

CURRENT LANDSCAPE AND CHALLENGES FOR ORGANIZATIONS AND CORPORATE GOVERNANCE

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Recently, the environment the organizations operate in has been becoming increasingly complex and changeable. In the era of volatility, uncertainty, complexity, and ambiguity (VUCA), the “black swans” (small probability but high impact events) or “grey rhinos” (large probability and high impact potential crises) pose constant challenges to the sustainability of organizations and workforce (Shet, 2024). In order to handle these changes, which become “the new normal” (Liang & Cao, 2021; Chen et al., 2021), organizations and society itself require independent thinkers, problem-solvers, and decision-makers (Seow et al., 2019) who not only think “outside the box”, but also engage with various stakeholders, collaborate and work on socially responsible and environmentally friendly decisions.

Given the recent turbulent economic, geopolitics, and climate changes, organizations are under a complex transformation process. First, the advancement of digital technologies has paved the way for new business models that incorporate environmental, social, and economic concerns (Principato et al., 2023) and refer to circular economy focusing on more resource-efficient and circular production systems (Neligan et al., 2023). Moreover, following the “Green Deal” strategy in the EU and other legal regulations worldwide, sustainability, corporate social

responsibility (CSR), and non-financial reporting become critical points the companies need to address and manage to have legitimacy to act (Ortiz-Martínez et al., 2023). Additionally, consumer preferences, especially those of the young generation, are rapidly changing (the changes became more obvious after the COVID-19 pandemic) in favor of sustainable consumption selecting sustainable products, or leading sustainable lifestyles because of environmental and health benefits (Maduku, 2024; Dada et al., 2024). As such, businesses are encouraged to follow entrepreneurial orientation, which counts as an essential feature of high-performing organizations when value-creating opportunities are identified and exploited (Halberstadt et al., 2021).

Current studies admit that leadership is a critical success factor in the management of organizations operating in the VUCA era (Khan et al., 2021), while leader attitudes have a stronger impact on employee attitudes (Farahnak et al., 2020). Effective leadership refers to a clear vision, well-developed strategies, strong beliefs, and agreed objectives, and empowered employees who are willing and motivated to participate effectively (Oakland, 2011; Madi Odeh et al., 2023). Such leadership might serve as a resource for organizational resilience, which is the ability of an organization to heighten its awareness of the risk environment, minimize vulnerabilities, reformulate business strategies amid changes, consistently understand and adapt to evolving circumstances, and take proactive measures before changes become imperative (Liang & Cao, 2021). Resilient organizations have the ability to overcome crises, create new opportunities, sustain and develop business, and finally contribute to employee and society wellbeing.

Future research avenues might contribute to advancing the literature on the topic of keeping organizations and their current and potential employees competitive in the global market while addressing the economic, social, and environmental challenges and supporting the implementation and achievement of the 17 Sustainable Development Goals (SDG) operating in such environment where change is the only constant.

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