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1. Strategic Leadership and Resilience in a Disrupted World: Rethinking Business Practices in the Age of AI, Geopolitical Tensions, and Sustainability

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Abstract

In an era marked by rapid technological shifts, global uncertainty, and mounting sustainability pressures, strategic leadership and resilience have become vital pillars for long-term business success. In today's volatile and interconnected global landscape, organizations are increasingly confronted with a triad of disruptive forces—artificial intelligence (AI), geopolitical instability, and intensifying sustainability imperatives. These forces not only challenge the effectiveness of conventional business practices but also call into question the very foundations of strategic decision-making and leadership. This paper critically examines the evolving role of strategic leadership in fostering resilience and guiding organizational transformation in response to these disruptions. It argues that the path forward requires a fundamental rethinking of how firms craft, implement, and sustain their strategies in a world marked by rapid technological evolution, political fragmentation, and environmental urgency. Artificial intelligence has emerged as both an enabler and a disruptor. On one hand, AI offers significant opportunities for optimization, predictive capabilities, innovation, and cost reduction. On the other, it introduces complex ethical dilemmas, heightens competitive pressure, and necessitates substantial changes in workforce structure, governance, and strategic capabilities. Strategic leaders must balance the adoption of AI with considerations of fairness, transparency, and long-term human capital development, recognizing that responsible integration is key to sustaining legitimacy and stakeholder trust. At the same time, geopolitical tensions—including trade wars, supply chain decoupling, cyber threats, and regulatory divergence—create uncertainty that demands more agile and adaptive strategic responses. Traditional linear planning approaches

are insufficient in such an environment. Strategic leadership must be anticipatory and flexible, underpinned by scenario planning, geopolitical intelligence, and the ability to localize strategies across regions while maintaining global coherence. Sustainability, once peripheral to corporate strategy, is now a core driver of long-term performance and resilience. Environmental, social, and governance (ESG) considerations have become central to investor decisions, consumer preferences, and regulatory frameworks. This paper posits that sustainability should no longer be seen as a constraint, but as a source of innovation, value creation, and risk mitigation. Strategic leaders must reframe sustainability not as compliance, but as opportunity—embedding it into product design, operations, stakeholder engagement, and corporate purpose. Through a review of contemporary literature and case studies across industries, this study develops a comprehensive strategic leadership framework that aligns these three disruptive domains. We propose the S.T.A.R.S. framework – Strategic leadership, Technology and AI integration, Adaptive Business Models, Resilience and Risk Management, and Sustainability – as a comprehensive approach to guide organizations through volatility and change. The framework emphasizes systems thinking, cross-functional collaboration, ethical foresight, and the cultivation of a resilient organizational culture. The paper also identifies specific leadership competencies—such as adaptive thinking, cognitive agility, and stakeholder empathy—that are essential for navigating today’s complexities. The central thesis of this work is that resilience in a disrupted world is not merely about bouncing back from crises but about bouncing forward—using disruption as a catalyst for innovation, reinvention, and long-term advantage. Organizations that succeed in the age of AI, geopolitical uncertainty, and sustainability demands will be those led by strategic thinkers capable of bridging short-term action with long-term vision. This paper offers both theoretical insights and practical tools for leaders, scholars, and policymakers seeking to understand and influence the future of strategic leadership in an era defined by systemic transformation.

Keywords: *Technology & AI Integration; Strategic Leadership; Adaptive Business model; Resilience & Risk Management, Sustainability.*

1.1 Literature Review

In an increasingly disrupted global environment, traditional leadership models are proving insufficient. Organizations are confronted with the compounding effects of geopolitical instability, climate crises, and the acceleration of artificial intelligence (AI) technologies. Literature across business, strategy, and leadership domains consistently highlights the need for integrative, forward-looking frameworks—such as S.T.A.R.S.—that support leaders in building resilient, adaptive, and responsible organizations.

The concept of resilience has gained significant traction across management and organizational studies, particularly as firms confront increasingly turbulent environments. Scholars such as Duchek (2020) and Hillmann and Guenther (2021) conceptualize resilience as a dynamic capability that enables organizations to withstand shocks, adapt to evolving challenges, and emerge stronger from crises. This capability-based framing builds upon Teece's (2007) dynamic capabilities perspective, emphasizing sensing, seizing, and reconfiguring as the foundation of adaptive performance.

Strategic leadership is central to this discourse. Leaders shape resilience by articulating a vision, fostering adaptive cultures, and orchestrating resources in ways that enable organizations to respond proactively to disruptions (Lengnick-Hall et al., 2011). Literature highlights the role of paradox navigation—balancing stability with flexibility, efficiency with innovation, and local responsiveness with global integration (Whittington et al., 2017).

A particularly salient dimension of resilience emerges in response to geopolitical tensions. Research indicates that supply chain fragility, trade wars, sanctions, and shifting alliances have forced leaders to adopt more politically agile strategies (Boin & van Eeten, 2013). Resilience in this domain involves diversification of suppliers, scenario planning, and cultivating diplomatic stakeholder relationships. Yet empirical work integrating geopolitical dynamics into resilience frameworks remains limited, suggesting a gap in scholarship.

Simultaneously, sustainability has evolved from a peripheral concern into a core driver of resilience. Linnenluecke (2017) shows that organizations embedding environmental, social, and governance (ESG) practices into their strategies are better positioned to withstand systemic shocks such as climate change, regulatory shifts, and societal pressures. Sustainability thus enhances resilience by aligning organizational models with long-term societal expectations, securing stakeholder legitimacy, and reducing exposure to ecological risks.

Despite these advances, existing literature remains fragmented. Few studies explicitly examine the intersection of geopolitical disruptions and sustainability transitions, even though these forces often operate simultaneously (e.g., energy security shaped by both conflict and decarbonization). This study addresses this gap by synthesizing scholarship across strategic leadership, resilience, geopolitics, and sustainability, offering an integrated perspective.

1.1.1 Strategic Leadership and Resilience in a Disrupted World

The twenty-first century is characterized by turbulence, volatility, and persistent disruption, commonly described by the VUCA (volatility, uncertainty, complexity, ambiguity) framework. In this context, resilience has emerged as a core organizational imperative. Contemporary scholarship emphasizes resilience not as a one-time recovery or an isolated outcome, but as a capacity—the

ability to anticipate, absorb, adapt, and recover from adverse events (Hollands et al., 2024). This perspective allows organizations to be assessed across multiple performance curves, rather than relying on simplistic “bounced-back” narratives.

1.1.2 Strategic Leadership and Resilience

Leadership plays a pivotal role in shaping resilience. Strategic leadership is concerned not only with setting direction but also with developing the capabilities and cultures that enable firms to navigate disruption. A growing body of research links resilience to the theory of dynamic capabilities, which stresses the need for leaders to sense opportunities, seize them, and reconfigure organizational resources (Teece, 2007; Barreto, 2010). Empirical work demonstrates that resilient firms continuously reconfigure assets and partnerships during crises, highlighting resilience as a proactive and strategic orientation rather than a reactive stance (Prayag et al., 2023).

Another critical lens is organizational ambidexterity, which refers to balancing exploration (innovation and experimentation) with exploitation (efficiency and reliability). Ambidexterity has been consistently associated with resilient outcomes, as it allows firms to protect core activities while innovating in parallel (O’Reilly & Tushman, 2013). Ambidextrous leadership—leaders who flexibly shift between directive and empowering modes—supports this balance under disruption (Weber & Tarba, 2024).

Recent contributions also position resilient leadership as paradox work: leaders must simultaneously strengthen defensive “walls” while building “windmills” that capture opportunities. In practice, this entails navigating competing demands such as centralization versus decentralization, idealism versus pragmatism, and preparedness versus improvisation (Hollands et al., 2024).

1.1.3 Strategic Leadership in Complex Environments

Strategic leadership involves the ability to influence others in the organization to voluntarily make decisions that enhance the long-term viability of the firm, even amidst uncertainty (Boal & Hooijberg, 2001). As environments grow more volatile, complexity leadership theory (Uhl-Bien et al., 2007) and adaptive leadership approaches (Heifetz et al., 2009) emphasize leaders’ roles in navigating ambiguity, enabling experimentation, and fostering systemic awareness. Strategic leaders must be able to recognize weak signals, manage paradoxes, and embed learning into the organization’s fabric (Schoemaker, Krupp, & Howland, 2013).

1.1.4 Technology and AI Integration

AI is revolutionizing decision-making, process automation, and customer engagement. Davenport and Ronanki (2018) categorize AI use in three areas: process automation, cognitive insight, and cognitive engagement. While these capabilities offer efficiency, they also require leadership accountability in managing ethical risks, workforce displacement, and transparency. According to Brynjolfsson and McAfee (2017), the real advantage of AI arises not from technology alone but from its strategic integration with organizational capabilities. Leaders must promote digital fluency and agility while setting governance standards for responsible AI use (Westerman et al., 2014).

1.1.5 Mechanisms of Strategic Resilience

The mechanisms by which leaders embed resilience span four domains. First, strategic direction involves framing resilience as a deliberate strategic posture, supported by investments in slack resources, redundancies, and flexible supply chains. Second, capability building requires orchestrating dynamic capabilities and designing for ambidexterity through structural separation or contextual mechanisms. Third, governance and controls include the use of resilience-oriented management control systems (MCS), which monitor recovery speed, buffer capacity, and adaptability (Weber et al., 2024). Finally, culture and learning are vital; leaders foster resilience by creating climates of psychological safety, sensemaking, and post-crisis learning loops (Hollands et al., 2024).

1.1.6 Adaptive Business Models

The capacity to rethink and redesign business models is vital in times of disruption. Teece (2010) defines dynamic capabilities—the ability to sense, seize, and transform—as foundational to business adaptability. In the context of global disruptions, companies are shifting to localized supply chains, platform-based ecosystems, and circular models that offer resilience and flexibility (Reeves et al., 2021). Adaptive business models allow organizations to pivot quickly, create collaborative value, and maintain relevance in a shifting competitive landscape.

1.1.7 Resilience and Risk Management

Organizational resilience is increasingly framed as a proactive capability—not just recovery but the ability to absorb, adapt, and even thrive amid shocks (Hamel & Välikangas, 2003). The COVID-19 pandemic highlighted the importance of distributed leadership, agile teams, and rapid scenario planning (Lengnick-Hall et al., 2011). Integrating resilience into enterprise risk management (ERM) systems allows companies to manage systemic risks and reduce fragility in global operations (Sheffi, 2005). Leaders who institutionalize resilience as a strategic lens can enhance long-term value creation.

1.1.8 Sustainability as a Strategic Imperative

Sustainability has moved from a compliance issue to a strategic priority. Porter and Kramer (2011) argue for “shared value” as the convergence of business success and social progress. Firms that embed environmental, social, and governance (ESG) goals into strategy tend to outperform their peers in long-term profitability and risk management (Eccles et al., 2014). Moreover, stakeholder capitalism is reshaping leadership responsibilities—emphasizing transparency, inclusion, and climate resilience as central pillars of corporate identity and competitiveness.

1.2 Measurement Gaps

Despite its prominence, the measurement of resilience remains underdeveloped. Binary notions of recovery are increasingly criticized, with calls for capacity-based metrics that capture adaptation quality, not just speed. Tools such as the BRT-13 (Business Resilience Tool) in health-care provide validated, short-form measures that combine planning and adaptive capacity (Ratliff et al., 2025). The broader adoption of such instruments in corporate settings could strengthen the empirical foundation of resilience research.

1.2.1 Integration with the S.T.A.R.S. Framework

The emerging literature aligns well with the S.T.A.R.S. framework. Strategic leadership (S) frames resilience as a core strategic choice. Technology and AI integration (T) enable sensing and automated responses, particularly in cyber-physical disruptions. Adaptive business models (A) foster ambidexterity and rapid reconfiguration. Resilience and risk management (R) are operationalized through scenario testing, redundancy, and resilience-oriented controls. Finally, sustainability (S) emphasizes resilience as long-term value creation, aligning with climate transitions and stakeholder complexity.

1.3 Methodology

This research adopts a descriptive method with a qualitative approach, grounded in an extensive literature review. The descriptive orientation allows for systematic mapping and synthesis of scholarly insights into strategic leadership and resilience, particularly under the dual pressures of geopolitical tensions and sustainability imperatives.

A qualitative, literature-based approach was chosen, given the complexity and context dependency of the constructs under investigation. This method enables integration of diverse perspectives across organizational theory, strategic management, international business, and sustainability studies.

Data for this study were obtained from peer-reviewed journal articles, scholarly books, and authoritative institutional reports (e.g., the World Economic Forum, the United Nations). Thematic synthesis was applied to categorize findings into key domains: (1) strategic leadership as a catalyst for resilience, (2) resilience through dynamic capabilities, (3) ambidexterity in organizational responses, (4) resilience under geopolitical uncertainty, and (5) sustainability as a resilience enabler. This process ensured that analysis moved beyond description toward conceptual integration.

The approach strengthens the contribution by consolidating fragmented insights, clarifying conceptual ambiguities, and identifying research gaps—particularly regarding how resilience strategies can address simultaneous geopolitical and sustainability challenges.

Comparison Table: Traditional vs. Strategic Leadership

Dimension	Traditional Leadership	Strategic Leadership (S.T.A.R.S.)
Focus	Stability & Efficiency	Agility & resilience in disruption
Technology use	Support function	Core enabler (AI, digital)
Risk Management	Reactive	Proactive, scenario-based
Sustainability	Compliance-driven	Integrated into strategy

Impact Matrix (Risk vs. Resilience)

Disruption	Risk Impact (High/Low)	Resilience Response	Example
AI Shifts	High	Upskilling Workforce, AI governance	Finance, healthcare
Geopolitics	Medium-High	Diversified supply chains	Manufacturing
Climate	High	Sustainable, innovation, green transition	Energy

1.3.1 Methodology justification points

1. Descriptive Orientation

The study adopts a descriptive method to systematically present, interpret, and synthesize existing knowledge on strategic leadership and resilience in a disrupted world. This approach is appropriate, as the field is still evolving, and descriptive synthesis enables the identification of key themes, theoretical lenses, and empirical findings.

2. Qualitative Approach

A qualitative approach enables in-depth exploration of complex, context-dependent concepts such as resilience, ambidexterity, and paradoxical leadership. It allows integration of diverse perspectives from organizational studies, strategic management, leadership theory, and crisis management.

3. Literature-Based Inquiry

The study relies on secondary data sources (peer-reviewed articles, books, and recent reports), ensuring a broad and credible evidence base. Literature review as a method helps map the evolution of concepts, highlight convergences/divergences, and identify underexplored areas for future research.

4. Thematic Synthesis

The review process involved thematic categorization, grouping insights under dimensions such as dynamic capabilities, ambidexterity, management control systems, and leadership micro foundations. This allowed extraction of patterns and theoretical linkages, rather than mere description.

5. Contribution to Research Gap

By employing a descriptive-qualitative review, the study clarifies conceptual ambiguities, consolidates fragmented research, and identifies clear gaps (e.g., measurement validity, navigating paradoxes, and multi-shock contexts). This provides a foundation for future empirical studies and guides practitioners on emerging strategic imperatives.

1.4 Findings

The review of literature produced several key findings:

1. Strategic Leadership as a Catalyst

Leaders play a decisive role in framing disruption as an opportunity. Their capacity to articulate vision, empower adaptive teams, and balance paradoxes enables organizations to navigate crises effectively. Leadership practices rooted in foresight, agility, and distributed decision-making consistently emerge as drivers of resilience.

2. Dynamic Capabilities and Resilience

Organizational resilience is best operationalized through dynamic capabilities—sensing, seizing, and reconfiguring resources. Firms that actively cultivate these capabilities outperform those relying solely on risk management or redundancy.

3. Ambidexterity in Disruption

The ability to balance exploitation of existing capabilities with exploration of new opportunities is fundamental. Ambidextrous organizations demonstrate stronger adaptability under uncertainty, particularly when guided by leaders who encourage experimentation without sacrificing operational stability.

4. Resilience under Geopolitical Uncertainty

Geopolitical tensions are a defining disruption of the contemporary business environment. Resilient leaders mitigate risks through supply chain diversification, scenario-based strategic planning, and geopolitical foresight. Political agility and boundary-spanning leadership are essential for sustaining competitiveness under volatile international conditions.

5. Sustainability as Strategic Resilience

Sustainability practices, especially ESG integration, circular models, and green innovation, enhance resilience by aligning firms with long-term stakeholder expectations and reducing vulnerability to ecological and regulatory shocks. Sustainability thus shifts resilience from a reactive response to a proactive capacity for long-term survival and legitimacy.

1.5 Conclusion and Future Directions

The literature converges on the notion that 21st-century leadership demands a synthesis of strategy, adaptability, digital integration, resilience, and purpose. The S.T.A.R.S. framework provides a coherent structure for understanding these dimensions as interdependent levers that organizations must activate to lead through disruption. Future research should explore how these components interact dynamically and how leaders can operationalize them in diverse organizational contexts.

The literature indicates that strategic leadership is indispensable in embedding resilience

as both capacity and orientation. Leaders who can orchestrate dynamic capabilities, design ambidextrous systems, and embrace paradoxical tensions are best positioned to navigate disruption. However, significant gaps remain, particularly in measuring resilience consistently, understanding leadership micro foundations, and analyzing how multiple disruptions interact. Addressing these gaps will deepen theory and strengthen practice, offering organizations a pathway to resilience in an increasingly disrupted world.

This study underscores that strategic leadership and resilience are inextricably linked to the dual imperatives of geopolitical navigation and sustainability integration. Resilience is not a static attribute but a dynamic capacity, continuously built through visionary leadership, organizational learning, and context-sensitive adaptation.

The findings suggest that leaders who embed geopolitical foresight, supply chain agility, and diplomatic stakeholder management alongside sustainable practices, ESG-driven strategies, and green innovation are better positioned to ensure organizational longevity. Importantly, resilience is most effective when framed not merely as survival but as value creation in disrupted environments.

Several gaps remain. The measurement of resilience under overlapping disruptions (geopolitical and sustainability-driven) is underdeveloped. Research on leadership microfoundations, particularly in SMEs and emerging markets, is also limited despite these organizations' heightened exposure to disruption. Addressing these gaps is essential for advancing both theory and practice.

In conclusion, this study contributes by consolidating fragmented scholarship into an integrated framework that recognizes geopolitics and sustainability as central pillars of resilience strategy. For scholars, it provides a foundation for future empirical research; for practitioners, it highlights resilience as a strategic investment in adaptability, sustainability, and long-term value creation.

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