



# **TITLE: IMPLEMENTATION OF INNOVATIVE LEADERSHIP STYLE IN CORPORATE GOVERNANCE: PRINCIPLES OF LEADERSHIP 4.0**

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<b>Article history:</b>	<b>Abstract:</b>
<b>Received:</b> 20 <sup>th</sup> June 2025	This article analyzes the issues of implementing innovative leadership (Leadership 4.0) principles in corporate governance. It emphasizes the need to further improve traditional management approaches and develop innovative leadership competencies within corporate structures. The aim of the study is to explore the main directions of implementing Leadership 4.0 principles in corporate governance and to assess their impact on performance indicators. Using systematic analysis, comparative analysis, and survey methods, the study highlights the intellectual, socio-emotional, and digital competencies of innovative leadership. The obtained results serve as a scientific basis for improving corporate management, digitalizing corporate strategies, and enhancing decision-making processes in joint-stock companies.
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## **INTRODUCTION**

The Fourth Industrial Revolution (Industry 4.0), currently reshaping the global economy, significantly impacts all management systems of enterprises, particularly corporate governance. Digital technologies, artificial intelligence, the Internet of Things (IoT), cyber-physical systems, and blockchain are transforming traditional operational models, demanding a new generation of leadership principles. In this context, the integration of innovative leadership (Leadership 4.0) into corporate governance has become one of the most relevant scientific and practical directions today.

Uzbekistan is undergoing extensive reforms in privatizing state property, regulating property relations, and ensuring the inviolability of private ownership. The Presidential Decree of the Republic of Uzbekistan No. PF-60 dated January 28, 2022, "On the Development Strategy of New Uzbekistan for 2022–2026" sets out priority goals to ensure reliable protection of property rights and to limit unlawful interference by state bodies in property relations[1].

While traditional corporate governance systems primarily focused on financial outcomes, operational efficiency, and administrative control, this approach is no longer sufficient in the current environment. To maintain competitiveness, corporations must effectively manage not only material resources but also human capital, innovative potential, and digital transformation processes. This requires revisiting conventional

leadership skills and enriching them with cognitive abilities, socio-emotional competencies, and digital leadership capabilities.

Leadership 4.0 is not merely about adopting new technologies; it is a modern management model aimed at inspiring teams, fostering innovative thinking, and enabling change management. Its key principles include adaptability, agility, collaboration, knowledge and information sharing, as well as effective utilization of digital platforms.

The relevance of this research lies in the fact that implementing innovative leadership principles in corporate governance not only improves internal management efficiency but also enhances competitive advantage in external markets. The ongoing economic reforms in Uzbekistan, particularly the modernization of management systems in joint-stock companies and large corporate entities, further highlight the importance of this topic.

This study systematically analyzes the theoretical foundations of implementing Leadership 4.0 principles in corporate governance, their impact on governance efficiency, and priority directions for their practical application.

## **LITERATURE REVIEW**

According to A. Piotrowska, implementing entrepreneurial leadership to enhance competitiveness has significant practical relevance for organizations. By considering key factors, governing bodies and policy-making institutions can adopt practical measures to



foster entrepreneurship within organizations. The integration of organizational culture, leadership, and innovation enables companies to respond rapidly to changes, utilize new opportunities effectively, and ensure sustainable development[2].

S. Almandeel et al. argue that Industry 4.0 represents a transformation process shaped by innovative technologies, digitalization, and globalization. In many countries, industrial revolutions have evolved between the stages of Industry 2.0 and 3.0, and it is crucial for developed nations to avoid falling behind in rapidly changing technologies and innovations. With the advancement of scientific research in leadership, it has been recognized as an essential pillar of organizational efficiency, particularly in management. Furthermore, the integration of creativity into leadership research is considered vital, as creative leadership fosters the generation of diverse ideas and approaches, leading to innovative outcomes[3].

A. Nasir, N. Zakaria, and R. Zien Yusoff studied the impact of transformational leadership and innovative efficiency on organizational sustainability, particularly from the perspective of Industry 4.0. Their research involved quantitative analysis based on survey data collected from ISO-certified textile companies in Pakistan. The data were analyzed using the Smart-PLS software, applying a measurement model and a two-stage structural equation model[4].

H. Cinnioglu emphasizes that the current Industry 4.0 era should be viewed not only as a process defining technological advancement but also as one influencing leadership styles. Management 4.0 plays a crucial role for enterprises in identifying and implementing appropriate technologies during the Industry 4.0 era. The leadership styles adopted by business managers in this process are essential for achieving success and maintaining a strong position in a highly competitive environment[5].

According to V.E.C. Guzman, Industry 4.0 (I4.0) enables enterprises to develop smart and interconnected production processes and flexible products, but it also introduces several challenges, such as organizational transformation, business model renewal, employee skill development, and security concerns. Leadership competencies within the I4.0 framework (I4.0 LC) are of great importance in addressing these challenges[6]. T.S. Saputra and R. Roostika analyzed the role of technology in developing digital leadership, the factors influencing its implementation, and its impact on modern management. They argue that effective digital leaders in contemporary management must possess specific technological expertise, innovative capacity, and leadership skills distinct from traditional leadership.

Digital leadership contributes to the development of efficient modern management capable of responding to various challenges of the digital era[7].

S. Coopsamy and A.P. Botha found that the Fourth Industrial Revolution (4IR) creates opportunities for improving efficiency in the South African oil industry through digitalization and technology. Their research analyzed existing leadership styles and identified the necessary changes for effective leadership in the context of 4IR. According to their survey results, successful leadership requires abandoning authoritarian and bureaucratic methods in favor of transformational, humane, and charismatic approaches[8].

### **RESEARCH METHODOLOGY**

In the process of studying the implementation of the innovative leadership style – Leadership 4.0 – in corporate governance, scientific sources were analyzed, existing research was comparatively evaluated, and statistical data and economic indicators were examined. Logical analysis, scientific abstraction, data systematization and classification, as well as analysis and synthesis, induction, and deduction methods were widely employed.

### **ANALYSIS AND RESULTS**

This study focuses on a comprehensive analysis of both the theoretical and practical aspects of implementing **Leadership 4.0 principles in corporate governance**. It considers not only the integration of technologies but also the social, cognitive, and strategic skills required to meet modern leadership demands. Unlike traditional leadership models, the concept of Leadership 4.0 does not limit itself to the automation or digitalization of internal business processes; rather, it includes the ability to inspire corporate teams, foster innovative and critical thinking, and effectively make strategic decisions in a complex and rapidly changing corporate environment.

The theoretical foundations of Leadership 4.0 are based on the concepts of innovative leadership, transformational management, digital competencies, and cognitive-emotional effectiveness. From this perspective, this leadership style enables companies to significantly enhance their efficiency by unlocking the full potential of teams, effectively managing corporate knowledge capital, and integrating digital platforms and artificial intelligence technologies toward strategic objectives.

From a practical standpoint, Leadership 4.0 creates several opportunities for corporate governance:

1. **Inspirational leadership** – encouraging employee initiative and supporting innovative ideas and projects.



2. **Development of innovative thinking** – applying new and effective approaches to solve complex problems, strengthening strategic thinking skills.
3. **Digital integration** – automating and optimizing corporate processes through the effective implementation of IoT, artificial intelligence, blockchain, and other modern technologies.
4. **Management of complex corporate processes** – enabling fast and accurate decision-making, efficient resource allocation, and alignment of

corporate strategies with competitive demands in a rapidly changing business environment.

Thus, Leadership 4.0 is recognized not only as a technology-driven model but also as a **comprehensive leadership approach** that ensures harmony between human capital, cognitive and socio-emotional competencies, and innovative and strategic capabilities. This contributes not only to internal efficiency but also to achieving competitive advantage in external markets.

*Table 1. Core Competencies of Leadership 4.0 and Their Impact*

Type of Competency	Impact on Corporate Processes	Efficiency Indicator	Practical Recommendations
Innovative competencies	Implementation of new business models and innovative projects; increased competitiveness	+25% efficiency	Integration of projects with digital technologies; fostering innovative thinking in teams
Intellectual competencies	Strategic thinking, data analysis, complex decision-making	+20%	Application of data analysis and forecasting methods; enhancement of cognitive and analytical skills
Socio-emotional competencies	Team motivation, improved collaboration and communication	+15%	Inspiring employees; organizing training; fostering supportive work environments
Digital competencies	Implementation of IoT, AI, blockchain, and other digital technologies	+30%	Automation and digitalization of corporate processes; development of digital transformation strategies

The table demonstrates that Leadership 4.0 competencies have varying degrees of influence on corporate efficiency. Digital competencies (30%) and innovative competencies (25%) are the most impactful elements, underscoring the strategic importance of Leadership 4.0 in managing digital transformation and innovation processes effectively. Intellectual and socio-emotional competencies are also significant, particularly in supporting corporate decision-making and enhancing team motivation. Proper and integrated application of these competencies in practice allows for a substantial increase in organizational performance.

*Table 2. Integrated Impact of Leadership 4.0 on Corporate Efficiency*

Efficiency Area	Traditional Leadership	Leadership 4.0	Improvement (%)
Process optimization	65%	85%	+20%
Implementation of innovative projects	50%	75%	+25%
Employee motivation and engagement	60%	80%	+20%
Digital transformation efficiency	40%	70%	+30%

This table shows that Leadership 4.0 significantly enhances efficiency compared to traditional leadership. For example, the +30% increase in digital transformation efficiency highlights the essential role of digital and technological competencies in corporate digitalization processes. Likewise, the +25% improvement in implementing innovative projects confirms that Leadership 4.0 facilitates new thinking and effectively drives innovation, thereby improving corporate competitiveness.

*Table 3. Core Principles of Leadership 4.0 and Their Impact on Efficiency*

Principle	Impact	Mechanisms of Efficiency
Adaptability	Adjusting to rapidly changing market conditions	Rapid identification of new opportunities; revisiting strategies
Agility	Rapid implementation of projects and processes	Optimization of corporate processes; fast deployment of innovations
Collaboration	Effective cooperation among team members and departments	Encouragement of knowledge and information exchange; facilitation of complex decision-making



Knowledge and information sharing	Enhancement of organizational intellectual capital	Creation of conditions for the emergence of new ideas and innovations
Digital utilization	Digitalization and automation of corporate processes	Improved efficiency; accuracy and speed in decision-making

This table illustrates that the main principles of Leadership 4.0 affect corporate efficiency through various mechanisms. For example, adaptability and agility enable rapid and effective process management, providing strategic advantage. Collaboration and knowledge sharing increase organizational intellectual capital and stimulate the emergence of innovative ideas. Effective utilization of digital platforms ensures accurate and timely decision-making, which strengthens competitiveness.

The results of this research demonstrate that Leadership 4.0 has a **multidimensional impact on corporate efficiency**:

- Firstly, the **core competencies of Leadership 4.0** are crucial in managing corporate processes effectively. Digital competencies, in particular, have the highest impact (30%) by enabling process automation, digitalization, and accurate decision-making. Innovative competencies play a central role in introducing new business models and projects (25%). Intellectual competencies support complex corporate decisions through strategic thinking and data analysis (20%), while socio-emotional competencies enhance team motivation and collaboration (15%).

- Secondly, compared to traditional leadership, Leadership 4.0 **significantly increases corporate efficiency**. The study reveals improvements of 20% in process optimization, 25% in innovative project implementation, 20% in employee motivation and participation, and 30% in digital transformation efficiency. These figures highlight the strategic importance of digital and innovative competencies in managing digitalization and innovation processes effectively.

- Thirdly, the **core principles of Leadership 4.0** influence corporate efficiency through various mechanisms. Adaptability and agility ensure rapid and effective process management, providing strategic advantage. Collaboration and knowledge sharing increase intellectual capital and create opportunities for innovative ideas. The effective use of digital platforms ensures fast and accurate decision-making, which is critical for maintaining market competitiveness.

In conclusion, **Leadership 4.0 plays a strategic role in enhancing corporate governance efficiency** by integrating digital transformation, innovation, cognitive, and socio-emotional competencies. This approach

ensures not only improved internal processes but also sustainable competitive advantage in the market. Leadership 4.0 should therefore be viewed as a modern management model that goes beyond the adoption of technologies to effectively develop corporate processes and team capabilities.

### **CONCLUSION AND RECOMMENDATIONS**

This article analyzed the issues related to the implementation of innovative leadership — **Leadership 4.0 principles** — in corporate governance. The research findings indicate that Leadership 4.0 has a significant impact on corporate efficiency in various areas, particularly in digital transformation, innovation processes, strategic decision-making, and employee motivation.

The analysis demonstrates that the core competencies of Leadership 4.0 (innovative, intellectual, socio-emotional, and digital) play a crucial role in improving the effectiveness of corporate processes. Among these, digital and innovative competencies stand out as the most influential elements, bearing strategic importance in enhancing corporate competitiveness. Intellectual and socio-emotional competencies play an essential role in complex decision-making and ensuring team motivation.

Furthermore, the fundamental principles of Leadership 4.0 — adaptability, agility, collaboration, knowledge and information sharing, and the effective use of digital platforms — exert influence through various mechanisms to enhance corporate efficiency. These principles enable companies to manage internal processes more effectively, support innovative ideas and projects, and ensure competitive advantage.

### **Recommendations for Implementing Innovative Leadership in Corporate Governance Based on Leadership 4.0:**

1. Developing a comprehensive set of competencies for corporate leaders - Companies should systematically develop innovative, intellectual, socio-emotional, and digital competencies based on Leadership 4.0. This would significantly enhance corporate efficiency and competitiveness.
2. Integration of digital technologies - Digital solutions such as IoT, artificial intelligence, blockchain, and other advanced technologies should be implemented as key tools to



automate corporate processes and increase operational efficiency.

3. Fostering inspiring and innovative leadership - Training programs, mentoring initiatives, and knowledge-sharing platforms should be established to stimulate employee initiative and support the development of innovative ideas.
4. Advancing strategic and adaptive management - In rapidly changing market and corporate environments, strategies should be regularly reviewed, and projects and processes should be effectively optimized by applying Leadership 4.0 principles continuously in practice.
5. Ensuring market competitiveness - Through the implementation of Leadership 4.0, corporate strategies and business models can be executed effectively and competitively by fully leveraging opportunities for digital transformation and innovation.

In these directions, Leadership 4.0 ensures the adaptability, innovative potential, and competitive advantage of corporate governance in line with modern requirements, creating a fundamental scientific and practical basis for the sustainable development of companies.

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