwendung der darin enthaltenen Angaben.

Geschäftsstelle der GfA

Simone John, Tel.: +49 (0)30 1300-13003

Alte Heerstraße 111, D-53757 Sankt Augustin

info@gesellschaft-fuer-arbeitswissenschaft.de · www.gesellschaft-fuer-arbeitswissenschaft.de

Screen design und Umsetzung

© 2023 fröse multimedia, Frank Fröse

office@internetkundenservice.de · www.internetkundenservice.de