A REVIEW ON THE ROLE OF STRATEGIC LEADERSHIP IN CORPORATE STRATEGY DEVELOPMENT

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Abstract

In addition to examining the difficulties firms have when successfully incorporating strategic leadership throughout their strategy development procedures, this study covers the crucial role that strategic leadership plays in forming corporate strategies. The study uses semi-structured interviews with CEOs, executives, and senior managers from a range of businesses in order to gather data using a qualitative methodology. By highlighting its influence on decision-making, the distribution of resources, and strategy implementation, thematic analysis sheds light on the complex and varied nature of strategic leadership. The results highlight the need for strategic leaders to be emotionally intelligent, analytical thinkers, flexible, and willing to take measured risks. In addition, the paper discusses the mutually reinforcing nature of corporate strategy formulation and strategic leadership, illuminating the competencies and attributes necessary for successful leadership in the framework of strategy formulation. Although strategic leadership is widely recognized as important, businesses frequently find it difficult to include it into the process of formulating their strategies, which results in less-than-ideal strategic decisions. The study adds to the conceptual framework that makes sense of the complex interactions between company strategy and strategic leadership. The study emphasizes the need of having a clear vision, making well-informed decisions, and fostering an innovative and continuous improvement culture as strategic leaders navigate difficult settings. The research findings offer significant perspectives for scholars and professionals that aim to elevate strategic leadership methodologies and elevate overall strategic results.

Keywords: Strategic Leadership, Corporate Strategy, Decision Making, Organizational Outcomes

INTRODUCTION

The study of strategic leadership focuses on the few executives in charge of an organization's overall direction (Finkelstein et al., 2009). The central tenet of strategic leadership, also known as "upper echelons theory" (Hambrick, 2007), is that a small group of individuals who hold positions of authority within an organization, known as the top management team (TMT), have a significant impact on organizational outcomes. Because of this, the TMT has long been regarded as a valuable research unit (Finkelstein & Hambrick, 1990; Wiersema & Bantel, 1992; Smith et al., 1994; Hambrick et al., 1996; Carpenter et al., 2004).TMT researchers have historically concentrated their emphasis on the demographics of the people who hold TMT positions, but more lately, their interest has expanded to include the positions that make up the TMT (Menz, 2012; Strand, 2014). In response to Hambrick's assertion that "there has to be considerably more attention paid to the "structure" of TMTs, to complement- and improve our understanding of TMT composition and processes," this new discipline of TMT studies was created. According to Hitt et al. (2007), "Strategic leadership is the ability to anticipate, envision, maintain flexibility, and empower others to create strategic change as necessary." This definition highlights the importance of both foresight and agility in strategic leadership, as well as the ability to inspire and enable others to contribute to strategic change. Strategic leaders must be able to think strategically, communicate effectively, and build strong relationships both within and outside the organization. In order to develop and implement an effective corporate strategy, strategic leaders must

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also be able to align the organization's resources and capabilities with its goals and objectives. This requires a deep understanding of the organization's strengths and weaknesses, as well as the ability to identify and capitalize on opportunities in the market. Strategic leaders must also be able to manage risk effectively, and make informed decisions based on a careful analysis of data and market trends.

In order to accomplish the goals of the organization, Hitt et al. (2020) stated that "strategic leadership requires directing the strategic decision-making process and facilitating the execution of the resulting strategies." They contend that in order to make wise judgments on resource allocation and the creation of strategies that can create long-term competitive advantage, strategic leaders must have a thorough awareness of the organization's internal and external environments. They also need to be able to inspire and motivate staff to effectively implement these tactics. Strategic leaders must be adaptable and able to navigate complex and uncertain situations. They must be willing to take calculated risks and experiment with new ideas and approaches to achieve their objectives. They argue that effective strategic leadership requires a combination of analytical thinking, emotional intelligence, and a willingness to learn from failure (Hitt et al., 2020).

Overall, the research indicates that effective strategic leadership is essential to the creation and implementation of company strategy. A clear vision must be established, decisions must be based on the organization's strengths, weaknesses, opportunities, and threats, and a culture of innovation, risk-taking, and constant improvement must be promoted. To accomplish their goals, they must also be flexible and willing to try out new concepts and strategies.

Despite the widely acknowledged significance of strategic leadership in the development of corporate strategies, organizations frequently struggle to integrate strategic leadership effectively into their overall strategy development process, which results in less-than-ideal strategic choices and outcomes (Moore, 2024). This emphasizes the need for a greater comprehension of how strategic leadership may be successfully included into the creation of company strategy.

Corporate strategy is developed with the help of strategic leadership, which establishes the course, makes essential choices, and coordinates resources to meet organizational objectives (Amey & Eddy, 2023). It ensures that strategies are carried out effectively, clarifies the goals and the vision, and promotes innovation and growth. Without strategic leadership, firms can have trouble adapting to shifting market conditions and lose out on chances for long-term success.

Organizations can benchmark themselves against competitors and assess their own strengths and weaknesses with the aid of research (Barkun et al., 2023). Leaders can allocate resources, make investments, and innovate more effectively by examining data and trends. In conclusion, research is essential to the creation of business strategy because it equips strategic executives with the knowledge they need to decide wisely, comprehend market trends, and spot growth possibilities (Pearlson et al., 2024). It ensures long-term performance by assisting firms in being competitive and adjusting to shifting surroundings.

The research question could be framed as:
1. What effect does strategic leadership have on the development of company strategy?
2. How does corporate strategy creation influence the development of strategic leadership?
3. What are the key skills and qualities needed for strategic leadership that is effective in the context of developing business strategy?
4. What challenges and opportunities do strategic leaders face as they try to match the organization's resources and competencies with its strategic objectives?

The Concept of Leadership

In organizations, leaders and managers play a number of roles. Managers oversee and maintain institutions while leaders work to reform them. At different times and points in their lives, organizations have different needs for these jobs. For businesses to succeed, executives must be flexible and handle both change and creativity (Birasnav & Bienstock, 2019). According to Altman and Tushman (2017), leaders employ a range of strategies to make sure those followers have the drive and understanding of their missions required to accomplish their goals. These strategies range from covert use of authority to subtle persuasion. To make it simpler for workers to meet company goals, they also rearrange the workplace, such as allocating finances and changing communication styles (Ali, 2020). Traits, behavior, authority, communication styles, work, interpersonal relationships, and occupation in an administrative function have all been used to characterize leadership. Leadership, according to Anwar (2017), is the capacity to direct, empower, and inspire others to make contributions to the productivity and growth of the organizations to which they belong. The term "leadership" refers to a two or Alayoubi et al. (2020) more person power mechanism is from 2020. They demonstrate that the target of the impact marketing must link it to and acknowledge a certain person. Some writers have made an effort to define leadership all together. Shao (2019) for instance, defined leadership as the style of a leader's persuasion and its repercussions and how these influencing processes affect them are expressed by the behavioral traits of the leader and behaviors, follower goals and expectations, and the environment that the influencing process takes place in (Anwar, 2016). Despite the fact that most leaders According to academics, leadership is the process of Coordinating the efforts of others to attain objectives and process change, establishing a course, and motivating individuals to overcome obstacles and advance the business towards objectives are all important aspects of leadership (Metz, 2020).

Leaders use influence to motivate their followers and coordinate the workplace so that they can do their jobs more effectively. There are leaders not only in the executive office, but in the organization (Anwar & Shukur, 2015). French and Raven described five outlets or bases of control that a leader may use to achieve the goal legitimate (power of position in the organization), coercive (power based on the ability to punish or control), reward (power to bestow benefits or rewards), expert (power based on knowledge, special skills, or competence), and referee (power based on knowledge, special skills, or expertise). Additionally, several leadership models have various viewpoints on how to categorize the characteristics and conduct of leaders that are critical to the leadership process. Then, we'll go over some of the most popular leadership ideas that have a direct bearing on self-leadership (Anwar & Ghafoor, 2017).

Self-Leadership tended to favor theories that relate to the situation mentioned above, such as a leader's capacity for keep your imagination and adaptability in a fast-paced, chaotic environment settings, based on the most recent leadership research (Hiwa et al., 2021) Theories. In line with Richter et al. Leadership is comparable to transformative leadership in 2019 due to the fact that it prompts better performance by responding to higher interests of followers. Furthermore, leadership is connected combining ideas of team-oriented leadership that place an the power of leaders to inspire higher levels of group commitment by focusing on encouraging team members' participation and loyalty ties between staff members and leaders (Abdullah et al. 2021). Meanwhile value-based management is a leadership-related concept that is characterized by a leader's ability to create a high-standard vision while demonstrating faith in the followers' potential to succeed (Anwar & Balcioglu, 2016). People are inspired by leaders who pique public interest and offer intellectual stimulation. The capacity of this leader to increase awareness of issues by assisting viewers in understanding previous issues Excite, stimulate, and

motivate followers in novel ways to go above and beyond in order to accomplish the group's goals.

Strategic Competitiveness

In the area of strategic literature, developing and preserving a competitive advantage by a firm has become a prominent research topic. Two methods for achieving a company's competitive edge have arisen, according to numerous strategy management researchers. The two viewpoints are systemic theory (Jumaa & Alleyne, 2017) and resource-based interpretation (Hameed & Anwar, 2018). According to RBV, a company's financial health is the only source of a competitive advantage. Additionally, it outlines the features and traits that a firm's resources must have in order to serve as a source of long-term competitive advantage. Companies with valuable and scarce resources would, in the short term, acquire a competitive edge and boost production, according to Anwar (2017).companies with valuable and scarce resources would gain a competitive advantage and increase productivity. To retain these advantages over time, a company's capital must be one-of-a-kind and irreplaceable. The importance of a firm's resources and competencies as a source of competitive advantage has been recognized by a great deal of empirical and academic work. Different strategic strategies require different organizational resources and competencies, as well as different environments, to contribute to the growth and protection of the firm's profitability (Anwar & Ghafoor, 2017). Anwar (2016) developed a model for the operation of competitive advantage in exporting in order to examine the tools of competitive advantage. According to the model, superior export productivity is based on the ability to manage a complex network of partnerships, which can be used to enhance the knowledge and resource base perspective that is the foundation for long-term competitive advantage. Furthermore, core competence has emerged as a crucial concept in corporate planning as a firm's internal capital. The relationship between core competencies, competitive advantage, and organizational performance is investigated by Anwar and Climis (2017).

Competitive Advantage

Businesses need to establish a competitive advantage over their rivals if they want to succeed and win. The business has a clear advantage over its rivals when it comes to providing customers with worthwhile services. There are numerous ways to define "competitive advantage." According to Porter (1985), a company's competitive advantage is its relative market positioning dominance, which enables it to outperform its rivals. According to Abdullah (2017), a company's ability to create and implement a plan that outperforms its rivals in the same market or the industry as a whole is what constitutes a competitive edge. Therefore, in order to gain a competitive edge, a company must be able to offer its clients more value than its rivals. This is referred to as having a competitive advantage. Competitive advantage, according to some scholars, is important only if it is related to a market valued attribute (Anwar & Balcioglu, 2016). Customers must be able to distinguish between the producer's products or services and those provided by competitors based on key characteristics. These discrepancies may be linked to specific product/delivery characteristics that are among the most relevant buying criteria in the industry (Anwar & Ghafoor, 2017).

METHODOLOGY

In-depth case studies of businesses that have effectively undergone digital transformation will be combined with a methodical assessment of the body of literature on strategic management and corporate leadership. In addition, surveys would be carried out to acquire a more comprehensive grasp of the ways in which corporate leadership affects strategic management and the opportunities and problems that

businesses encounter in this domain. In order to determine the main conclusions of the study and create a theoretical framework that can clarify how corporate strategy affects strategic management, the data would be analyzed. The research results and their theoretical and practical ramifications would be the subject of presentation and discussion.

CONCLUSION

The literature review explores the complex idea of leadership in the context of organizations. CEOs need to be flexible enough to handle both change and inventiveness. She claims that this kind of adaptability is essential for commercial success. Leaders use a variety of tactics, from subtle persuasion to the covert exercise of authority, and they frequently reorganize the workplace to help achieve their objectives. Many characteristics, such as character traits, behavior, authority, communication styles, tasks, interpersonal connections, and administrative responsibilities, define leadership. The ability to guide, empower, and inspire people is a necessary component of the concept of leadership, highlighting the importance of leaders in promoting the development and productivity of organizations.

The five sources of power identified by French and Raven (legitimate, coercive, reward, expert, and referent) shed light on the ways in which leaders sway and manipulate their subordinates. By highlighting the significance of influence in inspiring followers and arranging tasks for maximum efficiency, leadership models add to our knowledge of the essential traits and actions of leaders. Self-leadership becomes more important in hectic and fast-paced situations where a leader's ability to think creatively and adaptable is essential.

The evaluation also covers strategic competitiveness, which is concerned with creating and maintaining a competitive edge. Systemic theory and resource-based interpretation are two well-known viewpoints that offer frameworks for comprehending how businesses might acquire and maintain a competitive edge. According to the resource-based view (RBV), a company's financial standing is a major source of competitive advantage, highlighting the significance of special and irreplaceable resources for sustained success. It has been determined that core skills are essential internal resources that support corporate success and competitive advantage.

A recurring theme in the literature is competitive advantage, which Porter (1985) defined as a company's relative market positioning superiority that enables it to outperform competitors. It entails having the capacity to provide clients with greater value than rivals. The significance of customer differentiation based on critical traits is underscored by the connection between competitive advantage and market-valued attributes. The conversation highlights the complex relationship between strategic competitiveness and leadership, as well as the necessity for businesses to create and preserve a competitive edge in order to succeed in fast-paced commercial settings.

Strategic leadership plays a crucial role in corporate strategy development. It encompasses the ability to envision the future, make informed decisions, and inspire and motivate employees towards a shared vision. Through strategic leadership, organizations can effectively navigate the complex and dynamic business environment, identify opportunities, and mitigate risks. Strategic leaders are responsible for setting the strategic direction of the organization by analyzing internal and external factors, formulating goals, and crafting a coherent strategy. They foster a culture of innovation and adaptability, encouraging employees to embrace change and think creatively. By aligning the organization's resources and capabilities with its strategic objectives, strategic leaders enable the implementation of the chosen strategy. Strategic leadership fosters organizational learning and adaptation. Leaders encourage experimentation, embrace failure as an opportunity for growth, and promote a culture of continuous

learning. They actively seek new knowledge, monitor industry trends, and anticipate disruptive forces. This proactive approach enables organizations to seize opportunities, mitigate threats, and maintain a competitive edge. Strategic leadership is a fundamental driver of corporate strategy development. It provides the vision, direction, and guidance necessary to navigate uncertainty, drive innovation, and achieve sustainable growth. Through effective strategic leadership, organizations can position themselves for success in an increasingly complex and competitive business landscape.

Policy Implications

To build flexible and adaptable leaders, organizations should engage in extensive leadership development programs. Organizations should embrace a variety of leadership models that take into account the different aspects of leadership, including characteristics, actions, power dynamics, and successful communication techniques. Strategic resource management practices should be implemented by enterprises in order to achieve strategic competitiveness. Core competences ought to be incorporated into organizations' strategic planning procedures. It might be vital to identify and utilize internal resources that support competitive advantage. Organizations should promote a constant learning and adaption culture since business environments are dynamic. Customer-centric strategies should be given top priority by firms in order to obtain a competitive edge. It is important to have policies in place that encourage creativity and innovation within the company. It is important for leaders to foster an atmosphere that welcomes and fosters creative thinking in order to excite the mind and motivate followers to go above and beyond in order to accomplish corporate objectives. Organizations ought to give ethical leadership a high priority. It is imperative for leaders to exhibit values-based leadership, inspiring followers with hope and maintaining the highest standards. In order to improve strategic competitiveness, companies ought to encourage cross-functional cooperation. It is crucial to put in place a framework for ongoing assessment and monitoring of strategic objectives, competitive advantage, and leadership effectiveness.

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