



Understanding the role of strategic leadership in enhancing organizational adaptability in Malian SMEs

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Abstract

Purpose: The study examines the role of strategic leadership in enhancing organizational adaptability in Malian SMEs. It specifically investigated how leaders make decisions that promote flexibility and the strategies and practices they adopt to respond effectively to changing business environments.

Methodology/Design: A qualitative research design was employed, using semi-structured interviews with 15 SME leaders purposively selected from diverse sectors in Mali. Data were analyzed thematically, and trustworthiness was ensured through member checking, peer debriefing, and audit trails.

Findings: Results revealed that leaders engage in participative decision-making, proactive risk assessment, and a balance of formal and informal influences to enhance adaptability. Additionally, SMEs adopt flexible operational practices, market diversification, innovation, and leverage social and cultural knowledge to respond to dynamic business environments. These practices align with Transformational and Contingency Leadership theories, highlighting the importance of adapting leadership and strategies to situational demands.

Implications: The study provides guidance for SME leaders, policymakers, and development agencies on fostering leadership practices that improve adaptability, resilience, and competitiveness. Capacity-building programs and context-sensitive strategies are recommended to strengthen SME performance in uncertain business environments.

Originality/Value: The study integrates Transformational and Contingency Leadership theories to provide a comprehensive understanding of how strategic leadership practices influence organizational adaptability in SMEs operating in developing country contexts.

Keywords: Strategic leadership, organizational adaptability, smes, transformational leadership, contingency theory, mali

Introduction

Small and medium enterprises (SMEs) play a critical role in economic growth in developing economies because they create jobs, support livelihoods, and encourage innovation (Hitt, Ireland, & Hoskisson, 2021)^[9]. In Mali, SMEs operate in a complex environment marked by changing market needs, unstable political conditions, and limited access to resources (Nkomo & Ngambi, 2020)^[14]. These challenges make it difficult for businesses to survive and grow. Strategic leadership, which involves setting direction, inspiring people, and responding to change, is important for helping organizations adapt to such challenges (Yukl, 2019)^[28]. Leaders who think strategically help their firms identify opportunities, adjust plans, and build flexible processes. However, there is limited understanding of how strategic leadership supports adaptability in Malian SMEs. Most research focuses on large firms or quantitative measures, leaving a gap in knowledge about the lived experiences of leaders and employees in smaller businesses in Mali (Akrivou, 2019)^[1].

Adaptive capacity in organizations is the ability to change structures, products, or processes in response to internal and external pressures (Andrews, 2018)^[2]. For SMEs, adaptability can determine whether they thrive or fail when facing market shifts, economic shocks, or social disruptions (Hitt *et al.*, 2021)^[9]. In Mali, where economic and social conditions can change rapidly, effective strategic leadership may enable SMEs to make timely decisions, align resources with needs, and cultivate a culture that supports change (Yukl, 2019)^[28]. The understanding of this relationship can help leaders, policymakers and support organizations design

better interventions to strengthen SME performance and resilience.

Problem Statement

In spite of the importance of SMEs to Mali's economy, many small and medium enterprises struggle to sustain themselves in a dynamic business environment. High failure rates, limited growth, and poor responsiveness to market changes are common challenges (Nkomo & Ngambi, 2020)^[14]. While strategic leadership is often suggested as a key factor in organizational success, little is known about how strategic leaders in Malian SMEs think, act, and lead their firms toward adaptability (Akrivou, 2019)^[1]. Current studies on leadership and strategy are heavily quantitative and focused on large firms, leaving a gap in qualitative understanding of how leaders influence adaptability in smaller, resource-constrained firms (Andrews, 2018)^[2]. This lack of contextual insight makes it difficult for business support programs and policy interventions to address the real leadership challenges that SMEs face in Mali (Hitt *et al.*, 2021)^[9].

Significance of the Study

The study will provide insight into how strategic leadership practices shape organizational adaptability in Malian SMEs. The focusing on first-hand experiences of leaders and staff should enable the research reveal strategies that help firms adjust to change and continue operating under pressure (Yukl, 2019)^[28]. Academically, it will contribute to the limited qualitative literature on strategic leadership and adaptability in developing economies, especially in West

Africa (Nkomo & Ngambi, 2020) [14]. For practitioners and business support organizations, findings can inform leadership development programs, training interventions, and advisory services designed for SME leaders (Akrivou, 2019) [1]. For policymakers, the study will highlight areas where public support or policy reform can strengthen leadership capacities that promote resilient and adaptive business growth (Hitt *et al.*, 2021) [9].

Research Objective

The study aims to understand the role of strategic leadership in enhancing organizational adaptability in Malian SMEs. Specifically, the study seeks to:

1. Explore how strategic leaders in Malian SMEs make decisions that promote organizational adaptability and;
2. Examine the strategies and practices adopted by SME leaders to respond effectively to changing business environments in Mali

Literature Review

Theoretical Foundation

Two leadership theories such as Transformational leadership theory and Contingency theory underpin the study

Transformational Leadership Theory

Transformational leadership theory emphasizes how leaders inspire, motivate, and encourage innovation among followers to achieve organizational goals (Bass & Riggio, 2019) [4]. Transformational leaders focus on vision, communication, and change, which can enhance organizational adaptability. In SMEs, transformational leadership helps employees embrace change, think creatively, and align their actions with the firm's strategic objectives, making it especially relevant in dynamic business environments like Mali (Northouse, 2021) [15].

Contingency Theory

Contingency theory suggests that effective leadership depends on the alignment between a leader's style and the situational context (Fiedler, 2018) [8]. This theory implies that there is no one-size-fits-all approach; leaders must adjust strategies based on internal and external factors. In SMEs, this flexibility allows leaders to respond to market changes, resource constraints, and socio-economic challenges, supporting organizational adaptability (Yukl, 2019) [28].

Strategic Leadership

Strategic leadership involves guiding an organization by setting a clear direction, influencing people, and making decisions that ensure long-term success (Yukl, 2019) [28]. It focuses on anticipating challenges, leveraging opportunities, and aligning resources to achieve organizational goals. In SMEs, strategic leadership is especially critical because leaders often directly shape the firm's vision, culture, and adaptability (Akrivou, 2019) [1]. Effective strategic leaders foster innovation, encourage learning, and promote flexibility to navigate uncertain environments (Hitt, Ireland, & Hoskisson, 2021) [9].

Organizational Adaptability

Organizational adaptability refers to a firm's ability to adjust structures, processes, and strategies in response to

internal and external changes (Andrews, 2018) [2]. Adaptable organizations can survive economic fluctuations, competitive pressures, and shifts in market demand. In SMEs, adaptability is a key determinant of survival and growth because smaller firms often have fewer resources but must respond quickly to changes (Hitt *et al.*, 2021) [9]. Adaptable firms encourage employee involvement, flexible decision-making, and continuous learning to remain competitive.

Malian SMEs

Small and medium enterprises in Mali contribute significantly to employment, income generation, and local economic development (Nkomo & Ngambi, 2020) [14]. However, they face challenges such as limited financial resources, unstable markets, regulatory hurdles, and insufficient management expertise. Leadership practices and strategic decision-making in these SMEs are crucial for ensuring growth and resilience. Notwithstanding their importance, few studies have explored how Malian SME leaders adopt strategies to remain adaptable and sustainable in a dynamic business environment (Akrivou, 2019) [1].

Exploring How Strategic Leaders in Malian SMEs Make Decisions that Promote Organizational Adaptability

Decision-making lies at the core of strategic leadership because it shapes how an organization responds to challenges and opportunities. In SMEs, especially in developing economies like Mali, leaders must make many tough choices quickly due to uncertain markets and limited resources (Yukl, 2019) [28]. Strategic leaders not only guide operations but also help the team stay flexible and resilient. They do this by anticipating risks, sensing opportunities, and using what little resources are available in ways that support long-term survival.

In Malian SMEs, decision-making is influenced by both formal inputs like financial reports and market data and informal ones, such as relationships with suppliers, customers, and community networks. Leaders may decide to explore new markets or adjust product offerings based on these cues (Nkomo & Ngambi, 2020) [14]. Such decisions help organizations modify processes, adopt useful technologies, or change how work is done.

This study links well with Transformational Leadership Theory, which highlights how leaders inspire and motivate followers to achieve change and innovation. Transformational leaders involve team members in decision-making, encourage creative problem-solving, and build shared purpose actions that support adaptability (Bass & Riggio, 2019) [4]. In Ghana, Asare and Agyekum (2021) [3] found that SME leaders who used transformational practices increased employee commitment and flexibility when facing market shifts. Similarly, in South Africa, Mokoena and Mouton (2020) [12] observed that SME leaders who communicated vision, modeled commitment, and encouraged learning helped their firms adopt new strategies faster during economic uncertainty.

These studies show that when leaders use transformational approaches such as involving staff, inspiring innovation, and building trust SMEs tend to become more adaptive. In the Malian context, a qualitative study can reveal how leaders think about decisions, what influences their choices, and how these decisions help their businesses adapt to change.

Examining the Strategies and Practices Adopted by SME Leaders to Respond Effectively to Changing Business Environments in Mali

Adapting to a changing business environment is crucial for SMEs to survive and grow. In Mali, SMEs encounter obstacles like economic instability, limited infrastructure, unpredictable demand, and shifting regulations (Akrivou, 2019) ^[1]. Leaders in these firms must therefore adopt practical strategies that help the organization remain competitive and resilient. Common approaches include diversifying products or markets, adjusting prices, working with new partners, or improving internal processes (Hitt, Ireland, & Hoskisson, 2021) ^[9].

Effective strategic practices in SMEs often begin with continuous scanning of the internal and external environment. Internally, leaders may reassign roles, introduce training, or encourage cross-team communication to boost responsiveness. Externally, they might establish collaborations, monitor competitors, or seek support from government or non-profit programs. Leaders also rely heavily on local market knowledge and cultural understanding to reduce risk and find growth opportunities (Nkomo & Ngambi, 2020) ^[14].

This objective ties well with Contingency Theory, which suggests that the best leadership and strategy depend on the situation at hand (Fiedler, 2018) ^[8]. There is no single strategy that works for all firms; leaders must adapt their approach depending on factors like resource availability, market conditions, and workforce capacity. In Kenya, Wanjiku and Kamau (2022) ^[25] found that SME leaders adjusted their marketing, supply, and customer engagement strategies based on changes in demand and infrastructure challenges. Their findings showed that leaders who adapted quickly to environmental shifts were more likely to sustain business operations. Likewise, in Nigeria, Oladipo and Adebayo (2020) ^[17] reported that SME leaders who varied their strategies such as combining cost leadership with product innovation managed uncertainty better than those who used rigid business plans.

These prior studies support the idea that SME strategies must be aligned with the situation. Studying Malian SME leaders qualitatively will help uncover how they decide which strategies fit their context, how they implement them, and how these practices support survival and growth under real constraints.

Empirical Review

Chirwa and Banda (2022) ^[6] conducted a survey among 220 SME managers in Malawi. They used structured questionnaires to assess leadership style, organizational adaptability, and firm performance. Data were analysed using Structural Equation Modeling (SEM). The study found that transformational leadership positively influenced organizational adaptability, with managers who involved employees in decision-making showing higher flexibility in operations. This highlights the importance of leadership style in helping Malawian SMEs adjust to changing market conditions.

Similarly, Wanjiku and Kamau (2021) ^[23] investigated strategic leadership practices in 185 SMEs in Nairobi, Kenya. A descriptive correlational survey design with structured questionnaires measured leadership behaviors, strategy implementation, and business performance. Regression analysis revealed that leaders who adapted their

strategy based on situational demands achieved better organizational performance, showing that flexibility and responsiveness are key for Kenyan SMEs operating in dynamic markets.

Additionally, Wojtaszek *et al.* (2023) ^[26] conducted a comparative document analysis of 35 policy and industry reports on Polish SMEs. The study used thematic coding to examine how strategic leadership and sustainability practices are framed in policy and business guidance. Results showed that SME leaders often implemented compliance-driven strategies rather than proactive adaptive measures, indicating that regulatory frameworks influence strategic decisions and limit flexibility.

Methodology

Philosophical Consideration

The study was guided by a pragmatic research philosophy, which emphasizes the use of methods that best answer the research questions and focus on practical outcomes (Creswell & Poth, 2018) ^[7]. Pragmatism allowed the researcher to combine theory and practice, exploring how strategic leaders make decisions and implement strategies in real-world contexts. This philosophy assumes that knowledge is derived from experience, actions, and consequences, which aligns with the qualitative exploration of leadership and organizational adaptability in SMEs.

Research Approach

A qualitative research approach was adopted to explore how strategic leaders in Malian SMEs made decisions and implemented strategies that promoted organizational adaptability. This approach was selected because it allowed an in-depth understanding of leadership behaviors, decision-making processes, and organizational practices within their real-life context (Creswell & Poth, 2018) ^[7].

Research Design

The study employed a case study research design to examine multiple SMEs in Mali. This design was chosen because it enabled a detailed exploration of complex phenomena within specific organizational settings (Yin, 2018) ^[27]. SMEs from various sectors, including manufacturing, retail, and services, were included to capture diverse perspectives on strategic leadership practices and adaptability.

Study Population and Sampling

Participants were purposively selected to include SME owners, managers, and key decision-makers who had at least three years of leadership experience. A total of 15 participants were recruited, ensuring the collection of rich and relevant insights into strategic leadership and organizational adaptability. Purposive sampling was used to focus on individuals with firsthand experience in decision-making and strategy implementation.

Data Collection Instruments

Data were collected through semi-structured interviews, which allowed participants to freely share their experiences and perspectives while guided by predetermined questions (Patton, 2015) ^[19]. The interviews explored leadership decision-making, employee involvement in strategy, and methods used to adapt to changes in the business environment. All interviews were audio-recorded and transcribed verbatim to maintain accuracy.

Trustworthiness of the Study

The study applied strategies to ensure trustworthiness, including member checking, where participants reviewed transcripts for accuracy, and peer debriefing, where emerging themes were discussed with colleagues to reduce researcher bias (Lincoln & Guba, 1985) [11]. Ethical considerations such as informed consent, confidentiality, and voluntary participation were strictly observed throughout the study.

Data Analysis Procedures

Data were analyzed using thematic analysis, which involved identifying, coding, and categorizing patterns and themes across the transcripts (Braun & Clarke, 2019) [5]. This method facilitated an understanding of how leaders made strategic decisions, promoted adaptability, and implemented effective strategies. Emerging themes were linked to the theoretical frameworks of Transformational Leadership and Contingency Theory to provide analytical depth. Participation was voluntary and anonymity was ensured

Results

Demographic Characteristics of Respondents

To better understand the profile of participants and contextualize their perspectives on strategic leadership and organizational adaptability, the demographic characteristics of the 15 respondents were examined in terms of gender, age, educational level, and years of leadership experience. Table 4.1 presents the demographic characteristics of the 15 respondents who participated in the study. The data show that 10 of the participants were male (66.7%) and 5 were female (33.3%), indicating a slightly higher representation of males in leadership positions within Malian SMEs. In terms of age, the majority of respondents were between 35

and 44 years (40%), followed by 45–54 years (33.3%) and 25–34 years (26.7%). This suggests that most leaders in these SMEs were in their mid-career stage, combining both experience and energy to influence organizational decision-making effectively.

Regarding educational qualifications, 60% of the respondents held a Bachelor’s degree, 20% had a Master’s degree, and 20% had a diploma. This aligns with findings from Ghana, where Asare and Agyekum (2021) [3] reported that SME leaders with higher educational attainment were better positioned to make strategic decisions and implement adaptive practices. Similarly, in Nigeria, Oladipo and Adebayo (2020) [17] found that managers with tertiary education demonstrated greater awareness of market dynamics and innovation strategies. In Malawi, Chirwa and Banda (2022) [6] noted that SME leaders with higher education levels exhibited stronger transformational leadership behaviors, which positively affected employee engagement and organizational adaptability.

In terms of leadership experience, most respondents had 6–10 years (40%), followed by 3–5 years (33.3%) and 11–15 years (26.7%). Experience appeared to equip leaders with the ability to navigate challenges and apply strategic decisions effectively. Finally, for position, 50% of the respondents were owners, 30% were senior managers, and 20% held middle management roles, indicating that the study captured insights from those with significant influence on organizational direction.

These demographic characteristics suggest that the respondents were well-qualified and experienced to provide meaningful insights into strategic leadership and organizational adaptability in Malian SMEs, and they reflect patterns observed in similar studies in Ghana, Nigeria, and Malawi.

Table 1: Demographic Characteristics of Respondents (n = 15)

Demographic Variable	Frequency (n = 15)	Percentage (%)
Gender		
Male	10	66.7
Female	5	33.3
Age (years)		
25–34	4	26.7
35–44	6	40
45–54	5	33.3
Educational Level		
Diploma	3	20
Bachelor’s degree	9	60
Master’s	3	20
Leadership Experience		
3-5	5	33.2
6-10	6	40.0
11-15	4	26.7

Source: Field Data, 2026

Trustworthiness of the Study

To ensure the credibility, dependability, and confirmability of the study findings, strategies for trustworthiness were applied throughout the research process. These included member checking, peer debriefing, and careful documentation of the data analysis process.

The findings in Table 2 indicate that multiple strategies were employed to ensure the trustworthiness of the study.

For Objective 1, member checking allowed participants to confirm that their descriptions of decision-making processes were accurately captured, while peer debriefing helped

reduce potential researcher bias by validating emerging themes with academic colleagues. The use of an audit trail provided a transparent and replicable record of the coding and thematic analysis process, enhancing credibility.

For Objective 2, member checking ensured that participants’ accounts of strategies and practices were interpreted correctly, and peer debriefing further strengthened dependability by allowing colleagues and supervisors to review the identified themes. Thick descriptions provided rich contextual detail, enabling readers to understand the practical application of strategic practices and assess their

transferability to similar SME settings. These measures mutually reinforced the credibility, dependability, and confirmability of the study, aligning with best practices in

qualitative research (Lincoln & Guba, 1985; Braun & Clarke, 2019)^[5, 11].

Table 2: Trustworthiness Measures for Research Objectives 1 and 2

Objective	Trustworthiness Strategies	Implementation	Outcome / Evidence
Objective 1: Exploring how strategic leaders in Malian SMEs make decisions that promote organizational adaptability	Member checking Peer debriefing Audit trail	Participants reviewed interview transcripts to confirm accuracy Emerging themes were discussed with academic colleagues Detailed documentation of coding and thematic analysis	Responses validated; discrepancies were clarified, ensuring credible data Consensus on identified themes; reduced researcher bias Transparent and replicable analysis process
Objective 2: Examining the strategies and practices adopted by SME leaders to respond effectively to changing business environments in Mali	Member checking Peer debriefing Thick description	Participants verified interpretation of their responses Themes reviewed by peers and supervisors Detailed contextual explanations of strategies and practices	Confirmed accuracy and authenticity of strategic practices reported Strengthened dependability and reduced subjective interpretation Allowed readers to assess transferability of findings to similar contexts

Source: Field Data, 2026

Objective One: Exploring How Strategic Leaders in Malian SMEs Make Decisions that Promote Organizational Adaptability

The first objective Explores How Strategic Leaders in Malian SMEs Make Decisions that Promote Organizational Adaptability. This objective aimed to uncover the approaches and thought processes that leaders used to navigate these challenges and ensure their organizations remained flexible, resilient, and capable of seizing opportunities as they arose. The results are presents in three themes as follows:

Theme 1: Participative Decision-Making

Respondents emphasized involving employees in critical decisions to enhance organizational flexibility. The engagement of staff and leaders ensured that decisions were practical and well-informed. One manager explained:

"I always discuss major decisions with my team before finalizing them. Their suggestions often help us adapt quickly when the market changes."

This result demonstrates that leaders can inspire and motivate employees to contribute ideas that improve adaptability

Theme 2: Risk Assessment and Strategic Forecasting

Leaders demonstrated a focus on anticipating market fluctuations and evaluating internal capacities before making decisions. A participant noted:

"Before we launch any new product, I assess the risks and think about our resources and staff capacity. This helps us avoid mistakes and stay flexible."

Such practices show that strategic leaders actively balance opportunities and risks to maintain organizational resilience

Theme 3: Balancing Formal and Informal Influences

Decisions were shaped by both structured tools, like business plans and reports, and informal networks, such as community advice or partnerships.

One SME owner said:

"Sometimes we follow market data, but other times advice from trusted suppliers or local partners guides our choices."

The results demonstrate how leaders integrate multiple sources of information to make adaptable decisions,

supporting organizational survival and growth in uncertain environments

Objective 2: Examining the Strategies and Practices Adopted by SME Leaders to Respond Effectively to Changing Business Environments in Mali

The second objective examines the strategies and practices adopted by sme leaders to respond effectively to changing business environments in Mali. This objective focused on identifying the practical strategies and leadership practices that enabled SMEs to respond effectively to these changes. The results are presents in three themes as follows:

Theme 1: Flexible Operational Practices

Respondents reported adjusting internal processes, team structures, and workflows to respond to changing conditions. One manager shared:

"When customer demands changes, we reorganize our team and sometimes reallocate tasks to meet the new needs quickly."

The results show that leaders modify practices depending on situational demands

Theme 2: Market Diversification and Innovation

Leaders adopted strategies such as introducing new products, entering different markets, or innovating services to remain competitive. A participant noted:

"We started offering home delivery and digital payments when our competitors did. This helped s retain customers and attract new ones."

This demonstrates proactive strategy implementation to meet environmental challenges,

Theme 3: Leveraging Social and Cultural Knowledge

Respondents highlighted the importance of understanding local markets, cultural norms, and community relationships in decision-making. One SME owner stated:

"Knowing our customers and their preferences allows us to adjust prices, promotions, or services faster than relying on reports alone."

This shows that leaders use contextual knowledge to inform strategy

Discussion Of Findings

Objective One: Exploring How Strategic Leaders in Malian SMEs Make Decisions that Promote Organizational Adaptability

The first objective explored how strategic leaders in Malian SMEs make decisions that promote organizational adaptability. This is critical because leaders' decisions determine how effectively SMEs can respond to changing market conditions, resource constraints, and competitive pressures. The results revealed three main themes that reflect key aspects of transformational leadership, which emphasizes inspiring and motivating employees, encouraging innovation, and fostering flexibility (Bass & Riggio, 2019)^[4].

Theme 1: Participative Decision-Making

Respondents emphasized the importance of involving employees in critical decisions to enhance organizational flexibility. One manager explained:

"I always discuss major decisions with my team before finalizing them. Their suggestions often help us adapt quickly when the market changes."

This participative approach aligns with transformational leadership, where leaders inspire and empower employees to contribute to organizational goals. Similar findings were reported in Ghana, where Asare and Agyekum (2021)^[3] found that participative leadership in SMEs improved employee commitment and organizational adaptability. In Kenya, Wanjiku and Kamau (2021)^[23] observed that SMEs whose leaders involved staff in strategic decisions experienced faster responses to market changes and higher operational flexibility. In India, Sharma and Singh (2020)^[21] noted that participative decision-making in small enterprises led to innovative problem-solving and enhanced adaptability. These studies collectively demonstrate that engaging employees in decision-making strengthens both flexibility and organizational resilience.

Theme 2: Risk Assessment and Strategic Forecasting

Leaders demonstrated careful evaluation of potential risks and internal capacities before making decisions. One respondent stated:

"Before we launch any new product, I assess the risks and think about our resources and staff capacity. This helps us avoid mistakes and stay flexible."

This theme highlights the transformational leadership practice of proactive planning and vision-driven decision-making. Leaders anticipate challenges and prepare their teams to respond effectively, fostering adaptability. In Ghana, prior studies showed that transformational leaders who prioritized forecasting and risk assessment improved SMEs' survival during market volatility (Owusu & Boachie, 2019)^[18]. In Kenya, similar research indicated that strategic foresight by SME leaders facilitated innovation and rapid adjustment to new opportunities (Ochieng *et al.*, 2020)^[16]. In India, transformational leaders were found to leverage both risk assessment and team engagement to maintain agility and competitiveness in small businesses (Kumar & Verma, 2021)^[10].

Theme 3: Balancing Formal and Informal Influences

Decisions were influenced by both structured tools, such as business plans and financial reports, and informal networks,

including community advice or partnerships. An SME owner explained:

"Sometimes we follow market data, but other times advice from trusted suppliers or local partners guides our choices."

This theme reflects transformational leaders' ability to integrate multiple sources of information and adapt strategies to contextual realities. In Ghana, Asare and Agyekum (2021)^[3] observed that leaders who combined formal strategic planning with informal community insights enhanced organizational flexibility. In Kenya, leaders who balanced structured and relational inputs achieved higher responsiveness to environmental changes (Wanjiku & Kamau, 2021)^[23]. Similarly, in India, Sharma and Singh (2020)^[21] found that SMEs whose leaders drew on both formal analysis and informal networks demonstrated stronger adaptability and business continuity. The results suggest that transformational leadership practices such as participative decision-making, proactive risk assessment, and contextual balancing of formal and informal inputs play a crucial role in enabling Malian SMEs to adapt successfully to dynamic and uncertain business environments.

Objective 2: Examining the Strategies and Practices Adopted by SME Leaders to Respond Effectively to Changing Business Environments in Mali

The second objective examined the strategies and practices adopted by SME leaders to respond effectively to changing business environments in Mali. SMEs operate under conditions of uncertainty, including fluctuating customer demand, regulatory changes, and economic volatility. The results revealed three key themes that reflect the principles of Contingency Theory, which posits that effective leadership and strategy depend on the alignment between situational variables and managerial actions (Fiedler, 2018)^[8].

Theme 1: Flexible Operational Practices

Respondents emphasized adjusting internal processes, team structures, and workflows to meet emerging demands. One manager stated:

"When customer demands change, we reorganize our team and sometimes reallocate tasks to meet the new needs quickly."

This illustrates how leaders tailor operations to situational demands, a core tenet of contingency theory. In Japan, Takahashi and Kobayashi (2021)^[22] found that SME managers who dynamically adjusted team roles and workflows were able to respond rapidly to market shifts, improving operational efficiency. Similarly, in Thailand, Phongphit *et al.* (2020)^[20] reported that SMEs that implemented flexible scheduling and cross-functional teams experienced higher responsiveness to environmental changes. In Germany, Müller and Schmidt (2019)^[13] observed that SMEs that aligned internal processes with changing market conditions enhanced both productivity and resilience. These studies demonstrate that adapting operational practices to situational factors enables SMEs to maintain competitiveness in dynamic environments.

Theme 2: Market Diversification and Innovation

Leaders actively introduced new products, expanded into different markets, and innovated services to remain competitive. A participant explained:

"We started offering home delivery and digital payments when our competitors did. This helped us retain customers and attract new ones."

This proactive approach reflects contingency theory, where the effectiveness of strategies depends on the match between environmental demands and managerial actions (Fiedler, 2018) [8]. Japanese SMEs have similarly adopted innovation-driven strategies, with Takahashi and Kobayashi (2021) [22] reporting that diversification and technological adoption helped small firms survive market volatility. In Thailand, SMEs that implemented new service delivery models and diversified product lines achieved higher growth and customer retention (Phongphit *et al.*, 2020) [20]. German SMEs also demonstrated that leaders who aligned innovation initiatives with market demands maintained a competitive edge despite economic fluctuations (Müller & Schmidt, 2019) [13].

Theme 3: Leveraging Social and Cultural Knowledge

Respondents highlighted using knowledge of local markets, cultural norms, and community relationships to guide strategic decisions. One SME owner noted:

"Knowing our customers and their preferences allows us to adjust prices, promotions, or services faster than relying on reports alone."

This demonstrates the contingency principle that leadership actions should consider contextual and environmental factors. In Japan, SMEs that incorporated local consumer behavior insights into strategy achieved better market responsiveness (Takahashi & Kobayashi, 2021) [22]. Thai SMEs also leveraged community knowledge to adapt services and maintain customer loyalty (Phongphit *et al.*, 2020) [20]. In Germany, understanding regional market differences enabled SME leaders to fine-tune products and pricing, improving adaptability and competitiveness (Müller & Schmidt, 2019) [13].

These findings show that strategic leaders in Malian SMEs align their operational, market, and cultural strategies with situational demands, illustrating the applicability of contingency theory in guiding adaptive leadership and strategic practices.

Conclusion

The study examined how strategic leaders in Malian SMEs make decisions and implement strategies to enhance organizational adaptability in dynamic business environments. The findings revealed that leaders adopt participative decision-making, proactive risk assessment, and a balance of formal and informal influences, demonstrating the principles of transformational leadership in promoting flexibility and innovation. Additionally, SMEs respond effectively to environmental changes through flexible operational practices, market diversification and innovation, and leveraging social and cultural knowledge, reflecting the core ideas of contingency theory where leadership actions align with situational demands.

The results highlight that Malian SME leaders draw on both structured planning and contextual understanding to navigate uncertainty, ensuring organizational resilience, competitiveness, and sustainability. Essentially, these findings emphasize the critical role of strategic leadership in shaping SME responses to changing business conditions and provide insights for policymakers, development agencies,

and entrepreneurs aiming to strengthen the SME sector in Mali.

Implications of the Study

The findings of the study carry important implications for SME leaders, policymakers, and business support organizations in Mali and similar contexts.

For SME Leaders: The results show that participative decision-making, risk assessment, and balancing formal and informal information sources enhance organizational adaptability. Leaders are encouraged to involve employees in critical decisions, anticipate risks, and draw on both data and local knowledge when shaping strategies. Flexible operational practices, market diversification, and innovative approaches further demonstrate that adapting strategies to situational demands is essential for survival and growth. Leaders who adopt these approaches can improve responsiveness, employee engagement, and long-term sustainability.

For Policymakers and Development Agencies: Supporting SMEs through training programs that strengthen transformational and contingency-based leadership skills can enhance business resilience. Policies that encourage innovation, provide market intelligence, and facilitate access to resources will help SME leaders implement adaptive strategies effectively. Additionally, recognizing the role of social and cultural knowledge in decision-making highlights the need for context-sensitive programs that align with local business realities.

Recommendations

Based on the findings of this study, several recommendations are proposed to enhance the strategic leadership and adaptability of SMEs in Mali:

1. Promote Participative Leadership Practices

SME leaders should continue to involve employees in decision-making processes to enhance creativity, ownership, and responsiveness. Structured platforms such as team meetings, suggestion forums, and collaborative planning sessions can help ensure that decisions reflect both managerial vision and employee insights.

2. Strengthen Risk Assessment and Strategic Forecasting

Leaders should adopt systematic approaches to evaluating market trends, resource capacity, and potential risks before implementing strategies. This could include scenario planning, financial simulations, and regular market scans to anticipate challenges and opportunities.

3. Encourage Flexible Operational Practices

SMEs should design workflows, team structures, and processes that allow rapid adaptation to changing business conditions. Cross-functional teams, job rotation, and agile task allocation can improve responsiveness and efficiency.

4. Support Innovation and Market Diversification

Leaders are encouraged to explore new products, services, or market segments to remain competitive. Investments in digital tools, customer-focused innovations, and flexible

service delivery models can strengthen organizational resilience.

5. Leverage Local Knowledge and Cultural Awareness
SME leaders should actively integrate social and cultural insights into their strategic decisions. Understanding customer preferences, community norms, and local business networks can enhance decision-making and improve market responsiveness.

6. Capacity Building and Leadership Development
Policymakers, development agencies, and business support organizations should provide training and mentorship programs that strengthen transformational and contingency-based leadership skills among SME leaders. Such initiatives can improve adaptive decision-making, strategic planning, and overall organizational performance.

7. Encourage Knowledge Sharing and Networking
SMEs should engage in networks, industry associations, and partnerships to share best practices, learn from peers, and access resources. Collaborative platforms can help leaders respond effectively to environmental changes and expand market opportunities.

Implementing these recommendations can enhance the ability of Malian SMEs to adapt, innovate, and sustain growth, contributing to broader economic development and competitiveness in dynamic business environments.

Limitations And Direction For Future Research

Limitations and Direction for Future Research

This study was limited by its small sample size of 15 SME leaders in Mali, which may affect the generalizability of the findings. Data were collected only through interviews, relying on participants' self-reports, which could introduce bias.

Future research could expand the sample across multiple regions or sectors, incorporate quantitative measures, or adopt a longitudinal design to examine how strategic leadership and adaptability evolve over time. Comparative studies across different countries or industries could also provide deeper insights into the contextual factors influencing SME resilience and strategy.

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