



## Sustainable leadership practices in business organizations

TELKHOUKH Saida 

s.telkhoukh@univ-boumerdes.dz

Boumerdes University (Algeria)

Submitted:19/01/2024

Accepted:01/05/2024

Published:30/06/2024

### Abstract:

An overview of sustainable leadership techniques and their significance for business organizations is given in this study, about the essential components of business organizations' sustainable leadership, by using the descriptive method.

The success of business organizations depends on sustainable leadership in all areas: social, organizational, environmental, and individual, as the integrative thinking, co-production, discussion, strategic vision, system-building and system quality emphasis.

**Key words:** Sustainable leadership, sustainable leaders, business organizations.

**JEL Classification Codes:** Q01, D20.

## Introduction :

Growing social pressure has played a major role in the recent transformation of leadership in firms, from early-stage startups to large multinational corporations.

Because of the nature of the problems facing the business, groups must collaborate to develop a solution. Research is required, as well as leadership that is cohesive, functional, and supportive across sectors, organizations, and disciplines. The strategic imperative of sustainability leadership is one that cannot be ignored any longer; the time to accelerate the drive toward excellence, quality, and innovation has arrived.

Employers will be able to make responsible decisions and take ownership of maintaining the integrity of the environment and promoting everyone's economic well-being with the support of business organizations. This book discusses sustainable leadership techniques that tackle the current situation and provide corporate organizations with answers.

The purpose of this essay is to examine the following query:

What are the essential components of commercial organizations' sustainable leadership?

This study article was broken up into the following sections to address this issue:

- Sustainable organizations ;
- Context of Sustainable leaders ;
- Context of sustainable leadership ;
- Sustainable leadership practices ;
- The key strategies to explore sustainability leadership in organizations.

## 2.Sustainable organizations

### 2.1. Organization sustainability

When an organization satisfies the following three requirements, it's thought to be sustainable: (Kantabutra, putting rhineland principles into practices in Thailand: sustainable leadership at bathroom design company, 2012, p. 7)

- It exhibits the capacity to withstand social and economic setbacks;
- It produces robust financial results;
- It maintains a leadership position in its relevant market.

### 2.2. Innovation in the sustainable organization

One of the primary drivers of economic expansion and technical advancement is innovation. Creating completely new products or making significant changes to product lines and procedures are examples of radical innovation. To increase quality, incremental innovation involves making small-scale, ongoing improvements to products and processes. Innovation is approached methodically, with input from suppliers, consumers, and other partners in addition to the entire business. (Kantabutra & C.Avery, 2011, p. 34)

Innovation is seen by sustainable firms as more than just investments; innovation is the process of transforming ideas into products that benefit customers. Being near the customer is crucial to meeting their needs. (Kantabutra & Saratun, 2013, p. 361)

## 3.Context of Sustainable leaders

### 3.1. Sustainable leaders' definition

Four elements are impacted by sustainable leadership: the person, the group, the organization, and the community. One must begin at the individual level in order to develop into a sustainable leader. For the leader, self-awareness is crucial in this regard.

Additionally, sustainable leaders are people who recognize and comprehend the social, cultural, economic, and environmental issues of their day, and who organize and present their concerns to those in their immediate vicinity. People with great abilities and strong values make for sustainable leaders.

These people possess the ability to effectively read the complicated challenges they encounter, find solutions to them, and forecast the consequences they will have down the road. As such, they possess an inventive long-term vision and an integrative understanding. Realizing the limitations of what one person can achieve on their own, they promote teamwork, the magnifying effect of differences when combined, and individual development. As a result, one of their key objectives is to create a sustainable world. (Gulsah & Titrek, 2020, p. 6)

### 3.2. key competencies of sustainable leaders

Unlike other more traditional leadership philosophies, sustainable leaders need to possess a number of critical qualities. These can be divided into three primary categories: (<https://www.russellreynolds.com/en/insights/reports-surveys/sustainable-leadership-talent-requirements-for-sustainable-enterprises>, 2023)

- A sustainability mindset is characterized by a strong sense of internal purpose, a long-term outlook, and an innate drive to achieve the triple bottom line.
- Systems thinking: The capacity to think creatively, both in terms of the larger picture and the specifics, and to balance conflicting interests in order to create a plan that motivates all parties involved.
- Relationship building: Developing fruitful, enduring connections with important stakeholders; advocating for diversity; and comprehending people from different cultural backgrounds.

### 3.3. Sustainable leadership principles

Several sustainable leadership principles exist, including:  
(<https://www.td.org/insights/what-is-sustainability-leadership>, 2023)

- Recognize how systems are connected to one another. Understanding the relationships and mutual effects of each collection of related components (people, things, processes, etc.) is essential.
- Consider both the big picture and the future. Think about how every action you make now and in the future will affect other nations, societies, oceans, animals, communities, waste, resources, etc.
- Protect both people and the environment. Distinguish between the effects that an activity has on people and the environment. Try to select activities that will minimize their negative impact on the environment, economies, second and third-level people, and processes.
- Proceed with business as usual. Make a change inside your sphere of influence. Make a waste-reducing habit change, such reading with an e-book or printing on both sides.
- Set an exemplary example. Take accountability for your actions, your work, your organization, and yourself. Hold the company responsible for setting a good example through its activities. Hold yourself responsible for cutting waste, boosting productivity, and seeking out ongoing enhancements. There will be others who do so.

### 4. Context of sustainable leadership

#### 4.1. What constitutes sustainable leadership?

The term "sustainable leadership" refers to a leadership philosophy that states that in order to lead sustainably, a leader must have an ecocentric attitude. That is, the leader has a strong sense of ecological duty that extends beyond understanding of or tolerance

for environmental requirements. (Errol, 2016, pp. 196-197)

Making decisions with a long-term view in mind, encouraging methodical innovation targeted at boosting customer value, cultivating a knowledgeable, devoted, and highly engaged team, and providing high-quality goods, services, and solutions are all necessary for sustainable leadership. (J.Gerard, 2020, pp. 115-116)

#### 4.2. Sustainable leadership creation

The concept of sustainable leadership was first introduced with the premise that businesses have an impact on the environment. This idea centers on the creation of sustainable value, whereby the sources of an organization's revenue include social, moral, ethical, and environmental. Sustainable leadership is built on Rhineland management, which emphasizes an organization's social responsibilities. Meeting the needs of the present generation without sacrificing the prospects for future generations to flourish is the aim of sustainable leadership. Regardless of their official leadership roles, they behave responsibly by understanding and taking action on sustainable concerns.

When making decisions, sustainable leaders adopt a long-term outlook, encourage systemic innovation to cultivate a knowledgeable, committed, and devoted staff, produce high-quality goods and services, and boost value addition. Higher-level practices, foundational practices, and critical performance drivers define sustainable leadership. Technical, interpersonal, and operational skills are the focus of foundation practices; employee engagement and innovation are the focus of key performance; organizational culture and growth are the focus of higher-level practices; and cognitive thinking is included.

In business research, the topic of sustainable leadership has been explored. Here, scholarly discourse has a significant influence on corporate entities. Organizations with sustainable leadership are able to learn more quickly, more effectively, and more nimbly

than their rivals. Organizations that practice sustainable leadership make an effort to generate value that benefits all stakeholders and society at large. The triple bottom line approach (people, planet, and profit) is always important to the concepts of sustainability and sustainable leadership. (Iqbal, H. Ahmad, Nasim, & Abdul Rehman Khan, 2020, p. 4)

#### 4.3. Sustainable leadership attributes

By outlining five practices and capabilities, we can examine how leadership can facilitate the impact of strategic Sustainability initiatives: Integrative thinking (boosting the field's profile and promoting a holistic viewpoint), co-production (working together to develop principles), dialogic strategic visioning (identifying strategic opportunities), system building focus (understanding actions and strategic in the context of system of relationships and engaging others), and system quality focus (engaging others to ensure alignment between tools and actions).

Construction a more critical, inventive, and reflexive culture that continuously challenges its norms, presumptions, and principles is made possible by the development of sustainable leadership, which also helps to solve problems related to organizational demands, challenges, and opportunities. Apart from identifying sustainable opportunities, it is imperative for leaders to exhibit interpersonal abilities that enable them to engage, acquire knowledge, and adjust to the diverse stakeholders. (B.Armani, Petrini, & C.Santos, 2020, p. 823)

While sharing many characteristics with other leadership theories, sustainable leadership also has certain unique characteristics of its own. (Peterlin, Pearse, & Dimovski, 2015, pp. 279-280)

The following are some similarities between transformational and sustainable leadership: both focus on comprehending the big picture, as doing so encourages stakeholders to commit; they also provide intellectual stimulation, inspire action from

them, and treat each stakeholder individually. Sustainable leadership is concerned with fostering the potential of future generations for a dignified existence, in contrast to transformational leadership, which is more focused on personal charisma or idealized influence in persuading present followers.

Sustainable leadership, like servant leadership, prioritizes the needs of others over the demands of the leader. Sustainable leadership, on the other hand, differs from servant leadership in that it prioritizes the needs of several stakeholders in the future rather than just the followers at the moment.

The concept of ethical leadership serves as the foundation for sustainable leadership, which broadens its scope of application by arguing that it is morally right to take into account the requirements of a variety of stakeholders, including the environment and future generations. In addition to outlining several significant leadership challenges, Olivier identified sustainability as one of the primary modern social, economic, and ecological challenges facing the kind of ethical leader—a good man—who is tasked with pursuing justice in order to safeguard the community's overall well-being and looks out for the welfare of his followers.

Fundamentally, sustainable leadership emphasizes the significance of sustainability for current and future generations on an individual, organizational, social, and ecological level, setting it apart from other theories of leadership that come from the transformational leadership approach.

## **5. Sustainable leadership practices**

### **5.1. Sustainable leadership characteristics**

Seven essential characteristics of sustainable leadership: (Rehman, Abdul, Haroon, & Irfan, 2019, p. 2)

- Leadership style acts as a sustainable leader;



- Sustainable leadership ensures future success;
- Leadership continuous improvement maintains and develops sustainable learning;
- The facets of social justice that sustainable leadership emphasizes;
- Financial fund resources are flourishing under sustainable leadership;
- The innate capacity of the environment to improve, as demonstrated by sustainability leadership;
- The environment that is forward-looking and led by sustainable leadership. Increasing capability and maintaining a leadership-influenced project.
- Creative ideas are necessary for leadership to share with one another.

## 5.2. Sustainable leadership pillars

Ten pillars of sustainable leadership were established by Slankis: (T.McCann & A.Holt, 2010, pp. 207-208)

- Broad systems thinking: the capacity to connect the organization;
- Change orientation: the commitment to transform an organization;
- Social and environmental consciousness: the awareness of the organization's external function and impact;
- Stakeholder value and sustainability are linked with business acumen and reputation;
- Adaptability: control, execute, and modify;
- Long-term commitment equates to patience;
- Translational abilities: putting ideas into practice;
- Persuasiveness is the ability to connect and communicate;

- Vigor and enthusiasm: express your concept and promote creativity to spur it on;
- Mentoring and development = dedication to enduring, sound leadership via individual growth.

### 5.3. Sustainable leadership importance for business

The development of businesses at all levels, as well as the preservation of the environment and the economy, depend on sustainable leadership. Other factors that contribute to smooth and steady economic growth include inflation rates, the ability of the leader to generate original ideas, and the state of the economy. The impact of environmental sustainability on organizations' sustainable cultures is similar to that of economic sustainable development. Businesses that practice sustainability have a longer track record of success and profitability than those that don't. Thinking sustainably: shifting from "me" to "we."

The objective of sustaining leaders' deep inner conviction, which grows into a more elevated sense of purpose and mission toward the long-term performance of the business. Leaders that address global social and environmental challenges, maintain both long- and short-term objectives, and demand significant consideration are what organizations require. (Rehman, Abdul, Haroon, & Irfan, 2019, p. 2)

### 5.4. Dimensions of sustainable leadership development

**Table 1.** Dimensions of sustainable leadership development

Sustainable leadership development	Key development dimensions
Individual development	Development of multiple intelligences Mindfulness Hope compassion
Organizational development	Succession system Mentorship/coaching

	Action learning /reflection
Social development	Cultural empowerment Community building Activation of engagement
Environmental development	Rethink Recycle Reuse reduce

Source: ([https://www.researchgate.net/figure/Dimensions-of-sustainable-leadership-development\\_tbl3\\_283466920](https://www.researchgate.net/figure/Dimensions-of-sustainable-leadership-development_tbl3_283466920), 2023)

## 6. The key strategies to explore sustainability leadership in organizations

To harness sustainable leadership in organizations and ensure that capability is sourced, developed, enhanced, and retained, there are five criteria to investigate: (<https://www.fm-magazine.com/news/2021/sep/5-strategies-embed-sustainability-leadership.html>)

### 6.1. Recruitment

During the hiring process, it can be crucial to prioritize the essential components of sustainability leadership by starting with the acquisition of organizational talent.

When evaluating candidates, it may be more likely to find the proper leaders to push the company agenda and make sure that developing sustainability skills is feasible if they have qualities of sustainable leadership.

Once a candidate is hired, the human resources department can additionally include the organization's values, practices, and expectations in the onboarding process, along with the organization's unique sustainability awareness.

## 6.2. Training

It's critical to realize that sustainable leadership is a quality that all corporate and organizational leaders, not just those in sustainability roles, must possess. Everyone must engage in a constant process of cross-, up-, and re-skilling in order to think and act toward the sustainability goals. Organizations must be prepared to make this investment in order to maintain skill levels that are current and available for use in the workplace.

Making sure that training, exchanges, secondments, or continuing professional development (CPD) programs are officially guaranteed to facilitate the arrangement of skills development, individual learning and development plans identify the skills shortages. Plans could be made to learn those abilities, but it's also critical to evaluate how well these trainings are working. This can be completed as a component of employees' yearly performance reviews.

## 6.3. Integration

The real benefit of sustainability leadership is incorporating sustainability into regular corporate operations, yet this is also the most difficult task.

Incorporating a sustainable element into business operations will require a change in approach, which starts with strategy. It is not only vital but also essential to set long-term strategies, goals, and targets in order to get to a higher degree of sustainable performance in business.

A typical example for businesses would be to implement a series of projects or operational enhancements aimed at lowering carbon emissions. Other sustainable practices include using recycled or recovered content in place of traditional raw materials, factoring in ethically sourced materials for production, and adopting product packaging that is meant to be regenerative after use, all while maintaining standards for product quality.

For firms, gaining the necessary knowledge to implement these strategic changes may be challenging. Although this specific information can initially be obtained externally, the organization's long-term objective should be to develop a knowledge and skill foundation internally. This is accomplished by facilitating the transfer of specialized sustainability skills and domain/functional expertise between projects and business units. In order to pursue this, it is essential to think about creating new career pathways and professional development objectives that promote cross- and multi-skilling.

#### 6.4. Appraisal

In a normal organization, an organization's performance management system has a significant influence on the general workforce's incentive for action.

A precise definition of performance, along with detailed standards that include sustainability components, would highlight the significance of sustainability to the firm. This entails outlining the desired behaviors and actions and making them apparent, as well as conveying these expectations. For instance, even though procurement costs may be impacted, a procurement professional should still receive praise during their performance review for selecting an ethically sourced product, and a construction project manager may receive praise for their initiative, inventiveness, and cost-cutting skills if they decide to use recycled materials and lower material costs.

The performance criteria can be outcome-driven, impact-driven, or action-driven, depending on the seniority of the jobs. Frontline employees' performance reviews may benefit from taking the appropriate actions, while managers at the strategic level may be rewarded for the noticeable change they brought about.

Discussions regarding professional advancement must address how leadership qualities should incorporate varying degrees of accountability in order to advance sustainability principles.

## 6.5. Incentives

Without rewarding those who excel in their particular choices, deeds, and behaviors that advance the organization's sustainability mission, integration will not be full.

Employees that make an effort to include sustainability into business decisions may receive rewards from their organizations. An illustration of this is a procurement strategy known as "procurement for innovation," in which the supplier selection criteria incorporate sustainability thinking in order to motivate suppliers to support the organizational goal of fostering innovation. In the UK, this strategy is frequently used to encourage public entities to make sustainable buying decisions.

It would also be ideal to support activities and programs that promote sustainability and to reward and incentivize them with money, recognition, or career development. It would be excellent to support employee-initiated innovation, particularly when it comes from non-sustainability-oriented functions, and to recognize such creative solutions.

## 7. CONCLUSION

As the impact that businesses have on the triple bottom line—also referred to as the three Ps—is becoming more widely recognized, it is critical that leaders embrace environmentally friendly behaviors:

- An overview of sustainable leadership approaches and their importance in corporate settings presented in this paper, which also arrived at the following conclusions:
- Three criteria are used to determine whether an organization is considered sustainable: it must demonstrate the ability to withstand economic and social challenges, deliver strong financial results, and maintain leadership in its

relevant market. Long-term thinking is necessary for sustainable leadership, which also calls for systematic innovation aimed at boosting customer value, the development of a highly qualified, devoted, and engaged workforce, and the provision of high-quality goods, services, and solutions.

- A sustainable leader must possess three essential competencies: relationship-building, systems thinking, and sustainability mentality;
- Sustainable leadership is based on a number of concepts, including understanding how systems are interconnected, thinking ahead and internationally, protecting people and the environment, changing business as usual, and setting an example for others to follow.
- Integrative thinking, co-production, dialogic strategic visioning, system building focus, and system quality emphasis are five practices and capacities that may be used to examine how leadership enables the impact of strategic Sustainability efforts;
- The seven essential elements of sustainable leadership are: building capacity and maintaining an initiative influenced by the leadership; future-oriented environment carried by sustainable leadership; social justice aspects focused by sustainable leadership; financial resources flourishing as a result of sustainable leadership; and sustainable learning and achievement guarantees.
- The business must be developed through the following dimensions: social, organizational, environmental, and individual development. Sustainable leadership is crucial for this.
- To harness sustainable leadership in businesses and ensure that capability is sourced, developed, enhanced, and kept, there are five criteria to investigate.

## Referrals and references:

- B.Armani, A., Petrini, M., & C.Santos, A. (2020). what are the attributes of Sustainable leadership ? revista Brasileira de gestao de Negocios, 22(4).
- Errol, B. (2016). locating sustainable leadership within a typology of leadership in business. intelligent organization, 3(3/4).
- Gulsah , T., & Titrek, O. (2020). evaluation of lifelong learning centers in higher education: a sustainable leadership perspective. sustainability, 12(22).
- Iqbal, Q., H. Ahmad, N., Nasim, A., & Abdul Rehman Khan, S. (2020). a moderated-mediation analysis of psychological empowerment: sustainable leadership and sustainable performance. journal of cleaner production(262).
- J.Gerard, L. (2020). an analysis of sustainable leadership challenges and prospects in Scottish higher education. a thesis submitted in partial fulfilment of the requirements of edinburgh Napier university for the award og doctor of philosophy.
- Kantabutra, S. (2012). putting rhineland principles into practices in Thailand: sustainable leadership at bathroom design company. global business and organisational excellence.
- Kantabutra, S., & C.Avery, G. (2011). sustainable leadership at siam cement group. journal of business strategy, 32(4).
- Kantabutra, S., & Saratun, M. (2013). Sustainable leadership : honeybee practices at Thailand's oldest university. international journal of educational management, 27(4).
- Peterlin, J., Pearse, N., & Dimovski, V. (2015). strategic decision making for organizational sustainability : the implications of servant leadership and sustainable leadership approaches. economic and business review, 17(3).
- Rehman, S., Abdul, S., Haroon, A., & Irfan, A. (2019). impact of sustainable leadership practices on public sector organizations: a systematic review of past decade. journal of public value and administration insights (JPVAI), 2(3).
- T.McCann, J., & A.Holt, R. (2010). defining Sustainable leadership. Sustainable strategic management, 2(2).
- <https://www.fm-magazine.com/news/2021/sep/5-strategies-embed-sustainability-leadership.html>. (04 05, 2023)
- [https://www.researchgate.net/figure/Dimensions-of-sustainable-leadership-development\\_tbl3\\_283466920](https://www.researchgate.net/figure/Dimensions-of-sustainable-leadership-development_tbl3_283466920). (04 02, 2023)
- <https://www.russellreynolds.com/en/insights/reports-surveys/sustainable-leadership-talent-requirements-for-sustainable-organizations>. (04 07, 2023)
- <https://www.td.org/insights/what-is-sustainability-leadership> . (3 27, 2023)