CULTURAL AND SOCIO-ECONOMIC FACTORS AFFECTING THE FORMATION OF LEADERSHIP IN ACHIEVING SUSTAINABLE MANAGEMENT: IN THE CONTEXT OF UKRAINE

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Abstract: New challenges for leaders in the field of sustainable management are awareness of cultural and socio-economic factors in the practice of organizational development and organizational change. The purpose of the article is to contribute to the existing body of knowledge through a systematic study of the influence of culture and socio-economic factors on the formation of leadership in the context of sustainable management. The research methodology includes a literature review, analysis of cultural and socio-economic aspects that influence the formation of leadership for sustainable management. The study is based on the analysis of empirical data obtained through questionnaires. The research results highlighted the impact of culture on leadership in Ukraine, some age differences in the perception of culture as an important element of the triad "sustainable management - leadership - cultural and socio-economic factors", the importance of socio-economic factors and the crucial role of education in the development of leadership for sustainable management. Leaders must adapt their approaches to management, considering cultural aspects, economic conditions and societal demands.

Keywords: leadership, sustainable management, culture, social-economic factors, education, Ukraine.

INTRODUCTION

The triad "sustainable management - leadership - cultural and socio-economic factors" is an important complex of interrelated elements and is relevant in the modern world, as dynamic changes in the economy, social and cultural sphere require new approaches to management and development. Taking this triad into account will allow us to develop effective strategies for achieving sustainable development.

Sustainable management is a key aspect of modern business. It is a strategic approach to management that considers environmental, social and economic aspects. Zvarych and Rivilis (2023) highlighted that “crises have encouraged companies to increasingly include social and environmental aspects in their business activities”. Ensuring sustainable development is one of the most urgent problems in the world and is focused on human development, maintaining stability, and reducing social problems which in turn will enhance leadership development.
Sustainable management should focus on the practices and strategies used to achieve sustainability in a specific context. This involves responsible and efficient use of resources, minimizing the negative impact on the environment and considering social and economic factors in the decision-making process. Turchyna et al. (2023) proved that businesses that have implemented the principles of environmental, social and management sustainability are easier to adapt to changes.

Leadership plays an important role in implementing the principles of sustainable. Effective leaders can mobilize people by channelling their energy and efforts towards the achievement of sustainable development goals. Tarí et al. (2023) stated, leadership is an influence on groups of people that motivates them to achieve a common goal. Leadership researchers have noted that leadership has positive effects across cultures (Bass & Avolio, 1994), while many scholars have noted the importance of culture, that the effects of leaders vary by geography (Budur & Demir, 2019a, 2019b).

Social and economic factors influence the ability of organizations and leaders to implement sustainable development strategies. In the framework of the implementation of this concept, World Commission on Environment and Development in their report (UN, 1987) mentioned there must be provision for equal dissatisfaction of people's needs and the development of life, including the quality of the environment, the level of culture and education.

Understanding the factors helps leaders make balanced and effective management decisions. We note that culture and socio-economic factors are significant moderators of the relationship between leadership and sustainability, and also share the same values (see the conceptual framework in Fig. 1).

**Figure 1:** Conceptual Framework
This study aims to contribute to the existing body of knowledge through a systematic study of the influence of culture and socio-economic factors on the formation of leadership in the context of sustainable management. By studying how specific cultural aspects, as well as socio-economic factors such as access to education, economic growth, stability of the political situation, shape the formulation of leadership, this study seeks to provide practical information for leaders and practitioners in the development of sustainable management practices. Moreover, understanding the subtleties of this relationship can help in the development of leadership tools aimed at achieving the principles of sustainable development.

**LITERATURE REVIEW**

Sustainable development is focused on meeting current needs without compromising the ability of future generations to meet their own needs (Buryak, 2023). The individual is the key source and engine of social progress in the context of sustainable development, and its successful provision depends on the creation of favourable conditions for the disclosure of intellectual and creative potential through the manifestation of leadership qualities and initiative of the individual.

In Reichmann’s (n.d) research, the key competencies that are necessary for a sustainable development specialist are proposed for consideration: the competence of early, anticipatory thinking; competence of interdisciplinary work; the competence of cosmopolitan perception and change of perspective; competence to deal with incomplete and complex information; competence of participation; competence in interaction, cooperation; competence to deal with the conflict of goals; competence in self-motivation and motivating others; the competence of remote reflection in relation to individual and cultural models; competence to act independently and independently; competence to act ethically; capacity for empathy and solidarity.

Daft (2008) claims, that leadership is an interaction between a leader and group members that promotes change and results that meet common goals.

Leaders must have a deep understanding of the cultural characteristics of stakeholders, which helps build trust and effective communication. Pastva (2005), researching leadership in the field of management, reveals it as follows: "Despite the fact that the concept of leadership can be understood differently in different cultures, it is basically defined as a process consisting of a series of constant interactions between the leader and by others. Leadership is also about influence, because leaders motivate other people to do certain things, and this takes place in a group context, involving many individuals and a common goal."

Psychologist Sheinov (2008) defines leadership as “the process of psychological influence of one person on others during their joint life activities, which is carried out on the basis of perception, imitation, understanding of each other. This is a psychological characteristic of the behaviour of group members, based on the principles of free communication and voluntary submission.” But this definition does not consider all aspects of leadership, such as societal structures, cultural influences, and political factors. Goldsmith and Clark (2008) state that the purpose of a leader is to create: “relationships based on trust; learning environment; organizational structures, culture and processes that would allow ... to achieve balance in ... life.”
According to Tomšič et al. (2015) leadership is one of the most important factors of success, which allows achieving the goal of sustainable development (and is defined as "the ability to influence individuals and mobilize organizations to realize a vision of long-term environmental and social sustainability" (Wolfgramm et al., 2015). Galpin and Whittington (2012) point out that a necessary condition for sustainable development is the involvement of employees, and therefore the involvement of their cultural values for building and cultivating the culture of a sustainable organization.

For all the importance of psychological sources of leadership, sociocultural factors exert the greatest influence on this phenomenon. Usually, scientists consider it as a mechanism of power, the emphasis is on studying its functionality or optimality, but at the time leadership is a culturally and historically determined phenomenon. This is due to the fact that culture is a phenomenon that characterizes the basic, truly human structures of the individual, including his motivational fields. Culture is how a person defines himself and his life and includes his thoughts, ideas and values. Culture is based on ordered systems of values and norms. Socio-cultural factors have the ability to capture, perceive, adsorb, process determining impulses through their own system of value orientations, turning them, ultimately, into direct motives of leaders’ activity.

Cultural beliefs and practices influence the acceptance and support of sustainable development initiatives. Hofstede (1980) defines culture as "the collective programming of the mind that distinguishes members of one human group from another." According to him, culture represents various characteristics such as religion, language, traditions, norms or systems and generally it differs from one place to another. Understanding cultural differences helps leaders communicate effectively and implement sustainable management strategies. Cultural factors also influence the formation of leadership in a significant way, because cultural values, beliefs and norms determine what qualities are considered important for a leader and how he is perceived by others. Hofstede (Hofstede, 1996, 2003, 2009, 2011; Hofstede & Bond, 1984) also noted cultural differences in people management as the perception of the value of employees, the behavior of managers, the behavior of consumers and marketing related activities of organizations and customer feedback according to their culture.

The role of culture as a moderator of human resources and firm performance has been investigated (Den Hartog & Robert, 2004) and some types of culture, such as ethical culture, have been found to prevail over sustainability values (Closs et al., 2011). One type of organizational culture that seems compatible with people values (talent, leaders) and organizational outcomes (sustainability) is an ethical culture. Ethics have a strong influence on employee behavior, and an ethical culture ensures fairness and equality in the workplace (Pereira et al., 2017). Ethical values can also relate to the values of sustainable development: protecting the environment and supporting the regional economy (Closs et al., 2011).

This literature review clearly shows the interaction between culture, socio-economic factors and leadership in achieving sustainable development. Organizational culture and socio-economic factors serve as the foundation on which leadership is formed. Leaders must be aware of and attuned to the specifics of the culture, leveraging its strengths, and be able to anticipate and understand the impact of socio-economic factors while addressing potential challenges to create a sustainable environment. In the following sections of this study, an empirical study
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will be considered to reveal the influence of culture and socio-economic factors on the formation of leadership for achieving sustainable development.

METHODOLOGY

Research design

To gain insight into the influence of cultural and socio-economic factors that influence the formation of leadership in achieving sustainable management, the authors developed a mixed methods study: in particular, a literature review was conducted from the following stages - planning, implementation, evaluation, and covered about 35 publications in English and in Ukrainian, related to the topic (reports in magazines and conferences, scientific works, official websites). The review process began with the development of research questions and a search strategy. After analyzing and summarizing the information, the authors compared them with the results obtained during their own survey. This was later confirmed by the collection of empirical data. The quantitative empirical research was conducted using a survey questionnaire designed according to individual steps within constructive alignment theory (Biggs & Tang, 2011).

Survey Questions

1. What role does culture play in shaping the concept of leadership in Ukraine?
2. Do national characteristics affect the attitude to leadership in Ukraine?
3. What socio-economic factors contribute to the development of leadership in Ukraine?
4. Does education play an important role in the development of leadership qualities in Ukraine?

Sample and Population

The collected information was analyzed using deductive and inductive approaches. The survey sample included 111 respondents from Ukraine. The survey targeted higher education teachers/academics, graduate students and masters students. All respondents are related to the High Education Sector of Ukraine. Sampling proved beneficial for this research due. However, with only 1111 represents this may not have represented the entire population, but that results show some trends.

The main demographic characteristics of the sample are presented in Tables 1 and 2. The largest share of respondents was with a PhD (46/8%) and a Master’s degree (44/1%), and the sample was unbalanced by gender (51.0% men, 49.0% women). In the sample there were more people over 41 years old (69.1%), and the majority of respondents were pedagogically active in Ukraine (91.0%).
Table 1:
*Representatives by sex/age*

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>From 20 to 30 years</td>
<td>12</td>
<td>3</td>
</tr>
<tr>
<td>Women</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>From 31 to 40 years</td>
<td>22</td>
<td>4</td>
</tr>
<tr>
<td>Women</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>From 41 to 50 years</td>
<td>43</td>
<td>2</td>
</tr>
<tr>
<td>Women</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Older than 50</td>
<td>34</td>
<td>4</td>
</tr>
<tr>
<td>Women</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>111</strong></td>
<td></td>
</tr>
</tbody>
</table>

Table 2:
*Representatives by degree*

<table>
<thead>
<tr>
<th>Degree</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor</td>
<td>7</td>
</tr>
<tr>
<td>PhD</td>
<td>52</td>
</tr>
<tr>
<td>Master</td>
<td>49</td>
</tr>
<tr>
<td>Secondary school</td>
<td>3</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>111</strong></td>
</tr>
</tbody>
</table>

Culture acts as a prism through which people perceive events, make decisions and respond to challenges (Kilag, et al., 2023). In the context of sustainable development, culture provides a meaning-making mechanism that guides leaders to achieve goals and determine appropriate responses (du Plessis et al., 2022).

Russia's aggression against Ukraine has created obstacles to achieving sustainable development, such as collecting quality and timely data. But authors were able to collect data and analyse it. In the next section, the authors will present research results on the influence of cultural and socio-economic factors that contribute to sustainable development on the formation of leadership in Ukraine.

**RESULTS AND DISCUSSION**

The analysis based on the literature provided insight into the complex interaction between culture and leadership formation in the context of sustainable development. As a result of the generalization of empirical data, the following important questions- themes arose proposed by the authors for discussion.

**Question 1:** What role does culture play in shaping the concept of leadership in Ukraine? (fig.2)

A synthesis of the results of the literature analysis revealed the influence of culture on the formation of leadership (Uy et al., 2023).

Previous research emphasizes that leadership has a strong connection with culture, which in turn affects competitive advantage in the long run.
Leaders who work within the framework of cultural characteristics demonstrate the ability to innovate strategies in ensuring sustainable development, emphasizing the importance of matching cultural norms with dynamic requirements. The literature emphasizes the role of adaptability as a key attribute in culture that affects the orientation of leaders (Uy et al., 2023).

The mode in this case would be “A very important role” since it appears most frequently in the data. This shows that a significant proportion of respondents believe that culture plays a very important role in the formation of leadership concepts in Ukraine.

The difference in awareness of the role of culture in leadership formation between people aged 40+ and young people may be related to their experience and life situations. People 40+ have more opportunities to observe and experience, which allows them to better understand the influence of culture on leadership. While youth may be less aware due to lack of such life experience and limited opportunities to observe other cultural contexts. In addition, young people may be more prone to innovation and change, leading to less focus on traditional aspects of culture.

Leaders who consider the postulates of culture demonstrate understanding, confidence and a proactive position in ensuring sustainable development. This approach is characterized by openness to change, clear identification and will allow to form a leadership that is ready to give challenges in ensuring sustainable development. Question - theme 1 emphasizes the key role of culture in the formation of leadership in the conditions of sustainable development, particularly in the context of Ukraine. This widespread recognition suggests a strong belief in the influential role of culture in shaping leadership paradigms, thereby emphasizing its relevance for sustainable management practices (incorporating diverse perspectives and cultural values into decision-making processes promotes inclusivity, implementation of effective cross-cultural communication mechanism, management to align with local cultural norms and practices what demonstrates respect for indigenous knowledge and traditions etc.).
The positive correlation emphasizes the importance of the fact that the knowledge of cultural attributes will create a basis for the formation of leadership aimed at sustainable development. This aspect contributes to understanding and practical perception, emphasizing the need to explore cultural specificities as an asset for navigating sustainable development.

Question 2: Do national characteristics affect the attitude to leadership in Ukraine? (fig.3). Leaders who use cultural attributes to create a climate of trust, fostering an enabling environment for making more informed and optimal decisions (Meng & Berger, 2019).

**Figure 3:**
*The influence of national characteristics on the attitude to leadership in Ukraine*

The majority of respondents believe that national characteristics do not have a very significant influence on attitudes to leadership, which somewhat contradicts generally known facts. The reason for this may be Ukrainian society's tendency towards collectivism, where many people jointly make decisions, which can reduce the importance of an individual leader. In addition, in the historical context of Ukraine, there were many changes in the power and political system, which could lead to a more sceptical attitude towards leadership as such and considering the peculiarities of culture in management. Despite this, it is a positive fact that 35% of respondents believe that national characteristics significantly influence the attitude to leadership in Ukraine, because culture has its own unique values, beliefs and requirements for leaders. Cultural norms can determine what qualities are considered important in a leader, for example, whether an authoritarian leadership style is valued or whether teamwork is more sought after.

This question-topic has implications for leaders who seek to expand knowledge about the influence of national characteristics for the development of cultural strategies of management and communication in the international arena. The practical application of such knowledge can contribute to the improvement of cooperation and understanding of international partners and contribute to the successful sustainable management of business in the conditions of globalization.

Question 3: What socio-economic factors contribute to the development of leadership in Ukraine? (fig.4)
Socio-economic factors are vital for understanding the complexity of society, promoting economic development, making business decisions, and developing human capital. Recognizing the importance of these factors is essential to building a resilient, sustainable and thriving company.

Figure 4:
Socio-economic factors what contribute to the development of leadership in Ukraine

<table>
<thead>
<tr>
<th>Factor</th>
<th>20-30</th>
<th>31-40</th>
<th>41-50</th>
<th>50+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stability of the political situation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-development, self-sufficiency, ability to learn</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is no effect on today</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None of the above</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access to education</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All is listed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Literature highlights socio-economic factors that can create challenges and opportunities for organizations (Masuo et al., 2001). Some researchers (Thapa, 2007; Indarti & Langenwerg, 2008) stated that education has a positive effect on business success. Raman (2004) noted that economic conditions lead to success. Rogoff et al. (2004) found that economic conditions, competitive environment, and governmental regulations significantly influence the success of businesses. Muhammad (2012) discovered that higher general education enables business people to understand the world. Leaders must understand the social and economic context in which they operate. This includes understanding the level of income, education, employment and other socio-economic indicators that affect the lives of their subordinates and stakeholders (Indarti & Langenwerg, 2008).

Respondents noted that organizations that understood their socio-cultural factors were particularly associated with leaders who adopted optimal approaches to decision-making.

Some respondents noted that self-development, self-sufficiency, ability to learn are a group of factors that influence the development and formation of leadership. Leaders who work on self-development and have the ability to learn constantly increase their skills and understanding in their field. They are open to new ideas and approaches, as well as to feedback from their colleagues and employees.

The results of the theme 3 analysis confirmed statements, demonstrating that social-economic factors such as access to education, economic growth, and the stability of the political situation contribute to the development of leadership in Ukraine.

Question 4: Does education play an important role in the development of leadership qualities in Ukraine? (fig. 5)
Some researchers found that the education has positive effect on business success (Lussiers & Pfeifer, 2001; Masuo et al., 2001; Thapa, 2007; Indarti & Langenverg, 2008). Astin and Astin (2000) stated leadership is based on personal status and professional recognition. At the same time professional recognition related to the development of professional knowledge, which is turn is obtained through the appropriate level of education. Black S. (2015) noted that leaders need a combination of leadership and management competencies. In order to get people knowledge, skills and opportunities for improvement, it is necessary to study and get a degree. And as a result, learn various aspects of leadership, such as communication, decision-making. Leadership contributes to the implementation of innovations, the development of new ideas and strategies, which balances social, economic and environmental development.

**Figure 5:**

*Importance of education in the development of leadership qualities in Ukraine*

The results of the analysis highlighted the importance of education in developing leadership skills. 75% said education plays an important role in developing leadership skills. It is worth noting that people over 40 have more self-confidence and are aware of this statement. Based on their experience and professional knowledge and skills, they know that managers with a solid education are able to better understand the complex problems of the modern world, work to solve them and implement sustainable development strategies in various areas of society, economic, social and ecological aspects.

Educated leaders are better equipped to devise and implement sustainable management practices across diverse sectors, encompassing societal, economic, and environmental aspects.

This topic provides valuable information for organizational leaders and highlights the need for a strategic and differentiated approach to human capital development. Together, these four themes contribute to a more comprehensive understanding of how cultural and socioeconomic factors influence leadership development in achieving sustainable governance.

The results highlight the need for managers to recognize the influence of cultural and socioeconomic factors on leadership development in order to achieve sustainable management. The identified themes provide a basis for further research and the clarification of theoretical foundations that guide the knowledge and integration of cultural and socioeconomic factors in the training of managers to achieve sustainable management.
CONCLUSIONS

This meta-analytic study is based on the analogy of the triad "sustainable management - leadership - cultural and socio-economic factors". The four identified questions - topics contribute to the generalization of information that emphasizes the relationship between culture, education, socio-economic factors and the development of leadership in Ukraine in conditions of sustainable development. Understanding and mastering these interrelated elements is essential to developing and shaping effective leadership practices that are responsive to cultural dynamics and promote sustainable management.

The first theme highlighted the positive relationship between cultural norms and values on leadership practice, emphasizing the need for leaders to align strategies with cultural dynamics. It has been found that leaders who cultivate a culture demonstrate increased resilience and a willingness to implement innovative strategies. It was also found that there is a marked difference in the perception of the role of culture in leadership between people aged 40+ and younger people. Older people, having more life experience, are more likely to recognize the influence of culture on leadership.

The second theme revealed some differences with the generally accepted notions, but despite the fact that the majority of respondents did not agree with the statement about the significant influence of national characteristics on attitudes towards leadership, a significant proportion of them still recognized their importance. This disagreement may follow from collectivist tendencies in Ukraine.

The third question-topic emphasized the importance of socio-economic factors such as access to education, economic growth and political stability in promoting leadership development in Ukraine, but respondents noted that leaders who constantly invest in self-improvement and self-sufficiency, as well as take advantage of opportunities for learning and improving their skills positively influence their leadership effectiveness.

Education became a central theme in the fourth question, emphasizing its role in building leadership skills. Well-educated leaders are better equipped to understand today's challenges, develop effective solutions, and implement sustainable development strategies.

We support Smolović et al (2023) with the conclusions that sustainable management assumes different knowledge and skills acquired by studying social sciences and different areas of natural sciences because it enables a comprehensive understanding of sustainability challenges, facilitates stakeholder engagement, supports evidence-based decision-making, and fosters innovation and problem-solving.

Leaders who integrate cultural and social-economic insights into their practices will be able to demonstrate proactive engagement and readiness to tackle challenges associated with sustainable development. This proactive stance, characterized by openness to change and clear identification of cultural, social and economic nuances, lays the foundation for cultivating leadership capable of effectively creating sustainable management.

Limitations of research.

More than 111 responses were required for clear trends in statistical tests. One of the limitations of this research was the time. It is generally accepted that people do not dare to spend their time on the survey, and the effectiveness of the survey largely depends on the response rate. Another limitation concerns response bias. This bias occurs when respondents
tend to give answers that they think are socially acceptable, rather than express their true opinions. Additionally, the validity of multiple-choice surveys may be compromised by the limited range of available responses.

**Future research directions.**

Future research directions could include investigating how leaders can innovatively use cultural aspects to achieve sustainable management, such as using cultural flexibility to drive change, or could focus on developing and testing leadership training methods that take cultural and socio-economic factors into account.

**REFERENCES**

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