

CORPORATE STRATEGY, STRATEGIC LEADERSHIP, STRATEGY IMPLEMENTATION AND COMPETITIVE ADVANTAGE: A CONCEPTUAL MODEL PROPOSAL

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ABSTRAK

Memiliki keunggulan kompetitif yang tahan lama merupakan salah satu elemen terpenting dalam memenangkan persaingan komersial. Jika hal ini tidak ada, perusahaan akan kesulitan untuk memisahkan diri dari para pesaingnya dan pada akhirnya akan mengalami kemunduran. Keunggulan dipengaruhi oleh sejumlah elemen, seperti kepemimpinan strategis, strategi yang sesuai, dan keberhasilan implementasi atau eksekusi strategi. Penelitian ini bertujuan untuk memastikan dampak kepemimpinan strategis, strategi yang tepat, dan efektivitas terhadap implementasi atau pelaksanaan strategi dan bagaimana pengaruhnya terhadap keunggulan kompetitif organisasi, khususnya universitas. Hal ini juga menghasilkan model konseptual tentang hubungan antara konstruk tersebut, yang akan diuji secara empiris dalam penelitian selanjutnya. Melalui pemeriksaan literatur dan penilaian terhadap teori peneliti sebelumnya, penulis menggunakan metodologi kualitatif. Hipotesis ini telah dirilis dalam publikasi nasional dan jurnal internasional yang disetujui dan terindeks Scopus. Dengan demikian, kepemimpinan strategis dan strategi yang tepat (cukup) saling mempengaruhi dan keduanya berpengaruh terhadap keberhasilan eksekusi strategi, yang pada akhirnya berdampak pada keunggulan kompetitif perusahaan..

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ABSTRACT

Possessing a durable competitive edge is among the most crucial elements in winning commercial competitions. In the absence of this, the company will struggle to set itself apart from its rivals and will eventually go into decline. Excellence is influenced by a number of elements, such as strategic leadership, suitable strategy, and successful strategy implementation or execution. This study aims to ascertain the impact of strategic leadership, appropriate strategy, and effectiveness on the implementation or execution of strategies and how these affect the competitive advantage of organizations, particularly universities. It also generates a conceptual model about the relationship between these constructs, which will be empirically tested in subsequent studies. Through an examination of the literature and an assessment of earlier researchers' theories, the author employs a qualitative methodology. These hypotheses have been released in approved national publications and international journals indexed by Scopus. Thus, strategic leadership and proper (enough) strategy have an impact on each other and both have an impact on the success of strategy execution, which in turn affects the competitive advantage of the firm.

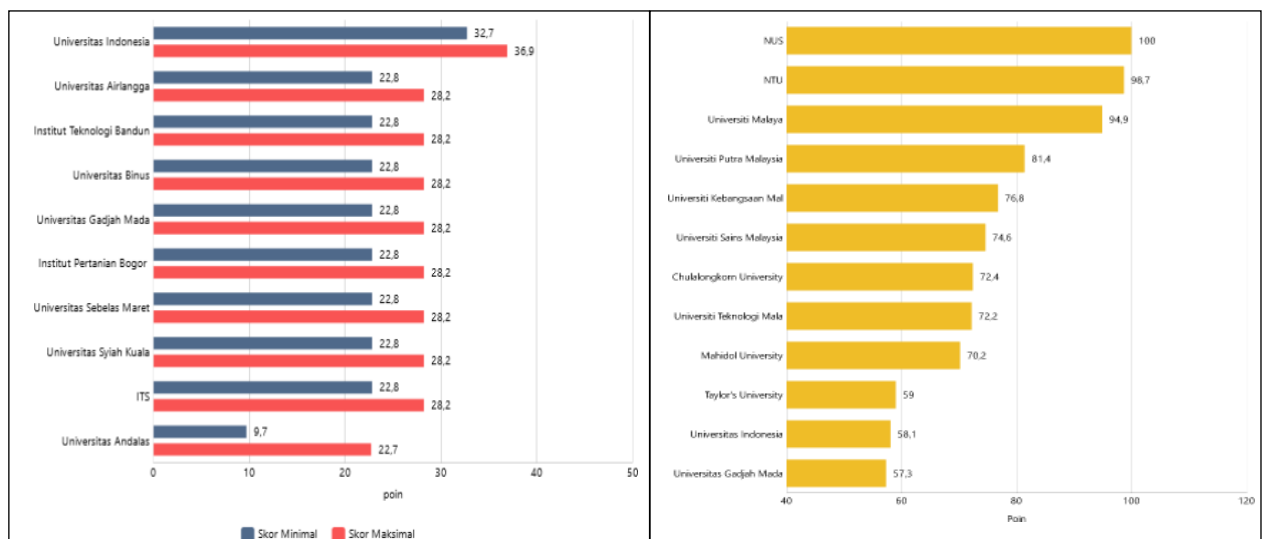


PENDAHULUAN

Currently, the world business climate continues to change and is dynamic. In this way, organizations are faced with a significant test in understanding how to adjust and adapt effectively to environmental changes. To have high competitiveness, Indonesia needs to have business elements with the best performance, especially at the ASEAN level, before it can compete at the Asian and global levels. However, this cannot be achieved without good human resources (HR), especially in the field of higher education. Therefore, higher education in Indonesia needs to be transformed into world quality universities. Indicators of world quality universities have become part of the academic industry. Competitive advantage is the determining factor that differentiates a company from its competitors, providing uniqueness in the market and enabling it to excel and become a market leader. Competitive advantage is obtained through a company's characteristics and resources that make it perform better than competitors in the same industry or market. However, Indonesia's competitive advantage in the higher education sector is still a cause for concern. As an illustration, below is the ranking of universities in Indonesia, which can show the competitiveness of each institution.

Figure 1.

Ranking of the Best Universities in Indonesia and ASEAN 2024 - QS WUR



Source : Katadata.com

From this picture, it can be seen that the University of Indonesia is ranked first nationally, followed by other universities . However, when comparing its competitiveness with universities at the ASEAN level alone, the University of Indonesia (UI) is in 10th place and Gadjah Mada University (UGM) is in 11th place. From this data it can be seen

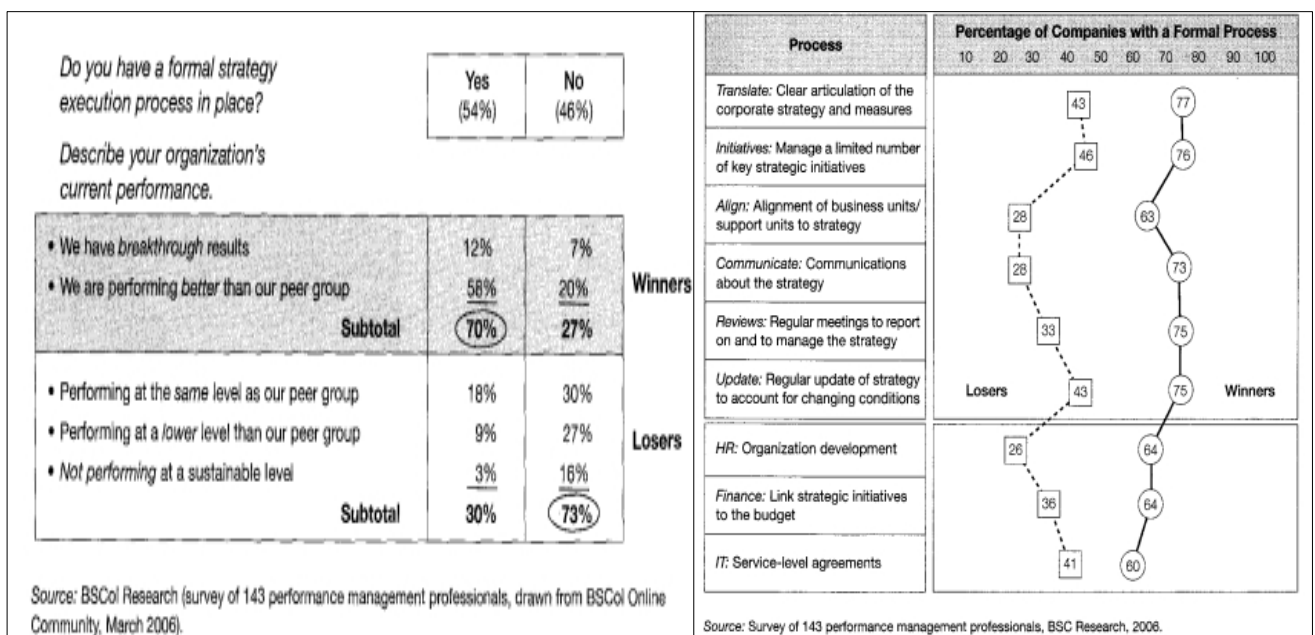
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that the competitiveness of Indonesian universities is still far behind that of other universities. high in Singapore, Malaysia and Thailand. In the ASEAN best campus ranking data, Singapore placed two of its universities at the top, followed by Malaysia with seven universities, Thailand, two universities and finally, Indonesia which only placed two universities, but in the bottom two ranks which were included in the 12 best ASEAN universities.

Based on a global poll conducted in 2006, The Monitor Group informed top executives about their priorities and the strategic execution of meeting the highest level of performance. This may be explained by the fact that several surveys conducted over the course of two years revealed that between 60 and 80 percent of businesses engage in strategic planning, and the main problem is that most large organizations lack formal systems to assist them in carrying out their strategic planning. In addition, just 40% of organizations attribute their success to their strategy, and only 30% attribute their incentive compensation to their strategy. Additionally, about ten percent of employees understand the company's strategy. (Kaplan & Norton, 2008). In addition, as Figure 3 below illustrates, organizations with formal strategies do better than those without, indicating a potential disconnect between strategy and execution. This is connected to the strategy execution gap. It is also observed that around 10% of employees understand the company's strategy,

Figure 3.

Company Performance With and Without Formal Strategy Execution



Sumber : Kaplan (2008)

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The performance of the six strategy execution procedures reveals further distinctions as well; as the figure illustrates, organizations using formal plans do better at each phase. The results of studies conducted on companies operating in many industries and geographical locations reveal that exceptional and visionary leadership unites them. The CEO of the company oversaw the change initiative in each case and recognized the value of sharing the strategy and vision with every worker. Even a thorough management system cannot yield breakthrough performance in the absence of great leadership at the top. Indeed, the role of leadership in a strategic management system is crucial.

Successful execution of this strategy is very important to create and maintain competitive advantage and organizational performance. Ireland and Hitt (1999), there are six activity indicators to determine the effectiveness of strategic leadership, including being a specific and long-lasting differentiator, as well as having an innovative attitude. Leaders not only influence business policies, but also have a significant impact in shaping competitive advantage (N. Rahman et al., 2018). From various studies, competitive advantage greatly influences company performance which refers to the organization's ability to achieve goals, strategies, objectives and utilize resources effectively (Saeidi et al., 2021). (Hunitie, 2018) and (Jaleha & Machuki, 2018) shows that strategic leadership has a positive influence on competitive advantage and company performance.

Previous research also shows that, in addition to strategic leadership, intellectual capital also has a positive impact on competitive advantage and business success. Human capital, structural capital and relational capital are all part of intellectual capital (Handayani & Karnawati, 2020). Information technology has an important role in bringing change and improving the financial performance of a business (Lisandra & Suwandi, 2023). To gain an edge over competitors, businesses must devise innovative methods for their ventures. (Renaldi Wahyudin, 2022) and Nengah et al. (2021) Regarding this matter, the author tries to propose a conceptual model to enrich the existing model and emphasize the relationship between strategic leadership and adequate corporate strategy related to the successful execution of strategy which ultimately influences the competitive advantage of the university

THEORITICAL REVIEW

Corporate strategy

The activities a corporation does to strengthen its position in different industries are sometimes referred to as corporate strategy. According to Thompson et al. (2013), it's a way

to seize cross-business synergies and use them to your benefit. Business decisions pertaining to the company's definition as a complete master plan outlining how the corporation will carry out its mission and goals must be included in corporate-level strategy (Mukhezakule & Tefera, 2019).

Strategic Leadership

According to (N. R. A. Rahman et al., 2018), strategic leadership can be defined as a leader's ability to predict, maintain flexibility, and empower others to create strategic change if necessary. Davies (2004), in (Rahman et al., 2018), identified five core skills of a strategic leader, namely strategic orientation, strategy implementation, strategic adjustment, and strategic competency development. Because of its importance in organizations that want to cope with change quickly, strategic leaders face different challenges, such as making wise decisions. (Hunitie, 2018), leadership relates to all leaders in the organization regardless of management level, while strategic leadership refers to leaders at the top level of the organization. and (Jaleha & Machuki, 2018) strategic leadership as the ability to create and maintain absorptive and adaptive capabilities and capabilities. to differentiate environmental opportunities through managerial discretion. The organization is enhanced and improved by strategic leadership (Alhyasat & Sharif, 2018). Strategic leaders must be centered around critical resources, skills, and/or competences, since they are what allow SCA to continue being successful in the long run. (Mahdi & Nassar, 2021).

Strategic Leadership Competence

Strategic leaders must build organizational resources and implement strategies that will benefit the organization in order to attain a competitive advantage. These strategies must be arranged to use the organization's strengths (Sirmon et al., 2007). To be more precise, strategic leaders need to maximize and preserve the organization's human and social capital in addition to utilizing and preserving its core strengths. But the management of social and human capital is what makes SL unique (Hitt et al., 1998). Thus, developing human capital (DHC) and developing social capital (DSC) are at the core of strategic leadership competence (SLC).

Strategy-Implementation

The process of effectively putting strategic decisions into practice after they have been developed is known as strategy execution. The manifestation of strategy through employee empowerment to make specific everyday decisions that have a direct impact on customer happiness and service is known as strategy execution. The smallest set of decisions that best

direct or compel other decisions is known as strategy execution, which establishes a hierarchy of options (Mahdi & Nassar, 2021).).The process by which a business transforms its strategic plans into actions to accomplish its goals and objectives is known as strategy execution . This entails putting the company's plan into practice methodically by coordinating resources, operations, and procedures with the chosen course of action. When a plan is executed well, verifiable outcomes are produced, propelling the business ahead and maximizing shareholder value.

RESEARCH METHODS

This research tries to provide a research proposal preposition on organizational competitive advantage through the use of qualitative methodology, namely a literature survey. A literature survey (Nurislaminingsih et al., 2020) is a research approach that tries to collect and extract key findings from previous research. The process of doing a literature review is a methodical approach to gathering and analyzing prior information. A well-executed and efficient literature review lays a solid basis for knowledge advancement and hypothesis formulation. Literature reviews have the ability to provide research questions with a power that is not possible for a single study by combining the conclusions and points of view from several empirical investigations (Snyder, 2019).

RESULTS AND DISCUSSION

The word "strategos," which originally referred to an elected war commander, is where the word "strategos" originates . The military is where the idea of strategy first emerged. It is predicated on the idea of subduing the opposition by using a competitive advantages (Mukhezakule & Tefera, 2019). Organizational leaders engage in two key actions when it comes to strategy: strategic planning, which involves formulating a strategy, and strategic execution, also known as strategic implementation. But research over the past 20 years has revealed that between 60 and 80 percent of businesses struggle to execute their strategies (Kaplan & Norton, 2006).

Communication (N. Rahman et al., 2018) leaders and employess skills (Doeleman et al., 2022), engagement or transformational leadership behaviors (including intellectual stimulation, idealized influence, individualized consideration, and inspirational motivation) are some of the factors that influence strategic implementation. The largest barrier to plan implementation, however, is individuals' unwillingness to share their expertise and insufficient or bad leadership, a lack of trust results in incomplete or inaccurate information

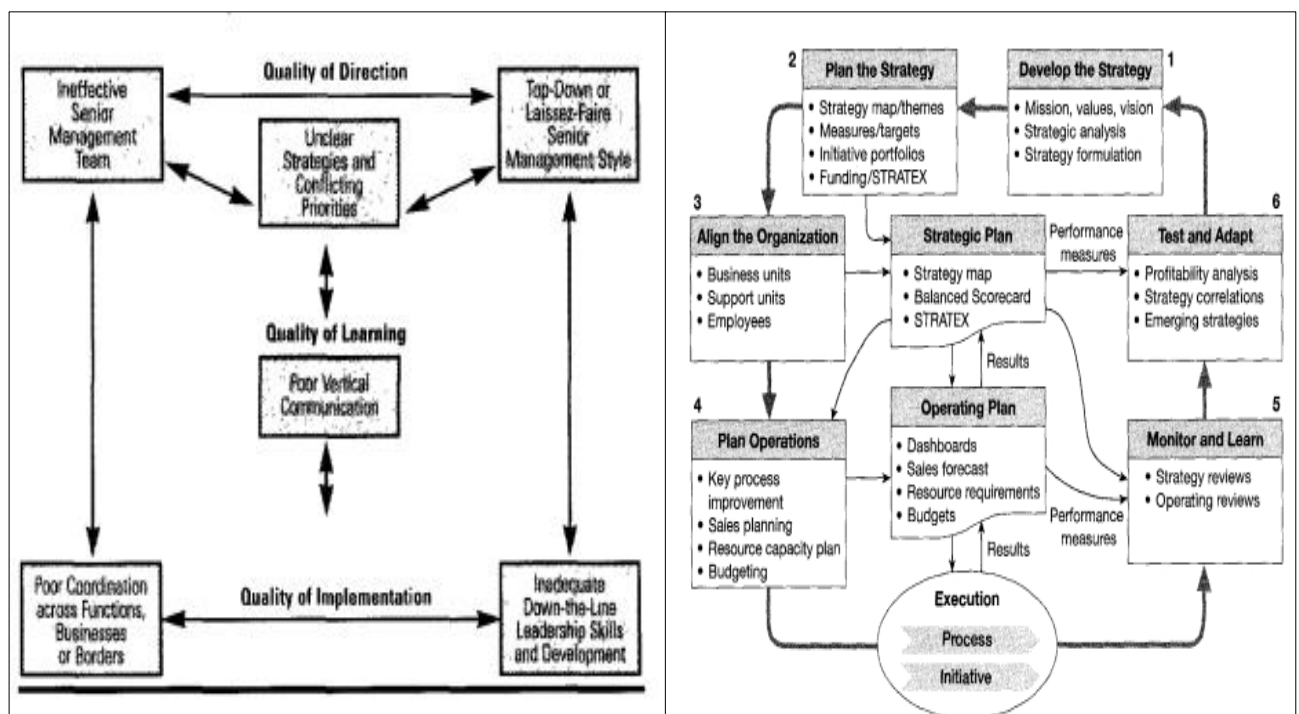
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and knowledge, a lack of coordination and explicit instruction. Also , inadequate strategy and a hazy strategic vision both lead to strategic failures. organizational drift and disunity might result from an imprecise strategic vision.

Additionally, most organizations have the six silent killers of strategy implementation (Michael Beer,2000) but far too many authorities avoid dealing with them. These are the killers that leaders must confront: 1) An incompetent top management team 2) Ambiguous plans and competing agendas 3) Top-down or laissez-faire approaches to senior management. 4) inadequate communication between sectors and functions 5) Ineffective vertical coordination 6) Inadequate development of down the line leadership abilities and interactions. To address this, (Kaplan & Norton, 2006) presented the Six Stage Close Loop Management System for Strategic Execution, which is a comprehensive Plan solution that formalizes strategy and ensures that the implementation of a risk-averse strategy is carried out.

Figure 4.

Beers' Six Killers on strategy And Kaplan's Execution Management System



Source : Michael Beer (2000), Kaplan (2008)

Regarding strategy execution, there is little discussion of execution for at least three reasons. First, because strategy execution is more complex and difficult than formulating it because it involves more people with clear time targets. Second, some practitioners and academics consider that execution is not a separate activity from formulation. Third, execution is not

their domain, but the domain of the implementers. In fact, formulating a strategy without considering aspects of its execution will hinder the success of a strategy and hamper organizational performance. The following are findings from several studies related to strategy implementation.

Strategic Leadership And Competitive Advantage

The purpose of this study is to identify how strategic leadership affects competitive advantage. The study's findings demonstrated that intellectual capital and strategic leadership had a favorable and significant impact on competitive advantage in go public non-manufacturer businesses in Surabaya. Gobel and associates (2022), The owners or managers of cafés and restaurants in Gorontalo City make up the total sample, which is used to select the study samples from this population of 40 respondents. The results of the study show that competitive advantage is favorably and significantly impacted by strategic leadership. Competence in Strategic Leadership and Competitive Advantage In 2021, Omar Rabeea Mahdi conducted a study at 44 private universities in Iraq to investigate the link between strategic leadership competence and competitive advantage. The those that have responded include

Strategic Leadership Competence dan Competitive Advantage

(Mahdi et al., 2021), examining the relationship between Strategic Leadership Competence dan Competitive Advantage at 44 private universities composed in Iraq. The respondents are 525 academic leaders, results showed that there is a need to utilize, maintain, and develop the human and social capital of their respective universities to produce greater competitive advantage.

Strategic Leadership dan Strategy Implementation

(Mubarak, M F; Yusoff, 2019) , Successful strategy implementation is shown to be significantly influenced by strategic leadership. As such, the leadership position needs to be carefully considered while formulating and carrying out the strategic choices. Only two of the strategic leadership actions—"determining strategic direction" and "establishing balanced organization controls"—have a positive statistically significant relationship with the effective implementation of strategy, according to research by Olaka et al. (2018) at Banking in Kenya. According to (Obeidat et al., 2021) strategic leadership significantly impact strategy implemented at Kenya's-Revenue-Authority.

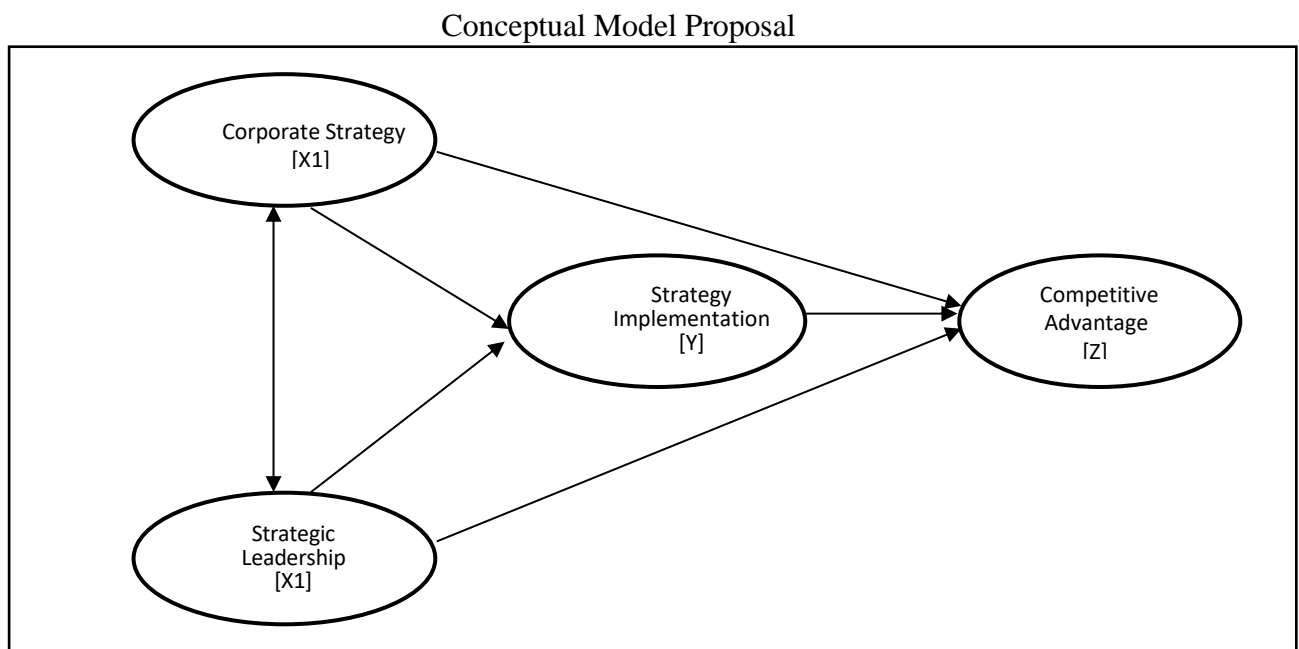
Strategy Implementation And Competitive Advantage

Mazhitov (2024) This study explores the roles of people, plan, and process related activities in the effectiveness of strategy implantation in organizational environments, based on the ideas of an integrated approach. 307 top- and mid-level managers employed by Kazakhstan's governmental and private sectors provided the data. The results showed that people, plan, and process related activities had a major impact on the competitive advantages and effectiveness of strategy implementation.

Conceptual Model Proposal

Based on the literature review and discussion of the theorists above, the current Competitive Advantage variable is proposed. The equation model is, $CA = f(CS, SL, SI\dots)$, (CS = Corporate Strategy, SL = Strategic Leadership, IC = Strategy Implementation). In this research, variables that influence directly or indirectly and correlatively include Corporate Strategy, Strategic Leadership, Starategy Implementation and the Competitive Advantage variable as the dependent variable. Figure (5) shows the direct and indirect relationship between each of the proposed constructs, as follows:

Figure 5.



Source : Literatur Review

CONCLUSION AND RECOMMENDATIONS

From this research it can be seen that Corporate Strategy and Strategic Leadership influence each other, and each of these variables influences the implementation or execution of strategy and will ultimately influence the Competitive Advantage or competitiveness of organizations, especially higher education institutions. Higher education leaders should make various improvements to improve strategic leadership abilities, and ensure that their corporate strategy is adequate because these variables have a positive influence on the success of strategy implementation which will increase their competitiveness, which of course will result in organizational performance that satisfies stakeholders.

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