Building a Winning Leadership Strategy

Idea In Short

A business strategy is only as strong as the leadership built to run it. Boards and chief executives routinely fund ambitious growth plans, digital overhauls and market expansions, then leave the leadership side of the equation to chance, assuming that filling organizational chart boxes with credentialed executives will get the job done. It will not. A deliberate leadership strategy defines how many leaders an organization needs, what qualities and skills they must carry, how well they collaborate across functions and what kind of culture their combined actions create. Skip that work and even a brilliant strategy stalls in committee, in silos or in the gap between what the boardroom approved and what middle management can actually deliver. Treat leadership as a designed system, not a headcount exercise and execution follows.

Executives spend enormous energy sharpening business strategy and comparatively little designing the leadership required to run it. That imbalance shows up in the data every year: well-resourced companies with clear strategic direction still miss growth targets, stall on digital transformation or lose market position to competitors nobody expected. The business strategy itself is rarely the problem. The leadership built to carry it out usually is. Without a deliberate plan for who leads, how many, with what capabilities and through what kind of collaboration, even a sound strategy stays trapped on the page.

What Leadership Strategy Actually Means

Understanding leadership strategy starts with separating two ideas that get treated as one: the leader and leadership. The Center for Creative Leadership has studied both for more than four decades and its research draws a sharp line between authority vested in senior roles and the collective pattern of action that determines organizational outcomes, a distinction laid out in its analysis of1. Leadership, in that framing, begins with people who hold senior titles, but it does not end there.

An organization's capacity to hit its objectives is not decided solely by the talent of one standout executive or the tightness of its reporting lines. Those factors matter. They just do not explain, on their own, why some companies execute difficult strategies while comparable competitors with comparable talent do not. The missing variable is leadership culture, defined by how formal and informal leaders act together, not by how many of them exist on paper.

Headcount and credential quality both matter, but neither determines outcomes by itself. What tips the balance is whether leaders, formal and informal, actually coordinate toward shared goals instead of managing their own territories in parallel. That distinction reframes leadership less as a role and more as a relationship, interdependent, distributed and rarely confined to the org chart.

> A leadership strategy succeeds or fails on how many leaders an organization has, the caliber it selects for, the skills it builds, the collaboration it enables across boundaries and the culture that collective behavior produces

Framed this way, the task facing a board or chief executive officer (CEO) changes. Instead of asking whether the leadership team looks strong on paper, the better question is whether leaders across the business, regardless of title, are pulling in a coordinated direction that the strategy actually requires. That is a design question, not a staffing question and it deserves the same rigor a chief financial officer would apply to a capital allocation decision.

The Five Elements Of A Deliberate Leadership Strategy

Most leadership research concentrates on two variables: the number of people in leadership roles and the traits used to select them. Both matter, but stopping there misses the elements that actually decide whether a strategy gets implemented. A complete leadership strategy has to account for quantity, quality, skill, collaboration and culture together, because omitting any one leaves a gap that eventually shows up as a stalled initiative.

Quantity: Sizing The Leadership Bench

The first question is arithmetic before it is anything else: how many leaders will the organization need over the next five to ten years, given projected growth and expected turnover. That figure should be broken down by timing, location and organizational level rather than treated as a single aggregate number. A retailer planning to double its store count needs a very different leadership pipeline than one holding steady and defending margin and the workforce planning behind each scenario looks nothing alike.

Getting this number wrong in either direction creates its own drag on execution. Too few leaders in the pipeline forces the organization to promote before people are ready or to buy expensive external talent under time pressure. Too many creates redundant layers that slow decisions and dilute accountability. McKinsey's research on how healthy organizations turn strategy into results found that a substantial share of transformation efforts lose momentum midstream and thin or misallocated leadership bench strength is a recurring reason why, a point developed in2.

Qualities: Choosing For The Right Traits

The second element covers the traits an organization selects for or retains, including demographic background, professional experience and the balance between promoting from within and hiring from outside. These choices are rarely neutral. An organization heavy on internal promotion tends to execute strategies that build on existing capability efficiently, while one that leans on external hiring often absorbs outside perspective faster at the cost of institutional continuity.

Diversity of background, level and location belongs in this conversation as well, not as a compliance checkbox but as a genuine input into decision quality. Leadership teams drawn from a narrow set of experiences tend to miss risks and opportunities that a more varied bench would catch earlier. None of this replaces competence as the primary filter, but it shapes which competent candidates actually get selected and retained.

Skills And Behaviors Tied To The Business

Third comes the specific skills, behaviors, knowledge and capabilities leaders need and these should map directly to the function, level and unit each leader occupies rather than sitting in a generic competency model. A useful leadership strategy separates the general behavioral competencies expected of every leader in the company from the specific ones tied to a particular role or level and it names the technical knowledge required for each job rather than assuming it will be picked up on the way.

This is where many leadership frameworks go generic and lose their value. A model built to apply equally to a regional operations head and a corporate strategy director ends up saying too little about either. The skills tied to executing a specific strategy, market expansion, digital transformation, cost restructuring, are not interchangeable and a leadership strategy has to name them at that level of specificity to be useful.

Collective Capabilities Across Boundaries

Fourth are the capabilities leaders need when they work together rather than individually and this is where most leadership strategies fall shortest. Giving direction as a group, finding solutions that require collaboration across internal or external boundaries, involving employees in decisions and securing their support for cross-functional initiatives, co-creating and implementing plans in a coordinated way, these are team-level capabilities that no amount of individual leadership talent substitutes for.

Forbes contributor Tony Gambill's reporting on3 found that a majority of strategies fail not from weak formulation but from the absence of exactly this kind of coordinated follow-through, with most organizations lacking the governance structures that make cross-functional accountability real rather than aspirational. Successful innovation, adjusting to disruption, expanding into new markets and maintaining consistent values across the organization all depend on this collective layer functioning well and none of it shows up on an individual performance review.

Culture: What Leaders Create Together

Fifth is the culture that leaders produce through how they lead, which functions as both an output of the other four elements and an input that shapes them going forward. This covers the degree of independence, dependence or interdependence among leaders, the values emphasized by collective action, whether the dominant style leans controlling or permissive and which leadership practices, employee engagement, accountability, customer focus, actually get reinforced day to day rather than stated in a values document.

The Center for Creative Leadership's typology of dependent, independent and interdependent leadership cultures is useful here because it treats culture as a maturity progression rather than a fixed trait. Organizations tend to start dependent, where senior figures drive most decisions, move toward independent, where individual expertise dominates and mature toward interdependent, where leadership operates as a genuinely shared activity. Harvard Business Review's analysis of4 reinforces the point that this progression, not any single leader's talent, is what determines whether complex strategic choices actually get implemented.

What It Costs To Build A Leadership Strategy

No universal formula converts a leadership plan into a specific budget line or timeline, largely because the starting point, industry, growth ambition and existing bench strength, varies too much between organizations to standardize. What a leadership strategy does provide is a clear, defensible justification for the investment, because its connection to the business strategy it supports is direct and traceable rather than assumed.

Building this plan is typically an ongoing process run by a dedicated team that reports regularly to an executive group or steering committee responsible for oversight. Much like a formal talent review, the process of developing a leadership strategy tends to surface discussions that the organization has never had directly, about who is actually ready for expanded responsibility and where the gaps sit. Those conversations function as a kind of intervention in their own right, shifting how the business talks about executive talent well before any formal plan is finalized.

Deloitte's research on5 found that organizations recognizing the connection between leadership development and business performance still routinely rank it last among competing priorities, which is precisely the gap a formal leadership strategy is designed to close. Sizing the number of leaders needed is usually a straightforward extension of growth targets using standard workforce planning techniques. Building the leadership culture that makes those leaders effective together is considerably harder and it is also the part most organizations skip.

Harvard Business School's analysis of6 found that roughly nine in ten senior executives report missing strategic goals specifically because of poor implementation, not poor planning. That gap is rarely a strategy problem. It is a leadership design problem and it responds to the same disciplined analysis that any other major capital decision would receive.

- 1identifying your organization's type of leadership culture
- 2execute to win: how healthy organizations turn vision into results

- 3why leadership teams fail at strategy execution and how to fix it
- 4why do so many strategies fail
- 5evolving leadership to drive human performance
- 65 reasons strategy execution fails

Summary

Strategy and leadership are not separate workstreams competing for budget. They are one system and the second determines whether the first survives contact with the organization. Companies that build a leadership strategy alongside their business strategy answer five questions with precision: how many leaders they need, what traits and backgrounds they select for, which skills and behaviors matter at each level, how well leaders collaborate across boundaries and what culture their collective actions produce. Skipping any one of those questions leaves execution to chance. The investment required is real and the process is rarely tidy, but the alternative, a strategy that lives only in a slide deck, costs far more.