

Strategic Leadership: Effective Leadership in Strategic Management

Suharto

Krisnadwipayana University, Jakarta, Indonesia

Article Info

Corresponding Author:

Name : Suharto

E-mail: suharto@unkris.ac.id

ABSTRACT

Strategic leadership is defined as the ability of a leader to direct an organization in achieving its strategic goals by utilizing resources optimally. This research aims to investigate the role of strategic leadership in the context of strategic management and its impact on organizational effectiveness. This research uses a qualitative approach with descriptive methods. The results of this research indicate that the implementation of strategic leadership has a significant positive impact on the organization's success in achieving long-term goals. Leaders who apply a strategic approach, with a deep understanding of the vision and mission, analysis of the business environment, and the ability to formulate innovative strategies, play a key role in guiding the team and creating clear direction. Leaders' flexibility and adaptability in facing changes in the business environment, along with intelligent strategic decision-making abilities, have been proven to make a positive contribution to organizational success. Performance monitoring and evaluation of strategy implementation results confirm that effective strategic leaders are able to create a work environment that supports innovation and empowers teams to achieve optimal results.

Keywords:

Strategic Leadership, Strategic Management, strategy implementation, innovation, flexibility

This is an open access article under the [CC BY-NC](https://creativecommons.org/licenses/by-nc/4.0/) license



INTRODUCTION

Effective strategic management is the main foundation for an organization's success in implementing corporate strategy (David, 2011). This process involves planning, implementing, and monitoring steps to achieve organizational goals. A key aspect of strategic management is the development of a long-term vision, which guides the direction of the business and sets the organization's long-term goals (Beer et al., 2005). This process requires sufficient time for managers to reflect, formulate, and draw a comprehensive picture of the organization's future. Managers must understand industry trends, external challenges, and potential opportunities to create a vision that is not only relevant but also sustainable (Garetti & Taisch, 2012).

In developing a long-term vision, managers play a central role in determining the strategic direction of the organization. Strategic decisions taken during this stage play a critical role in shaping a vision that is not only aspirational but also achievable by making optimal use of organizational resources (Jackson et al., 2014) By giving managers enough time to think and design a long-term vision, organizations can build a solid foundation for the formulation and implementation of strategies that are cohesive and durable over the longer term (Bonn & Fisher, 2011). This not only results in a more mature long-term view but also enables organizations to capitalize on emerging opportunities and better address challenges amidst constant changes in the business environment.

The core competencies and skills possessed by a company are the main foundation in achieving competitive advantage in a competitive market. Core competencies include the resources, both physical and human, that give a company a relative advantage and differentiate it from its competitors (Kak & Sushil, 2002). Skills, on the other hand, refer to the practical

Strategic Leadership: Effective Leadership in Strategic Management-

Suharto

Page 38 of 7

abilities and knowledge possessed by an organization's workforce. Therefore, human capital, which consists of the knowledge and skills of the entire workforce, is a critical element in building and maintaining a company's core competencies (Prahalad & Hamel, 2009).

The development and management of human resources (HR) is a strategic key in increasing a company's competitiveness. Companies that are able to manage, develop and utilize HR potential effectively will have a significant competitive advantage (Schuler & Macmillan, 1984). HR management not only includes careful recruitment, but also skills development through training and continuous education. By having a skilled and qualified workforce, companies can be more agile and responsive to changes in the business environment (Agustian et al., 2023).

In achieving success through developing and managing human resources, leadership that understands company strategy well is a crucial element. Quality leadership must be able to link the organization's strategic vision with human resource management policies (Schuler, 1992). Leaders who understand company strategy can guide their teams in developing skills that suit the organization's strategic needs. They have a key role in designing HR policies that are in line with the company's direction and are able to identify future skills needs (Mumford et al., 2007).

Leadership that understands strategy is not only the main driver in directing the workforce towards achieving the long-term vision, but also ensures that human resource management becomes an effective strategic tool in supporting the company's success (Graetz, 2000). Leaders who have strategic insight can create a work environment that supports growth and innovation, respond quickly to market changes, and motivate employees to contribute optimally in accordance with the company's strategic direction (Mankins & Steele, 2005). Thus, the combination of core competencies, HR skills and strategy-oriented leadership is an important foundation for companies that want to achieve competitive advantage and long-term success.

Literature Review

Strategy leadership is an entity formed from a combination of skills, perspectives, behavior and astuteness of a manager. A strategic leader is not only measured by his technical knowledge and functional expertise, but also by his ability to have deep strategic insight (Davies & Davies, 2004). An understanding of an organization's long-term vision and dynamic business environment is key to developing effective strategies. In this case, the art of leadership emerges when the leader is able to integrate these elements well, creating a synergy that involves the entire organization (Davies, 2003).

The strategy leadership concept also emphasizes the balance between art and science. Knowledge in this context includes proven strategic planning methodologies and in-depth knowledge of industries and markets (Morris, 2010). Meanwhile, the art of leadership highlights the ability of intuition and wisdom in making decisions that involve risk and complexity. Strategic leaders not only involve themselves in strategy formulation, but must also understand the importance of implementing strategy and creating an organizational environment that supports successful implementation (Haycock, 2012). Thus, strategy leadership is not only about formulating plans, but also directing the organization to achieve goals and produce optimal results.

Organizations that successfully integrate the roles and views of their team members create an environment where each individual is respected and recognized for their contributions. Respect for diversity of views enables organizations to embrace a diversity of ideas and approaches, creating a foundation for innovation and sustainability (Ireland & Hitt, 1999). When leaders and team members have clear roles and support each other, the organizational vision becomes not just a slogan, but becomes the foundation for consistent and collaborative action. An open and inclusive management mindset also plays a key role in building a positive work culture and empowering individuals to actively participate in realizing a shared vision (Vallaster & De Chernatony, 2005).

Management mindset not only influences how managers view their duties and responsibilities, but also has a major influence on the productivity and effectiveness of the organization as a whole (Drucker, 1999). When managers have a mindset that aligns with their

work, it creates synergy between individual goals and organizational goals. Strategic thinking, as part of the management mindset, is a key factor in reflecting strategic intelligence. The ability to see the big picture of the present and future helps organizations better respond to environmental changes. Thus, organizations that adopt a productive management mindset and strategic thinking have high adaptability and can overcome challenges in an innovative and proactive way.

METHOD

This research adopts a descriptive approach with qualitative methods, in accordance with the postpositivism perspective explained by Yulianah (2022). A qualitative approach was chosen to explore the natural conditions of the research object, where the researcher acts as the main instrument. Data collection techniques are carried out through triangulation or a combination of several methods, while data analysis is inductive/qualitative, with an emphasis on meaning rather than generalization. The main aim of this research is to provide a detailed overview, explain and describe the problems related to Strategic Leadership: Effective Leadership in Strategic Management. This research places humans as research instruments in a qualitative context, with the final results in the form of words or statements that reflect the observed reality. The qualitative descriptive method was chosen because this research aims to explore the use of instructional video media in the context of biology learning. Data and information were obtained through literature studies which included various literature such as books, research articles and media reports.

RESULTS AND DISCUSSION

Becoming a leader is a complex challenge and not easy. A leader often has to face criticism, both from external parties and from members of his own team. This criticism can come from various points of view and motives, ranging from dissatisfaction with the decisions taken to differences in vision and goals. Even team members themselves can be the most vocal critics, because they interact directly with the decisions and directions given by the leader. For a leader, accepting criticism and turning it into a lesson is an integral part of the leadership role. The ability to evaluate criticism objectively, distinguish between constructive and non-constructive criticism, and use this criticism as a basis for personal growth and organizational improvement are characteristics of mature and adaptive leadership. Thus, although being a leader may be full of challenges and criticism, the ability to manage and respond tactfully to criticism can help leaders build strong relationships with their teams and achieve organizational goals more effectively.

To make strategic leadership effective in strategic management, several steps and principles can be implemented:

1. Deep Understanding of Vision and Mission

A deep understanding of the organization's vision and mission is the main foundation for effective strategic leadership in strategic management. A strategic leader must understand the organization's overall vision, understand the essence of the long-term goals to be achieved, and be able to formulate concrete steps to achieve them. This understanding includes deep knowledge of the core values that guide the organization's actions and provide direction for every decision made. With a deep understanding of vision and mission, leaders can become leaders who inspire, motivate and direct team members towards common goals. Leaders who are emotionally involved with the organization's vision are also able to communicate that vision convincingly to team members, creating a strong connection between personal goals and organizational goals.

Understanding vision and mission also gives leaders resilience in facing challenges and uncertainty. In designing strategy, strategic leaders who understand the organization's vision can make decisions that are in line with long-term strategic direction, avoiding impulsive decisions that conflict with organizational goals. Additionally, leaders can use vision as a guide to evaluate opportunities and risks, ensuring that each step taken brings the organization closer to achieving its strategic goals. Thus, a deep understanding of the organization's vision and

mission is a critical foundation for building effective strategic leadership and providing clear direction in managing organizational strategy.

2. Business Environment Analysis

Business environment analysis is a crucial element that supports the effectiveness of strategic leadership in strategic management. A strategic leader needs to have the ability to analyze external and internal conditions that affect the organization. By analyzing industry trends, understanding competitors, identifying opportunities, and evaluating risks, leaders can formulate strategies that are responsive to market dynamics. Environmental analysis also assists leaders in understanding the organization's internal strengths and weaknesses, enabling the identification of areas that need to be strengthened or improved.

The ability to see the big picture through environmental analysis allows strategic leaders to design relevant and adaptive strategies. A deep understanding of the environmental factors that influence an organization enables leaders to identify growth opportunities, address challenges, and minimize potential risks. Additionally, continuous environmental analysis helps leaders stay on top of the latest insights and keeps the organization adaptive to market changes. Therefore, in the context of strategic management, the strategic leader's ability to carefully analyze the business environment is an important foundation for directing the organization towards long-term success.

3. Innovative Strategy Development

Strategic leadership leads leaders to become creative and future-oriented strategic architects. In facing the complexity and uncertainty of the business world, strategic leaders not only respond to the current situation but also formulate innovative solutions for challenges that may arise in the future. Innovative strategies include not only adapting to environmental changes, but also creating the changes themselves. Innovative strategic leaders motivate their teams to think outside conventional boundaries, encourage the exploration of new ideas, and create an environment that supports creation.

The importance of long-term thinking in strategic leadership is reflected in the leader's ability to create strategic plans that extend beyond short time frames. As a strategy architect, strategic leaders need to view the future of the organization with a clear vision and be committed to designing strategic steps that can ensure long-term growth and sustainability. By focusing on long-term plans, strategic leaders can guide organizations through change and adjustment, creating a solid foundation for long-term success. Therefore, in assuming a strategic leadership role, the ability to formulate innovative strategies and think long term is a key element in bringing the organization towards a successful future.

4. Effective Communication

The ability to be an effective communicator is one of the most important aspects of strategic leadership. Strategic leaders must be able to clearly convey the organization's vision, inspire team members, and stimulate collective motivation to achieve common goals. Effective communication also includes the ability to convey organizational goals and strategies in a way that can be understood by all team members, without losing the essence of the information conveyed. Leaders must use inspiring and motivating language, creating a compelling narrative about the desired direction to achieve successful outcomes.

Additionally, open communication is key in building shared understanding among team members. Strategic leaders need to create an environment where team members feel comfortable sharing ideas, providing feedback, and engaging in constructive dialogue. By adopting an open approach, leaders can stimulate collaboration and creativity among team members, which are important elements in formulating and implementing organizational strategy. Open communication also creates trust among team members, strengthens working relationships, and increases engagement, factors that are essential for successful strategic leadership. Thus, in the context of strategic management, the ability to be a good communicator is a critical skill that enables strategic leaders to motivate, guide, and unite teams toward achieving organizational goals.

5. Strategic Decision Making

The ability to be an effective communicator is one of the most important aspects of strategic leadership. Strategic leaders must be able to clearly convey the organization's vision, inspire team members, and stimulate collective motivation to achieve common goals. Effective communication also includes the ability to convey organizational goals and strategies in a way that can be understood by all team members, without losing the essence of the information conveyed. Leaders must use inspiring and motivating language, creating a compelling narrative about the desired direction to achieve successful outcomes.

Additionally, open communication is key in building shared understanding among team members. Strategic leaders need to create an environment where team members feel comfortable sharing ideas, providing feedback, and engaging in constructive dialogue. By adopting an open approach, leaders can stimulate collaboration and creativity among team members, which are important elements in formulating and implementing organizational strategy. Open communication also creates trust among team members, strengthens working relationships, and increases engagement, factors that are essential for successful strategic leadership. Thus, in the context of strategic management, the ability to be a good communicator is a critical skill that enables strategic leaders to motivate, guide, and unite teams toward achieving organizational goals.

6. Team Empowerment

Strategic leadership emphasizes a collaborative role and understands that success depends not only on the individual, but also on the ability of the team to work together towards a common goal. An effective strategic leader not only manages his team, but also creates an environment where each member feels valued and contributes. By encouraging participation, leaders can leverage the diverse expertise and perspectives within the team to produce more creative and effective solutions. Strategic leadership that focuses on team building also relies on empowering team members, providing the responsibility and autonomy necessary to develop individual skills and potential.

In addition, creating a work culture that supports innovation and collaboration is essential in strategic leadership. Strategic leaders need to facilitate an environment where new ideas are accepted and valued. Innovation often emerges from collaboration and the exchange of ideas among team members who have different backgrounds and expertise. By building a culture that supports innovation, strategic leaders can create a foundation for the discovery of new solutions and continuous improvement. In an open environment that supports collaboration, teams have the opportunity to develop and respond to change more quickly and effectively. Therefore, successful strategic leadership is not just about guiding individuals, but also building a resilient and inspired team to achieve the organization's vision and goals.

7. Flexibility and Adaptability

Effective strategic leadership demands flexibility and adaptability from a leader. In an ever-changing business world, strategic leaders must have the ability to adapt to changes in the surrounding environment. This includes a deep understanding of market dynamics, technological developments, and regulatory changes that may impact an organization's strategy and operations. Flexible strategic leaders can read signals of change quickly, open their minds to innovative solutions, and respond proactively to mitigate risks or take advantage of emerging opportunities.

Speed in responding to change is the key to adaptive strategic leadership. Leaders need to have high responsiveness to anticipate and adapt organizational strategies according to rapid external developments. It involves a dynamic decision-making process, where the leader can quickly evaluate the implications of change, formulate a response plan, and communicate the direction taken to team members. Adaptive strategic leaders also lead by example, demonstrate an open attitude to change, and encourage teams to see change as an opportunity for growth and innovation. By building leadership that is flexible and adaptive, organizations can remain competitive and relevant amidst ongoing change.

8. Performance Measurement and Organizational Learning

Monitoring and measuring organizational performance is a very important aspect of strategic leadership. Strategic leaders need to have an effective performance measurement system to monitor the achievement of strategic goals and ensure that every step taken is in line with the organization's vision. By conducting regular monitoring, leaders can understand the extent to which strategies have been implemented, identify areas of success and those that need improvement, and track progress toward long-term goals. Careful monitoring also helps leaders to detect changing market conditions or environmental changes that require adjustments in organizational strategy.

Regular performance evaluations are not only used to assess success, but also as a means of learning and continuous improvement. Effective strategic leaders use performance evaluation results as an opportunity to formulate improvement plans, identify ineffective policies or tactics, and propose necessary steps to improve future results. This learning process is not only limited to operational improvements, but also includes adapting organizational strategies to face continuous change. Thus, performance monitoring and evaluation becomes an important instrument in the iterative cycle of strategic leadership, where organizations continuously develop themselves to remain relevant and successful in a dynamic environment.

CONCLUSION

Strategic leadership is a key role in managing an organization effectively in the context of strategic management. A strategic leader needs to combine a deep understanding of the organization's vision and mission with a careful analysis of the business environment. The ability to formulate innovative and future-oriented strategies provides the foundation, while good communication skills help motivate team members and build shared understanding. Strategic leadership also demands the ability to make careful strategic decisions, considering risks and benefits and choosing paths that are in line with organizational goals. Building a strong team, supporting innovation, and adaptability to environmental changes are other important elements. Regular performance monitoring and evaluation becomes a tool to measure the success of strategy implementation and provides a foundation for continuous learning and improvement. By combining all these aspects, strategic leadership can lead an organization to competitive advantage and long-term success amidst the dynamics of the business world.

REFERENCES

1. Agustian, K., Pohan, A., Zen, A., Wiwin, W., & Malik, A. J. (2023). Human Resource Management Strategies in Achieving Competitive Advantage in Business Administration. *Journal of Contemporary Administration and Management (ADMAN)*, 1(2), 108-117.
2. Alkhafaji, A., & Nelson, R. A. (2013). *Strategic management: formulation, implementation, and control in a dynamic environment*. Routledge.
3. Beer, M., Voelpel, S. C., Leibold, M., & Tekie, E. B. (2005). Strategic management as organizational learning: Developing fit and alignment through a disciplined process. *Long Range Planning*, 38(5), 445-465.
4. Bonn, I., & Fisher, J. (2011). Sustainability: the missing ingredient in strategy. *Journal of business strategy*, 32(1), 5-14.
5. David, F. R. (2011). *Strategic management concepts and cases*. Pearson.
6. Davies, B. (2003). Rethinking strategy and strategic leadership in schools. *Educational management & administration*, 31(3), 295-312.
7. Davies, B. J., & Davies*, B. (2004). Strategic leadership. *School leadership & management*, 24(1), 29-38.
8. Drucker, P. F. (1999). Knowledge-worker productivity: The biggest challenge. *California management review*, 41(2), 79-94.
9. Garetti, M., & Taisch, M. (2012). Sustainable manufacturing: trends and research challenges. *Production planning & control*, 23(2-3), 83-104.
10. Graetz, F. (2000). Strategic change leadership. *Management decision*, 38(8), 550-564.

11. Haycock, K. (2012). Strategic thinking and leadership. *Library leadership & management*, 26(3/4).
12. Ireland, R. D., & Hitt, M. A. (1999). Achieving and maintaining strategic competitiveness in the 21st century: The role of strategic leadership. *Academy of Management Perspectives*, 13(1), 43-57.
13. Jackson, S. E., Schuler, R. S., & Jiang, K. (2014). An aspirational framework for strategic human resource management. *Academy of Management Annals*, 8(1), 1-56.
14. Kak, A., & Sushil, H. (2002). Sustainable competitive advantage with core competence: A review. *Global Journal of flexible systems management*, 3(4), 23-38.
15. Mankins, M. C., & Steele, R. (2005). Turning great strategy into great performance. *Harvard business review*, 2607.
16. Morrill, R. L. (2010). *Strategic leadership: Integrating strategy and leadership in colleges and universities*. Rowman & Littlefield Publishers.
17. Mumford, T. V., Campion, M. A., & Morgeson, F. P. (2007). The leadership skills strataplex: Leadership skill requirements across organizational levels. *The leadership quarterly*, 18(2), 154-166.
18. Pisapia, J., Reyes-Guerra, D., & Coukos-Semmel, E. (2005). Developing the leader's strategic mindset: Establishing the measures. *Leadership Review*, 5(1), 41-68.
19. Prahalad, C. K., & Hamel, G. (2009). The core competence of the corporation. In *Knowledge and strategy* (pp. 41-59). Routledge.
20. Schuler, R. S. (1992). Strategic human resources management: Linking the people with the strategic needs of the business. *Organizational dynamics*, 21(1), 18-32.
21. Schuler, R. S., & MacMillan, I. C. (1984). Gaining competitive advantage through human resource management practices. *Human resource management*, 23(3), 241-255.
22. Vallaster, C., & De Chernatony, L. (2005). Internationalisation of services brands: The role of leadership during the internal brand building process. *Journal of marketing management*, 21(1-2), 181-203.
23. Yulianah, S. E. (2022). *Metodelogi Penelitian Sosial*. CV Rey Media Grafika.