

Review Article

Conceptualizing Democratic Leadership as a Driver for Organizational Survival: A Review of Literature and Research Agenda

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Abstract

The reviewed literature on leadership scholarship highlighted the inapplicability and restrictive nature of conventional management practices in twenty-first-century organizations. This calls for adopting newer leadership approaches that offer robust, flexible, and more innovative solutions and confer competitive advantage and sustained business survival under Industry 4.0 conditions. Democratic leadership was considered a suitable leadership style that can enhance firm survival due to its ability to build relationships, promote employee participation in decision-making, and connect employees with organizational goals. Although the leadership style is among the oldest leadership practices, the state of scholarly work on the construct has been found insufficient, and methodological and conceptualization research challenges have been encountered thus stifling the generalization of study findings. This study intended to bring to light the current state of scholarship on democratic leadership and also extend knowledge on the construct. It sought to review the conceptual, theoretical, and empirical literature on democratic leadership and present the outcomes that arise and therefore give an opportunity to propose a new theoretical model that can enlighten researchers on current issues on democratic leadership and the phenomenon that it generates on deployment in organizations. The current paper proposed a consolidated theoretical framework that links democratic leadership and firm survival while at the same time giving provision for the role of dynamic capabilities and firm size.

Keywords

Democratic Leadership, Dynamic Capabilities, Firm Size, Firm Survival

1. Introduction

Contemporary globalization challenges, stiff competition, advancements in technology, industry evolution, financial crises, and pandemics among other factors which characterize Industry 4.0 contexts make firm survival a critical consideration for leadership in the twenty-first-century organizations

globally [7, 40, 86]. Moreover, the frameworks that define Industry 4.0 are complex [59] and therefore understanding their nature is a priority for adoption of leadership practices which result in positive performance outcomes. Firm survival has not been universally defined and some authors have

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fronted different perspectives of the concept. A study by Adam and Alarifi viewed survival as the length of time during which a firm exists and successfully operates from inception to closure [3]. Ahmad *et al.* related firm survival with business longevity and outlined five leadership functional areas that firms can focus on in developing survival strategies [6]. Such areas include financial capability, strategic direction, customer focus, learning and innovation, and operational proficiencies [49, 80]. Other leadership functions that need to be considered for developing competitive advantage and promoting firm survival according to a study by Gajdzik and Wolniak on Industry 4.0 organizational operations in smart manufacturing enterprises are: productivity, speed and agility, quality of products and services, competitiveness, enterprise value, high profits, reduced workforce, improved delivery, horizontal and vertical integration, regular savings, reduced operational costs, adaptability to technology, and efficient machine operations [37]. These observations infer that leadership practices can be configured in different ways to result in positive performance outcomes.

Leadership is critical for influencing outcomes of the activities at all organizational levels and acts as a springboard for organizational survival and performance [11, 12]. Previous research has shown that inadequate leadership skills attributed to weak decision-making processes have led to the collapse of many businesses in the past [24, 63]. Therefore, effective leadership according to Lestari *et al.* is a key determinant of organizational success and moreover, the leader's capability to match the suitable style of leadership to the environmental demands is a critical strategy for organizational survival [61]. While highlighting leaders as the drivers of organizational change, Kwiotkowska *et al.* brought out the concept of Industry 4.0 leadership and the leader competencies needed for business operating in dynamic climates [59]. Moreover, attributes of leadership styles under the leadership 4.0 revolve around human resource challenges, technology integration, and sharing and linking information [40]. Understanding the Industry 4.0 characteristics is good for effective leadership and has been widely embraced by organizations to infuse competitive advantage in their operations [37]. Leadership 4.0 is a new leadership concept aligned to Industry 4.0 characteristics and was applied in this study to understand the new thinking in leadership theories and how the principles on which democratic leadership is premised can be embraced to enhance organizational survival.

The state of leadership practice in contemporary organizations and their desire to survive necessitates redesigning the embraced leadership strategies to incorporate flexible and more innovative business models that confer a competitive advantage to organizations, especially in turbulent contexts. Businesses faced with the Fourth Industrial Revolution (Industry 4.0 conditions) need to embrace transformative and adaptive leadership to be competitive in alignment with changes happening in the environments that they exist [82]. Industry 4.0 denotes the rapid transformation of processes of

production and service delivery happening in today's business climate [59]. It is viewed as a set of intelligent systems and high level technologies which require leadership practices that focus on effective management of complex frameworks to enhance performance outcomes [34]. Transforming key business areas such as marketing, operations, and application of technology with a key focus on employees, customers, and firm resources can enhance the firm's level of preparedness for survival in turbulent contexts [86]. The inapplicability and restrictive nature of conventional management practices in today's organizations invites newer leadership approaches that offer robust solutions and promote sustainable business operations [48]. Leadership in organizations connotes creating a vision and a mission, identifying and developing objectives, and designing strategies and mechanisms to efficiently realize the set objectives [14]. The realization of these objectives requires a leadership style that is effective, flexible, and responsive to the external environmental changes characteristic of contemporary organizations [43].

Extant literature points to the existence of many styles of leadership with autocratic and democratic leadership styles being the most dominant [12]. Despite having been in use for decades, democratic leadership is still considered applicable in contemporary Industry 4.0 conditions [83]. It was proposed as a probable style that can increase an organization's chances of survival based on its tenets of relationship building, promotion of employee participation, sharing information and power among members, motivating subordinates, building networks, and connecting employees and envisaged goals with problem-solving skills founded on intuition [12]. It is considered a style that promotes participation by all members of a group or organization in decision-making and problem-solving and keeps employees of the organization adequately updated on all matters affecting the tasks and activities that they are involved in [64]. The construct pays attention to the power that pervades the entire membership of the group as a whole and that which promotes interaction [26]. Further, the style causes influence through the decentralization of power and authority and consultative decision-making.

The postulation by Akparep *et al.*, that the foundation of democratic leadership is on people and performance advances the style as perfect in theory and able to address firm survival challenges under volatile and uncertain contexts associated with Industry 4.0 [13]. From reviewed literature, there is paucity of research linking leadership and Industry 4.0 conditions [34, 37]. Lately, researchers and industry leaders are increasingly using the term Leadership 4.0 to refer to the newest leadership style required in Industry 4.0 conditions in modern workplaces [40], but a link with other leadership styles ideal for dynamic contexts such as democratic leadership style has not been established [19, 97]. Whereas democratic leadership has been shown to influence performance of organizations, research investigating the effect of the construct under a firm survival context is lacking [38, 45, 25]. Another study by Odiwo *et al.* on democracy in workplace

and the productivity of employees found that democratic leadership attributes of participation, criticism, openness, and equality have a negative effect on employee productivity while the effect on justice and accountability is positive therefore raising concerns on how democratic leadership works [72]. A study by Abid et al. investigating the application of democratic leadership in institutions of higher learning showed that optimal deployment of democratic leadership to result in positive performance required a set of certain competencies [1]. Likewise, a study by Kwiotkowska et al. observed that different configurations of leader competencies correlate with effectiveness of leadership. 4.0 and a lack of such competencies stifle the leader's capability to bring transformative change for firm sustainability in the midst of turbulence [59].

From the forgoing discussion, research gaps on democratic leadership and firm survival were evident. Additionally, leadership is a complex process and the manner in which it is deployed to result in positive performance outcomes is not well understood. Leadership can be considered to cause influence through development of certain competencies that align with the environmental demands. Kero and Bogale view leader competencies as among the dynamic capabilities that can be developed in a leadership process based on the Resource Based View (RBV) framework to build a firm's competitive advantage and long-term survival [56]. Firm size is associated with operational complexities which means that it is an important factor that merits consideration in any leadership discourse especially in environments characterized by turbulence and dynamism exemplified by Industry 4.0 conditions [60, 96]. Therefore, this study sought to understand the way democratic leadership, dynamic capabilities, and firm size interact to influence firm survival in today's turbulent business context.

2. Methodology

The adopted methodology was borrowed from a study by Ang'ana that relied on principles of an interpretive philosophy and a qualitative research design. Specifically, a systematic literature review was employed to meet the objectives of the study [16]. The review approach followed Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) recommendations [56]. It allowed employment of open, rigorous, and scientific methods of identifying and selecting previous researches that related to the study under investigation. The data from identified researches were evaluated critically to address the objectives of the current

study. The approach was chosen because of the scientific rigor it embeds in the research process and the potential it offers to synthesize critical empirical and theoretical frameworks for the study [16]. The researcher focused on peer reviewed journal manuscripts that were relevant to democratic leadership, firm survival, and emergent constructs of dynamic capabilities and firm survival. The main databases that the study paid attention to were Emerald, SAGE, JSTOR, EBSCO Host, Research gate, and Google Scholar.

The search for the relevant publications was initially guided by the following keywords: "Democracy", "Leadership", "Performance", and "Survival". This did not yield sufficient data and therefore the search was extended to include keywords such as "Democratic leadership", "Democratic practices", "Democratic behaviors", "Democratic workplaces", "Democratic stewardship", "Firm survival", "Firm performance" and also combining them in different ways to identify publications related to the constructs under investigation or those with synonyms of the constructs. The second phase of search paid attention to the keywords that related to the phenomenon that emerged when the different attributes of democratic leadership were deployed in a firm survival context. The keywords for the second phase were "Dynamic capabilities", "Competitive advantage", and "firm size". In both the phases, the search was done in three steps. The term "Industry 4.0" was also searched with a view of identifying publications that describe the Industry 4.0 conditions and the preferred leadership style under such conditions.

The initial general search targeted publications dated between 2010 to 2025. This was followed by a critical consideration of the topics and abstracts of identified publications for relevance to the study. The third step involved reviewing the selected articles for content. This last review led to the discovery of additional publications from the in-text citation and references section with publication dates stretching from 1972 to 2025. The oldest publications provided key theories and earlier perspectives of Democratic Theory, Balanced Score Card (BSC), and Greiner's Growth Model [18, 36, 39, 54]. There were more publications on democratic leadership practice after 2018 which was an indication that the leadership practice has been known for many years but research on the construct has intensified in the last decade. The final list of articles that the study used for the publication were those peer-reviewed and with related information on the identified constructs. Out of a total of 238 publications that were initially identified, 133 were reviewed for content but only 102 were used for the publication. Figure 1 represents a summary of the distribution of publications based on the keywords.

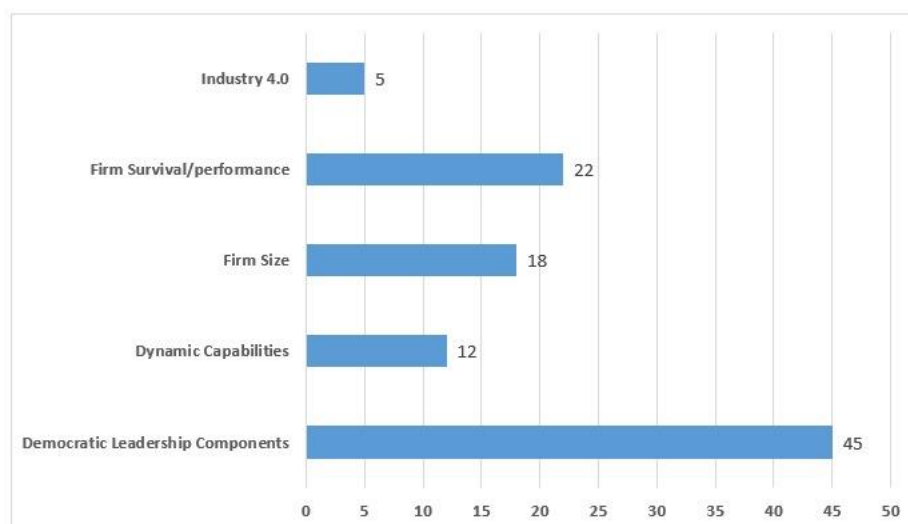


Figure 1. Distributy of reviewed publications based on search for keywords.

3. Literature Review

3.1. Understanding Democratic Leadership

Despite democratic leadership being among the oldest leadership styles [45] and its deployment in organizations leading to many benefits such as higher employee performance and firm survival [13, 47], the state of scholarly work on the construct is insufficient and several reasons can be attributed to this. First and foremost, the theoretical and conceptual foundation on which the democratic leadership style is based is poorly constructed and not well understood [25, 36, 51]. Extant literature posits that democratic leadership is anchored on theories of democracy and leadership [17, 18, 31, 36, 38], yet the individual components of democracy and leadership have a myriad of ways in which they have been conceptualized by previous theorists [15, 45], and therefore highlighting inconsistencies in the mechanisms that delineate the operationalization and application of democratic leadership.

Secondly, although democratic leadership is generally accepted as effective in turbulent contexts such as those which characterize firm survival and Industry 4.0 conditions, many researchers and practitioners have singled out some flaws in the implementation process. For example, dialogues and deliberations which are among the key approaches for enacting democratic processes require more effort, patience, and time and therefore slow the making of important decisions in democratic organizations [74]. Additionally, in contexts where group members lack clarity of their designated tasks and roles or where quick decisions are required, democratic leadership can result in failed communication and incomplete execution of ideas [13]. Moreover, the style is more effective with skilled employees and those with willingness to share their expertise which means its application in organizations

with members lacking in requisite skills or knowledge to contribute to the decisions may be faced with some challenges [1]. Democratic leaders perform their duties through delegation and distribution of leadership functions and in undemocratic organizations, it can be misconstrued to mean dilution of the leader's authority and power which can lead to a feeling of loss of status by the leader and therefore affect the willingness to undertake assigned duties [94].

Thirdly, the reviewed literature alludes to the inadequacy of research that specifically links democratic leadership style and firm survival as many studies focus on other outcomes [39, 45, 47, 53]. Gastil faults the quality and quantity of previous research on democratic leadership in organizations due to a lack of a concise definition of the construct [36]. Similar views are held by Hilton *et al.* that democratic leadership has not been precisely conceptualized therefore weakening the research findings of democratic leadership on firm performance [45]. Additionally, methodological shortcomings have been observed with the operationalization of firm survival due to a lack of clear definition of the construct with many studies on leadership styles being unable to state whether their impact results in performance or survival-related outcomes [7, 20, 45]. The foregoing observations and arguments invite a deeper understanding of how democratic leadership works and the emergent phenomenon when it is deployed in organizations. This study intended to bring to light the current state of scholarship on democratic leadership and extend research on the construct by exploring how democratic leadership is conceptualized and the empirical and practical outcomes it has on the survival of organizations. The study sought to fulfill three key objectives namely to review the extant conceptual, theoretical, and empirical literature on democratic leadership and its implications for firm survival; to identify the emerging knowledge gaps that arise from the review of conceptual, theoretical, and empirical literature in democratic leadership; and to suggest an appropriate theoretical model

that connects the identified constructs in the emergent phenomenon thus advancing scholarship in democratic leadership. The study critically reviewed the phenomenon that emerges from democratic leadership to cause firm survival. It also proposed a set of constructs that mediate and moderate the emergent phenomenon which acted as the foundation for the suggested conceptual framework and several propositions. The proposed framework and the advanced propositions offer direction for future investigations in a manner that combines a number of constructs in one study.

3.2. Components of Democratic Leadership

The origin of democratic leadership practice can be traced back to the principles of democracy and leadership theories that are by themselves complex and amorphous [17, 31, 70]. Although democratic leadership has not been given a succinct definition [15], the tenets that describe the individual components of democracy and leadership provide a basis that this study weaved together to establish the dimensions of the construct and their operationalization to bring about competitive advantage necessary for firm survival. Democratic leadership construct can best be defined by considering both the components of leadership and democracy [25]. A team led by Kurt Lewin is credited with the “Lewinian Model” which made the earliest attempt to conceptualize democratic leadership by singling out key democratic leadership qualities of collective decision-making, individual participation, friendship, sincere praise, and honest criticism [1, 15]. The flaws found with the model have become the foundation on which other authors have anchored their arguments to define and conceptualize the construct. Gastil pieced together postulations of democracy and leadership theories based on leadership functions and described democratic leadership as sharing responsibility within the group membership, empowering subordinates, and supporting deliberations amongst group members [36].

Democratic leadership according to Dolly and Nonyelum is a leadership process that is participatory where the leader and the group members jointly formulate decisions [33]. Similar views are shared by Wilson who considers the leadership style as a process that engages both the leader and the followers at the same level and emphasizes multidirectional communication and collaboration [98]. Democratic leadership causes

influence by encouraging group discussions through which individual productivity and overall organizational performance are realized [45]. The central principles that ground the democratic leadership practice are participation, inclusiveness, open communication, employee involvement in decisions in the organization, and establishment of work climate that values employees and which allows them freedom to try and implement new ideas [47]. In addition, democratic leaders facilitate and guide the process of making decisions and ensure opinions of each members are listened to and considered [38]. The leader takes control and offers direction to be realized but allows input from members which results in better quality of decisions that are unanimously supported [19, 97]. Unlike autocratic leadership, the style advocates for cooperation, accountability, and delegation of leadership roles [1]. On the other hand, Raelin perceives democratic leadership from four qualities that is referred to as “the 4Cs” which include collectiveness, concurrency, collaboration, and compassion [79].

A quantitative study by Hamze and Abdulkhaliq showed that high adoption of democratic leadership creates a conducive work environment that promotes participation and inclusivity which in turn motivates employees to be more engaged with the assigned tasks and the organization in general [41]. Democratic leadership gives subordinates an opportunity to apply their creativity and make innovative contributions needed for better firm performance [45]. The observations were corroborated by a study done by Imran *et al.* that found out that democratic leadership drives innovation by creating safe and creative work climates that make employees feel valued and which allow them autonomy in decision making [47]. Another study by Odiwo *et al.* recommended that better firm performance was guaranteed when top management is accessible and establishes a democratic workplace that provides complaint reporting system devoid of victimization [72]. Further, justice was the most important attribute of democracy that characterized the workplaces. Results of a study investigating democratic leadership, organizational citizen behaviors, and job satisfaction revealed a positive correlation [38]. Finally, a quantitative study by Liana *et al.* found out that democratic leadership principles positively influenced discipline and performance of employees. Table 1 presents a summary of the different ways in which democratic leadership has been perceived by previous authors [62].

Table 1. Summary of Different Perceptions of Democratic Leadership.

Authors	Democratic leadership Definition	Key Terms
Amini <i>et al.</i> , (2019)-views of Kurt Lewin	Collective making of decisions, individual participation, friendship, sincere praise, and honest criticism.	Decision-making, participation, honest criticism, sincere praise, and friendship.
Gastil (1994)	Sharing responsibility within the group membership, empowering subordinates, and supporting deliberations among group members	Responsibility sharing, empowerment, deliberation

Authors	Democratic leadership Definition	Key Terms
Raelin (2012)	The “4’Cs” of democratic leadership practice namely collectiveness, concurrency, collaboration, and compassion	Collectiveness, concurrency, collaboration, and compassion
Dolly and Nonyelum (2018)	A participatory process where the leader and the group members jointly formulate decisions	Participation, joint decision formulation
Wilson (2020)	A participatory process that engages both the leader and the followers at the same level and emphasizes multidirectional communication and collaboration	Participatory engagement, multi-directional communication, collaboration
Abid <i>et al.</i> (2024)	the style advocates for cooperation, accountability, and delegation of leadership roles	Cooperation, accountability, delegation
Ghraiiri (2024)	Facilitate and guide the process of making decisions and ensure opinions of each members are listened to considered	Guide decision making process, listening, consideration
Imran <i>et al.</i> (2025)	Participation, inclusiveness, open communication, employee involvement in decision making, work climate that values employees and which allows them freedom to try new ideas	Participation, inclusiveness, open communication, employee involvement, new ideas

Source: Author (2025)

The observations made from the reviewed literature and the patterns of arguments that emanate from the postulations of previous authors drew this study to focus on ways of defining democratic leadership and its constituent dimensions and how they can be operationalized to enhance the competitive advantage necessary for firm survival. A concise definition of democratic leadership can only be arrived at by pitting the tenets of theories of democracy such as representation, liberty, and equality on one hand and those of leadership such as direction setting, resource orchestration, and influence on the other hand [17, 22, 31, 38, 63]. While this study took cognizance of the heterogeneity of the views and perceptions of past authors in attempting to situate democratic leadership in the general theories of democracy and leadership, there was evidence of common patterns in the fronted arguments that tended to cluster around certain subthemes. The author applied these subthemes to conceptualize the three constituent dimensions of democratic leadership namely democratic leader behaviors, democratic workplaces, and democratic stewardship.

Meeting the objectives that this study sought to realize required clarity in understanding the three dimensions in relation to the individual elements that extant literature presented. The elements that constitute the first dimension of democratic leader behaviors revolved around setting direction to be followed, developing a mission statement, establishing and implementing strategies to meet the set goals, coaching, effective communication, adaptive behaviors, building relationships, comradeship, negotiation abilities, caring and showing consideration for others, and possession of capabilities to inspire and motivate others [36, 70, 79]. The focus of democratic leadership is on the people which requires leader behaviors with a relationship-building orientation among the group members [61]. Wachira *et al.* note that democratic

leader behaviors facilitate rather than direct followers to undertake assigned tasks, resulting in more engaged and committed employees [97]. By the leader clearly articulating the organization’s goals and giving subordinates a free hand to contribute their ideas and make critical decisions, they feel trusted, valued, and respected and therefore give their full energy to performing delegated functions [19, 26, 41]. The operational indicators that this study proposed to measure democratic leader behaviors were direction, adaptive behaviors, open communication, and concern for others.

Democratic workplace, which was the second dimension constituted participation in the making of decisions, decentralizing power and authority, redistribution of responsibility and authority, sincere criticism, aligning people to the organizational objectives, planning and ordering activities of the group, inclusion, teamwork, fair selection and recruitment based on merit, training, career development, employee empowerment, and providing an environment that allows deliberation and dialogue [33, 72, 98]. The attributes of democratic workplaces play an important role in improving the performance of democratic organizations through the provision of a conducive work climate that ensures fairness in the distribution of leadership functions and guarantees the optimization of employees [84]. Employee empowerment programs such as training and skill development are important in providing the knowledge and expertise necessary for the effective operationalization of the dimension and organizational success [97]. The ultimate outcome of democratic workplaces is a workforce whose strength is aligned with the capabilities of the leader and the organization. The study proposed the following items to operationalize the dimension: organization design, teamwork, and involvement.

The third dimension that this study identified as democratic

stewardship encompasses qualities such as ethics, morality, justice, liberty, equality, rule of law, employee rights and responsibility, accountability, and balance between autonomy and use and control of power [17, 31]. Stewardship is a leadership attribute that stimulates followers' sense of individual responsibility and willingness to take up tasks for the long-term benefit of the organization and not for self-benefit [99]. The notion of stewardship in democratic organizations entrenches attributes of trust, accountability, responsibility, integrity, and a long-term focus necessary for securing a firm's resources [30]. Stewardship is a governance function that goes beyond a "comply and explain" philosophy to encapsulate norms and values of selflessness that are concerned with long-term care and benefit for all stakeholders. The premise on which democratic stewardship promotes effective leadership and better firm survival is in its ability to promote self-responsibility, employee engagement, and focus on the common good for all. The proposed operationalization indicators for the dimension were ethical leadership, individual responsibility, and accountability.

3.3. Firm Survival

Firm survival is a construct that from past studies has been described in a number of ways. The perspective that this study adopted is the period of time during which an organization experiences the robustness necessary to adequately respond to environmental demands through decisions that are strategic and able to offer long-term sustainability [4, 86]. The manner in which the concept of survival has been applied in research raises ambiguity on the differences in outcomes between resilience, sustainability, survival, and performance. Resilience according to Tedeschi and Calhoun is a firm's ability to bring its operations to life through adaptive strategies, especially after a time marked by hardship [90]. Sustainability refers to approaches that impact an organization's profits, people's capabilities, and the planet to enhance survival rates [4]. Survival according to Purnomo *et al.* is a semblance of resilience in which the application of the business model embraced by the organization is restricted by turbulence and therefore uses multidimensional approaches to create, deliver, and capture value [77]. A study by Islam and Fatema on firm survival during the COVID-19 pandemic viewed survival as the set of strategies that a business adopts to build its competitive advantage and address demands arising from competitors, customers, and the resources of the firm [49]. Performance is the realization of the organization's envisaged goals and survival can be considered an outcome of good performance [63] and therefore previously used performance measures can be applied to operationalize survival.

In order to understand the link between democratic leadership and firm survival and fulfill the objectives of this study, it was imperative to consider how the construct of firm survival has been applied in other studies. Survival being a performance measurement item can be described by the factors

that promote or hinder organizational growth [48, 49]. According to Nkwabi and Mboya, enablers of high production, large market share, and better profits are critical growth factors that promote superior organizational performance and are likely to lead to the survival of organizations [68]. Factors that stifle organizational growth are categorized into either internal factors such as firm characteristics that include unskilled workforce, weak marketing strategies, and bad customer service, or external factors that include financial constraints, high degree of competition, technological challenges, unfriendly industry characteristics and poor economic state of the environment [71]. This study took advantage of the relationships highlighted by the various authors between factors that promote or hinder organizational growth, organizational performance, and survival to infuse leadership as an important internal factor that can bring change in an organization's performance and survival [48, 49, 71]. It was of the view that the operationalization of democratic leadership borrows from the arguments posed by RBV that the configuration of the capabilities and the tangible and intangible resources of an organization determines its ability to survive and grow [80, 87]. The flexible nature of the democratic leadership style allows it to optimize the benefits that stem from the unique resources possessed by an organization to generate dynamic capabilities that confer long-term competitive advantage necessary to conquer firm size challenges and promote firm growth and survival.

The study adopted survival measurement items from Kaplan and Norton's BSC which includes financial strength, customer focus, internal business proficiencies, and innovation and learning [54]. The operational indicators that the study uses for financial strength are cash at hand, level of debt, profitability, and sales turnover. Customer focus is operationalized using turnaround time, quality of products, cost, and the number of complaints from customers. Internal business proficiencies are measured using operational efficiency, customer-targeted solutions, and improvements in the in-process procedures while innovation and learning attributes are measured through the adoption of technology, training, and development, competences of employees, and the innovation.

3.4. Issues Emerging from Deployment of Democratic Leadership

Consistent with the understanding that organizations will have higher survival chances when they engage in leadership practices that transform their resources [80, 86], the potential for the three conceptualized dimensions of democratic leadership to increase firm survival can be determined by the extent to which they possess transformational capabilities. RBV according to Shin *et al.* posits that a firm's uniqueness is defined by the specific set of tangible and intangible resources and capabilities that it possesses and that the differences in its resource and capability portfolio determine its survival and

growth rates [87]. Strong skill in leadership practice is a critical dynamic capability responsible for better organizational performance, especially in a dynamic context which is a common characteristic of today's organizations [59].

Besides the firm's resources and capabilities, Oertel and Walgenbach note that other organizational characteristics such as firm size also have an effect on their survival [73]. The authors opine that the survival rate of larger organizations is better as compared to smaller organizations. Awu and Darius observe that larger sizes translate to higher standards of performance but demand better skills in leadership [20]. Further, effective leadership should embrace the "no one size fits all approach", which means the ideal leadership practice should be flexible and allow modifications to match the nature of the organization and the prevailing circumstances, the size of groups, and the number of members.

The foregoing arguments on the three dimensions of democratic leadership front two suggestions that this study embraced to explain the manner in which the deployment of the construct in an organization can influence firm survival through strategies that affect the firm resource and capability portfolio in the realization of competitive advantage. First, the potential of democratic leadership to identify firm resources at its disposal and transform them in a manner that puts the organization in a vantage position compared to its rivals is a dynamic capability that democratic organizations can apply to enhance firm survival. While democratic leadership can be embraced by any organization, it is only through the possession of dynamic capabilities to transform firm resources that competitive advantage will be realized.

Secondly, the attribute of firm size emphasizes the role of dynamic environments in which today's organizations operate and whose development can constrain or intervene in the growth opportunities that require attention to address the link between democratic leadership and firm survival. Firm size is conceptualized from a perspective of the firm's profitability and the number of employees and has a bearing on the classification of firms into either micro enterprises, small enterprises, medium enterprises, or large enterprises [75]. What is critical for this study is the complexity associated with changes in firm size which affects the internal processes such as decision-making, communication, and distribution of leadership functions and directs the degree to which democratic leadership is embraced to influence firm performance.

Based on the above observations, this study proposed the constructs of dynamic capability and firm size to be crucial in explaining the way the implementation of democratic leadership in organizations affects organizational performance. The author was of the view that understanding the influence the two constructs have on the dimensions of democratic leadership can elucidate the phenomenon that emerges both at the intermediate and ultimate levels with the deployment of democratic leadership.

3.5. Dynamic Capabilities

It is observed that the capabilities viewpoint is borne out of the RBV that considers a firm as a bunch of resources that confer its competitive nature [100]. This school of thought pays attention to internal factors that include the organizational structure, the firm's resources, competencies, and capabilities that are viewed as the foundations of the organization's competitive advantage. Based on the RBV perspective, Chumphong *et al.* classify resources as the foundation for a firm's competitive advantage and originality depending on whether they add value to the organization's operations, are unique, rare, and difficult to imitate. [27]. Salunkhe *et al.* attribute the concept of firm survival, which is the key focus of this study, to the possession of RBV attributes of valuable, rare, inimitable, and non-substitutable (VRIN) resources that cannot be replicated by rival organizations [86].

Despite its positive contribution to the understanding of the firm performance and survival, RBV is criticized for being unable to expound on the important aspects that relate to the realization of competitive advantage and superior performance such as the sources of value creation, innovation, and the role of leadership in redeploying and reconfiguring resources to build a firm's capacity for competitive advantage [9, 92, 100]. Chumphong *et al.* opine that RBV focuses on the static nature of a firm's existing resources and fails to take into account the constantly changing business environment that affects the effective utilization of internal resources [27]. Further, the authors state that principles of dynamic capabilities act as a mediator of the relationship between the RBV theory and the performance and survival of organizations, and therefore can explain the shortcomings of the RBV perspective.

Dynamic capability is defined as the process of developing skills and suitable human resources needed to manage change in the external environment and formulate and implement strategy, and adapt to evolving environmental demands [5]. Additionally, a firm's readiness on dynamic capabilities is measured by among others the adopted leadership style, communication, and organizational cultures. Morgan *et al.* view dynamic capabilities as a combination of a range of knowledge and different skills embedded in a firm's operational processes that improve its performance and increase chances of survival as compared to the rivals through resource transformation strategies [66]. This study is of the view that effective practice of democratic leadership to bring about better firm survival rates is in the explicit and implicit abilities to apply the assumptions of dynamic capabilities to diagnose, reshape, and transform the opportunities that lie in the three dimensions of democratic leadership such as marketing opportunities, human resource processes and adoption of new technologies.

Consistent with many human resource functions, dynamic capabilities can be entrenched in an organization's strategic human resource management policies through which they are

learned and developed [89] which explains why different organizations including democratic ones can experience different performance outcomes. The authors propose a path-dependent process of learning that can be adopted by leaders and whose outcome can result in the creation, enlargement, and restructuring of organizational resources to gain competitive advantage and higher survival chances. Observations from previous studies place embraced leadership style at the center of the process that develops dynamic capabilities in organizations and therefore provided the very necessary link that this study explored to explain the relationship between democratic leadership and firm survival.

This study suggested that the elements that constitute the three dimensions of democratic leadership are critical endogenous resources that can be integrated with exogenous resources through a dynamic capability development process to build a firm's competitive advantage that can guarantee higher individual and organizational productivity and thus sustained survival in a competitive environment. A lack of strong conceptual and empirical scholarship in reviewed literature on dynamic capabilities arouses the momentum for investigations to understand how democratic leadership works in a firm survival context. To operationalize the construct of dynamic capabilities, this study proposed the three categories of dynamic capabilities [91] namely sensing capabilities, seizing capabilities, and configuring capabilities.

3.6. Firm Size

Constance and Justin observe that organizations are not static, constantly change in size, and exist in dynamic environments and therefore should adjust and readjust their structure and characteristics to gain competitive advantage and survive [28]. This is consistent with Contingency Theory which postulates that the effectiveness of an organization is dependent on the extent to which multiple dimensions are aligned to optimize firm performance in different contexts [23]. Situational leadership theory opines that effective leadership is best exercised when leaders have the potential to align their style of leadership with the dynamics of the environment [70]. By taking into account the propositions of the two theories, the limitations of RBV, and the complementarity of the dynamic capability perspective, the study was of the view that as organizations grow in size, the embraced leadership style evolves to accommodate the changes in organizational characteristics and the behaviors of employees within and the interaction of the organization with the external environment to bring about performance.

Evidence drawn from many empirical studies has consistently shown that firm size positively correlates with firm survival [60, 87, 96]. Okwo et al. in support of this proposition agree that the size of the firm along with its age is a variable of central importance in the influence of organizational outcomes [75]. Extant literature presents different perspectives in which firm size has been conceptualized by previous authors.

Sritharan conceptualizes firm size from a capability perspective and singles out the number and variety of products it produces and the quantity and range of services it renders to its clients [88]. Abiodun opines that many studies have linked firm size to firm profitability [2]. Greiner's growth model links size with the sales revenue and the number of people employed in an organization [39].

In view of the intentions of this study, understanding how firm size exerts influence on the relationship between democratic leadership and firm survival can go a long way in shedding light on the emergent phenomenon of democratic leadership deployment. Additionally, the contrasting mechanisms of action of firm size on organizational performance observed from reviewed extant literature were applied in this study to address some of the theoretical and conceptual gaps that previous studies have not been able to unravel. The commonest attribute that many empirical studies have associated with the firm size is the advantage of economies of scale [52]. From a theoretical perspective, firms that are big in size and with a better capacity to embrace the latest technologies have the advantage of lowering the costs of production and expanding their market share which in turn gives them a competitive advantage over their rivals [88].

While appreciating the advantages of better performance associated with an increase in a firm's size, Awu and Darius cautioned on the need for more skilled and effective leadership when organizations grow in size [20]. The authors note that the benefits associated with larger firm sizes can only be reaped where firms have leaders with better leadership potential. Moreover, firm survival is guaranteed when leaders display the right leadership tactics to match the prevailing environmental dynamics. Greiner raises a pertinent concern that as organizations grow in size, the complexity of internal structures such as the number of hierarchical levels and job roles increases, and this may affect the smooth coordination and effective communication within the organizational ranks [39]. Greiner's argument puts at stake the long-held theoretical proposition that large firm size will always translate to superior organizational performance and better survival chances. While some empirical studies have recorded a positive correlation between firm size and performance, [10, 32], others have shown the contrary [21]. The inconsistencies observed in the relationships between firm size and firm survival lead to the conclusion that firm size can enhance or constrain firm survival depending on the components that are used to measure the construct or the tactics that the leader employs to address the complexity of the organization structure. The Liability of Size theory posits that the mortality risk of large firms is lower than that of smaller firms and this is attributed not only to financial capabilities but also to human capital capabilities [73]. The democratic leadership style that was fronted in this study has been shown to be flexible and therefore can be applied to navigate the survival challenges that may be posed by the structural complexities associated with large size and resource inadequacies of small enterprises.

The study proposed the operationalization of firm size to consider the degree of capability, the number of products and services, the number of employees, and level of complexity.

3.7. Review of Supporting Theories

The theories that this study adopted for the anchorage of the phenomenon paid attention to democratic leadership, dynamic capabilities, firm size, and survival. They include Democratic Theory, Situational Leadership Theory, Stewardship Theory, Dynamic Capabilities Theory, Theory of Optimum Firm Size, and the Balanced Scorecard Model.

1. Democratic Theory

Many theorists, including Aristotle, Dahl, and Plato have presented different approaches to which the theory is understood [17, 31]. The different facets of democracy relate to how liberty and equality are viewed. Whereas theories that support ancient democracy advocate for inclusiveness in decision-making that is guaranteed through enacted laws and authority drawn from the community, those that promote modern democracy underscore liberty and equality as attributes that should be exercised unconditionally by all members irrespective of rank or status [31]. Representative democracy is proposed as an alternative approach to the practice of democracy and views it as more transformative and accommodative. This postulation has however been faulted by several proponents of modern democratic practices because it limits the responsibility of decision-making to only a few leaders elected through a voting process.

The current study suggested that genuine democratic leadership practice should involve all group members in the decision-making process as well as in the other activities of the organization. It borrows from the views of Harber on the modern democratic theory which proposes that a democratic practice should promote cooperation, embrace compromise, willingly accommodate new ideas, be moderate, exhibit fairness, exercise self-control, and allow for dialogues and negotiations to take place [42]. The study also adopted tenets of ideal democracy by Arenilla that encompass consideration of the interests of all group members, equality, power and sovereignty, choice of freedom, and establishment of systems that are representative, legitimate, and participatory [17]. The observations made by the different authors in relation to the way they have described the Democratic Theory point to common patterns which this study grouped together to conceptualize the three dimensions of Democratic leadership namely democratic leader behavior, democratic workplaces, and democratic stewardship.

2. Situational Leadership Theory

Situational Leadership Theory (SLT) was adopted in this study to complement the Democratic Theory and explain the flexible and adaptive nature of democratic leadership. The theory presents four sets of permutations of leadership behaviors that can be derived by combining supportive and directive behaviors to different degrees [85]. Directive be-

haviors are more task-oriented, provide direction, and identify goals and time required to achieve them. Additionally, they point out required resources, and mechanisms for monitoring and evaluation of their achievement. Supportive behaviors on the other hand are people-oriented and offer comfort to group members through the enhancement of emotional and social networks. Proponents of SLT argue that effective leadership requires adaptive capabilities that allow the leader to match the style of leadership with the prevailing situation [93]. Thus, effective leaders align their behaviors to match the commitment and competencies of their subordinates. They correctly identify follower demands and offer suitable solutions by reconfiguring their actions to match the demands.

According to SLT, effective leadership is not a fixed well-defined set of behaviors but a set of evolving behaviors that shift with environmental changes. In line with suggestions by Wachira *et al.* the study was of the view that the practice of democratic leadership is like a continuum of leadership behaviors with directive behaviors on one extreme and supportive behaviors on the other extreme [97]. The phenomenon that democratic leadership generates on deployment can best be explained by understanding how the different attributes of the directive and supportive behaviors are integrated to define the three dimensions of democratic leadership. Thus, SLT was applied in this study to highlight the functioning of democratic leader behavior, democratic workplaces, and democratic stewardship.

3. Stewardship Theory

The proponents of the theory illuminate the principles of integrity, trustworthiness, and individual responsibility as important attributes borne by steward leaders which help them to make decisions by prioritizing the long-term interests of others as opposed to self-seeking benefits [30, 35, 44]. The theory proposes that the demand to be accountable for one's actions acts as a driving force that assists employees to diligently commit to the assigned tasks, make decisions that consider the interests of internal, and external stakeholders as well as societal norms, and restrain them from behaviors that may deter the realization of organizational objectives [46, 102]. Leadership that embraces the tenets of stewardship theory revitalizes individual intrinsic motivation and empowerment which helps them to optimize their resources for superior performance [95]. The study proposed that the degree of freedom accorded by democratic leadership in decision-making and participation in organizational activities can best be executed only when it is exercised within the confines of ethical behaviors, integrity, responsibility, and accountability. Thus, individual, as well as firm productivity, will not only be guaranteed when leaders provide latitude to employees to participate in organizational activities and decision-making, but also when the employees execute their mandate with stewardship for the organization's long-term survival. The theory, therefore, supports the application of the dimension of democratic stewardship in the deployment of democratic leadership.

4. Dynamic Capabilities Theories

The theory proposes that the nature of the resources which are possessed by an organization plays a central role in determining its performance and thus survival [56]. It was used in this study to shed light on how the embraced leadership style influences the leaders' abilities to identify a firm's resident resources and optimally apply them for better firm performance. The growth of an organization according to North *et al.* is underpinned in the dynamic capabilities trilogy by Teece that identifies three sets of dynamic capabilities namely sensing, seizing, and configuring capabilities [69, 91]. Sensing capabilities relate to the power to identify and diagnose opportunities and possible threats while seizing capabilities relate to the power to capture opportunities and make the best out of them [69]. Configuring capabilities improve, integrate, protect, and reshape an organization's tangible and intangible resources to give it a competitive edge and promote its growth and survival [92]. The study proposed that the phenomenon generated by the employment of democratic leadership in an organization can be transformed if superior strategies that can diagnose, seize, and reshape the available endogenous and exogenous resources at the organization's disposal are embraced. Such strategies can optimize the resources and eventually reshape them into better services and superior products necessary for competitiveness in relation to their financial muscle, customer value, operational efficiency, and innovativeness. These propositions invite investigations that can be undertaken to explain how democratic leadership integrates with dynamic capabilities and the phenomenon generated on deployment.

5. The Theory of Optimal Firm Size

The theory was advanced in 1931 by E. A. G. Robinson. It proposes that a firm's optimal size in a certain industry and at a point in time is the scale at which it exhibits the lowest average production cost per unit of output under the prevailing conditions of technology and organizing capability [58, 96]. According to the theory, organizations seek size-directed growth up to a production point referred to as the minimum efficient scale (MES) beyond which any more growth in size is either technically unattainable or non-profitable. Further, prior to reaching the MES point of production, small-sized organizations have faster rates of growth as compared to larger ones [76]. An organization's optimal size is determined by a number of factors among them the structure of the market in which it carries its operations such as the degree of competition and innovation culture, the capital at its disposal, and the entrepreneur's capabilities in cases of entrepreneurial organizations [25, 50, 58]. The theory of optimal firm size implies that for any business sector at a certain point in time, there is a specific business unit size whose functioning is found to be somehow more efficient in comparison to business units of either larger or smaller sizes. This size of the business unit is what is referred to as the point of optimum size and according to Kitenga *et al.* it is the size at which the business fully reaps all the benefits associated with internal

economies of scale but before the period of time that internal diseconomies of scale set in [58]. Based on the concept of economies of scale, although large organizations have higher chances of generating more profits through cost reduction in the process of production, larger sizes, and more diversification could lead to inefficiencies and reduction in profits due to bureaucracies and costs that accrue with the management of larger organizations [21].

On a different note, Penrose posits that growth in size is not determined by the context of the market or cost implications but by the leadership capabilities to optimally put into use the resources possessed by the organizations [101]. Additionally, organizations in the long run do not reach an optimum size and that their growth, innovation, and diversification are determined by unutilized as well as underused resources. Further, under business climates characterized by imperfect conditions, organizational growth may be influenced by its capabilities to innovate and develop novel products and unique markets rather than by cost-related factors [76]. The observed contrasting opinions raise concerns on the effect of firm size on performance outcomes. Therefore, the study proposed that understanding the manner in which deployment of democratic leadership influences firm survival can provide useful insights that explain the relationship of firm size and organizational growth.

6. Balanced Scorecard Model

The model was originally conceived in 1992 by Robert Kaplan and David Norton as a tool for measuring performance in organizations. The four main BSC perspectives are financial perspectives, customer perspectives, internal business processes, and learning and growth perspectives [65]. According to Reynolds *et al.* the financial perspective focuses on shareholders' interests and is mainly measured through monetary items whereas the customer perspective concerns measures that represent the way customer demands are met [81]. Internal business processes relate to mechanisms that measure an organization's internal operations and performance. The learning and growth perspectives evaluate the way an organization grows and develops internally. The model was developed to support organizational leaders to match the objectives of business operations with performance indicators [8]. According to Kaplan and Norton the BSC framework enables organizations to translate their business strategies into operational activities [55]. The framework is commonly applied to address financial objectives related to profitability and the success drivers that promote long-term organizational performance attributed to investment in a myriad of resources that include customers, human capital, partners, and information technology [57].

The adoption of BSC as a survival measurement tool in this study is in line with its comprehensive nature which can help in the establishment of an effective business model for the entire organization. According to Quesado *et al.* BSC equips organizations with the capability to adopt the developed strategies and enhance their performance and survival by

surmounting financial limitations, displaying with clarity the processes for value creation, and singling out the central role of intangible assets [78]. The study considered firm survival as a concept that relates to the length of time an organization remains economically robust and therefore can be effectively measured with BSC items that address organizations' success factors necessary for sustained competitive advantage and therefore survival [3]. It proposed that financial capabilities, customer value creation mechanisms, efficient internal operations, and approaches that develop skills and encourage innovation can be applied to determine an organization's chances of survival under turbulence.

4. Emerging Conceptual Issue and a Case for a New Theoretical Model

4.1. Emerging Conceptual Issue

The arguments and propositions illuminated by the reviewed literature raised several issues that can be pursued further to bring about new knowledge and a better understanding of democratic leadership scholarship. First, the literature on democratic leadership is vast, and understanding the nature and the origin of the construct requires a multidisciplinary approach. Moreover, it was broadly conceptualized into three dimensions each with a specific set of operational indicators that describe and define democratic leadership when deployed in organizations. The second set of issues relates to the emergent phenomenon that is generated by the deployment of democratic leadership in organizations and the mechanisms through which democratic leadership generates the emergent phenomenon. Reviewed literature showed that the application of leadership styles in organizations leads to complex intermediate and ultimate outcomes and new constructs whose roles in the emergent phenomenon need to be understood. The third set of issues comprised theories that anchor the emergent phenomenon as well as the empirical support explaining the observations.

As alluded to earlier, leadership styles that enhance a firm's mechanisms of making quality decisions have a positive effect on firm survival [24]. Moreover, a firm's success is anchored on the capability of the leader to match the leadership styles with the prevailing demands of the environment [61]. Whereas democratic leadership effectiveness is majorly embedded in a participatory approach to making decisions, this study was of the view that the quality of these decisions may differ based on the leader's capability to match the appropriate democratic leadership attributes with the prevailing business climate. Thus, the phenomenon that emerges from the deployment of democratic leadership practices in organizations may not be entirely explained through the democratic leadership attributes but also by considering other constructs such as dynamic capabilities that have been highlighted by past literature. Cordero Páez *et al.* observe that a firm's dy-

namic capabilities have the potential to arouse unique leadership attributes that reconfigure its resource structure to enhance its competitive advantage [29]. Further, the emergent phenomenon may also be influenced by contextual settings, such as the firm size, under which democratic leadership is deployed. Although studies by Kitenga *et al.* did not find any significant moderating effect of firm size on the relationship between dynamic capabilities and firm performance, the firm's ability to respond quickly and flexibly to market dynamism was shown to determine its long-term competitive advantage [58]. Greiner's growth model associates the growth of a firm with an increment in the complexities of operational processes thus indirectly pointing to a leadership aspect. These observations highlighted dilemmas that can be explained by a better understanding of the theoretical underpinnings of the constructs and evidence from empirical studies.

The development of new theories through scientific research is critical in advancing knowledge. To expand the leadership scholarship, the study singled out several concepts that emerge from the literature that was reviewed, so as to front a case for developing a new theoretical model that takes into account democratic leadership, dynamic capabilities, firm size, and firm survival. Nachmias and Nachmias [67] assert that a new theoretical model allows researchers to theorize and suggest abstract propositions that can be tested as hypotheses through empirical investigations.

The first set of concepts that the study found critical for laying a foundation for a theoretical model relates to the multidimensionality of democratic leadership as was adduced from reviewed literature on theories of democracy and leadership. What emerged was that democratic leadership is not a fixed set of behaviors and actions displayed by leaders but a combination of behaviors and actions whose configuration is subject to the prevailing context. Once it is deployed in organizations, it brings out possibilities of outcomes that can be of interest in promoting firm survival. From the arguments of the different authors, the adaptive nature of democratic leadership results in consequences that impact a firm's dynamic capabilities and different perspectives of firm survival which are in turn conditioned by various attributes of firm size.

The second set of concepts described the emergent phenomenon and the likely components that it is constituted of. According to Muthimi and Kilika, a phenomenon is typified by a combination of a number of constructs whose nature and suitable operational indicators in real-life contexts need to be understood [67]. The reviewed literature was able to illuminate different aspects of constructs that include democratic leader behavior, democratic workplaces, democratic stewardship, dynamic capabilities, firm size, and firm survival. Further, from the arguments and opinions of the different authors from the reviewed literature, suitable operational indicators were identified which were thought of as able to facilitate the process of modeling the emergent phenomenon from the deployment of democratic leadership.

The third consideration that the study found critical in the modeling process was identifying the key constructs of the phenomenon and the important role played by each. This was done by proposing hypotheses that have empirical implications that can be applied to challenge the facts of existing knowledge. Such hypotheses may lead to the development of new theories that may require to be validated through empirical investigations thus opening new avenues for scholarship in empirical research. Therefore, it was concluded that by proposing a new theoretical model, the study can direct researchers to future areas for undertaking empirical investigations as well as fronting credible knowledge on democratic leadership.

4.2. The Proposed Theoretical Framework

In appreciation of the arguments and observations made from the reviewed literature, this study advanced a theoretical framework that can be applied to explain how the deployment of democratic leadership impacts firm survival. The framework was founded on four study constructs namely democratic leadership, dynamic capabilities, firm size, and firm survival. Besides identifying the constructs that constitute the phenomenon generated, the framework was intended to bring out the role of each of the constructs in the phenomenon by linking democratic leadership, dynamic capabilities, and firm survival in the context of firm survival. The framework is summarized in the Figure 2.

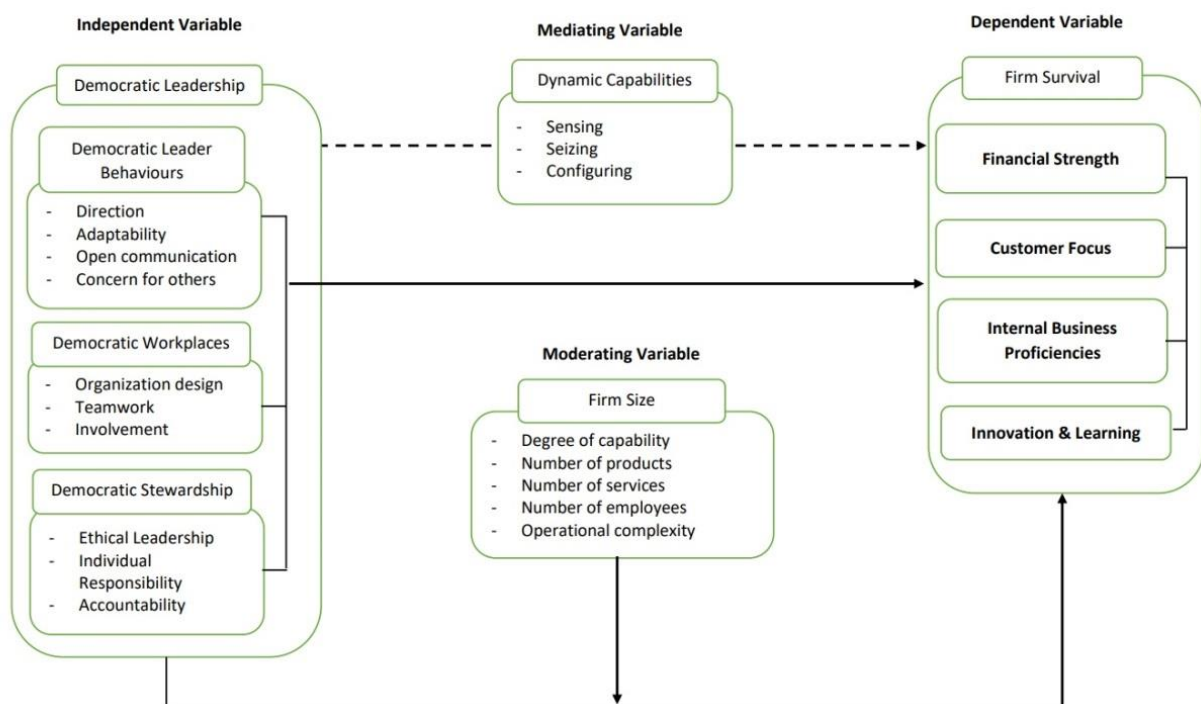


Figure 2. A theoretical model linking democratic leadership, dynamic capabilities, size, and firm survival.

1. Democratic Leadership and Firm Survival

The deployment of democratic leadership in organizations allows all employees to participate in the process of making decisions to solve problems and also in other activities that lead to the realization of organizational goals. SLT posits that effective leadership is best realized when the leader has the capacity to match the leadership style with the environmental demands and follower competencies. This infers that the quality of decisions made is impacted by the style that the democratic leader adopts and at the same time the style is able to impart to the organization the competitive advantage that guarantees its long-term survival.

The reviewed literature considered democratic leadership as a multidimensional construct and the phenomenon that emerges on the deployment of the construct is defined by the

degree to which the different attributes of the construct are combined based on the prevailing situation. Democratic leader behaviors enhance leader-follower relationships [61] whereas democratic workplaces provide a conducive work climate for decision-making [84]. The principles of democratic stewardship instill a sense of responsibility and accountability necessary for better performance and survival [30]. Previous studies have shown the existence of a relationship between democratic leadership and firm survival [7, 45], and the authors, therefore, propose that:

Proposition 1: Deployment of democratic leadership will positively affect various dimensions of firm survival.

2. The Role of Dynamic Capabilities

Although democratic leadership has been shown to impact the different measures of firm survival, the degree to which

this happens varies depending on the firm's capabilities, therefore, becoming an area of attention in research. Based on the postulations of the RBV, the attributes that define democratic leadership can be considered to form the foundation of the basic resources that when applied in organizations under ordinary circumstances can be seized and transformed to give rise to a phenomenon with higher capabilities and better firm survival chances. RBV considers firm resources as either tangible or intangible and require effective leadership for them to be developed and configured to confer a competitive advantage to organizations so that they can survive under turbulent environments [56]. North et al. opine that the firm growth and survival are pegged on Teece's dynamic capabilities trilogy of sensing, seizing, and configuring [69, 91]. Sensing capabilities enable organizations to identify underlying opportunities and threats, seizing capabilities enable organizations to optimize the opportunities, whereas configuring capabilities restructure the tangible and intangible resources to offer a competitive advantage that enhances firm survival. Thus, the emergent phenomenon arising from the deployment of democratic leadership can lead to better survival chances if it raises the firm's capabilities to sense, seize and transform the available internal and external resources. Consistent with strategic human resource management, the adoption of democratic leadership practice in organizations can lead to the learning and development of dynamic capabilities which pervade the entire organization to enhance its competitive advantage. Thus, it is proposed that:

Proposition 2: There is a correlation between democratic leadership and the firm's dynamic capabilities.

Proposition 3: Even though the deployment of democratic leadership influences firm survival, the extent of its effect is dependent on the nature of dynamic capabilities embraced by the firm.

3. The role of Firm Size

The reviewed literature considered firm survival as an outcome of firm growth. The phenomenon that is generated by the deployment of democratic leadership is considered to build firm dynamic capabilities that play a central role in equipping the organizations with the competitiveness necessary for survival across the various growth phases. Extant literature describes firm growth as an increase in size and firm size has been conceptualized in a myriad of ways. Different authors have described firm size as either the degree of capability, the number and the range of products and services offered, the number of employees in a firm, or the level of profitability a firm generates [50, 52, 88]. Abiodun opines that firm size determines the type of relationships that occur between the firm and the external as well as the internal environment [2]. Theoretically, big size is associated with the advantages of economies of scale due to higher chances of adopting the latest technology, lower costs of production, and expansive customer bases [88].

Critics of the positive linkage between firm size and economies of scale argue that an increase in firm size in-

creases the level of complexity and bureaucracy in organizations thus requiring the employment of more effective leadership practices in order to ensure organizations optimize the benefits of large-size [20]. The theory of optimal size posits that a firm's optimal size, described as the point at which it displays the lowest average cost of production per unit of output based on the existing conditions of technology and organizing capabilities, is influenced by environmental factors that include competition, innovativeness and entrepreneur's capabilities [58]. Firm survival according to Awu and Darius is determined by the leader's ability to match suitable leadership tactics with the environmental dynamics [20]. The arguments presented by the various authors on firm size infer that the phenomenon generated by the deployment of democratic leadership can be conditioned by the firm's optimal size which will depend on the leader's capabilities and other environmental factors. Thus, the author proposes that:

Proposition 4: The firm size moderates the relationship between democratic leadership embraced by the organization and firm survival.

Proposition 5: The relationship between democratic leadership practices embraced by the organization and the firm's dynamic capabilities is moderated by firm size.

5. Discussion

In consideration of the reviewed literature and the set of data that was collected and analyzed, it is observed that democratic leadership is a leadership style whose attributes of flexibility, adaptability, involvement, participation, and teamwork qualify for leadership 4.0 application in today's business climate characterized by Industry 4.0 conditions [19, 37, 45, 97, 98]. The patterns of the arguments from previous researches coalesce around three common themes that the study labeled as democratic leader behaviors, democratic workplaces, and democratic stewardship and were adopted as the three dimensions that the study used to explain how deployment of democratic leadership in organizations influences firm survival. Democratic leadership is characterized by leader behaviors that offer direction and involve subordinates in making of decisions [61, 82]. Secondly, the style creates a work climate that gives followers room to contribute positively to the decisions and operations of the organization which in turn promotes employee engagement and innovative culture [84]. Thirdly, the tenets of honesty, ethical leadership, and moral actions allow employees to willingly take up assigned duties and take care of the resources at their disposal on behalf of all stakeholders [30]. The process through which democratic leadership causes influence was shown to be affected by a firm's dynamic capabilities which were defined by the human resource competencies to identify and reshape resources and operational processes such as planning, marketing, production, and technology adoption [29, 56]. Organizations are social systems and the features that define firm size such as number of employees, number of services, number of products, capability potential,

and complexity of operations were found to affect the degree to which democratic leadership developed suitable dynamic capabilities needed to build a firms' competitive advantage for better firm survival outcomes [20, 58]. The findings implied that, the deployment of the three dimensions of democratic leadership to enhance firm survival requires development of dynamic capabilities that pay attention to certain human resource competencies which address complexities associated with firm size.

6. Conclusion

The study intended to investigate the nature of democratic leadership and the phenomenon that it brings out in a firm survival context. From the reviewed literature, the construct was shown to have an effect on a firm's chances of survival through the enhancement of different attributes of firm growth and performance related to Industry 4.0 conditions. The stimulation of dynamic capabilities associated with democratic leadership impacts the organization's potential to sense, seize, and transform the endogenous as well as exogenous resources at the organization's disposal to give superior products and services that enhance its competitive advantage properties and survival. In addition to the role played by democratic leadership and dynamic capabilities in promoting firm survival, the paper illuminated the role of firm size in maintaining the relationship between democratic leadership, dynamic capabilities, and firm survival. The paper went further to expound the conceptualization of each of the constructs by defining the operational indicators associated with each construct and by underpinning each of the constructs with a relevant theory. The adopted theories comprised Democratic Theory, Situational Leadership Theory, Stewardship Theory, Dynamic Capabilities Theory, Theory of Optimal Firm Size, and the BSC Model.

In spite of the depth and breadth of the reviewed literature, the author appreciated that the work was faced with certain limitations and constraints. First, democratic leadership is among the most studied leadership styles in history but unfortunately crafting this paper only relied on a narrow range of disciplines that were considered important in democratic leadership scholarship in a firm survival context. The intention was to invite a discussion from a multidisciplinary standpoint that strengthens the existing body of knowledge on the deployment of democratic leadership and the resultant outcomes. Secondly, the paper presented several propositions based on the conceptual and empirical reviews and what previous authors have observed therefore creating a knowledge gap that requires empirical investigations for its validation. In this regard, the paper recommends future research to encompass different contexts that can be adopted and research approaches that can translate the proposed theoretical model into a practical conceptual framework that can act as a suitable foundation for directing empirical studies that embrace operational indicators of the constructs with a view

to testing the proposed hypotheses using data that are factual.

Abbreviations

BSC	Balanced Score Card
MES	Minimum Efficient Scale
RBV	Resource Based View
SLT	Situational Leadership Theory

Conflicts of Interest

The author declares no conflicts of interest.

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