

# The Role of Leaders in the Development of Successful Corporate Strategy

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## Keywords

Leader, Strategy  
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**Abstract.** Rapid changes in the business environment demand adaptive and innovative strategies to ensure company sustainability and growth. This research will focus on how leaders can be the main catalyst in formulating, implementing and evaluating effective company strategies. This research uses a qualitative approach with descriptive methods. This research produces a deep understanding of the crucial role of leaders in the development of successful corporate strategies. The findings show that leaders play a role in formulating the vision and mission, analyzing the external environment, identifying opportunities and challenges, building a supportive organizational culture, communicating and implementing strategic plans, carrying out continuous monitoring and evaluation, and developing teams and capabilities. In this context, leaders are not only strategic decision makers, but also agents of change, motivators and shapers of organizational culture. In conclusion, effective leaders have an irreplaceable role in directing an organization towards achieving its strategic goals.

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## 1. INTRODUCTION

Leadership is a key element in determining the success of an organization, as recognized by Bennis (2006). The power of leadership lies not only in the individual leader, but also in his ability to move and mobilize organizational members towards a new vision. The success of an organization cannot be separated from the strategic role of leadership in directing the steps taken to achieve common goals (Bennis, 1990).

The importance of leadership lies in the dynamic relationship between leaders and followers. A leader, either as an individual or as part of a group, cannot achieve success independently. Collaboration is required with a group of people who are subordinate to Suharto, 2020). Leaders are responsible for motivating, guiding and directing subordinates so that they can make optimal contributions to the organization. In this context, the role of subordinates is not only limited to service, but also to the ability to work effectively, efficiently, economically and productively (Hardono et al, 2017).

Examining strategy through a leadership lens means that a leader has a crucial role in creating and implementing organizational strategy (Yunus, 2016). The leader's main focus is not only on industry analysis, competitive analysis, or internal analysis activities, but rather on important tasks that support the overall strategic journey of the organization. In this context, leaders must ensure that the strategies formulated are not only appropriate to market conditions and competition, but can also be implemented effectively by the entire team (Putri, 2023).

One of the important tasks of a leader is to formulate a clear strategic vision and direction for the organization (Rachman et al, 2023). Leaders must be able to identify opportunities and challenges, and determine how the organization can exploit them to achieve long-term goals. In addition, leaders need to ensure that the strategy can be integrated with existing organizational culture and values (Kuswaeri, 2017).

Furthermore, leaders must have the ability to communicate vision and strategy effectively to all team members. Clear and convincing communication will help create shared understanding and motivate employees to contribute maximally (Nasukah et al, 2020). Leaders also need to manage change wisely, ensuring that the entire organization can adapt and implement strategic changes successfully (Wahyudi et al, 2023).

The importance of leaders in strategy is not only limited to formulating, but also lies in their ability to form a strong team and empower team members (Anwaruddin, 2009). Through effective leadership, leaders can direct organizational energy and resources towards achieving strategic goals. Therefore, leaders play a very important role in ensuring that organizational strategies not only sound good on paper, but can also be implemented and produce the expected results (Paramansyah, 2022).

Taking a strategic position means making firm decisions about trade-offs between the position taken and other positions. This includes recognizing the fact that every strategic choice carries consequences in choosing what not to do, as well as clearly determining what must be done (Primadona & Rafiqi, 2019). No company can successfully compete in every business segment by covering every variety of product or service. In other words, the essence of strategy is making difficult choices, and leaders have the responsibility to enforce these decisions (Khsuanita, 2011).

Gary Hamel (2001) highlights that the strategy development process does not always have to be top-down, but can involve "revolutionaries" at every layer of the organization. In this context, "revolutionaries" refer to individuals or groups who have innovative ideas, fresh views, and the ability to shake up the status quo. Hamel promoted the concept of taking "diagonal cuts" in organizations, which refers to the identification of revolutionaries at different levels and functions of the organization (Hamel, 1996).

The importance of involving revolutionaries in strategy formulation is to ensure that creative ideas and fresh points of view can be accommodated. By involving those on the front lines or on the "periphery," leaders can explore innovative potential that might go undetected if the strategy process only originates from the highest managerial levels (Hamel, 1998). Leaders need to recognize that innovation is not limited to one group or level within the organization, but can emerge from many angles, including younger generations, individuals newly joining the company, and those operating across the geographic boundaries of the business (Pisano, 2015).

By involving these groups, leaders can create strategies that are more responsive, adaptive, and able to compete in an ever-changing business environment. It also creates an inclusive atmosphere where innovative ideas can flourish and make significant contributions to the formulation of corporate strategy (Adner, 2006). Involving the younger generation, new individuals, and those operating at the "periphery" of the organization is an effective approach for creating strategies that are revolutionary and responsive to market dynamics (Lendl & Vermus, 2011). Top of Form

This research aims to understand the role of leaders in developing successful corporate strategies, with a focus on the key tasks that leaders must carry out to create and implement effective strategies. Its merits lie in its contribution to the practical and theoretical understanding of the key role of leaders in the development of corporate strategy, providing guidance for executives in dealing with changing market dynamics, and offering insight into how effective leadership can manage trade-offs to achieve long-term success .

## 2. METHOD

This research is a type of qualitative research that aims to analyze problems by identifying the social context in detail, referring to the theoretical framework proposed by Moleong (2014). This research method is focused on an in-depth understanding of the research subject's experiences, including behavior, perception, motivation for action, and other aspects, with an emphasis on holistic descriptions using language and words. The focus of this research lies in the detailed presentation of sustainable marketing strategies by integrating environmental aspects. This research is descriptive, intended to provide a clear picture of a particular situation, event, population or area. This approach is in accordance with the concept put forward by Yulianah (2022), which states that descriptive research aims to systematically, factually and accurately describe the facts and relationships of the phenomena being investigated. During the process, all collected data is analyzed and compiled to conclude research findings which are then presented in the form of scientific writing. Therefore, a descriptive approach was used in this research to provide a comprehensive picture.

## 3. RESULTS AND DISCUSSION

Leaders have a crucial role in setting measurable goals and objectives for the organization. A measurable goal provides a clear basis for assessing performance and success. Leaders need to ensure that these goals can be measured with clear parameters and can be identified objectively (Taufik, 2013). By having measurable goals, organizations can monitor progress, identify areas that need improvement, and evaluate the success of implemented strategies.

Therefore, leaders play a crucial role in developing company strategies that can bring success. Here are some of the main roles of leaders in this context:

### **1. Formulate Vision and Mission**

Formulating a vision and mission is one of the key roles of a leader in developing a successful company strategy. Leaders must have the ability to see the big picture and set a clear direction for the organization. A company's vision reflects a long-term view of its goals and desired achievements. By formulating an inspiring vision, leaders motivate organizational members to work towards a common goal. This vision also forms the foundation for strategy development, as it provides guidance on where the organization should go and how to achieve competitive advantage. In addition to the vision, formulating a mission helps determine the role and focus of the organization in achieving that vision. Missions provide a more practical and operational framework, providing guidance on how an organization can provide added value to stakeholders and customers.

In the context of formulating a vision and mission, leaders must ensure that communication regarding the vision and mission is open and involves all members of the organization. This creates a deep understanding and shared commitment to the desired strategic direction. Leaders must also be able to change the vision and mission when necessary to accommodate changes in the business environment or organizational development. By understanding the central role of formulating a vision and mission, leaders can provide a solid foundation for the development of successful corporate strategy, ensuring alignment between long-term goals and daily operational actions.

### **2. Analyzing the External Environment**

Analyzing the external environment is an important role played by leaders in developing successful corporate strategies. The dynamic and ever-changing external environment requires leaders to have a deep understanding of the factors that can influence organizational performance and success. Leaders need to actively monitor market trends, competitive analysis, and economic factors that may affect company operations. By deeply understanding the external environment, leaders can identify growth opportunities and overcome challenges that may arise, so that strategy development can be more focused and responsive.

In addition, analyzing the external environment also helps leaders to plan and adjust company strategies according to changes in the market and competition. Leaders must be able to identify new opportunities that arise and anticipate potential threats that could affect the company's competitive position. This analysis also helps in determining how a company can adapt to external changes, whether through product innovation, increased operational efficiency, or changes in business models. Therefore, the role of external environmental analysis by leaders is not only as a tool of understanding, but also as a basis for making intelligent and adaptive strategic decisions in the face of inevitable changes in the business world.

### **3. Identifying Opportunities and Challenges**

Developing a successful strategy requires leaders who are able to identify growth opportunities and overcome the challenges a company may face. First, leaders must be able to see opportunities that may not be visible to others. This involves the ability to understand market trends, changes in consumer behavior, and industry developments that can be leveraged for competitive advantage. Opportunity-oriented leaders also tend to rally teams with diverse talents and perspectives, creating an environment where innovative ideas can flourish.

However, opportunity identification alone is not enough; Leaders must also be able to overcome challenges that may hinder the achievement of company goals. This involves the ability to manage risk wisely, deal with regulatory changes, and respond to rapid market changes. An effective leader will involve the team in problem solving, encourage creativity in responding to challenges, and ensure that the strategies designed can accommodate environmental changes. By combining identifying opportunities and addressing challenges, leaders can guide organizations toward developing strategies that are responsive, adaptive, and successful in facing ever-evolving business dynamics.

### **4. Developing an Organizational Culture that Supports Strategy**

Building an organizational culture that supports strategy is one of the main responsibilities of leaders in developing a successful corporate strategy. Leaders must be actively involved in shaping

the norms, values, and policies that create the environment in which strategy can be realized. This involves a deep understanding of how organizational culture can support or hinder the achievement of strategic objectives. An effective leader will ensure that the organizational culture is aligned with the values emphasized in the company strategy, creating consistency and engagement at all levels.

Next, leaders need to ensure that the organizational culture encourages creativity, innovation and the courage to take risks. This is important to support the implementation of strategies that focus on growth and adaptation to change. By creating an environment where new ideas are valued and successes are celebrated, leaders help ensure that the organization's culture is a key driver for strategic innovation. Leaders also need to act as role models, apply strategic values in their daily actions, and motivate team members to actively participate in realizing a shared vision. Thus, building an organizational culture that supports strategy not only creates a strong foundation for strategy implementation, but also leads to higher engagement and commitment from the entire organization.

### **5. Communicate and Inspire**

Leaders have a crucial responsibility in communicating and inspiring the entire organization regarding the vision and strategy that has been formulated. Effective communication is key to ensuring solid understanding and support from all team members. Leaders need to choose communication methods that suit the organization's culture and employee characteristics, so that strategic messages can be conveyed clearly and can be accepted by all members of the organization. By establishing open and transparent communication, leaders create an environment where employees feel engaged and have a deep understanding of how their roles contribute to the company's strategic goals.

Apart from communication, leaders must also be able to inspire the team to achieve a common vision. This involves the ability to motivate, inspire enthusiasm, and create a sense of ownership of a common goal. An inspirational leader will demonstrate integrity, honesty, and dedication to the company vision, helping to shape a positive work culture and building a strong sense of identity among team members. By creating an inspiring atmosphere, leaders stimulate high morale, increase productivity, and create deep involvement in achieving company strategy.

### **6. Develop Strategic and Tactical Plans**

Communicating and executing long-term strategic and short-term tactical plans is a key responsibility of leaders in the development of successful corporate strategy. Leaders must ensure that the strategic plan is carefully prepared, includes efficient resource allocation, and is in line with the company's long-term goals. Leaders need to lead the planning process by involving relevant stakeholders, such as senior executives, managers and teams directly involved in strategy implementation. By consulting and listening to diverse views, leaders can ensure that strategic plans reflect a holistic understanding and have broad support from the organization.

Furthermore, leaders also have an important role in carrying out daily strategic plans. This involves monitoring and coordination to ensure that tactical steps align with long-term plans. Leaders need to identify obstacles that may arise during implementation and take corrective action if necessary. Effective leaders can also leverage data and performance indicators to conduct regular evaluations of strategic progress, enabling necessary changes to optimize results. By actively involving themselves in the implementation of strategic plans, leaders provide the direction and support necessary for the organization to successfully achieve its strategic goals.

### **7. Carry out Continuous Monitoring and Evaluation**

Carrying out continuous monitoring and evaluation is an important role that must be carried out by leaders in developing successful company strategies. Leaders need to establish relevant and effective performance measurement mechanisms to monitor the company's strategic progress. This involves collecting and analyzing data related to operational, financial and customer performance on a regular basis. By having a good evaluation system, leaders can identify areas that require further attention, measure the effectiveness of strategy implementation, and make decisions based on accurate information.

Furthermore, leaders must be able to respond to the evaluation results with appropriate actions. If there is a mismatch between actual performance and strategic targets, leaders need to re-evaluate the strategic plan, identify the cause of the problem, and adapt the strategy as necessary. Leaders who

are proactive in evaluating and adjusting are able to create a continuous organizational learning cycle, ensuring that the organization can adapt quickly to environmental changes and improve strategies according to needs. Thus, continuous monitoring and evaluation is not only a tool for measuring performance, but also a means for improving and optimizing the implementation of company strategy.

#### 8. Developing Team and Capabilities

Developing teams and capabilities is an important role of leaders in the context of developing successful corporate strategies. Leaders need to focus on building strong, diverse teams with complementary capabilities. This involves recruiting individuals with relevant talents and skills, as well as establishing a team structure that enables effective collaboration. Leaders must also ensure that the team has a deep understanding of the company's vision and strategy, so that each team member can contribute optimally to achieving common goals.

Apart from building a quality team, leaders also need to focus on developing individual and organizational capabilities as a whole. This involves providing relevant training and development, ensuring that employees have the necessary skills to support strategy implementation. Effective leaders also encourage a culture of learning throughout the organization, where employees feel comfortable developing new skills and innovating. By encouraging growth and development, leaders create an environment in which the organization has adaptive capabilities and is responsive to changes in the business environment. By optimizing individual and team potential, leaders help ensure that the organization has a strong human foundation to successfully realize the company's strategy.

#### 4. CONCLUSION

Successful corporate strategy development requires active and effective involvement from a leader. Leaders have a crucial role in every stage of this process, from formulating the vision and mission, analyzing the external environment, to implementing strategic plans and conducting ongoing evaluations. Through good leadership, leaders can create an organizational culture that supports strategy, motivates and inspires team members, and develops the team and overall capabilities. The importance of the leader's role in identifying opportunities, overcoming challenges, and responding to market dynamics shows that leaders are not only strategists, but also facilitators of change and innovation. Through effective communication, leaders can guide the organization towards achieving a shared vision and ensure the involvement of all team members. In facing environmental changes and evaluating strategic performance, adaptive leaders can make the right decisions to adjust and optimize company strategy. By combining all these roles, the leader creates an environment where the company's strategy is not just a formal document, but also a living guide that is constantly evolving. Overall, effective leadership in the development of corporate strategy makes a vital contribution to achieving long-term success and organizational resilience amidst the ever-changing complexity of business.

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