

# Final Project 2

PMG 497

# What is the Benefit of Improving the Competencies of Senior Management in Leading Corporate Strategy?

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## Chapter 1: Introduction

### 1.1 Research Background

In the world of business today, everything is changing fast. Companies need to be flexible and ready to deal with problems quickly. The people who lead these companies, called senior managers, have a very important job. They are the ones who make big decisions and guide the company's future. To do their jobs well, they need to have the right skills and knowledge, also known as competencies. These competencies include things like thinking ahead, making good decisions, leading teams through change, and communicating clearly. If senior managers don't have these skills, companies can struggle to put their plans into action. Even if the company has a good strategy, it might not work well if the leaders don't know how to lead properly.

Some companies invest in leadership training to help their senior managers get better at their jobs. This can help the company reach its goals more easily. In this research, we will explore how improving the skills of senior managers can help companies succeed with their strategies.

### 1.2 Research Problem

Many companies create good strategies but still fail to make them work. One big reason is that their top leaders don't have the skills they need. This research looks at how improving these skills can help companies do better.

### 1.2.1 Theoretical Gaps

There is not enough research that shows exactly how different leadership skills affect company success. We need more studies that connect leadership training with company results.

### 1.2.2 Practical Gaps

In real life, many companies don't spend enough time or money on training their top managers. Some programs are not focused on what the company really needs.

## 1.3 Research Significance

### 1.3.1 At the theoretical level

This research helps improve our understanding of how leadership skills affect company strategy. It adds to what we already know about business leadership.

### 1.3.2 At the practical level

Companies can use this research to make better leadership training programs. It can help them reach their goals more easily by improving their top managers' skills.

## 1.4 Research Questions

1. What are the most important leadership skills for senior managers?
2. How do better leadership skills help with strategy?
3. What are the best ways to improve these skills?
4. What results can we see when managers improve their skills?

## 1.5 Research Objectives

- To find out what skills senior managers need.
- To understand how these skills help with company strategy.
- To explore ways to improve these skills.
- To build a model that shows how better skills lead to success.

## 1.6 Research Hypotheses

H1: Better leadership skills help companies succeed.

H2: Companies that train their top leaders do better than those that don't.

H3: Leadership skills help turn plans into actions.

## 1.7 Research Model

- Independent Variable: Senior Management Competencies (e.g., strategic thinking, decision-making, communication, adaptability)
- Dependent Variable: Effectiveness of Corporate Strategy
- Control Variables: Industry type, organizational size, years of experience
- Mediators/Moderators: Organizational culture, leadership development practices

## 1.8 Research Methodology

This research will use a mixed-methods approach. Surveys will be given to senior managers at STC to measure their leadership skills and how they impact strategy. Interviews will be conducted with a few leaders to understand how they use these skills in real life. Data will be analyzed using SPSS for numbers and themes for words.

### 1.9 Scope of the Study

This study will focus on STC (Saudi Telecom Company) as it is one of the leading telecom companies in Saudi Arabia. It will target senior management and explore how their competencies affect strategic outcomes within the company.

### 1.10 The Suggested Project Structure

1. Introduction
2. Literature Review
3. Methodology
4. Data Analysis and Results
5. Discussion and Interpretation
6. Conclusions and Recommendations
7. References

## Chapter 2: Literature Review

### 2.1 Introduction

Understanding the relationship between leadership competencies and strategic execution has become increasingly important in the modern business environment. Senior management plays a pivotal role in aligning resources, motivating teams, and making long-term decisions that shape the future of the organization. In this chapter, we review existing academic literature on the subject and connect it to the practices followed by Saudi Telecom Company (STC), particularly through its leadership development initiatives such as the STC Academy.

### 2.2 The Independent Variable: Senior Management Competencies

Leadership competencies refer to a set of measurable behaviors, skills, and attitudes that enable individuals to perform leadership roles effectively. These include strategic thinking, emotional intelligence, change leadership, communication, and decision-making. According to Goleman (1998), "leaders with high emotional intelligence are more likely to be effective because they can regulate their emotions and understand others' feelings," which leads to better teamwork and decision-making (p. 317).

McClelland (1973) also emphasized competence over intelligence, suggesting that "testing for competence rather than for intelligence provides a better predictor of job performance in leadership roles." Senior managers must be able to anticipate future trends, engage their workforce, and create alignment between departments and strategic goals.

## STC's Approach to Leadership Development

STC has taken a proactive approach to developing senior management through both internal and external leadership development programs. As part of its long-term strategic vision (aligned with Vision 2030), STC has recognized the importance of empowering its leadership to handle rapid technological and market changes. A core component of this strategy is the STC Academy, which serves as the organization's central hub for leadership training and talent development.

The STC Academy delivers high-quality training programs tailored to the company's current and future needs. It offers development tracks that include executive leadership, digital innovation, and business strategy. What makes the academy stand out is its international partnerships with top global business schools, including IE Business School in Madrid. This collaboration helps STC give its executives access to global best practices and cutting-edge leadership education.

Through these partnerships, STC's leaders participate in executive education programs that focus on real-world business problems, case studies, and cross-cultural leadership challenges. These programs not only improve their decision-making and strategy execution capabilities but also align STC's leadership culture with global standards.

By investing in leadership development through STC Academy, the company is ensuring that its top managers are not only skilled at running operations but are also equipped to lead transformation, drive innovation, and execute complex strategies. This effort supports STC's position as a digital enabler in the region.

## 2.3 The Dependent Variable: Corporate Strategy Effectiveness

Corporate strategy effectiveness refers to how successfully an organization achieves its long-term goals. Effective strategy requires leadership that can bridge the gap between vision and execution. According to Kaplan and Norton (1996), "even the best strategies fail if they are not translated into operational terms and understood by employees at every level" (p. 25).

At STC, strategy is not just developed at the top; it is driven by leaders throughout the organization. The company's focus on 5G, cloud computing, and AI services is not simply a technological shift—it requires a cultural and managerial transformation led by competent executives.

## 2.4 The Relationship Between Variables

Research strongly supports the idea that leadership competencies directly affect strategic outcomes. For example, Hitt, Ireland, and Hoskisson (2007) note that "firms with strong strategic leadership outperform others in adapting to environmental changes and leveraging resources for competitive advantage" (p. 32). This is especially relevant in the telecommunications industry, where market shifts and innovation cycles are fast and unforgiving.

STC's investment in leadership development reflects this reality. Its leaders are trained not only to manage existing operations but also to think proactively about future opportunities. The link between competency development and strategy effectiveness at STC is evident in their ability to launch new services quickly and lead digital transformation across the region.

## 2.5 Conclusion

The literature confirms that leadership competencies are essential for executing business strategy effectively. STC serves as a strong example of how investment in leadership—through academies, partnerships, and structured development—can lead to better alignment, faster execution, and sustained competitive advantage. As Northouse (2021) concludes, "leadership development is not a luxury but a necessity in today's organizations" (p. 14).

## Chapter 3: Research Methodology

### 3.1 Introduction

This chapter explains how the research will be done. It talks about the kind of research used, who will take part, how the data will be collected, and how it will be analyzed. The main goal is to find out how improving senior management skills helps companies like STC (Saudi Telecom Company) succeed with their strategies.

### 3.2 Research Design

This research will use a mixed-methods approach, which means it will collect both numbers (quantitative data) and opinions (qualitative data). Quantitative data will come from surveys (questionnaires), while qualitative data will come from short interviews with managers. This mix helps the researcher understand both the numbers and the reasons behind them.

### 3.3 Population and Sample

The study will focus on senior and mid-level managers at STC, since they are responsible for making and carrying out strategies. Around 50 to 100 managers will be asked to fill out the survey, depending on availability. A smaller number, about 5 to 10, will be interviewed for more detailed answers.

### 3.4 Data Collection

Data will be collected using an online Google Form questionnaire. It will have three parts: Demographic Information (position, years of experience, department), Senior Management Competencies (leadership and management skills), and Corporate Strategy Effectiveness (how well strategies work in the company).

Respondents will rate each statement on a 5-point scale: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree.

### 3.5 Research Variables and Dimensions

| Variable                                                | Dimension          | # of Items | Example Item                                        | Reference                         |
|---------------------------------------------------------|--------------------|------------|-----------------------------------------------------|-----------------------------------|
| Independent Variable:<br>Senior Management Competencies | Strategic Thinking | 4          | I focus on long-term organizational goals.          | McClelland (1973); Goleman (1998) |
|                                                         | Decision-Making    | 3          | I make decisions based on data and strategic goals. | Hitt et al. (2007)                |
|                                                         | Communication      | 3          | I communicate strategy clearly to my team.          | Goleman (1998)                    |
|                                                         | Change Leadership  | 4          | I effectively lead my team                          | Kotter (1996)                     |

|                                                                  |                           |   |                                                                 |                              |
|------------------------------------------------------------------|---------------------------|---|-----------------------------------------------------------------|------------------------------|
|                                                                  |                           |   | through<br>change.                                              |                              |
| Dependent<br>Variable:<br>Corporate<br>Strategy<br>Effectiveness | Implementation<br>Success | 4 | Our company<br>achieves most<br>of its strategic<br>objectives. | Kaplan &<br>Norton<br>(1996) |
|                                                                  | Employee<br>Alignment     | 3 | Employees<br>understand<br>and support<br>company<br>strategy.  | Kaplan &<br>Norton<br>(2001) |
|                                                                  | Innovation and<br>Growth  | 3 | Our company<br>adapts<br>quickly to<br>market<br>changes.       | Hitt et al.<br>(2007)        |

### 3.6 Data Analysis

The collected data will be analyzed using SPSS software. Descriptive statistics will show averages and percentages, while correlation tests will show relationships between leadership skills and strategy success. For interview data, the researcher will find common themes and summarize the most important answers.

### 3.7 Reliability and Validity

The questionnaire will be tested with a small group first to make sure all questions are clear and easy to understand. The reliability of the survey will be checked using Cronbach's Alpha, and the results will be used to improve the final version.

### 3.8 Ethical Considerations

All responses will be confidential and voluntary. Participants will be told about the purpose of the study before answering. They can skip any question or stop at any time. The research will follow university ethics rules.

### 3.9 Summary

This chapter explained how the research will be carried out. It showed the methods for collecting and analyzing data, and the tools that will be used to measure how leadership skills influence company strategy at STC.

## Appendix A: Questionnaire

### Section 1 – Demographic Information

Please answer the following:

- Job Title
- Department
- Years of Experience
- Education Level

### Section 2 – Senior Management Competencies

(1 = Strongly Disagree → 5 = Strongly Agree)

1. I focus on long-term organizational goals.
2. I make strategic decisions based on reliable data.
3. I communicate the company's vision clearly to employees.
4. I motivate others to achieve strategic objectives.
5. I effectively lead my team through organizational change.
6. I encourage innovation and creativity within my team.
7. I collaborate with other departments to achieve company goals.

### Section 3 – Corporate Strategy Effectiveness

(1 = Strongly Disagree → 5 = Strongly Agree)

1. Our company successfully implements its strategic plans.

2. Employees understand and support the corporate strategy.
3. Our leadership effectively monitors progress toward strategic goals.
4. Our company adapts quickly to new opportunities and challenges.
5. We continuously review and improve our strategic objectives.
6. Our organizational structure supports effective strategy execution.

#### Appendix B: Interview Guide (Optional)

1. How do leadership training programs at STC influence your effectiveness as a manager?
2. What skills do you think are most important for implementing company strategies successfully?
3. How has STC Academy supported your leadership development?
4. What challenges do you face in aligning your team with corporate strategy?

## Appendix C: Consent Form

### Purpose of the Study:

To explore how improving the competencies of senior management affects corporate strategy execution at STC.

### Confidentiality:

All responses will remain confidential and used for academic purposes only.

Participants can withdraw at any time without consequences.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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