


Chapter 9

Strategic Leadership in the 21st Century Management Climate

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ABSTRACT

The current concept of leadership emphasizes the need for strategic leaders to adapt and learn in varying environments under the VUCA (Volatility–Uncertainty–Complexity–Ambiguity) paradigm, while maintaining integrity and engaging in continuous learning. Among multidisciplinary leadership approaches—including visioning, ethical values, and corporate governance—strategic leadership stands out as a consistent, proactive approach to problem-solving. Leadership requires cooperation with successive teams as organizational hierarchical and bureaucratic arrangements change. New ethical challenges emerge as digitization and artificial intelligence become commonplace. Data analysis for decision-making can lead to algorithm bias and privacy issues, prompting leaders to assess the ethics of algorithms. Leaders must integrate human elements with technological developments while fulfilling moral obligations. Economic well-being, environmental sustainability, and social welfare must be balanced across social, environmental, economic, and institutional dimensions.

INTRODUCTION

Change is inevitable. The modern business world is no exception and is transforming at an unprecedented pace. Three fundamental forces shape this change and transformation: the technological innovations brought by Industry 4.0, the complex networks created by globalization, and the emerging value systems oriented toward a sustainable future. These factors have compelled businesses to re-evaluate traditional management skills and practices. The concept of strategic

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leadership, which has carved out an important niche in the literature, is also evolving alongside this change.

Strategic leadership was once viewed solely as the responsibility of senior executives. Today, however, it has evolved into a process that permeates every level of the organization. For many years, leadership models based on authoritarian hierarchies and rigid chains of command were widely accepted. Yet the limits and shortcomings of these mechanistic approaches are now increasingly apparent, because the operational landscapes of businesses differ markedly.

Modern business operates in an environment conceptualized as VUCA (Volatility–Uncertainty–Complexity–Ambiguity)—a term that emphasizes volatility, uncertainty, complexity, and ambiguity. Within this VUCA context, companies must continually reposition themselves to keep pace with dynamic market conditions, rapidly advancing technologies, and shifting social expectations. This challenging environment underscores the need for forward-looking leadership deeply rooted in ethical values. The emerging leadership perspective approaches value creation with a multi-layered understanding: financial efficiency, environmental sustainability, social responsibility, and principles of ethical governance are now integrated. In this paradigm shift, accelerated by digital technologies, adaptable and values-driven leadership plays a central role.

Leaders' ways of thinking, their social networks, and their modes of working are influenced by many factors, including artificial intelligence technologies, data analysis systems, machine learning tools, and algorithm-based decision-making systems. More importantly, these technologies support managers in planned decision-making processes, raise a range of ethical issues, and encourage them to develop their ability to provide leadership-related solutions. As the system grows more complex, it becomes clear that new perspectives on approaches are necessary. In this new outlook, leaders must recognize that the political governance of the 21st century, technological trust, and the arithmetic of human values form a combination that requires scientific intuition—and that flexible, sustainable leadership is indispensable for management in our era. Because the century we are living in clearly manifests its complex nature in every sphere, this complexity confronts businesses and society alike with challenges.

In the 21st century, the principal macro-level challenges confronting society are global climate change, limited resources, and inadequate social justice. From a leadership perspective, the key point is that turning a blind eye to these issues will ultimately become an obstacle to long-term success. Consequently, both organizations and leaders are expected to make meaningful efforts aligned with social and economic goals. For this reason, businesses should adopt a more responsible approach to the environment when creating value and give these issues as much attention as they do their average profit targets.

Another issue is the transformation of systems alongside technology. The digital economy and financial technologies have given rise to new business models and methods of value creation. In an increasingly fragmented world economy, nourished by convergence across sectors, it will be prudent for leaders to strive beyond their current domains. Moreover, concepts such as the sharing economy and circular economy are also crucial for business continuity. Therefore, companies should not remain static or merely reactive; they should adopt a proactive stance and be sufficiently flexible. More importantly, businesses need to step out of their comfort zones and question their emotional attachment to certain leadership approaches as well as their resistance to change.

It is also possible to say that demographic differences influence leadership style in the process of change and transformation. One notable aspect of demographic change is the generational

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