

## SUSTAINABLE LEADERSHIP: THE VITAL DETERMINANT IN VUCA WORLD

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### Abstract

Leadership is about envisioning, determining and shaping the future as per the strategy. There is an immense requirement in business today for a new leadership style—one that makes the long-term sustainability of the business in specific and society at large became a top priority. Business leaders have a significant role to play in formulating the right strategic action plans in order to develop sustainable business to meet the present needs without compromising the future ability. This paper evinces the significance of sustainable leadership in an organization, analyses the concepts of sustainable leadership with requisite characteristics, validating the need of sustainability to build out within all the determinants contributing for the organization by utilizing the genuine resources through an elaborated model of “Tree Bottom Line Model” of sustainable leadership generating effective solutions.

**Keywords:** Agile Leadership, Ambiguity, Authentic Leadership, Complexity, Sustainable Leadership, Tree Bottom Line, Uncertainty, Volatility.

### Introduction:

“Sustainable leadership does no harm to and actively improves the surrounding environment”

**--Andy Hargreaves**

Sustainability is now a requirement nevertheless a necessity globally, making a balance and preserve the social, environmental and financial needs of society. There have been many models and theories illustrated and proved working on development of industries, quality education, economic growth, business communities, health and wellbeing through sustainability. To increase the rate of sustainability in organizations, they entail leadership attributes.

Sustainability leadership is to have a long-term development through moral actions. Leaders are the ones who comes first to make major decisions, procedures, policies, programs

and practices etc. Hence, the present-day leadership lies with the challenge of being responsible for the triple bottom line to make sustainable decisions considering financial, social and environmental wellbeing (Prof. Ligita Šimanskienė and Prof. Erika Župerkienė, 2014).

Balancing the economic, social and environmental sustainability simultaneously became a compelling leadership requirement by every organization to make the ethical choices, even when it confronts a contradictory demand between and among these three factors (Mary Ferdig, 2007). The organizations having socially responsible leaders shall flourish for the long term and can create a strong impact on society through their sustainable development strategies (C.B. Venkata Krishna Prasad, M.R. Jhansi Rani, Dr. Suja S. Nair, 2013).

### **VUCA vs. Sustainable Leadership:**

Critical successors in the Volatile, Uncertain, Complex and Ambiguous (VUCA) world are innovation and ethical practices, sound business principles, Strong collaborating network and a firm's agility to respond speedily. These critical factors are aligned with a combination of transformational, authentic and servant leadership styles for a responsible leadership and a responsible leadership holds the broader societal perspectives in making choices based on ethical and authentic judgment (Anita Sarkar, 2016). It is always fruitful to have leaders with authenticity that which motivates leaders to seek for sustainable development balancing financial, social and environmental elements in this VUCA world.

The present skills and abilities thrive by leaders is not sufficient, because, the existence of VUCA in business world is a new normal and it is profoundly compelling organizations not only to redefine its businesses, but also how leaders should had to change their leadership style in accordance to the present environment requirements (Kirk Lawrence, 2013). The leaders are compelled to upgrade their abilities to align and/or counter volatility, uncertainty, complexity and ambiguity with vision, understanding, clarity and authenticity to meet the challenges of triple bottom line.

Leadership agility is a significant trait of a leaders to be proactive to predict the future business environment and to sort out the solutions that are focused, fast and flexible. It's a critical challenge to the leaders to train and develop his employees to be ready with the change which might occur in future. A leader must tune employees from not saying "what is the necessary in changing when everything is moving smooth" to saying "we know the change is obvious and we're ready to adopt". (Nick Horney, Bill Pasmore and Tom O' Shea, 2010). The same is the case with sustainable leadership. Sustainable leaders should also have to train their employees to be responsible towards sustainable development through their operations keeping future social and environmental necessity.

The critical ways to lead in VUCA are applying agility, autonomy in leading, leading by trust and building future leaders (Anusha Sharma, 2018). These critical practices can direct a leader to balance profit, people and planet related decision without losing any future ability.

### **The Tree Bottom Line Model of Sustainable Leadership:**

'Tree' here in this model represents three (profit, people and planet). As the 'Tree Bottom Line Model of Sustainable Leadership' suggests, sustainability leadership allows for all different types of personalities, attributes, values, philosophies, preferences, decisions and different ways of being in the world. The present study justifies the vital importance of

sustainable leadership, representing a tree blossomed with sustainability leadership, deeply rooted with current need of leadership styles to increase the sustainability in the VUCA world with an exposure of volatility, uncertainty, complexity and ambiguity. Trunk being the physical communication link of social, environmental and financial aspects of an organization.

Hence, the present study explores a “Tree bottom line model” for ‘sustainable leadership’ (Fig: 1) that which is a combination of servant, transformational, agile and situational leaderships styles (considered as roots for sustainable leadership) having a base of ethical and authentic leadership styles having empathetic involvement (considered as a seed) to balance and to address the issues related to three elements of triple bottom line such as financial, social and environment (considered as trunk being a physical communication link for sustainable development) in order to fight with VUCA.

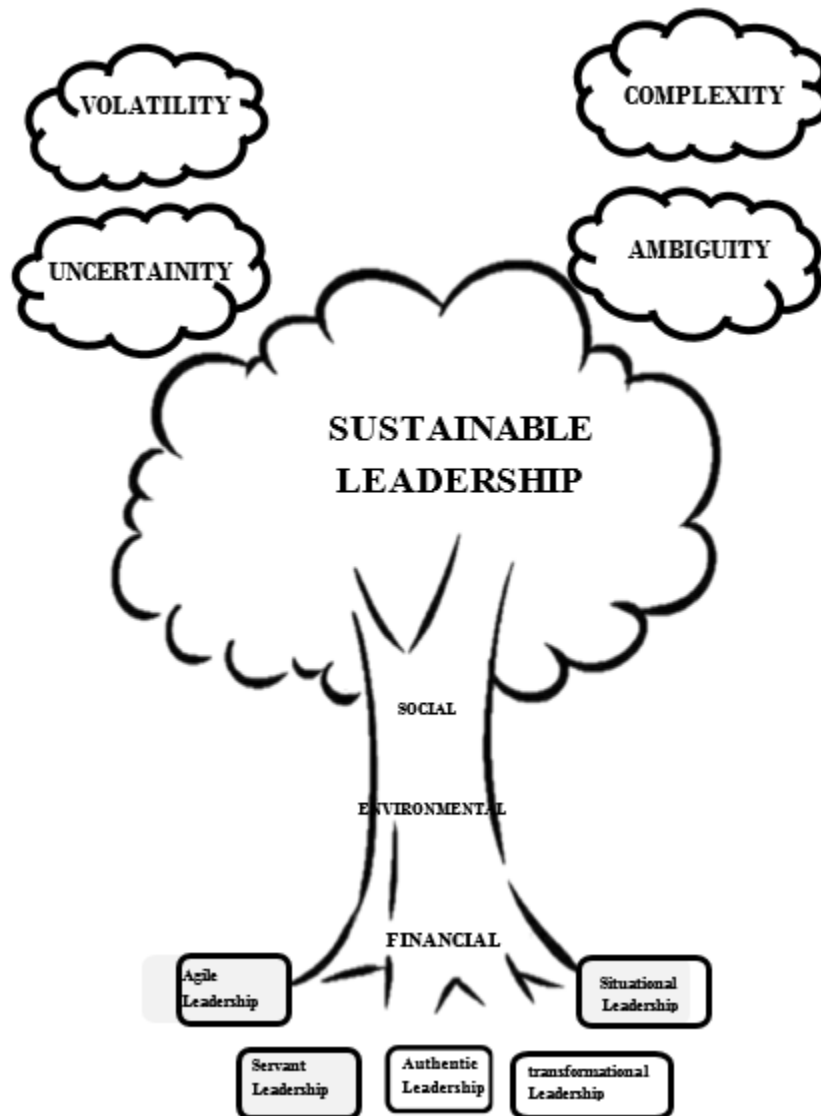


Fig 1: Tree Sustainable Leadership Bottom Line Model

## **The Roots of Sustainable Leadership:**

Leadership is key success factor to drive organizations towards sustainability. Leadership builds and directs a strong vision, integrative strategy to achieve society's common goal of sustainable future. Organizational leaders embed the sustainable approached in organization's vision, mission, strategies, objectives, policies, procedures, programs and practices as part of overall organizational strategy.

Experts have proposed various leadership styles to apply for the businesses and to run their businesses successfully towards sustainable development. The well know styles of leadership are transformational, transactional, agile, situational, Laissez Faire, participative and supportive, servant leadership, instrumental, team leadership, ethical and benevolent leadership, autocratic and democratic leadership styles etc. (Nanjundeswaraswamy T. S. and Swamy D. R, 2014)

In this global competitive environment, effective leadership style is necessary to reduce the attrition rate to obtain efficient HR that which could automatically keep the organization to be sustainable for the long term. It is possible to achieve organizational goals from the effective leadership styles and their applicability. Leadership styles influence on the employee performance and productivity. Leadership styles shall certainly effect on different components of Quality of work life. (Nanjundeswaraswamy T. S. and Swamy D. R, 2014)

Leadership is a synonym to initiation and direction, with a move towards efficiency through a team working for an organization. Leader is a morale booster of a team, motivated to identify and synchronize their competencies with the organization goals. In today's VUCA world, a stereotypic leadership go with the fast-moving millennium only up to certain extent, But the below leadership styles will go with the current operations and circumstances, soliciting the support from employees to make their efforts and results stand ascent to the organization to be sustainably developed.

### **A. Agile Leadership**

Like said prevention is better than cure, an agile leader will understand, accept and go ahead with the changes and developments taking place around the world, Agile leader will integrate the personal competencies of team to the business with a vision of future circumstances and growth. Being agile, the leader won't expect from the team or other sources of work but invite them being on point, without assumptions but with implementation. An agile leader will communicate and share not only the documents and stick notes, but also the understanding and create transparency between the team. Therefore, sustainability leaders need agility which is a greater survival competence to shift their decisions committed to CSR apart from the commercial view.

### **B. Situational Leadership**

Situational leadership is being a leader taking appropriate actions considering the situations, with right estimation of results. One's food can be an other's poison, in the same way, a leader in an organization is expected to be step forward and take actions rightly apt to the situation and also balances in contradicting situations between business, social and environmental aspects.

At times an employee with great skills seek recognition, an employee with minimal skills seek some motivation, with workforce diversity a leader should understand the efforts and communicate accordingly as stated in situational leadership theory by Paul Hersey and Blanchard while working for management of organizational behavior, that is to delegate, support, coach and direct the employees as per the situation that which can protect the interest of all stakeholders. Situational leaders understand the importance of “adapting and overcoming” when needed. (Belal A. Kaifi , Ahmad O. Noor, Ngoc-Linh Nguyen, Wajma Aslami and Nile M. Khanfar, 2013)

### C. Transformational Leadership

Transformational leader is one who can inspire the team of employees with their vision and optimism. This leader will have certain attributes where team gets positively influenced and follow the leader. Transformational leader will keep on setting goals for them self, work for them and achieve them. Therefore, organizations would highly prefer transformational leadership style as a significant one for sustainable development, since these are the vision makers and can inculcate social interest during stage of decision formulation itself. (Apex Opoku, Vian Ahmed and Heather Cruickshank, 2015)

They are optimistic and take criticism and negative feedback as a tool to develop themselves. These leaders will work on innovation and challenges by giving solutions to anything that stop the team and support the team to move forward. They'll act as a role model to the team, being ideal and successful example that which probes the idea of sustainability.

### D. Servant Leadership

Servant leadership is different from the traditional leadership where then the objective is to map the goals of organization, but being a servant leader, the main focus is to serve the employees. Employees tend to have certain expectations from the organization as they are working their flesh out, in a rush of making organization develop, servant leadership is something unforgettable.

A servant leader will serve motivation, resolve the conflict between employees, and integrate the best competencies for expected results with a foresight. They communicate the trust they have upon employees and listen to their opinions and expectations. Though these leaders are employee oriented, their ultimate thought and plan of goals to be achieved will be communicated and implemented, but in a way where the leader can persuade to let the best out of employees. Servant leadership and sustainable leadership go hand in hand where this combination build foundation on ethics. (Jack McCann, 2010)

### E. Authentic Leadership

If the above mentioned four leadership styles are the roots, then the “**authentic leadership**” style becomes a seed that which invents a strong roots and other parts of tree to fight with broader environment (VUCA). Authentic leadership, is standing on the shoes of employees and understanding their perspective of thoughts towards world. Authentic leaders are non-judgmental and try to understand the employees first as a human being. Being also empathetic, make a leader to understand the opinions, thoughts and requirements of employees, society and environment altogether while making decisions to apply.

The decision which made empathetically shall give amazing outputs and to pursue the leader to be genuine in all his/her decision for the application. An authentic leader can understand the feelings of all the stakeholders and persuade to attain balance of emotions and establish an integrative approach for an ethical result. Creating authenticity amongst the team members is one of the most critical attributes in the execution of leadership successfully. (Heather Diamond, 2012)

### **Conclusion:**

As the 'Tree Bottom Line Model of Sustainable Leadership' suggests, sustainability leadership allows for all different types of personalities, values, preferences and different ways of being in the world to lead. The model highlights that one must consider the agile, transformational, situational and servant leadership traits to meet current and future requirement to be sustainable. There's no such mandatory to build all four leadership styles to be a successful sustainable leader, but implying any combination of them could certainly create positive vibes in the environment to balance profit, people and planet related decisions. Whereas, authentic leadership style is must added style/attribute that which creates legitimacy through its values, honesty, truthfulness, openness and ethics. Authenticity is very much significant to make choices genuinely to stand against VUCA and to balance business, society and environmental well-being. Sustainable leader has to inculcate authenticity in him/her and has to consider it as critical characteristic trait. VUCA can be defeated by sustainable leadership style by applying the 'Tree Bottom Line Model' effectively and to create sustainable present and future.

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