# Strategic Leadership Practices of 21st century and Business Performance

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**Abstract:**

*This research paper aims to know how are the strategic leadership practices of the 20th and 21st centuries in Algerian enterprises, from the aspect of strategic direction, exploiting and maintaining core competencies, developing human capital, sustaining an effective organization culture, emphasizing ethical practice, establishing balanced organizational controls, and also know the relationship between these leadership practices and business performance, as business performance was examined through two main areas, namely financial and market performance, and social performance, and the study was conducted by distributing a questionnaire to a group of Algerian SMEs using a sample consisting of 43 enterprises. The results indicated that the strategic leadership practices of the 21st century are the most concerned by the Algerian SMEs under study, and there was also a close relationship between these practices and performance.*

**Keywords**: *Strategic leadership practices, Financial performance, Social performance.*

**JEL Classification**: M1, P17.

## ممارسات القيادة الإستراتيجية للقرن 21 وأداء الأعمال

**ملخص** :

تهدف هذه الورقة البحثية إلى معرفة كيف هي ممارسات القيادة الإستراتيجية للقرن 20 و القرن 21 في المؤسسات الجزائرية، من جانب التوجه الإستراتيجي، استغلال الكفاءات والحفاظ عليها، تطوير رأس المال البشري، الحفاظ على ثقافة تنظيمية فعالة، التأكيد على الممارسات الأخلاقية، وضع ضوابط تنظيمية متوازنة ، ومعرفة أيضا العلاقة بين هذه الممارسات القيادية و أداء الأعمال، حيث تم النظر في أداء الأعمال من خلال مجالين رئيسيين و هما الأداء المالي والسوقي، والأداء الاجتماعي، و تمت الدراسة بتوزيع استبيان على مجموعة من المؤسسات الجزائرية الصغيرة و المتوسطة باستخدام عينة تتكون من 43 مؤسسة. حيث أشارت النتائج إلى أن ممارسات القيادة الإستراتيجية للقرن 21 هي الأكثر اهتمامًا من قبل الشركات الجزائرية الصغيرة والمتوسطة قيد الدراسة، وكانت هناك أيضا علاقة وثيقة بين هذه الممارسات و الأداء.

**الكلمات المفتاحية** : ممارسات القيادة الإستراتيجية، الأداء المالي، الأداء الاجتماعي.

**تصنيف JEL** : M1، P17.

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**Introduction :**

It has become difficult for organizations to predict their future accurately, and thus it is not possible to compete easily in a complex global economy full of competitive opportunities and threats. To overcome these complexities and difficulties, effective strategic leadership practices can help organizations to improve their performance by maintaining an appropriate level of financial stability for the time being whit achieving a competitive advantage in the long-term ( (Rowe, (2005), p. 91).

In this study, we will present a description of the strategic leadership practices by distinguishing between the strategic leadership practices of the 20th century and strategic leadership practices of the 21$^{st}$ century that should be used in the future, and their relationship to business performance, whether financial and market performance or what is known as performance in general that is based on financial measures only and thus the organization's orientation is in favor only shareholders or social performance that attaches importance to all stakeholders in the organization, because strategic leadership may prove to be one of the most critical issues facing organizations. Without effective strategic leadership, the probability that a firm can achieve superior or even satisfactory performance when confronting the challenges of the global economy will be greatly reduced (Ireland & Hitt, (2005), p. 63). Based on the above, we define the following problematic:

How are the business performance of Algerian SMEs under strategic leadership practices (20$^{th}$ century, 21$^{st}$ century)?

through this problematic we will try to clarify which of these leadership practices (20$^{th}$ century or 21$^{st}$ century) are practiced in a greater proportion at the level of Algerian enterprises under study, and how these practices contribute to earn above-average returns (effective performance).

The objective of the current study is to review the theoritical framework of strategic leadership practices and business performance to explore the linkages between them. In order to verify the presence or absence of strategic leadership practices, as well as what kind of performance is given great importance by the Algerian SMEs under study, we based on the frequency distribution uni variable analysis. To know the relationship between this types of leadership practices and business performance, we used correspondence analysis. All analyzes were performed using SPSS 20.

To analyse problematic, this article is organized as follows: First, review contemporary literature on strategic leadership practices and business performance to describe the theoretical framework that facilitates applied study. Determining the variables of the study, determining the sample, methods of data collection that we adopted in the study, and then presenting and discussing the results of the data analysis.

**2.Theoretical Framework.**

**2.1.Strategic leadership.**

Rowe, (2005) identified strategic leadership as the ability to influence others to voluntarily make day-to-day decisions that enhance the long-term viability of the organization, while maintaining its short-term financial stability. While Ireland and Hitt (2005) defined 'strategic leadership' as the "ability to anticipate, envision, maintain flexibility, think strategically, and work with others to initiate changes that will create a viable future for the organization. When strategic leadership processes are difficult for competitors to understand and, hence, to imitate, the firm has created a competitive advantage.

Rowe, (2005) emphasized that strategic leadership presumes a shared vision of what an organization is to be, so that the day-to- day decision-making, or emergent strategy process, is consistent with this vision. As well as, strategic leadership presumes visionary leadership on the part of those with a willingness to take risks. It presupposes managerial leadership on the part of those with a rational way of looking at the world. Strategic leadership presumes that visionary leadership and managerial leadership can coexist, and that strategic leadership synergistically combines the two. In a study by Hambrick (1989), he emphasized that strategic leadership focuses on the people who have overall responsibility for an organization-the characteristics of those people, what they do, and how they do it-. As well as, he emphasized that strategic leadership connotes management of an overall enterprise, not just a small part; and it implies substantive decision-making responsibilities (Bouhelal& al., (2020)., p. 105).

**2.2. Strategic Leadership Practices of the 21 century**.

Hitt & al, (2010) argued that effective strategic leaders for the 21st century had to:

-Develop and communicate a vision.
-Build dynamic core competencies.
-Emphasize and effectively use human capital.
-Invest in the development of new technologies.
-Engage in valuable strategies.
-Build and maintain an effective organizational culture.
-Develop and implement balanced controls
-Engage in ethical practices (Hitt & al., 2010, p. 439).

**These practices are explained below:**

**2.2.1. Determining strategic direction**

Strategic direction has been defined into purpose or vision. Purpose indicates what a company exists to achieve and what it is willing and not willing to do to achieve it. Purpose ". . .allows a company to focus its learning efforts in order to increase its competitive advantage." Determining the strategic direction involves also specifying the image and character the firm seeks to develop over time.

The ideal long-term strategic direction has two parts: a core ideology and an envisioned future. While the core ideology motivates employees through the company's heritage, the envisioned future encourages employees to stretch beyond their expectations of accomplishment and requires significant change and progress in order to be realized. The envisioned future serves as a guide to many aspects of a firm's strategy implementation process, including motivation, leadership, employee empowerment, and organizational design. (Hitt & al, 2007, p. 384)

**2.2.2. Exploiting and Maintaining Core Competencies**

Core competencies are the resources and capabilities that give a firm a competitive advantage over its rivals. The competitive value of core competencies increases through their use and continuing development.

A firm's privately held knowledge is the foundation of its competitively valuable core competencies and is increasing in importance as a driver of strategic decisions and actions. So, most effective strategic leadership practices in the 21st century will be ones through which strategic leaders find ways for knowledge to breed still more knowledge. So, a firm's productivity will lie more in its collective intellect—that is, in its collective capacity to gain and use knowledge—rather than in its hard assets such as land, plant, and equipment. (Ireland & Hitt, (2005), p. 69).

### 2.2.3. Developing Human Capital

Human capital is the knowledge and skills of a firm's entire workforce or citizenry. Strategic leaders are those who view organizational citizens as a critical resource on which many core competencies are built and through which competitive advantages are exploited successfully. Citizens appreciate the opportunity to learn continuously and feel greater involvement with their community when encouraged to expand their knowledge base. Ongoing investments in organizational citizens result in a creative, well-educated workforce—the type of workforce capable of forming highly effective great groups. (Ireland & Hitt, (2005), p. 70).

### 2.2.4. Sustaining an Effective Organization Culture

Organizational culture refers to the complex set of ideologies, symbols, and core values shared throughout the firm and influences the way business is conducted. Culture provides the context within which strategies are formulated and implemented. Organizational culture is concerned with decisions, actions, communication patterns, and communication networks.

Effective cultures are ones in which organizational citizens understand that competitive advantages do not last forever and that the firm must move forward continuously. When citizens are comfortable with the reality of constant change and the need for a never-ending stream of innovations, patterns and practices are in place that can enhance global competitiveness. (Ireland & Hitt, (2005), p. 71).

Evidence suggests that a firm can develop core competencies in terms of both the capabilities it possesses and the way the capabilities are leveraged by strategies to produce desired outcomes. In other words, because the organizational culture influences how the firm conducts its business and helps regulate and control employees' behavior, it can be a source of competitive advantage. Thus, shaping the context within which the firm formulates and implements its strategies—that is, shaping the organizational culture—is a central task of strategic leaders. (Hitt & al, 2007, p. 389)

### 2.2.5. Emphasizing Ethical Practice

Ethical practices serve as a moral filter through which potential courses of action are evaluated. The influence of top managers on the firm's ethical practices and outcomes is accepted by business practitioners, academics, and society. In the 21st century, effective strategic leaders will use honesty, trust, and integrity as the foundations for their decisions.
A strategic leader's commitment to serve stakeholders' legitimate claims will contribute to the establishment and continuation of an ethical organizational culture. Employee practices that take place in such a culture become the set of accepted and expected commitments, decisions, and actions that should be taken when dealing with the firm's stakeholders (Ireland & Hitt, (2005), pp. 71-72).

### 2.2.6. Establishing Balanced Organizational Controls

Organizational controls are the formal, information-based procedures that strategic leaders and managers use to frame, maintain, and alter patterns of organizational activities. Strategic leaders able to establish controls that facilitate flexible, innovative employee behaviors will earn a competitive premium for their firm. Top managers are responsible for the development and effective use of two types of internal controls—strategic controls and financial controls. Strategic controls require information based exchanges among the CEO, top management team members, and organizational citizens. The effectiveness of strategic controls is increased substantially when strategic leaders are able to integrate disparate sets of information to yield competitively relevant insights. Because their emphasis is on actions rather than outcomes, strategic controls encourage lower-level managers to make decisions that incorporate moderate and acceptable levels of risk. Financial controls entail objective criteria (e.g., various accounting-based measures) that strategic leaders use to evaluate returns earned by company units and those responsible for their performance. By focusing on performance-induced outcomes, financial controls encourage the accomplishment of short-term performance goals. So, effective top managers seek to develop and use a balanced set of strategic and financial controls, because the use of strategic controls is aimed to increase the probability that firm will gain the benefits of carefully formulated strategies, but not at the expense of the type of financial performance that is critical to successful strategy implementation processes and to the firm's ability to satisfy selected stakeholders. (Ireland & Hitt, (2005), p. 72).

### 2.3. The difference between the strategic leadership practices of the 20th century and the 21st century.

**Table (1): Strategic leadership practices of the 20th century and the 21st**

| 20th Century Practices | 21st Century Practices |
|---|---|
| Outcome focused | Outcome and process focused |
| Stoic and confident | Confident, but without hubris |
| Sought to acquire knowledge | Seeks to acquire and leverage knowledge |
| Guided people's creativity | Seeks to release and nurture people's creativity |
| Work flows determined by hierarchy | Work flows influenced by relationships |
| Articulated the importance of integrity | Demonstrates the importance of integrity by actions |
| Demanded respect | Willing to earn respect |
| Tolerated diversity | Seeks diversity |
| Reacted to environmental change | Acts to anticipate environmental change |
| Served as the great leader | Serves as the leader and as a great group member |
| Views employees as a resource | Views organizational citizens as a critical resource |
| Operated primarily through a domestic mindset | Operates primarily through a global mindset |
| Invested in employees' development | Invests significantly in citizens' continuous development |

**Source: (**Ireland & Hitt, 2005, p74)

### 2.4. Financial and Social Performance.

#### 2.4.1. Financial Performance.

Performance measurement is the process of measuring the efficiency and effectiveness of a purposeful work, and it needs to be reviewed by management in order to determine whether the organization is achieving its goals or not (Äikäs, 2011, p. 14), (Mutonyi & Gyau, 2013, p. 2) . Performance measurement systems are based primarily on financial indicators or operational indicators or both (Venkatraman & Ramanujam, 1986, p. 804). Then the study of Kaplan and Norton (2001) cames to add three areas of performance to the financial dimension: customers, internal business processes and innovation as well as learning and growth (Henri, 2004, p. 26), (Äikäs, 2011, p. 19).

According to Santos & Brito, (2012), Venkatraman & Ramanujam, (1986) firm performance is a subset of organizational effectiveness that covers operational and financial outcomes. As for Richard, Devinney, Yip, & Johnson, (2009) they view organizational effectiveness as a captures organizational performance and beyond, thus we can beyond the economic aspect such as corporate social responsibility (Brito & Sauan, 2016, p. 6)

### 2.4.2. Social performance.

Chung-Leung Luk, & al (2005) emphasized that corporate social performance reflects how well a company transforms stakeholder orientation, a managerial attitude, into stakeholder satisfaction. Assessing corporate social performance in addition to financial and market performance can ensure that company performance incorporates multiple perspectives, not just the perspective of shareholders (Chung-Leung Luk, (2005), p. 95). According to Clarkson (1995), the economic and social purpose of the company is to create and distribute increased wealth and value to all groups of primary stakeholders without favoring one group over another, so managers are now responsible for fulfilling the company's responsibilities towards groups of stakeholders including clients and employees (Clarkson, (1995),, pp. 111-112). Thus, managers therefore have ethical commitments to stakeholders (Robert A. Phillips, (2010), , p. 176). In this regard, Maister (2001) emphasized that employee satisfaction, by motivating them, for example, will serve customers well, which leads to improving corporate revenues and profits (making a lot of money) (Maister, 2001, pp. 17-18).

### 2.5. Review of literature and hypotheses

Child, (1972) argued that decision-makers (leaders) do believe that the level of performance actually achieved will influence decisions on structural design. Thus, they can adopt structural arrangements (new orientations for firms) which accord the better with their own preferences (Child, (1972), p. 11) . In a study by Ireland and Hitt, (2005), emphasized that the implementation of 21st century strategic leadership should be executed through interactions that are based on a sharing of insights, knowledge, and responsibilities for achieved outcomes. These interactions should occur between the firm's great leaders—the top managers—and its citizens (Ireland & Hitt, (2005), p. 67). Ireland and Hitt, (2005), also emphasized that CEOs who apply practices associated with 21st century strategic leadership can create sources of competitive advantage for their organizations (Ireland & Hitt, (2005), p. 73). In this regard, Kotter, (1990) suggested that organizations need leaders to deal with change and managers to deal with complexity (Kotter, (1990), p. 1). Hambrick, (1989) asserted that strategic leadership affects organizational performance and organization behavior (Hambrick., (1989), p. 8)**.**

**Under these literatures we can formulate the following hypotheses:**

**Hypothesis1:** There are leadership practices in Algerian enterprises, whether the practices of the 20$^{th}$ century or the practices of the 21$^{st}$ century.

**Hypothesis2:** the financial and market performance and social performance are attached with great importance by Algerian enterprises.

**Hypothesis3:** There is a close relationship between strategic leadership practices of the 21$^{st}$ century and the business performance of Algerian enterprises.

## 3. Empirical study

### 3.1. Sample identification and data collection

The data was collected by a questionnaire that was directed at a sample of managers and their assistants, where the questionnaire sent to a group of small and medium enterprises, at the level of the north-west of Algeria according to the administrative division of the National Bureau of Statistics (Statistiques., (2012), p. 68) . 80 questionnaires were distributed on the basis of the number of small and medium enterprises randomly, 43 of them were retrieved, representing 85,83 % of all distributed questionnaires.

We used frequencies and correspondance analysis to analyze data. Relying on a group of previous research: Ortlieb and Sieben, (2008), Zellweger and Sieger (2012), Brito and Sauan (2016)

### 3.2. Methodology

In this study, we relied on a set of variables, which consisted of six practices of leadership: Strategic direction, exploiting and maintaining core competencies, developing human capital, sustaining an effective organization culture, emphasizing ethical practice, establishing balanced organizational controls. Business performance was considered through two main areas: financial side and social side, where, the strategic leadership practices were measured based on the items quoted from Ireland & Hitt, (2005) study.

Based on the Luk and al, (2005) study, we adopted the items that measure financial and market performance from Greenley and Foxall (1997). As well as we adopted the items that measure corporate social performance from the work of Greenley and al (2002).

Each of the six strategic leadership practices was measured through two items, the first related to the 20th century strategic leadership practices and the second related to the 21st century strategic leadership practices, and the business performance variable was measured through (10 items), financial and market performance (6 items), social performance (5 items). And to avoid overlap between the items when drawing conclusions, we shortened these items using frequencies, where, we represented business performance in (one item), financial and market performance (one item), and social performance (one item).

To measure the items of these variables, we used Likert scale of five degree to measure response intensity according to the following coding: from strongly disagree (1) to strongly agree (5) (Brown, (2011), pp. 10-14) .

The reliability of each scale was estimated by calculating the Cronbach alpha coefficient, which are acceptable in management and behavioral studies if they exceed the levels recommended by Nunnally, (1978) (value of 0.70 or greater) (Rothbard & Edwards, (2003), p. 713). According to Hwang (2005), Schuessler (1971) considers that the Cronbach alpha coefficient is good if it has a value greater than (0.60) (Hwang, (2005)., pp. 127-135).

### 3.3. Methods used.

We used different methods in our analyzes, first: in order to verify the presence or absence of the six types of strategic leadership practices, as well as what kind of performance is given great importance by the Algerian SMEs under study, we are based on the frequency distribution uni variable. Second: to know the relationship between the six types of leadership practices and business performance, we apply correspondence analysis. All analyzes were performed using SPSS 20, relying on a set of previous studies, including: Thomas Zellweger and Philipp Sieger, (2012), Renate Ortlieb and Barbara Sieben, (2008).

### 3.4. Results

#### 3.4.1. Reliability analysis of items

We used the Cronbach alpha coefficient to measure the reliability of items that measure study variables, which included six strategic leadership practices (Strategic direction, exploiting and maintaining core competencies, developing human capital, sustaining an effective organization culture, emphasizing ethical practice, establishing balanced organizational controls**)** and business performance (financial and social). The results are listed in Table (2), where we found the value of Cronbach alpha acceptable according to Nunnally (1978).

**Table (2):** Reliability test results

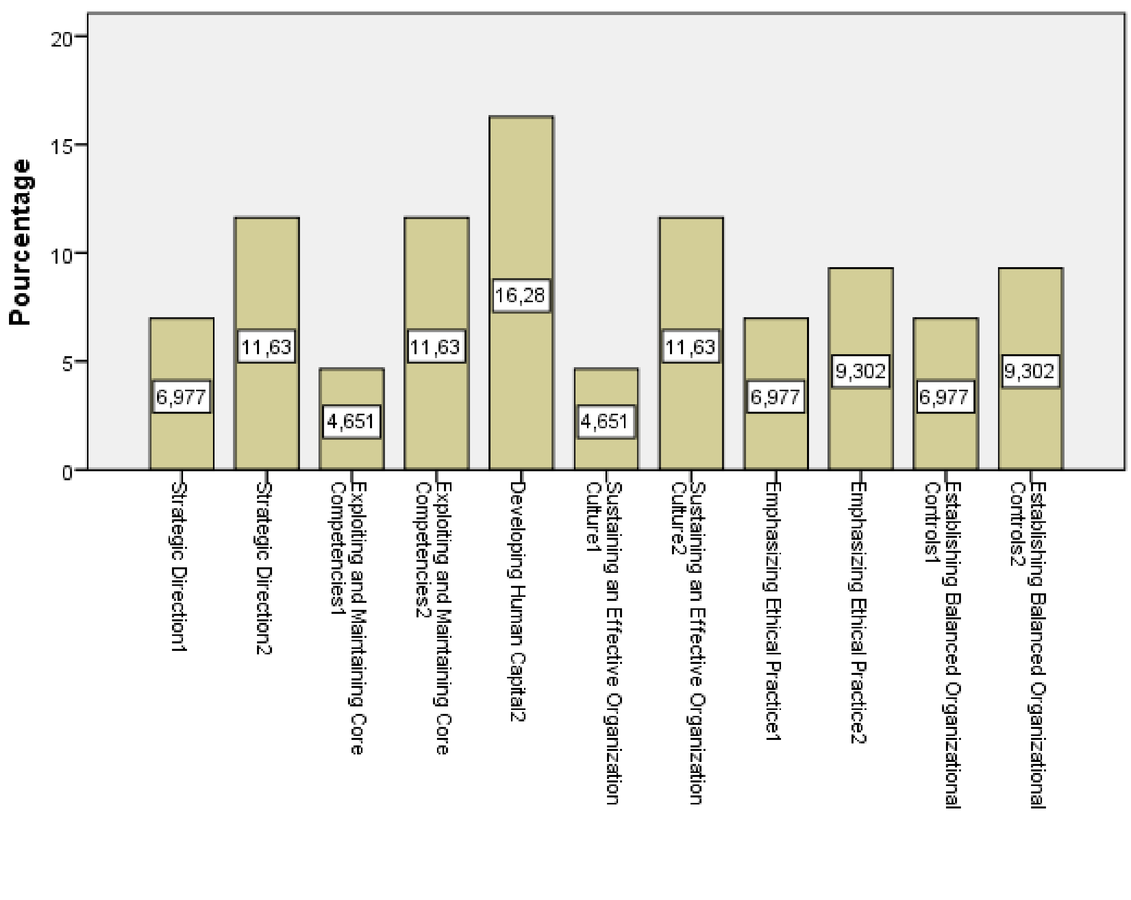
| The Study Variables | Strategic leadership practices | | | | | | Business performance | Financial and market performance | Social paerformance |
|---|---|---|---|---|---|---|---|---|---|
| | Strat direction | Exploiting & maintaining core competen | developing human capital | sustaining an effective organization culture | emphasizing ethical practice | establishing balanced organizational controls | | | |
| **Cronbach Alpha** | 0.87 | 0.91 | 0.67 | 0.86 | 0.91 | 0.84 | 0.85 | 0.89 | 0.94 |

**Source:** Prepared by the researcher based on SPSS 20 outputs

Through the Table (2), we note that the results of the Cronbach alpha test matches to the minimum Cronbach alpha acceptable in the management and behavioral studies.

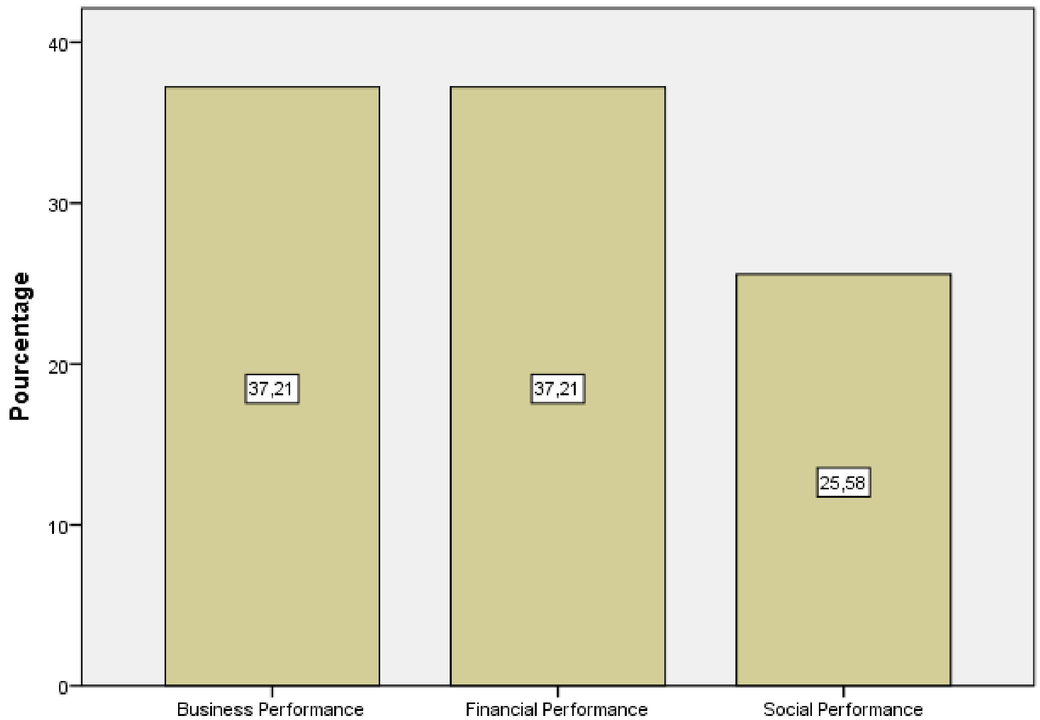
**3.4.2. The frequency distribution of the six types of leadership practices and business performance**

We present the results of analyzing the data obtained from the outputs of SPSS 20 as follows, where, we investigate the first and second hypothesis about how the six strategic leadership practices are in the enterprises, and about any of the performance that is of primary importance in the Algerian SMEs under study.




**Source:** Prepared by the researcher based on SPSS 20 outputs

**Figure (1):** Frequency distribution of the six types of strategic leadership practices

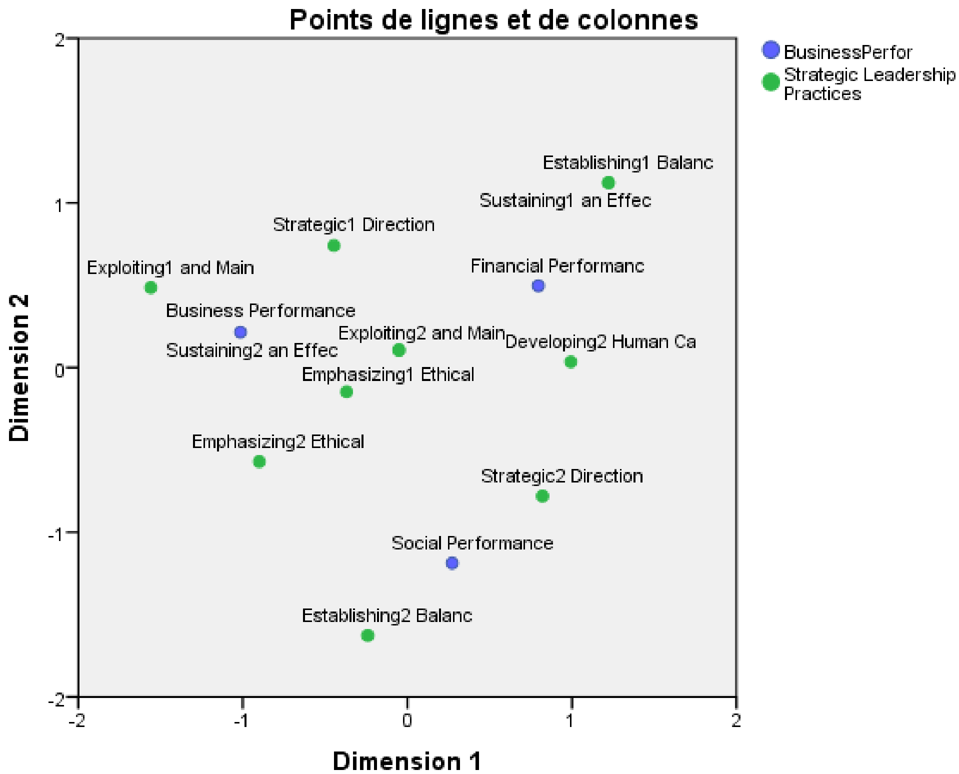



**Source:** Prepared by the researcher based on SPSS 20 outputs

**Figure ( 2):** Frequency distribution of the business performance

### 3.4.3. The relationship between the six types of strategic leadership practices and business performance

We present the results of analyzing the data obtained from the outputs of SPSS 20 in Figure (3), where, we investigate the third hypothesis to find out how is the relationship between the six strategic leadership practices and business performance in the Algerian SMEs under study.




**Source:** Prepared by the researcher based on SPSS 20 outputs

**Figure ( 3):** Correspondence Analysis Map of the Six Leadership Practices and Business Performance

**3.5. Results analysis :**

**3.5.1. Analyzing the results of the frequency distribution of the six types of leadership practices and business performance**

Through Figure (1) above, which represents the frequency distribution of the six types of strategic leadership practices for the 20th and 21st centuries, we note that all strategic leadership practices for the 21st century occupied the first ranks, where, the practice of developing human capital ranked first with a frequency distribution of 16.28%, then followed by In the second place are the strategic direction, the exploiting and maintaining core competencies and the sustaining an effective organization culture with a frequency distribution of 11.63% for each of them. Then both emphasizing ethical practice and establishing balanced organizational controls came in the third place with a frequency distribution of 9.30% for each, and this is due to the fact that most leaders of the Algerian small and medium enterprises under study is more concerned with practicing of developing human capital, because according to Ireland & Hitt, (2005) strategic leaders of the 21st century are those who view organizational citizens as a critical resource on which many core competencies are built and through which competitive advantages are exploited successfully. As well as ongoing investments in organizational citizens result in a creative, well-educated workforce.

Through Figure (2) above, which represents the frequency distribution of performance, we note that both business performance and financial performance have the same concept and meaning for the leaders of the Algerian small and medium enterprises under study, with evidence that the frequency distribution for both of them has reached 37.21%, while social performance has reached a percentage 25.58% of the frequency distribution, and this indicates that the leaders of the enterprises under study attach great importance to both the performance in general or the financial performance regardless of social performance. Because the measurement of performance according to what was stated in the study of Henri, (2004). Zellars, & Fiorito (1999) is based mainly on financial indicators which are a component of the planning and control cycle, and performance measurement according to Äikäs, T. (2011), Mutonyi, & Gyau (2013) is a process of measuring efficiency and effectiveness Purposeful action. In contrast to the social performance, which reflects according to the study of Luk, & al (2005) the extent of the company's success in transforming the stakeholder orientation, and the managerial position, to the satisfaction of the stakeholders. Hence managers have ethical obligations to their stakeholders. Phillips, & al (2010) also emphasized in his study that the relationship may be negative between social and financial performance in firms with high-discretion managers who choose a narrow orientation (e.g. focused on financiers) and thus perform well on financial measures but not on broader ones.

**3.5.2. Analyze the results of the relationship between the six strategic leadership practices and business performance**

Through Figure (3) above, which represents the relationship between the six types of strategic leadership practices and business performance, we note that there is a positive relationship between financial performance and the sustaining an effective organization culture, strategic direction and establishing balanced organizational controls for the 20$^{th}$ century, and a positive relationship between financial performance and the developing human capital and exploiting and maintaining core competencies for the 21$^{st}$ century.

There is also a positive relationship between business performance and emphasizing ethical practice and exploiting and maintaining core competencies for the 20$^{th}$ century and a positive relationship between business performance, emphasizing ethical practice, exploiting and maintaining core competencies and sustaining an effective organization culture for the 21$^{st}$ century.

There is also a positive relationship between social performance and strategic direction and establishing balanced organizational controls for the 21$^{st}$ century. This result can be explained according to the Ireland and Hitt (2005) study, where they emphasized that organizational controls (strategic controls) is increased substantially when integrate disparate sets of information among the CEO, top management team members, and organizational citizens to yield competitively relevant insights, and because their emphasis is on actions rather than outcomes, strategic controls encourage lower-level managers to make decisions that incorporate moderate and acceptable levels of risk.

In general, we can say that there is a close and positive relationship between most strategic leadership practices and performance, whether the current behavior of the enterprises that means their financial stability in the short term or their future behavior in order to survival and continuity in the long term, and thus enterprises according to the Ireland & Hitt ( 2005) study, that apply strategic leadership practices can create sources of competitive advantage. Hambrick, (1989) asserted in his study that strategic leadership (whether 20$^{th}$ century practices or 21$^{st}$ century practices) affects organizational performance and organization behavior. In this regard, Maister (2001) emphasized also that employee satisfaction, by motivating them, for example, will serve customers well, which leads to improving corporate revenues and profits (making a lot of money). According to the Ireland

and Hitt (2005) study, organizational controls (financial controls) encourage the accomplishment of short-term performance goals. As well, the use of strategic controls is aimed to increase the probability that firm will gain the benefits of carefully formulated strategies, but not at the expense of the type of financial performance that is critical to successful strategy implementation processes and to the firm's ability to satisfy selected stakeholders.

Thus, the Algerian small and medium enterprises under study have gone beyond the stage of maintaining financial performance in the short term and the field of wealth creation in the long term, towards creating a competitive advantage in the long term, and this is what confirmed by the results of the data analysis.

In general, we were able to clarify the following:

Through our knowledge about the strategic leadership practices of the 20th and the 21st century, we found that the strategic leadership practices of the 21st century are the most concerned by the Algerian SMEs under study, thus, this latter have gone beyond the stage of maintaining financial performance in the short term and the field of wealth creation in the long term, towards creating a competitive advantage in the long term. Through also collecting data on these leadership practices, we were able to investigate the first and second hypothesis about how are leadership practices in the enterprises under study and also, about any performance that was given great importance by this latter, as we found that the practice of developing human capital was in the first place, followed by strategic direction, the exploiting and maintaining core competencies, the sustaining an effective organization culture, emphasizing ethical practice and establishing balanced organizational controls respectively, while performance in general and financial performance were given the same importance. As for social performance, it came in Second place. As for the third hypothesis about the relationship between the six strategic leadership practices and business performance, we found a close and positive relationship between them. By this, we have been able to investigate the three hypotheses.

## 4. Conclusion

Through our knowledge of information about strategic Leadership Practices for the 21st Century, we were able to find out that the leaders of the organizations can create sources of competitive advantage for their organizations through the use some of their time and energies to predict future competitive conditions and challenges. In addition, the organizations in which strategic leadership practices of the 21st Century are applied can in the long term create a competitive advantage, and thus, have passed the stage of achieving financial performance in the short term and even creating wealth in the long term.

Through also collecting data on these leadership practices, we were able to investigate the study's hypotheses, and the most important results of the study were the existence of a close and positive relationship between the strategic leadership practices of the 21st century and business performance. Through the findings of this study, a set of suggestions can be made, which are:

-21st century strategic leaders should commit to being open, honest, and forthright in their interactions with all stakeholders to facilitate the development of values oriented to growth and success.

-Effective strategies leaders should seek information that will allow them to predict accurately changes in various global markets.

-Companies should effectively cooperate and compete with other enterprises to earn above-average financial returns.

-The necessity to consider these practices effectively in line with environmental changes in order to compete.

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