

# Strategic Leadership & Strategic Management

by

Felix I. Lessambo

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2026

Ethics International Press, UK

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

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ISBN (Hardback): 978-1-83711-940-0

ISBN (Ebook): 978-1-83711-941-7

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## Acknowledgement

I would like to thank my astoundingly supportive friends who motivated me all along the project: Dr. Marsha Gordon, Dr. Lavern A. Wright, Dr. Lester Reid, and Jerry Izouele. Last but not least, thank you to all the original readers of this book when it was in its infancy. Without your enthusiasm and encouragement, this book may have never been ready.

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# List of Acronyms

- BCG: Boston Consulting Group
- B2B: Business-to-Business
- CEO: Chief Executive Officer
- CFO: Chief Financial Officer
- CRM: Customer Relationship Management
- CSR: Corporate Social Responsibility
- EQ: Emotional Quotient
- ESG: Environmental Social Governance
- EU: European Union
- HBR: Harvard Business Review
- IJV: International Joint Venture
- KPI: Key Performance Indicator
- Microsoft: Microcomputer Software
- MNC: Multinational Corporation
- PEST: Political, Economic, Social, and Technological
- R&D: Research and Development
- RBV: Resource-Based View
- ROE: Return on Equity
- SBU: Strategic Business Unit
- SMART: Specific, Measurable, Attainable, Relevant, Time-bound
- SWOT: Strengths, Weaknesses, Opportunities, and Threats
- VRIO: Value, Rarity, Imitability, Organization

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# Chapter 1

## Strategic Leadership Theory

**Abstract:** Leadership is a set of mindsets and behaviors that aligns people in a collective direction, enables them to work together and accomplish shared goals, and helps them adjust to changing environments. The quintessence of leadership is the ability to influence and motivate other people. There are four main types of leadership; (i) autocratic leadership; (ii) democratic leadership, (ii) transformative leadership, and (iv) Servant leadership. Each leadership methodology operates on a different set of priorities and can be equally effective when applied to the correct situation.

### 1.1 General

The term "Leadership" originates from the Old English "lædan" (to guide, conduct, or show the way) and "lædere" (one who leads), combined with the suffix -ship (denoting the state or condition of). The term appears in its current form by 1821 to mean the position of a leader or the capacity to guide. Leadership is the ability to influence, inspire, and guide individuals or teams toward achieving a shared vision or common goal. Leadership is a set of mindsets and behaviors that aligns people in a collective direction, enables them to work together and accomplish shared goals, and helps them adjust to changing environments<sup>1</sup>. According to the Harvard Business Review, leadership is the ability to coordinate collective human activity,

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<sup>1</sup> <https://www.mckinsey.com/featured-insights/mckinsey-explainers/what-is-leadership>.

transforming groups into high-performing teams to achieve significant positive impact<sup>2</sup>. Leadership is more than a position of authority; it is the ability to guide, influence, articulate a vision, and rally others toward common goals, often in the face of uncertainty or adversity<sup>3</sup>.

## 1.2 Leadership v. Management

Leadership and management are often used interchangeably<sup>4</sup>. Whilst leaders set the vision for an organization and think strategically to influence the culture and direction of their business, managers handle the day-to-day activities to ensure that the plan is carried out and the strategies are implemented<sup>5</sup>. In general, a manager's day involves various tasks that include holding one-on-one meetings with their team members to discuss current and future goals and to receive feedback from the team<sup>6</sup>. A manager can be a leader or a leader a manager, in lean business. In large organizations, leaders and managers interact. That is, leaders need strong management skills to run an organization effectively. Similarly, managers need leadership qualities to motivate and inspire their team members to enhance their productivity.

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<sup>2</sup> Ron Carucci and Tomas Chamorro-Premuzic (2026): Leaders, Bring Your Best Self into the New Year, <https://hbr.org/2026/01/leaders-bring-your-best-self-into-the-new-year>.

<sup>3</sup> <https://www.bu.edu/cas/what-is-leadership/>.

<sup>4</sup> University of Niagara Falls Canada (2025): Leadership vs. Management: What's the difference?

<sup>5</sup> Seattle University (2025): Leadership vs. Management: What's the Real Difference? <https://www.seattleu.edu/business/online/albers/blog/leadership-vs-management>.

<sup>6</sup> Wilson College (2024): Management vs. Leadership: Similarities and Differences

### 1.3 Key Leadership Skills

There are some essential skills that have been exhibited in most leaders. Leaders share clearly their ideas, listen actively, make informed decisions, build strong and collaborative relationships, anticipate and identify challenges, and adjust strategies to changing circumstances and in alignment with their organizational goals.

- Ability to Influence Others

The term "influence" originates from the Latin verb "influere", which literally translates to "to flow in". Initially, the power to influence was believed to flow from the stars. A leader's influence is the power he exerts over the minds or behavior of others. It is the ability to affect the behaviors, attitudes, and choices of others, guiding them toward shared goals through trust, inspiration, and collaboration rather than command-and-control authority. Such Influence seeks mutual benefit.

- Transparency

"Transparency" originates from the early 15th-century Medieval Latin "transparentem", which means "shining through" or "visible through". A True leader needs to instill a level of trust and loyalty by being transparent. A leadership culture of transparency creates a workplace climate that generates trust, engagement, and buy-in from employees<sup>7</sup>. A transparent leader is one with openness and clarity in his behavior toward others<sup>8</sup>. Within any organization, the perception

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<sup>7</sup> University of Florida (2025): Creating a Culture of Transparency, pp. 1-5, [https://training.hr.ufl.edu/resources/LeadershipToolkit/job\\_aids/CreatingACultureofTransparency.pdf](https://training.hr.ufl.edu/resources/LeadershipToolkit/job_aids/CreatingACultureofTransparency.pdf).

<sup>8</sup> Norman, Steven M.; Avolio, Bruce; and Luthans, Fred, "The impact of positivity and transparency on trust in leaders and their perceived effectiveness" (2010). Management Department Faculty Publications. 144. <http://digitalcommons.unl.edu/managementfacpub/144>.

of transparency by stakeholders is associated with positive organizational outcomes, such as increased trust, engagement, and performance<sup>9</sup>.

- Encourage Risk-Taking and Innovation

A genuine leader encourages strategic risk-taking and experimentation, provides needed resources, and empowers teams to challenge conventions, balancing risk with strategic foresight to ensure organizational adaptability and growth<sup>10</sup>. Leaders often do so by incorporating diverse perspectives, experiences and qualitative insights into their decision-making process. Strategic risk-taking leads to significant advantages, and positions an organization for growth amid continuous transformation and emerging opportunities<sup>11</sup>.

- Integrity and Accountability

Integrity stems from the Latin word “integritas”, which means “whole” “complete” “untouched” or “soundness”. It implies a state of being whole, undivided, or consistent. An integer leader abides to ethical principles, matches his actions with words. Key elements of integrity include honesty, accountability, which build trust and foster a culture of respect and reliability. It is the foundation of effective leadership. An authentic, proactively, accepts of responsibility for

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<sup>9</sup> Piecek, Edward J. (2003): Give and you May Receive: Examining Transparent Leadership through the Lens of Leader-Follower Relationships" (2023). Theses and Dissertations. 1456.

<https://digitalcommons.pepperdine.edu/etd/1456>.

<sup>10</sup> Baden-Fuller, C., Mangematin (2013): Business models: a challenging agenda. Strategic Organization. pp., 418–427. <https://doi.org/10.1177/1476127013510112>.

<sup>11</sup> Irma Becerra (2024): How Leaders can Learn the Art of Purposeful Risk-Taking, <https://www.linkedin.com/pulse/how-leaders-can-learn-art-purposeful-risk-taking-irma-becerra-phd-wcyye>.

decisions, actions, and outcomes, acting as a cornerstone for building trust, and a high-performance culture.

- Decisive Actions

Successful leaders move boldly and quickly, even in the face of uncertainty, to maintain organizational momentum<sup>12</sup>. Decisiveness is the backbone of leadership resilience, enabling leaders to steer teams through challenges while seizing opportunities<sup>13</sup>.

- Resilience

The term “resilience” stems from The Latin root “resilire”, which means "to jump back" "to recoil" or "to rebound". A resilient leader is able to adapt to stress, recover from setbacks, maintain a relatively stable trajectory of healthy functioning, harness resources to maintain well-being, and find personal growth as a healthy adaptation to crisis<sup>14</sup>.

## 1.4 Types of Leadership

In general, there are four main types of leadership; (i) autocratic leadership; (ii) democratic leadership, (ii) transformative leadership, and (iv) Servant leadership. Each leadership methodology operates on

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<sup>12</sup> Franklin Covey (2026): Change Leadership: How to Lead in Times of Uncertainty, <https://www.franklincovey.com/blog/change-leadership/>

<sup>13</sup> Katie Sullivan Porter (2025): Key to Leadership Effectiveness, <https://leadershipcircle.com/blog/decisiveness-leadership-effectiveness/>.

<sup>14</sup> Frederick S. Southwick, Brenda L. Martini, Dennis S. Charney, and Steven M. Southwick (2017): Leadership and Resilience, Springer Texts in Business and Economics, pp. 315-333.

a different set of priorities and can be equally effective when applied to the correct situation<sup>15</sup>.

### **1.4.1 Autocratic leadership**

Autocratic or authoritarian leadership is a centralized style where a single dominant leader retains total authority, making decisions independently without team input. It operates under strict control, rigid structures, and top-down communication, aiming for rapid, efficient task completion. Autocratic leadership may be effective in crisis situations (e.g., in military or emergency management) or when directing unskilled employees who need precise, step-by-step instructions. Such leadership style often harms long-term engagement by stifling creativity, reducing job satisfaction, eroding trust, lower levels of satisfaction and increased stress in subordinates, leading to decreased intrinsic motivation and potential burnout<sup>16</sup>. Industries such as manufacturing and assembling, healthcare, construction and engineering, aviation and transportation tend to follow, to some extent, the authoritarian leadership.

### **1.4.2 Democratic Leadership**

In the 1930s, social psychologist Kurt Lewin coined the term democratic leadership as one of key primary leadership styles. A democratic leadership style (aka participative leadership) is a collaborative style where leaders encourage team members to contribute to the decision-making process. While final decisions often rest with the leader, participative leadership welcomes and values

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<sup>15</sup> Shayna Joubert (2024): Transformational Leadership: How to Inspire Innovation in the Workplace, Northern University- Graduate programs, <https://graduate.northeastern.edu/knowledge-hub/transformational-leadership/>.

<sup>16</sup> Bass, B. (2008). Handbook of Leadership: Theory, Research, and Managerial Applications (4th ed.). Free Press.

others' inputs. This approach fosters high engagement, maintains a "team player" attitude, encourages innovation, keeps flexibility at the forefront, and enhances trust by valuing diverse perspectives and promotes open, two-way communication.

### 1.4.3 Transformative Leadership

The concept of transformational leadership was premiered by James MacGregor Burns, a leadership expert and presidential biographer<sup>17</sup>.

Transformational leadership is a style that inspires and motivates employees to exceed expectations through vision, empathy, and innovation, emphasizing growth for both individuals and organizations. Transformative leadership is a highly ethical standard of leadership that merits the respect of employees and society<sup>18</sup>. Transformative leaders encourage curiosity, pursue new and differing perspectives, and embrace challenges as opportunities for learning<sup>19</sup>. Transformative leadership begins with a compelling vision that aligns individual contributions with organizational goals<sup>20</sup>. Transformational leadership has four components<sup>21</sup>: (i) idealized influence or

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<sup>17</sup> Kendra Cherry (2025): How Transformational Leadership Can Inspire Others - The Leadership Style That Brings Out the Best in Its Followers, <https://www.verywellmind.com/what-is-transformational-leadership-2795313>.

<sup>18</sup> Cam Caldwell, Rolf D. Dixon, Larry A. Floyd & Al. (2011): Transformative Leadership: Achieving Unparalleled Excellence, *Journal of Business Ethics* (2012) 109: 175-187.

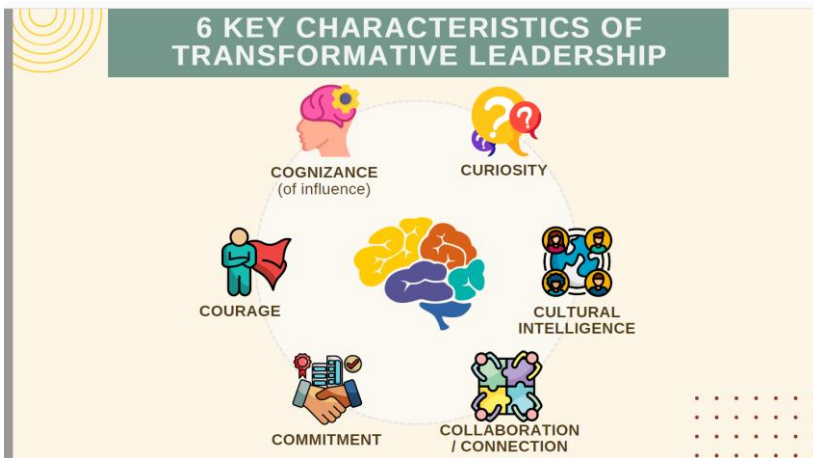
<sup>19</sup> University of Michigan (2025): Transformative Leadership- Leading for Lasting Impact, pp. 1-19.

<sup>20</sup> Idem.

<sup>21</sup> Hyun-Duck Kim, Angelita Bautista Cruz (2022): Transformational Leadership and Psychological Well-Being of Service-Oriented Staff: Hybrid Data Synthesis Technique, *International Journal Environ Res Public Health*. 2022 Jul 4;19(13):8189. doi: 10.3390/ijerph19138189.

charisma; (ii) inspirational motivation<sup>22</sup>; (iii) intellectual stimulation<sup>23</sup> and (iv) individualized consideration<sup>24</sup>. Transformational leaders stimulate their teams by providing clear challenges and objectivistic depiction of the shared goals<sup>25</sup>. Studies show that teams led by transformational leaders perform better and feel more empowered<sup>26</sup>.

**Figure 1.1:** 6 Key Characteristics of Transformational Leadership



<sup>22</sup> Inspirational motivation is the ability of leaders to inspire and motivate followers to reach ambitious goals.

<sup>23</sup> Intellectual stimulation involves challenging followers' assumptions and soliciting ideas from followers without criticism.

<sup>24</sup> Individual consideration refers to leaders' support for and coaching of, frequency of interaction with, and help offered to their followers to maximize their potential by using their strengths.

<sup>25</sup> Arnold B. Bakker, Jørn Hetland, Olav Kjellekvold Olsen, Roar Espevik (2023): Daily transformational leadership: A source of inspiration for follower performance? *European Management Journal* Volume 41, Issue 5, pp. 700-708.

<sup>26</sup> Kark, R., & Van Dijk, D. (2007): Motivation to Lead, Motivation to Follow: The role of the self-regulatory focus in leadership processes. *Academy of Management Review*, 32 (2), 500–528. doi:10.5465/amr.2007.24351846.

### 1.4.4 Servant Leadership

The concept of servant leadership was unveiled by Robert Greenleaf in his 1970 essay and later made into a book in 1977<sup>27</sup>. Servant leadership refers to a leadership style that focuses on the good of those who are being led and those whom the organization serves<sup>28</sup>. A servant leadership style contrasts sharply with the traditional image of leaders issuing top-down directives<sup>29</sup>. Moses is often cited as a biblical example of servant leadership. He demonstrated a profound attachment to God, and with deep humility served God's chosen people<sup>30</sup>. Servant leadership offers several advantages: (i) employees feel valued, leading to increased commitment and better organizational performance, (ii) encourage collaboration and open communication, fostering trust and diverse ideas, (iii) promotes a positive, supportive work environment, which reduces turnover. (iv) focuses on developing team members, creating future leaders, and enhancing skills, etc. Conversely others have pointed out servant leadership style shortcomings, such as: (i) delayed decisions, which is detrimental in crises, (ii) leaders may be taken advantage of, or find it difficult to hold team members accountable for poor performance, (iii) can be viewed as passive or weak if not managed with clear, decisive action, when necessary, etc. In modern times, Howard Schultz is often depicted as a pioneer in servant leadership. He introduced a "sui-

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<sup>27</sup> Robert K. Greenleaf (1977): *The Servant as Leader*, Center for Servant Leadership.

<sup>28</sup> Hamilton, F., & Nord, W. R. (2005). Practicing servant-leadership: Succeeding through trust, bravery, and forgiveness. *Academy of Management Review*, 30(4), 875–877.

<sup>29</sup> Katie Shonk (2026): *Servant Leadership Theory*, <https://www.pon.harvard.edu/daily/leadership-skills-daily/servant-leadership-theory/>.

<sup>30</sup> Cassi Lea Sherley (2019): *Empowering Stewardship: Leadership Lessons from Exodus 18:13-27*.

generis capitalist model” who focuses on a more humane, philanthropic, and servant-leadership style.

Howard Schultz, former CEO of Starbucks, built the brand into a global giant by championing servant leadership, treating employees ("partners") with dignity and empathy. He prioritized staff well-being through innovative benefits like comprehensive healthcare, stock options, and tuition-free college, fostering high employee satisfaction and loyalty. Schultz exemplifies a successful implementation of the servant leadership style. He worked tirelessly to empower the staff (“the partners”), which indirectly contributed to the organization’s global success. Howard Schultz showed empathy, commitment to the needs of its employees, and their development. His key innovations include offering comprehensive health insurance to part-time workers<sup>31</sup> (1988), introducing stock options ("Bean Stock") for all employees (1991), and fostering an "employee-first" culture. He put employee wellbeing and dignity at the forefront of the company's values. Upon his retirement as CEO in 2017, the company had grown to over 28,000 stores in 77 markets. From 2008 to 2017, Schultz oversaw a period where nearly \$100 billion was added to the company's market capitalization.

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<sup>31</sup> He was one of the first to offer comprehensive healthcare and stock options to part-time employees.

# Chapter 2

## Leadership and Emotional Intelligence

**Abstract:** Emotional intelligence fosters trust, connection, and stronger teams. From business and managerial viewpoint, emotional intelligence is the capacity to understand, regulate, and leverage emotions, both in themselves and others. It involves the analytical processing of emotional information to guide thinking, decision-making, and interpersonal behavior. Leadership requires global mindset & cultural intelligence. It encompasses three quotients: IQ (intelligence quotient), EQ (emotional quotient), and CQ (cultural intelligence quotient).

### 2.1 General

Emotional Intelligence (EI or EQ) is the ability to recognize, understand, manage, and use emotions effectively in oneself and others to navigate social complexities, reduce stress, and improve decision-making. Effective leaders are often very emotionally intelligent. The theory of emotional intelligence was introduced by Peter Salovey and John D. Mayer in the 1990s and further developed and brought to the lay public by Daniel Goleman. People with high EQ respond to people and situations instead of reacting to them. That is, they sense the feelings of the people they interact with and understand others' way of seeing things<sup>1</sup>. David Wechsler defines the concept of intelligence as "the aggregate or global capacity of the individual to act purposefully, to think rationally, and to deal

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<sup>1</sup> Debbie L Stoewen (2024): The vital connection between emotional intelligence and well-being – Part 1: Understanding emotional intelligence and why it matters, Can Vet J. 2024 Feb;65(2):182–184.

effectively with his environment. “Emotional intelligence stresses between management and psychology. According to Dr Sandeep Atre, Emotional & Social Intelligence is a combination of three components – Awareness, Attunement and Adaptability. Awareness is an understanding of what is going on inside oneself, Attunement is observing others and interpreting those observations for cognitive & emotional empathy. And Adaptability is utilizing awareness and attunement to choose the most constructive response in given conditions<sup>2</sup>.

## 2.2 The Theory of Intelligence in Psychology

Besides psychology, intelligence is studied by several inter-disciplinary fields including cognitive science, neuroscience, philosophy, and anthropology. From psychological viewpoint, there is no single "best" definition of intelligence. Broadly speaking, we understand it as the ability to learn, understand, and apply knowledge to solve problems, adapt to new situations, and achieve goals, encompassing reasoning, critical thinking, and abstract thought, though specific definitions vary by context. Intelligence is a complex trait that is influenced by both genetic and environmental factors. It is primarily shaped by the interaction of genetic inheritance and environmental factors, including education, nutrition, and early stimulation. Another “summa divisio” in the study of intelligence is the divide between “fluid intelligence” and “crystallized intelligence”. Fluid intelligence refers to the ability to solve new problems, think abstractly, and reason quickly. Fluid intelligence peaks in young adulthood and declines thereafter. Whereas crystallized intelligence is the accumulation of knowledge, facts, and skills gained over a lifetime, which generally increases with age.

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<sup>2</sup> Sandeep Atre (2015): A Brief History of Emotional Intelligence, [www.socialignce.net/blog/a-brief-history-of-emotional-intelligence/](http://www.socialignce.net/blog/a-brief-history-of-emotional-intelligence/).

Combined, they form overall cognitive ability. According to Howard Gardner<sup>3</sup>, individuals have nine or more relatively autonomous intelligences from which they draw, either individually and/or corporately, to create products and solve problems that are relevant to the societies and the environments in which they live.

## **2.3 Intelligence under Cognitive and Neuroscience**

Cognitive science defines intelligence as a general mental capability involving the ability to reason, plan, solve problems, think abstractly, comprehend complex ideas, learn quickly, and learn from experience. It integrates cognitive functions like perception, attention, memory, and language, functioning as a system for effective adaptation to the environment. Though neuroscience scope is often broader than mere psychology, the definition of intelligence seems close one to another. Neuroscience, as an interdisciplinary field, which encompasses biology, psychology, chemistry, engineering, and computer science tends to define intelligence somehow differently. In neuroscience, intelligence is defined as a general mental ability involving reasoning, problem-solving, abstract thinking, and learning from experience, largely supported by a distributed frontoparietal brain network. Neuroscientists have been able to identify correlations of intelligence within the brain and its functioning. These include overall brain volume, grey matter volume, white matter volume, white matter integrity, cortical thickness and neural efficiency. Recent studies in neuroscience focus on the study of brain mechanisms, which enables individuals to monitor, reflect on, and regulate their own cognitive processes, such as memory and decision making.

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<sup>3</sup> Howard Gardner (1983): *Frames of Mind- Theory of Multiple Intelligences*, New York, Basic Books, 440 pages.

- Metacognition and Leadership

The term “Metacognition” derived from two Greek words: “meta”, which means (beyond or above) and “cognition” (thinking). The term was coined by John H. Flavel, an American developmental in the mid-1970s, through his 1979 publication, "Metacognition and cognitive monitoring: A new area of cognitive-developmental inquiry". Metacognition is the awareness, analysis and understanding of one's own thought processes. It involves observing, evaluating, and regulating cognitive activities, such as problem-solving and learning<sup>4</sup>. Metacognition- "thinking about thinking," - is a critical skill for global leaders to understand, monitor, and regulate their own cognitive processes and emotional states. It enables leaders to overcome biases, adapt to diverse cultural norms, and avoid behavioral traps like insular thinking, ultimately improving strategic decision-making and fostering cultural intelligence. Like many other skills, metacognition can be learned and developed. Scholars have described several components of metacognition, including metacognitive knowledge, metacognitive experiences, knowledge of cognition, and regulation of cognition<sup>5</sup>. Metacognition requires both having an awareness of what you know and managing strategies to reach a goal or complete a task<sup>6</sup>. Leaders with better metacognitive abilities are likely to be better in their roles and gain more from developmental experiences<sup>7</sup>.

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<sup>4</sup> Cardiff Metropolitan University (2026): Metacognition, [https://library.cardiffmet.ac.uk/learning/learning\\_theories/metacognition](https://library.cardiffmet.ac.uk/learning/learning_theories/metacognition).

<sup>5</sup> Jillian Volpe-White (2024): I know what I don't know: Metacognition in leadership learning, *New Directions for Student Leadership*, 2024,121–130. <https://doi.org/10.1002/yd.20633>.

<sup>6</sup> Idem.

<sup>7</sup> Idem.

## 2.4 Emotional Intelligence and Management

From business and managerial viewpoint, emotional intelligence is the capacity to understand, regulate, and leverage emotions, both in themselves and others. It involves the analytical processing of emotional information to guide thinking, decision-making, and interpersonal behavior. Nowadays, emotional intelligence is considered as an intangible “human-asset” sought after by savvy managers. Emotionally intelligent managers, not only meet the organization goals, but most importantly, they optimize team cohesion, reinforce collaboration, and foster innovative ideas.

### ❖ Components of Emotional Intelligence

Emotional intelligence in management consists of four core components, primarily centered on Daniel Goleman’s model: self-awareness, self-regulation (or self-management), motivation, empathy, and social skills.

- Self-Awareness

Self-awareness is the ability to consciously recognize and understand one’s own emotions, thoughts, behaviors, strengths, and weaknesses. Self-awareness takes different forms that can emerge in different situations and settings. Self-aware managers can manage their behaviors and adapt to situations. They accurately evaluate the situation and then adjust their actions accordingly. Leaders who have developed strong self-awareness are attuned to their emotions, strengths, and areas for development, allowing them to make conscious decisions and navigate complex situations with clarity and integrity<sup>8</sup>. Put differently, self-aware leaders create more profitable,

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<sup>8</sup> Craig Dickerson (2025): The Ladder of Inference: Building Self-Awareness to Be A Better Human-Centered Leader, <https://www.harvardbusiness.org/insight/the->

stable, and satisfied teams. Studies have shown that while 95% of people think they're self-aware, only 10%–15% are<sup>9</sup>. This stems from “biased self-awareness”. Biased self-awareness in management happens when leaders possess a flawed perception of their own competence, emotions, and impact, often overestimating their abilities while failing to recognize personal biases<sup>10</sup>.

- Self-Management

Knowing oneself is critical to being an effective leader<sup>11</sup>.

Self-Management refers to the ability to regulate one's emotions, thoughts, and behaviors effectively in different situations. This includes managing stress, controlling impulses, motivating oneself, and setting and working toward achieving personal and academic goals. It is the ability to manage or redirect disruptive impulses and moods<sup>12</sup>. Strong self-management helps people become well-organized, resulting in the ability to plan, prioritize, and execute essential activities<sup>13</sup>. It is not about suppressing feelings, rather it requires slowing the reaction. Leaders who have developed strong self-awareness are more effective, more creative, have better relationships with employees, and run more profitable companies.

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ladder-of-inference-building-self-awareness-to-be-a-better-human-centered-leader/.

<sup>9</sup> Geeta Prem Krishnan (2022): Statistically, You Are not Self-Aware!

<https://fierceinc.com/statistically-you-are-not-aware/#>.

<sup>10</sup> Westover, J. H. (2025): The Total Cost of Difficult Leaders: Calculating the Hidden Expense of Toxic Management (No. 2025062055).

<https://doi.org/10.20944/preprints202506.2055.v1>

<sup>11</sup> Matt Gavin (2019): Leadership Self-Assessment- How Effective are You? HBS online.

<sup>12</sup> Colleen Reilly (2024): Self-Management Skills Necessary at Work and Home, Self-Management Skills Necessary at Work and Home.

<sup>13</sup> Idem.

Researchers divide self-awareness into two parts<sup>14</sup>: (i) Internal self-awareness: the amount of objectivity we have when we consider our values, aspirations, reactions to others, desires, strengths, weaknesses, and effect on others; and (ii) External self-awareness: our understanding of how other people view us.

- Social Awareness

The term “social intelligence” was coined, in 1920, by Psychologist Edward Thorndike describing it as the ability to “understand and manage men and women, boys and girls — to act wisely in human relations.” Since then, the concept has evolved, and it is now widely recognized as a fundamental aspect of leadership and social effectiveness<sup>15</sup>.

A significant component of emotional intelligence is social awareness<sup>16</sup>. Social awareness refers to the ability to accurately interpret, understand, and empathize with the emotions, perspectives, and behaviors of others, including those from diverse cultures and backgrounds. According to Robyne Hanley-Dafoe<sup>17</sup>, Social awareness develops during childhood as we learn to pick up on social cues, norms, and expectations through our interactions with those around us. Our social awareness is shaped and deepened further as we begin to engage with diverse communities and navigate

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<sup>14</sup> Douglas Glener (2023): The Extraordinary Benefits of Leadership Self-Awareness, <https://resources.blanchard.com/blanchard-leaderchat/the-extraordinary-benefits-of-leadership-self-awareness>.

<sup>15</sup> Dara Rossi (2025): Highly Effective Leaders Have High Social Intelligence, [workplacepeaceinsitute.com](https://workplacepeaceinsitute.com).

<sup>16</sup> Robyne Hanley-Dafoe (2024): Harnessing the Power of Social Awareness, *Psychology Today*.

<sup>17</sup> Idem.

more complex situations and environments. Research<sup>18</sup> has highlighted several techniques that can be used to enhance one's social intelligence, including, (i) journaling, (ii) soliciting feedback, (iii) Practicing active listening, etc.

- Relationship Management

Developed primarily by Mary Jo Grunig and Linda Hon, this theory shifted the focus from persuasion and publicity toward long-term trust, dialogue, and ethical interaction<sup>19</sup>.

Relationship management is the strategic process of building, maintaining, and strengthening long-term, mutually beneficial connections with customers, partners, or employees to foster trust, collaboration, and value creation. It goes beyond just maximizing revenue by understanding customer needs and managing these interactions through trust, empathy, and clear, intentional communication<sup>20</sup>.

## 2.5 Staying in and over the Game

In a workplace which experiences constant changes and uncertainties, leadership would require than just keeping, they have to embrace and seek opportunities in any ambiguous situation by connecting genuinely, resolving challenges constructively, and navigating pressures with resilience. The list of winners known for their High

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<sup>18</sup> Lauren Landry (2019): Emotional Intelligence Skills: What They Are and How to Develop Them, HBS Online.

<sup>19</sup> Relationship Management Theory

<sup>20</sup> Ally Heinrich (2026): How to Build Trust in Workplace Relationships, HBS Online.

Emotional Intelligence, in 2025, includes Satya Nadella, Mary Barra, Mark Zuckerberg, and Elon Musk.

- Satya Nadella (Microsoft, CEO)

Satya Nadella became the Chief Executive Officer of Microsoft on February 4, 2014. He succeeded Steve Ballmer in becoming the third CEO in the company's history, having previously served in various leadership roles since joining the company in 1992.

Often praised for his empathetic leadership and humor, Satya Nadella has led Microsoft to record success, especially in AI and cloud computing. He always talks about leadership and the important role that empathy has played in his life as a leader. He argues that empathy is not just a soft skill, but a key component of innovation and leadership. By exemplifying the key emotional intelligence traits (i.e., empathy, self-awareness, quiet confidence, growth mindset, active listening, inclusive leadership, etc.), Satya Nadella has shifted Microsoft from a culture of internal competition to one of collaboration, resulting in higher employee morale, better customer service, and increased innovation. In his new position as the CEO, he led the transformation to the cloud infrastructure and services business, which outperformed the market and took share of competition. The Intelligent Cloud business reached nearly \$90 billion in annual revenue as of fiscal 2025, with Azure specifically showing 39% growth in Q4 FY25. Commercial Cloud Revenue increased from \$2.8 billion (2014) to \$38.1 billion (2019), and by 2025, it was surpassing \$40 billion in revenue per quarter.

- Mary Barra (General Motors, CEO)

Mary Barra joined General Motors in 1980 at age 18 as a co-op student for the Pontiac Motor Division while attending the General Motors

Institute (now Kettering University). She held various engineering and management positions before becoming CEO. She became the CEO of GM on January 15, 2014. She is the first female CEO of a major global automaker. Known for his empathetic approach and clear communication, Mary Nadella turned Microsoft's culture around, emphasizing empathy and collaboration. Her tenure is marked by significant profitability, including \$9.7 billion in 2015 and record revenue in 2024, alongside a 62% stock price increase in 2024. She successfully navigated major restructuring, UAW negotiations, and accelerated EV production. GM revenue growth reached \$171.8 billion in 2023, with continued revenue growth (up 9% year-over-year in 2024). The stock price rose 62% year-to-date in 2024. Despite industry challenges and supply chain hurdles, she has maintained investor confidence and solidified her position as the longest-serving current automaker CEO.

- Mark Zuckerberg (Meta/Facebook, CEO)

Mark Zuckerberg is a self-taught computer programmer and co-founder, chair, and chief executive officer of Meta (formerly known as Facebook). Zuckerberg is known for his calm demeanor under pressure, high self-awareness, self-disciplined, intense task-oriented focus, and flexible leadership. Mark Zuckerberg launched Facebook on February 4, 2004, while a sophomore at Harvard University. In October 2021 Facebook announced that it was changing the name of its parent company to Meta Platforms. In 2025, Meta had a full-year revenue of \$201 billion, up 22% from 2024.

- Tim Cook (Apple, CEO)

Tim Cook joined Apple in March 1998 as Senior Vice President of Worldwide Operations, recruited by Steve Jobs from Compaq. Tim Cook has served as Apple's CEO for over 14 years, having taken the