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CHAPTER 1.

Strategic Management and Governance as a Contemporary Behavioural Strategy

Leadership has always been about guiding and inspiring people. While leaders are consistently acting on this basic axiom, the various motivators behind the behaviours and attitudes of the intellectual capital within an organization have lately dramatically altered. Changing collective norms and organizational dynamics in the last years mean that management tactics must take another kind of approach.

The philosophy behind the Strategic Management Process starts with development. Development of vision, objectives, goals, strategies and, in addition, behaviours. Strategic leadership is about vision regarding the future, outlining the organisational objectives and coming up with and implementing the organisation's strategies. To define the strategic management process, one must have a philosophical

approach to leading an organisation and refers to a process whereby leaders come up with and implement an operational strategy that grants the organisation the competitive advantage. Strategic leadership means using data analytics to think strategically, and then use the strategic management process to put the vision into action. The strategic leadership, governance and behavioural strategy depend upon a number of internal and external factors like organisational culture, leadership style, market dominance, experience, industry, competition, which all compete towards achieving competitive advantage and organisational performance.

“Good business leaders create a vision, articulate the vision, passionately own the vision, and relentlessly drive it to completion.”

*Jack Welch, former CEO of General Electric
(Tichy and Charan, 2020)*

Every organisation has a vision, mission and objectives, even if they are not deliberately outlined, written or communicated. If the organisation’s vision, mission and objectives are not relevant to its business, they need to be reformulated. Moreover, the organisational vision details the leadership’s endeavour for the future, which contributes with a panoramic view of the organisational goals and powerful rationale to the acumen that make good business sense for the company.

Vision is the origin or the foundation for the organisation's endeavours of future aspirations. A vision statement is an eloquent idealised picture or portrayal of a desired result that impresses, influences, empowers, motivates and stimulates the organisation to build a mental picture of its goal. It serves as a terminal or landing-place that is galvanised by passion, but the means that will be used to arrive to the desired harbour or station are not accurately specified. The vision grants the beacon of light on the horizon that seeks to answer the essential question, i.e. 'What does the company want to become?'

The organisational success, its achievement of competitive advantage and its performance are built upon the vision asserted by the strategic leadership. In other words, establishing, advancing, and implementing a vision is one of a leader's fundamental responsibilities. A powerful leader produces critical visions that guide the follower's behaviour. In a strategic leadership environment, a vision becomes a mental model on an ideal prospected contingency. It endeavours a depiction of a subsequent time, an outlook of the expected state of the organisation. Visions entail adjustment, transformation and shift from one state to another and it could challenge the organisation to attain a higher standard of excellence. As a guiding philosophy, visions provide the organisation with purpose and meaning.

The term 'philosophy', in a quite literally meaning, stands for "love of wisdom" (UKEssays, 2018). In a broader meaning, philosophy helps us, the people, to explain essential truths, principles, assumptions, perceptions, and to answer epistemological, ethical or logical questions. "Contemporary management parlance emphasizes that leaders provide vision, ignite creativity and nurture and support innovation. Leaders are engines of change." (Bratton, 2020). A strong sense of vision becomes the key traits of contemporary leaders that they must nurture; moreover, strategy formulation to achieve that vision is the most critical knowledge skill of a modern leader.

Servantie et al. (2016) conducted a study, identifying five clusters of leadership related to its role to envision the future and set a clear vision to be followed, helping us understand why it is important to have a personal leadership philosophy: internalization, exploring the new, networking, resource-based view, conceptualization and synthesis.

In a contemporary setting, in order to become a great leader, one must perceive and master its own leadership philosophy - a set of beliefs, values and personal rules correlated with the new business realities of the 21st century. In developing a philosophy of leadership, this concept becomes a foundation that will energise the workplace climate, culture and environment, turning into a critical symbol that distinguishes a great leader from a good leader. A leadership

philosophy is a set of beliefs and principles that strongly influences contemporary organisational behaviour. When there is a clear leadership philosophy in place, this will be followed by consistent leadership behaviour and demeanour, aligned with the organisational core values and beliefs.

“If you are a leader, you must have an ideology of leadership. If you lack an ideology, and attempt to decide everything on a case-by-case basis, you will never be capable of strong leadership.”

(Konosuke Matsushita, the founder of Panasonic, Japan)

(Howard, 2018)

Therefore, in the contemporary leadership setting, leaders must gain accuracy, transparency and precision about their own leadership philosophy, leadership style and behaviour, which will influence the behavioural strategy of the organisation. Some of the values a strong leader could nurture in order to achieve a personal leadership philosophy, or to become fully absorbed, blended in and assimilated by the concept of ‘love of wisdom’, include:

- Trust
- Confidence
- Adaptability
- Employee Focus
- Involvement

- Engagement
- Commitment
- Motivation
- Positivity
- Talent development, etc.

Each and every leader will gain its own set of values that he/she considers will help him/her have a realistic vision of the future, values that he/she really care about and really believe in. Trust is a key factor in achieving a great leadership philosophy. People who trust their leaders are predisposed to believe the received information; moreover, they become more committed to strategic and managerial decisions.

Many recent studies (Loan, 2020; Cherif, 2020; Saridakis, et al., 2020; Qing et al., 2020; Singh and Onahrng, 2019) have found that higher job commitment and greater job satisfaction are closely related to more trust in organisational leaders.

Empirical evidence comes to sustain the idea that confidence is another key element of a strong leadership mindset (Doctor, 2020; DeCremera, 2004; Lee, 2020; Zhang et al., 2020). Leadership confidence means that a leader knows himself/herself and it is perceptive to one's strengths and weaknesses. Great leadership means observing and analysing

the way decisions are made and reacting accordingly, depending on whether the decisions are good or bad.

The key is to mirror on how and why some particular choices and judgements were made, and then to learn about one's decision-making potential, skills, biases, patterns, and/or inclinations.

Once a personal leadership philosophy has been created, it will be easier to architecture a set of organisational behaviours that will help leaders to implement not only their strategy, but also to conduct guiding principles and behaviours, to gain consistency of leadership and to face difficult circumstances or challenging situations.

“An inspiring vision that is clear, brief, abstract, challenging, and stable will not be able to attract effective commitment from followers unless it offers a compelling view of a better future. Without a desirable future picture, followers are unlikely to be drawn from where they presently are to work toward the vision.”

(Chhotray, Sivertsson, and Tell, 2018)