

Strategic Leadership: An Effective Tool for Sustainable Growth

Minisha Gupta*

Assistant Professor, IMS Unision University, Dehradun – 248009, Uttarakhand, India; reach2minisha@gmail.com

Abstract

Every organization aims at striving excellence and growth in the long run. To attain growth and sustainability they should have a vision and competency which can only come through strong and effective leadership. Although, there are so many diversified activities which can be managed only with divergent leadership styles suiting to that situation. However, a strategic leader is the person who develops reviving and challenging strategies to face the challenges of the competitive scenario. Thus, this paper aims at exploring strategic leadership as the most suitable one in the competitive and challenging situations. The paper is based on conceptual studies, exploring review and identifying the role of strategic leadership which could help in managing risk and attain sustainability for organizations.

Keywords: Organizational Growth, Strategic Leadership, Sustainability

1. Introduction

During the last decade, there has been a resurgence of interest by researchers on the role of strategic leader in organizations. Some researchers have observed that, in many international organizations, there is no requirement of different leadership style. However, after a detailed study on 296 business leaders it has been identified that strategic leaders are now considered as a strategic force to attain sustainable competitive advantage (Bajcar, Babiak and Nosal, 2015). The capability-based theory suggests that a firm can achieve competitive advantage through distinctive capabilities which are possessed by strategic leaders (Grant, 1991).

During the survey leaders have also expressed that competitive issues and turbulent global challenges do not occur so frequently. However, these issues now occur frequently due to political, economic, and global market turbulences. In such a scenario, everyone wants to attain sustainability, causing immense pressure on organizations and their employees. Apart from external issues, certain internal problems are also hindering organizations to

perform at the global platform. Increasing attrition rate, demand oriented customers, career focused employees, brand seeking partners are all the essence to sustain for long. Thus, organizations are ready to cut corners, hide information, and do whatever it takes them ahead.

To handle these circumstances, managers are now developing a healthy and effective work environment. For initiating any change in the organization, a leader plays a vital role. A leader is the one who helps subordinates to face the criticalities of business environment. They train, educate, teach, consult, support, and motivate them in bringing up their skills, ideas, and intellect for the growth and betterment of the organization. Having and maintaining an effective leadership is the core issue of many organizations. It is easier to describe a better leadership than to actually implement.

Challenges in leadership usually come when leaders are either unaware of common pitfalls or are unable to solve problems. There are several reasons that are hindering the effectiveness of leadership, thereby limiting productivity of the organization. Few of them are lack of communication, lack of group thinking and team

*Author for correspondence

building, scarcity of creativity and innovation in organizations, lack of talent retention strategies, lack of visionary leadership. Researchers with their experiences and experiments have evolved various leadership styles facing the criticalities of business organizations. Every leadership type has its own features and outcomes. However, to tackle to unexpected challenges and random issues a strategic leader is now in demand. With a vision and skills to sense the upcoming issues and criticalities a strategic leader is the only person to carve a niche amongst the competitors. Such leaders are able to generate core competence to attain sustainable competitive advantage. However, so many myths and perceptions have been done about strategic leadership. Thus, a review of literature has been done to unravel the concept of strategic leadership.

2. Strategic Leadership

The Greek word “Strategos” means a general in command of an army. Strategy means plan or a roadmap of certain activities. It is an ability to defeat opponents for developing a unified system of global governance. Thus, strategic leadership is defined as the ability to influence others to voluntarily take routine decisions for long term organizational stability. They transform critical situations into meaningful opportunities. They can protect organizations’ profit from market risk with their strategic thinking and activities. Such a leader understands the emergent strategy process that requires planning and executing tasks for organizational success. S/he controls and monitor employees’ performance and, thus, comes up as a blend mix or a final outcome of all leadership styles.

Organizations are crowded with managerial, visionary, bureaucratic, or autocratic leaders, but having a thrust of strategic leader. Other leadership styles lead to average returns, but achieve less and that too with a risk of losing wealth. In comparison to them, strategic leadership continuously engages in the wealth creation process in established as well as entrepreneurial firms. It is the ability to influence others to willingly take routine decisions to enhance sustainability and growth of the organizations. Strategic leaders have following characteristics:

- A collusive mixture of different leadership styles.
- Emphasize more on ethics and value oriented decisions.

- Handles both daily routine activities as well as long term opportunities.
- Create and execute strategies for immediate effect and long-term viability.
- Expect for positivity and strength from their superiors, peers, subordinates, and themselves.
- Exercise strategic and financial controls.
- Share both tacit and explicit knowledge in organization.
- Inject both linear and nonlinear thinking.
- Make a difference in the organization with their strategic thinking.

Thus, it has been clear now that, strategic leader fulfill all the requirements of a dynamic and a visionary leader to face challenges and solve business complexities. They identify risk and measure to come up with that also. They influence others and get the work done by them which helps in wealth creation and organizations’ long term existence in turbulent business situations.

Research on strategic leadership focuses on executives who have overall responsibility for an organization, based on the principle that “ultimately, they account for what happens to the organization” (Hambrick and Mason, 1984). Strategic leadership is defined as “the leader’s ability to anticipate, envision, and maintain flexibility and to empower others to create strategic change as necessary” (Hitt, Ireland and Rowe, 2005). It is multifunctional, involves managing through others, and helps organizations cope with change that seems to be increasing exponentially in today’s globalized business environment. A strategic leader should possess the ability to accommodate and integrate organizations’ business environment and to manage complex information processing. It focuses on strategic productivity by developing an environment in which employees forecast the organization’s needs in context of their own job. Strategic leaders encourage employees in an organization to follow their own ideas. They make greater use of reward and incentive system for encouraging productive and quality employees to show much better performance for their organization. It is important to attain satisfactory performance when confronting to the challenges of the global economy (Ireland and Hitt, 1999).

Strategic leadership is composed of two different words: Strategy and leadership. Strategy is considered as a perspective to view the future and a measure of evaluating

current activities of the organization. However, leadership is a process of influencing others to achieve the desired output from them (Bush and Glover, 2003). Joining these two words results in the form of such leadership style where influence is created to achieve desired output for minimizing risk and expanding business opportunities for the future. A strategic leader should have the following abilities segregated as organizational and personal.

2.1 Organizational Abilities

1. Strategic orientation: an organization can run successfully when its mission and vision are aligned that is long term goals and short term/daily activities are in sync with each other. A strategic leader is the one who synchronizes routine activities with the desired goals or pre-established targets of the organization.
2. Task reflexivity: One major task of a strategic leader is to develop an action plan for converting strategies into desired actions so that defined goals can be attained. Reflection, planning, and action are the three major steps of this process taken by strategic leader. To identify the ground realities or past performance of the organization for evaluating its strengths and weaknesses, plan according to organization's working abilities and act as per the defined framework.
3. Coordinate people and organizational goals: Strategic leader is responsible for organizing all the resources at a single platform for attaining desired outputs. S/he motivates people to engage in organizational activities with commitment and enthusiasm.
4. Bring change in the organization: A strategic leader should be able enough to sense the need of bringing change in the organization. It includes changing organizational structure, policies, technology, and other ways of enhancing output.
5. Develop strategic capabilities: A strategic leader should develop core competencies in the organization. Changing methodology, initializing new processes, knowledge sharing and learning, problem solving are few activities that help in developing core competencies of the employees.

2.2 Personal Abilities

- Passionate about change: A strategic leader should continually involve in bringing change to the organization. The ultimate objective should be to improve

organizational excellence and sustain in the competitive world. They should also aim for attaining core competence by enhancing the skills and abilities of the employees.

- Absorptive capacity: It is must for leader to acquire knowledge and disseminate among its members so that a culture of learning can be imbibed in the organization. A leader can gather the information, analyze it and dispense it so that members discuss the information and learn new skills and generate core competence for the organization.
- Adaptive capacity: Any change cannot be done at random in organizations, thus, it is important for a leader to identify the requirements of initiating change. It is also important to consider the method for implementing change in organization to reduce resistance among employees.
- Leadership wisdom: For accomplishing desired targets a leader must be provided wisdom. It helps them in responding quickly to the uncertain situations, balancing relationships, settling down disputes, and inculcating values in the organization.

3. Features of Strategic Leadership

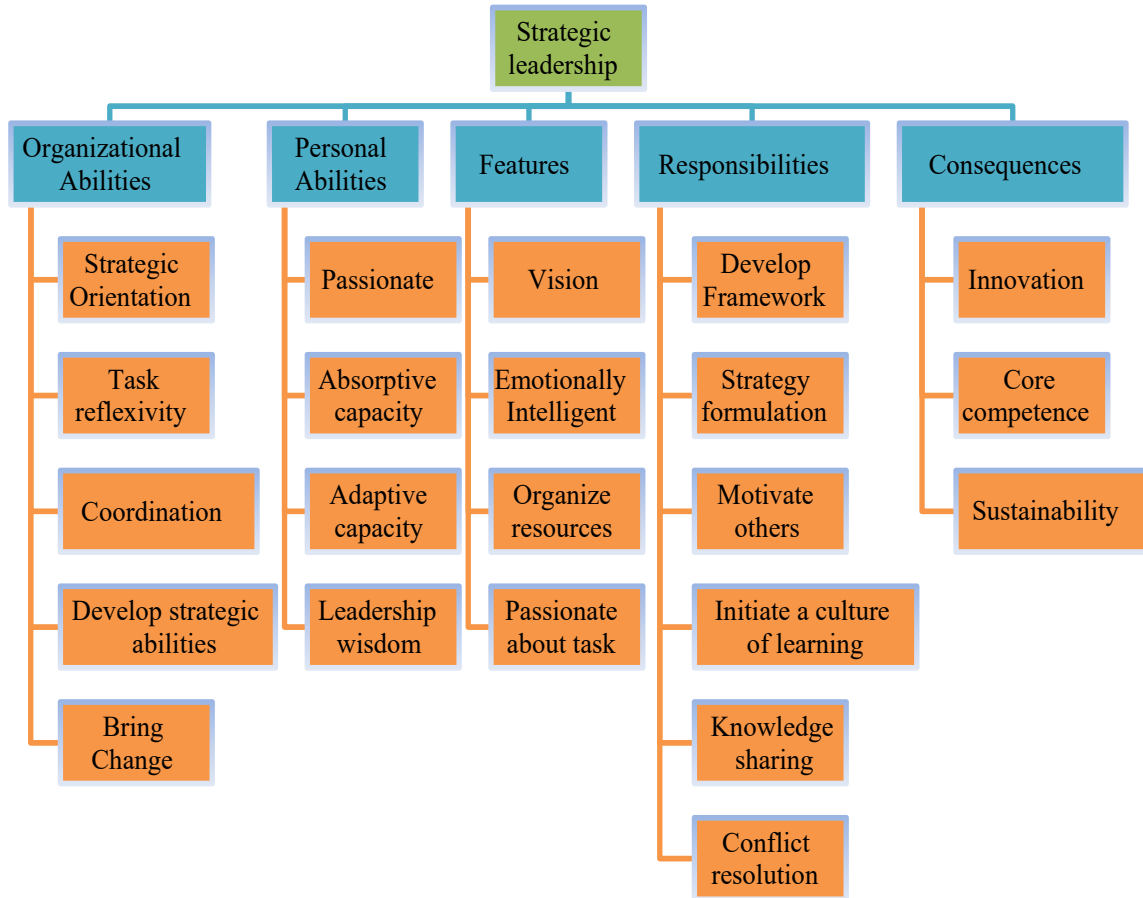
A strategic leader is one equipped with the following features/ characteristics:

- Vision
- Organize resources
- Passionate about task
- Emotionally intelligent

4. Responsibilities of Strategic Leader

Being strategic a leader must perform the following responsibilities in the organization:

- Develop framework
- Strategy formulation
- Motivate team members
- Initiate a culture of learning
- Knowledge sharing
- Conflict resolution



5. Challenges before Strategic Leaders

- To face the volatility and fierce market competition leader needs to continuously monitor the organizational structure so that business transformations can take place. It also helps in revising business models and initiating new work methods for improving organizational performance.
- Leaders should focus on enhancing the skills of their subordinates by providing training and development facilities. It also helps in motivating employees and imbining them with enthusiasm.
- To maintain an effective workforce it is necessary to focus on effective talent management strategies and reducing attrition rate in the organizations. Skilled workforce can be retained by engaging them in different job activities.
- For generating core competence it is important that a culture of learning and knowledge sharing exist in the

organization. It helps to foster creativity and innovation in the organization.

- Leader should sense the turbulence or critical issues at both external and internal levels to handle them at the time of uncertainty.
- To handle research and development center along with exposing to global challenges and requirements.
- To manage smooth communication of vision and strategy in the organization.
- To facilitate training and coaching facilities to develop skills of the team members.

6. Conclusion

From the above discussion it has been identified that strategic leadership has become the essence for continuous growth and revival. With the fluctuating political and economic situation, global market turbulences, and weather uncertainties organizations should initiate strategic leadership. It enhances productivity among employees and gives

sustainable competitive advantage to the organizations. This paper is just a small contribution to the literature of strategic leadership. Further attempts will be carried out to check its empirical validity for the organizations of different sectors.

7. References

1. Bajcara, B., Babiaka, J. & Nosal, C. S. (2015). When leaders become strategists. A new look at determinants of leadership styles through their relationship with strategic thinking, *Procedia Manufacturing*, 3, 3669–3676.
2. Bush, T., & Glover, D. (2003). School leadership: Concepts and evidence. Springer; pp. 1–42.
3. Grant, R. M. (1991). The resource-based theory of competitive advantage: Implications for strategy formulation, *California Management Review*, 33(3), 114-135.
4. Hambrick, D. C., & Mason, P. A. (1984). Upper echelons: The organization as a reflection of its top managers. *Academy of Management Review*, 9(2), 193–206
5. Hitt, M. A., Ireland, R. D., & Rowe, G. W. (2005). Strategic leadership: Strategy, resources, ethics and succession, *Handbook on responsible leadership and governance in global business*, pp. 19–41.
6. Ireland, R. D., & Hitt, M. A. (1999). Achieving and maintaining strategic competitiveness in the 21st century: The role of strategic leadership, *The Academy of Management Executive*, 13(1), 43–57.