

Developing a Transformational Framework for Sustainable Leadership Systems in Volatile Business Environments

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Abstract

This study aimed to develop a qualitative transformational framework explaining how sustainable leadership systems are formed, adapted, and institutionalized in volatile business environments.

This qualitative study was conducted using an exploratory thematic design based on semi-structured interviews with 24 senior executives, strategic managers, sustainability officers, and organizational development specialists working in medium and large business organizations in Tehran. Participants were selected through purposive sampling because of their direct experience with leadership, strategic adaptation, crisis management, and sustainability-oriented organizational change. Data collection continued until theoretical saturation was reached after the twenty-first interview, and three additional interviews were conducted to confirm the stability of the emerging categories. The interviews lasted between 45 and 75 minutes, were audio-recorded with participant consent, transcribed verbatim, and analyzed using NVivo software. Data analysis followed iterative coding procedures, including open coding, axial categorization, constant comparison, memo writing, and theme refinement. The findings revealed five main categories that explain the development of sustainable leadership systems in volatile environments: strategic environmental sensemaking, values-based leadership orientation, adaptive capability orchestration, stakeholder-centered decision architecture, and institutionalization of sustainability routines. Participants emphasized that sustainable leadership in volatile markets cannot be reduced to individual leader traits; rather, it emerges as a systemic capability through which organizations interpret uncertainty, protect core values, reconfigure resources, maintain stakeholder trust, and embed long-term responsibility into daily decisions. Interview quotations showed that executives perceived volatility not only as a threat but also as a stimulus for redesigning leadership routines, decentralizing authority, strengthening learning mechanisms, and integrating economic, social, and environmental priorities. The study concludes that sustainable leadership systems develop when organizations transform leadership from a position-based function into a distributed, values-driven, and adaptive system. The proposed framework shows that sustainable leadership in volatile environments depends on the integration of strategic sensemaking, ethical commitment, dynamic capabilities, stakeholder engagement, and routinized learning. These findings contribute to leadership and sustainability literature by clarifying the internal mechanisms through which organizations move from reactive crisis response toward transformational resilience and long-term value creation.

Keywords: Sustainable leadership; transformational leadership systems; volatile business environments; organizational resilience; dynamic capabilities; qualitative research; Tehran executives

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1. Introduction

Volatile business environments have intensified the need to rethink leadership as a systemic, adaptive, and sustainability-oriented phenomenon rather than as a narrow managerial function located at the top of the hierarchy. Organizations today operate under conditions marked by market instability, geopolitical uncertainty,



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technological disruption, environmental pressure, resource constraints, stakeholder activism, and accelerated institutional change. Under such circumstances, leadership is no longer evaluated only by its capacity to deliver short-term financial performance; it is increasingly judged by its ability to preserve organizational viability, social legitimacy, stakeholder trust, and ecological responsibility over time. This shift has generated growing interest in sustainable leadership, a perspective that connects leadership behavior, organizational design, long-term value creation, human development, and responsibility toward broader social and environmental systems (Avery & Bergsteiner, 2011; Hargreaves & Fink, 2006). Sustainable leadership therefore challenges the assumption that effective leadership is primarily about rapid decision-making, charismatic influence, or shareholder-centered performance. Instead, it positions leadership as an enduring organizational capability through which businesses maintain continuity, renew themselves, and contribute responsibly to the ecosystems in which they operate.

The concept of sustainable leadership is closely related to the broader evolution of business sustainability. Contemporary sustainability scholarship argues that responsible organizations must move beyond symbolic corporate social responsibility and develop business models that contribute meaningfully to long-term economic, social, and environmental well-being (Dyllick & Muff, 2016). Bansal and DesJardine (2014) emphasize that sustainability is fundamentally connected to time because sustainable firms are those that can create value without sacrificing the future for immediate gain. This temporal dimension is especially important in volatile business environments, where short-term pressure can push organizations toward defensive cost-cutting, opportunistic decision-making, workforce neglect, or environmental compromise. Sustainable leadership attempts to resist this tendency by creating decision systems that hold together short-term survival and long-term responsibility. It requires leaders to understand sustainability not as an external reporting obligation but as a strategic logic embedded in governance, culture, resource allocation, innovation, stakeholder relations, and organizational learning.

Traditional leadership theories have provided important foundations for understanding influence, motivation, and organizational change. Transformational leadership theory, for example, highlights the role of inspirational motivation, idealized influence, intellectual stimulation, and individualized consideration in mobilizing followers toward higher-order goals (Bass, 1985; Bass & Riggio, 2006). However, volatile business environments expose the limitations of leader-centered models when organizational challenges exceed the cognitive and operational capacity of individual leaders. Sustainability challenges are complex, multi-level, and often paradoxical because managers must balance economic competitiveness with employee well-being, ecological constraints, regulatory expectations, community legitimacy, and technological renewal. Hahn et al. (2014) argue that corporate sustainability involves tensions that cannot be resolved through simple business-case logic alone; instead, managers must develop paradoxical cognitive frames that allow them to recognize and hold competing demands simultaneously. This insight is critical for leadership research because it suggests that sustainable leadership is not merely a moral stance but a cognitive and organizational capability for navigating contradictory demands.

Complexity leadership theory provides another important foundation for understanding leadership in volatile environments. Uhl-Bien et al. (2007) conceptualize leadership not simply as formal authority but as an interactive dynamic that enables learning, emergence, creativity, and adaptation in complex adaptive systems. From this perspective, leadership systems must create conditions under which diverse actors can interpret signals, experiment with responses, share knowledge, and generate adaptive outcomes. In volatile business environments, centralized command-and-control systems often become too slow and cognitively narrow to respond effectively

to rapid change. Sustainable leadership therefore requires enabling structures that combine direction with flexibility, coherence with participation, and strategic discipline with distributed initiative. It also requires leaders to cultivate psychological safety, because employees are more likely to share weak signals, report failures, and propose innovations when they believe that speaking up will not lead to punishment or humiliation (Edmondson, 1999).

The dynamic capabilities perspective also helps explain why sustainable leadership must be treated as an organizational system. Teece et al. (1997) define dynamic capabilities as the capacity of firms to integrate, build, and reconfigure internal and external competences in response to rapidly changing environments. Later work further clarifies the microfoundations of dynamic capabilities, including sensing opportunities and threats, seizing strategic opportunities, and transforming organizational assets and routines (Teece, 2007). These processes are strongly leadership-dependent because sensing requires interpretive attention, seizing requires resource commitment, and transforming requires authority, legitimacy, and cultural alignment. Sustainable leadership systems can therefore be understood as social and strategic architectures that help organizations detect environmental change, interpret its implications, mobilize stakeholders, and redesign routines without abandoning long-term responsibility. In this sense, sustainable leadership is not an alternative to strategic agility; rather, it is a disciplined form of agility constrained by ethical, social, and ecological commitments.

Organizational sensemaking is another central mechanism in the development of sustainable leadership systems. Weick et al. (2005) describe sensemaking as the process through which people transform ambiguous circumstances into comprehensible situations that can guide action. In volatile environments, leaders rarely face complete information; instead, they encounter fragmented signals, contradictory forecasts, emotional reactions, stakeholder pressure, and uncertain consequences. Sustainable leadership depends on the ability to organize these signals into shared interpretations that prevent panic, denial, or purely short-term responses. Sensemaking is particularly important in sustainability-related decision-making because environmental and social risks are often delayed, distributed, and difficult to quantify. Leaders must therefore help organizations interpret not only immediate operational disruptions but also slower-moving sustainability risks such as climate exposure, reputational erosion, talent burnout, social mistrust, and institutional legitimacy loss.

Responsible leadership scholarship further expands the discussion by emphasizing relational accountability. Maak and Pless (2006) define responsible leadership as a relational and ethical phenomenon that connects leaders with multiple stakeholders inside and outside the organization. This view is relevant because sustainable leadership systems cannot be developed through internal efficiency alone. Volatile business environments intensify the interdependence between firms and stakeholders: suppliers may become fragile, employees may experience insecurity, customers may shift expectations, regulators may impose new standards, and communities may demand accountability. Sustainable leadership therefore requires stakeholder-centered decision architecture, meaning that strategic choices are evaluated not only according to financial outcomes but also according to their implications for employees, customers, suppliers, society, and the natural environment. This stakeholder orientation helps convert sustainability from abstract values into practical governance criteria.

Despite extensive theoretical discussion, important gaps remain in understanding how sustainable leadership systems are actually formed inside organizations operating under volatility. Much of the existing literature focuses on conceptual models, leadership competencies, sustainability practices, or organizational resilience as separate constructs. Less attention has been paid to the internal mechanisms through which leaders interpret volatility,

transform leadership routines, integrate sustainability into decision-making, and institutionalize adaptive practices. This gap is especially important in emerging and developing business contexts, where organizations often face simultaneous economic instability, regulatory uncertainty, resource limitations, technological transition, and global competitive pressure. Tehran-based organizations provide a meaningful context for studying these processes because managers often operate under layered forms of uncertainty and must reconcile immediate survival pressures with long-term organizational development.

The present study addresses this gap by developing a transformational framework for sustainable leadership systems in volatile business environments. Rather than treating sustainable leadership as a set of individual behaviors, the study examines it as an organizational system composed of cognitive, ethical, relational, strategic, and institutional mechanisms. The study specifically explores how senior executives and strategic managers understand sustainability under uncertainty, how they transform leadership practices during volatility, and how they embed sustainable leadership into organizational routines. Accordingly, the aim of this study was to develop a qualitative transformational framework explaining the formation, adaptation, and institutionalization of sustainable leadership systems in volatile business environments.

2. Methods and Materials

This study used a qualitative exploratory design to develop a transformational framework for sustainable leadership systems in volatile business environments. A qualitative approach was appropriate because the research question focused on meaning-making, lived managerial interpretation, organizational processes, and the emergence of leadership mechanisms rather than hypothesis testing or measurement of predefined variables. The study was informed by constructivist qualitative logic, which assumes that organizational realities are interpreted and constructed through participants' experiences, language, social interactions, and contextual conditions (Charmaz, 2014). Because sustainable leadership in volatile environments is a complex and underexplored phenomenon, semi-structured interviews were selected as the only data collection method. This method allowed participants to describe their experiences in depth while also enabling the researcher to probe emerging concepts related to volatility, sustainability, leadership adaptation, stakeholder responsibility, and organizational resilience.

Participants consisted of 24 senior executives, strategic managers, sustainability and corporate responsibility managers, human resource directors, and organizational development specialists working in medium and large business organizations in Tehran. The sample was selected purposively because participants needed direct experience with strategic decision-making, organizational change, crisis management, and sustainability-related leadership practices. Inclusion criteria were having at least eight years of managerial or professional experience, at least three years of involvement in strategic or leadership decision-making, current employment in a Tehran-based business organization, and willingness to participate in a recorded interview. Participants who lacked direct experience with leadership decision-making during periods of volatility were excluded. The final sample included 15 men and 9 women. In terms of organizational role, 7 participants were chief executive officers or board-level executives, 6 were strategic planning managers, 4 were human resource directors, 3 were sustainability or corporate responsibility managers, 2 were operations managers, and 2 were organizational development consultants. Participants' professional experience ranged from 8 to 27 years, with an average of approximately 15 years.

Data were collected through semi-structured interviews. The interview guide was developed based on the literature on sustainable leadership, dynamic capabilities, organizational resilience, complexity leadership, and sensemaking. The main interview questions asked participants to describe how their organizations experienced volatility, how leadership practices changed under uncertainty, how sustainability priorities were protected or weakened during crisis, how stakeholders were considered in strategic decisions, and what routines helped organizations sustain adaptation over time. Follow-up questions were used to clarify meanings, request examples, and explore contradictions. Examples of interview prompts included: “How do leaders in your organization interpret sudden environmental changes?”, “What happens to sustainability commitments when financial pressure increases?”, “How are decisions made when economic survival and stakeholder responsibility conflict?”, and “What leadership routines have helped your organization remain adaptive without losing its long-term direction?”

Each interview lasted between 45 and 75 minutes. Interviews were conducted in a private and confidential setting either face-to-face or through secure online communication, depending on participant availability. All interviews were audio-recorded with permission and transcribed verbatim. Data collection continued until theoretical saturation was achieved. Saturation was considered reached when additional interviews no longer generated substantially new codes, categories, or conceptual relationships relevant to the emerging framework. Saturation was reached after the twenty-first interview, and three additional interviews were conducted to confirm the adequacy and stability of the categories. This approach is consistent with the view that saturation in qualitative research should be operationalized in relation to the research question, analytic framework, and conceptual depth rather than only the numerical size of the sample (Saunders et al., 2018).

Data were analyzed using NVivo software. The analysis followed an iterative and inductive coding process. First, all transcripts were read several times to develop familiarity with the data. Second, open coding was conducted to identify meaningful units related to leadership interpretation, volatility, sustainability values, adaptive practices, stakeholder engagement, and institutional routines. Third, similar codes were compared and grouped into preliminary subcategories. Fourth, axial coding was used to identify relationships among subcategories and to connect them to broader conceptual categories. Fifth, selective integration was conducted to develop a transformational framework explaining how sustainable leadership systems emerge and become institutionalized. Throughout the analysis, analytic memos were written to document coding decisions, emerging interpretations, theoretical comparisons, and category refinement. The coding process was not linear; earlier transcripts were revisited as new concepts emerged, and categories were revised through constant comparison.

The trustworthiness of the study was strengthened through several procedures. Credibility was enhanced through prolonged engagement with the interview data, member checking with six participants, and peer review of the coding structure by two qualitative research experts. Transferability was supported by providing detailed descriptions of participant characteristics, organizational context, data collection procedures, and analytic decisions. Dependability was addressed through an audit trail that documented interview protocols, coding stages, category revisions, and memo development. Confirmability was strengthened through reflexive memo writing, which helped distinguish participant meanings from researcher assumptions. These procedures reflect qualitative trustworthiness criteria commonly associated with credibility, transferability, dependability, and confirmability (Lincoln & Guba, 1985; Nowell et al., 2017).

Ethical considerations were observed throughout the research process. Participants were informed about the purpose of the study, the voluntary nature of participation, the right to withdraw at any stage, and the confidential

treatment of their responses. Written or recorded consent was obtained before each interview. To protect anonymity, participants were identified by codes such as P1, P2, and P3, and organizational names were removed from transcripts and reports. Interview quotations used in the findings section were edited only minimally for clarity while preserving the meaning of the original statements.

3. Findings and Results

The demographic characteristics of the participants showed that the study included 24 managers and experts from Tehran-based business organizations. In terms of gender, 15 participants were men and 9 were women. Regarding age, 5 participants were between 35 and 40 years old, 9 were between 41 and 45 years old, 6 were between 46 and 50 years old, and 4 were above 50 years old. In terms of educational level, 4 participants held bachelor's degrees, 15 held master's degrees, and 5 held doctoral degrees. Regarding organizational position, 7 participants were senior executives or board-level managers, 6 were strategic planning managers, 4 were human resource directors, 3 were sustainability or corporate responsibility managers, 2 were operations managers, and 2 were organizational development consultants. The participants' work experience ranged from 8 to 27 years. Overall, the demographic composition of the sample indicated that participants had sufficient strategic, managerial, and organizational experience to provide rich accounts of sustainable leadership systems under volatile business conditions.

The first main category was strategic environmental sensemaking. Participants repeatedly emphasized that sustainable leadership begins with the ability to interpret volatility before reacting to it. This category included the subcategories of early signal detection, collective interpretation, reframing uncertainty, and translation of environmental pressure into strategic priorities. Participants explained that volatile environments often generate fear, fragmentation, and short-termism, but sustainable leadership systems create structured spaces for interpreting uncertainty. One executive stated, "When the market becomes unstable, the first danger is not the instability itself; the first danger is that everyone starts interpreting it separately and emotionally" (P4). Another participant noted, "Our leadership team learned that before making decisions, we must first agree on what kind of crisis we are facing. Is it temporary pressure, structural change, or a signal that our business model is no longer valid?" (P11). This category shows that sustainable leadership is grounded in shared sensemaking rather than isolated executive judgment. Leaders who created cross-functional interpretation meetings, scenario discussions, and stakeholder feedback channels were better able to prevent reactive decisions and align the organization around a more coherent understanding of volatility.

The second main category was values-based leadership orientation. Participants described sustainable leadership as a values-anchored approach that prevents organizations from abandoning long-term commitments during periods of pressure. This category included ethical consistency, long-term responsibility, leadership credibility, and protection of human capital. Several participants explained that volatility tests whether sustainability is a genuine organizational value or merely a public image. One sustainability manager stated, "In stable times, every company can talk about sustainability. The real test is when cash flow is under pressure and leaders must decide whether people, suppliers, and environmental commitments are still important" (P8). A human resource director similarly explained, "Employees watch leaders very carefully during crisis. If leaders speak about responsibility but immediately sacrifice people without transparency, trust disappears" (P15).

Participants emphasized that values-based leadership does not mean ignoring financial realities; rather, it means that financial decisions are made transparently and with attention to fairness, dignity, and long-term consequences. This category indicates that sustainable leadership systems require moral continuity, because organizations cannot build resilience if their members perceive leadership values as situational or opportunistic.

The third main category was adaptive capability orchestration. Participants viewed sustainable leadership as a capability-building system that allows organizations to reconfigure resources, redesign processes, and learn from disruption. This category included resource flexibility, decentralized problem-solving, innovation under constraint, learning loops, and rapid reallocation of talent. Participants reported that sustainable leaders did not attempt to control every operational response; instead, they created boundaries, priorities, and support mechanisms that enabled teams to adapt. One operations manager explained, “During volatility, waiting for approval from the top is dangerous. Sustainable leadership means giving teams a clear direction and then trusting them to adjust the path” (P19). Another participant stated, “The companies that survive are not necessarily those with more resources; they are those that can move resources faster without destroying their identity” (P2). This category suggests that sustainable leadership is closely connected to dynamic capabilities. Leaders orchestrate adaptation by sensing change, mobilizing resources, enabling experimentation, and institutionalizing lessons learned. However, participants also warned that adaptation without values can become chaotic. Therefore, adaptive capability must be connected to sustainability principles so that speed does not undermine responsibility.

The fourth main category was stakeholder-centered decision architecture. Participants explained that sustainable leadership systems require decision processes that formally consider the interests and risks of multiple stakeholders. This category included stakeholder mapping, transparent communication, participatory decision-making, supplier responsibility, employee involvement, customer trust, and community legitimacy. Several participants described stakeholder engagement as a stabilizing mechanism in volatile conditions. One strategic planning manager stated, “When the environment is uncertain, stakeholders become part of your risk system. If suppliers collapse, employees lose trust, or customers feel deceived, the organization becomes weaker from inside and outside” (P6). Another participant explained, “We changed our crisis meetings. Instead of asking only, ‘What is the financial effect?’ we also ask, ‘Who will be affected, and how will they respond?’ This changed the quality of our decisions” (P21). Participants indicated that stakeholder-centered decision architecture helps organizations identify hidden risks and maintain legitimacy. It also prevents sustainability from being isolated in a department by embedding stakeholder questions into routine strategic deliberation.

The fifth main category was institutionalization of sustainability routines. Participants emphasized that sustainable leadership becomes durable only when it is embedded in organizational routines, structures, metrics, and learning systems. This category included sustainability-oriented performance indicators, leadership development, continuity planning, reflective learning, crisis review mechanisms, and integration of sustainability into strategy. Participants argued that individual commitment is insufficient if organizational systems continue to reward short-term extraction. One board-level manager stated, “A leader may personally believe in sustainability, but if the dashboard only measures monthly profit, the system will push everyone toward short-term behavior” (P3). Another participant observed, “We learned to document crisis decisions and review them later. This helped us see whether our decisions were aligned with our values or only with immediate survival” (P17). Institutionalization also involved leadership succession and distributed responsibility. Participants noted that sustainable leadership systems become fragile when they depend on one charismatic leader. Therefore,

organizations must develop leadership capacity across levels, align incentives with sustainability goals, and create routines that preserve learning beyond individual tenure.

Based on these categories, the transformational framework developed in this study explains sustainable leadership systems as an integrated process. Strategic environmental sensemaking functions as the cognitive entry point because it enables the organization to interpret volatility coherently. Values-based leadership orientation functions as the ethical anchor because it protects long-term responsibility under pressure. Adaptive capability orchestration functions as the strategic mechanism because it allows the organization to reconfigure resources and practices. Stakeholder-centered decision architecture functions as the relational mechanism because it connects leadership decisions to broader networks of impact and legitimacy. Institutionalization of sustainability routines functions as the structural mechanism because it embeds sustainable leadership into the organization's daily operations. Together, these mechanisms transform sustainable leadership from an individual leadership style into an organizational system capable of maintaining resilience, responsibility, and renewal in volatile environments.

4. Discussion and Conclusion

The purpose of this study was to develop a transformational framework for sustainable leadership systems in volatile business environments. The findings revealed five interrelated categories: strategic environmental sensemaking, values-based leadership orientation, adaptive capability orchestration, stakeholder-centered decision architecture, and institutionalization of sustainability routines. Taken together, these categories suggest that sustainable leadership is not simply a personal quality of senior executives, nor is it limited to sustainability reporting or corporate social responsibility programs. Instead, sustainable leadership operates as a systemic capability through which organizations interpret uncertainty, preserve ethical commitments, mobilize adaptive resources, engage stakeholders, and embed long-term responsibility into organizational routines. This finding aligns with Avery and Bergsteiner's (2011) argument that sustainable leadership involves a constellation of mutually reinforcing practices that support resilience and performance. It also supports Hargreaves and Fink's (2006) view that sustainable leadership must endure beyond immediate results and individual leaders.

The first finding showed that strategic environmental sensemaking is a foundational mechanism of sustainable leadership systems. Participants emphasized that volatility becomes more manageable when leaders create shared interpretations of external change rather than allowing fragmented and emotional reactions to dominate. This finding is consistent with Weick et al. (2005), who argue that sensemaking allows organizational actors to transform ambiguous circumstances into actionable understanding. In volatile business environments, leaders are often required to act before complete information is available. Therefore, the quality of interpretation becomes as important as the quality of formal planning. The findings extend sensemaking theory by showing that sustainable leadership requires not only understanding what is happening but also interpreting volatility through long-term and responsibility-oriented lenses. When leaders interpret crisis only as financial threat, responses tend to become defensive and short-term. When they interpret crisis as a systemic signal, they become more likely to redesign routines, strengthen stakeholder relations, and build future-oriented capabilities.

The second finding indicated that values-based leadership orientation protects organizations from abandoning sustainability commitments under pressure. Participants repeatedly stated that crisis reveals whether sustainability is deeply embedded or only symbolic. This finding aligns with responsible leadership theory, which emphasizes

ethical relationships between leaders and stakeholders (Maak & Pless, 2006). It also supports transformational leadership theory, particularly the role of idealized influence and inspirational motivation in connecting followers to higher-order values (Bass & Riggio, 2006). However, the present study adds that values-based leadership in volatile environments must be operational rather than rhetorical. Participants did not define values as abstract slogans; they described them as decision criteria during difficult trade-offs involving layoffs, supplier relations, environmental obligations, and communication transparency. This finding suggests that leadership credibility depends on consistency between stated values and crisis behavior. When leaders sacrifice values immediately under pressure, they weaken trust and reduce the organization's capacity for coordinated adaptation.

The third finding showed that adaptive capability orchestration is central to sustainable leadership. Participants described sustainable leaders as those who mobilize resources, decentralize problem-solving, enable experimentation, and help the organization learn from disruption. This finding strongly aligns with the dynamic capabilities perspective. Teece et al. (1997) argue that firms must integrate, build, and reconfigure competences in rapidly changing environments, while Teece (2007) further explains dynamic capabilities through sensing, seizing, and transforming processes. The present study contributes to this literature by showing that leadership systems are the social infrastructure through which dynamic capabilities are enacted. Sensing requires interpretive forums and environmental scanning; seizing requires values-based prioritization and resource commitment; transforming requires cultural legitimacy and institutional routines. The findings also indicate that adaptation must be constrained by sustainability values. Without such constraints, agility may become opportunistic, unstable, or harmful to stakeholders.

The fourth finding revealed that stakeholder-centered decision architecture is a major component of sustainable leadership systems. Participants emphasized that employees, customers, suppliers, communities, and regulators are not external considerations but part of the organization's resilience system. This finding is consistent with stakeholder-oriented and responsible leadership perspectives, which argue that leadership must account for the interests and legitimacy of multiple stakeholder groups (Maak & Pless, 2006). It also resonates with Dyllick and Muff's (2016) argument that true business sustainability requires organizations to move beyond refined shareholder value and contribute to broader sustainable development. The contribution of this study lies in showing how stakeholder orientation becomes operationalized during volatility. Participants described specific routines such as stakeholder mapping, crisis communication, supplier support, employee consultation, and impact assessment. These practices show that sustainable leadership is not achieved by adding sustainability language to strategy documents; it requires redesigning decision architecture so that stakeholder consequences are considered before decisions are finalized.

The fifth finding showed that institutionalization of sustainability routines determines whether sustainable leadership becomes durable. Participants warned that sustainable leadership remains fragile when it depends on individual leaders, informal goodwill, or temporary crisis responses. This finding aligns with complexity leadership theory, which views leadership as an enabling dynamic embedded in organizational systems rather than merely formal authority (Uhl-Bien et al., 2007). It also supports sustainability scholarship emphasizing that long-term value creation requires integration into organizational strategy, culture, and performance systems (Bansal & DesJardine, 2014; Dyllick & Muff, 2016). The present study adds that institutionalization requires alignment between sustainability commitments and management control systems. If performance indicators, rewards, and dashboards remain narrowly short-term, sustainable leadership is likely to be displaced by immediate financial

pressures. Therefore, institutional routines such as sustainability metrics, crisis review meetings, leadership development, succession planning, and learning documentation are essential for transforming sustainable leadership from aspiration into organizational practice.

The overall framework developed in this study contributes to leadership literature by integrating transformational leadership, sustainable leadership, dynamic capabilities, complexity leadership, and sensemaking into a single process model. Existing theories often examine these constructs separately. Transformational leadership explains motivation and value-based change; sustainable leadership explains long-term responsibility; dynamic capabilities explain resource reconfiguration; complexity leadership explains distributed adaptation; and sensemaking explains interpretation under ambiguity. The present framework suggests that sustainable leadership systems emerge when these mechanisms operate together. Strategic sensemaking provides cognitive clarity, values-based orientation provides ethical continuity, adaptive capability orchestration provides strategic movement, stakeholder-centered decision architecture provides relational legitimacy, and institutionalized routines provide durability. This integrated explanation is especially relevant for volatile environments because organizations cannot rely on one-dimensional leadership models when they face simultaneous economic, social, technological, and environmental pressures.

Ethical Considerations

All procedures performed in this study were under the ethical standards.

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Conflict of Interest

The authors report no conflict of interest.

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