

Ethical leadership strategy for achieving sustainable companies in the VUCA environment

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Abstract

This research explores ethical leadership strategies in facing the challenges of the VUCA (Volatility, Uncertainty, Complexity, Ambiguity) business environment to realize a sustainable company. Through a systematic literature review, the study found that ethical leadership, which is based on moral values, integrity, and responsibility, is able to create an organizational culture that supports sustainability by encouraging innovation, transparency, and effective risk management. Additionally, the development of ethical leadership skills through value-based training, crisis simulation, and continuous learning can improve a company's adaptability and competitiveness. By integrating a collaborative approach, the use of technology, and adaptive risk management, ethical leadership allows companies to not only survive but also thrive sustainably amid global uncertainty.

Keywords:

VUCA Environment,
Ethical Leadership,
Sustainability, Business
Resilience

1. Introduction

Today's global business environment is undergoing very dynamic and challenging changes, known as VUCA (Volatility, Uncertainty, Complexity, Ambiguity). These changes include market instability, technological disruption, as well as global issues such as climate change and pandemics, all of which require companies to be highly resilient. In this context, ethical leadership is becoming increasingly significant, as it is able to provide a strong moral framework and create an adaptive and sustainable company.

Ethical leadership, defined as a leadership style that focuses on moral values, integrity, and responsibility, is one of the main answers to overcome the challenges of the VUCA era. According to "Ethics, the Heart of Leadership" by (Ciulla, 2004), ethical leadership is not only about making the right decisions, but also influencing how those decisions are implemented in the organization. Ciulla emphasized that ethical leaders are able to direct companies to act responsibly towards employees, customers, and the wider community.

In an uncertain environment, ethical values provide consistent guidance for leaders to stay focused on long-term goals, despite short-term pressures. Bass and Steidlmeier in their book "Transformational Leadership: Industry, Military, and Educational Impact" (1998) state that ethical leadership helps create trust and stability in organizations, which is a key component to surviving in an era of uncertainty. This is in line with the research of Treviño & Brown (2014) which emphasizes that ethical leadership contributes to the formation of a healthy organizational culture, encourages innovation, and creates long-term sustainability.

The concept of sustainable companies is becoming increasingly relevant in global business discourses. A sustainable company is one that not only focuses on achieving profits, but also takes responsibility for social and environmental impacts. In his book "Cannibals with Forks: The Triple Bottom Line of 21st Century Business", John Elkington (1999) introduced the concept of the triple

bottom line, which emphasizes the importance of sustainability in three main aspects: economic, social, and environmental. Ethical leadership plays a crucial role in ensuring that the company's strategy is aligned with these sustainability principles. In the VUCA environment, sustainability is not only a moral responsibility but also a strategy for survival. However, the implementation of sustainability is inseparable from leadership that is able to integrate ethical values into the company's vision and operations. Table 1 shows the supporting characteristics of the VUCA phenomenon.

Table 1. Supporting Characteristics of The VUCA Phenomenon

VUCA Factor	Characteristic	Impact on Leadership	Leadership Solutions
Volatility	Rapid and unexpected changes	Difficulties in long-term planning	Adaptive and flexible leadership
Uncertainty	Lack of certainty regarding the situation and outcomes	Challenges in decision-making	Develop a clear vision and deep understanding
Complexity	Many variables are interrelated and difficult to predict	Requires in-depth analysis and better coordination	Collaborative and strategic leadership
Ambiguity	Lack of clarity in the interpretation of events	Fueling ambiguity in the direction of the organization	Fast and bold decision-making

Sumber : (Afkarina et al., 2023)

The VUCA environment creates unique challenges for leaders. Market uncertainty, the complexity of relationships between stakeholders, and ambiguity in decision-making are real tests for leaders. In this condition, ethical leadership is a strategic solution. Leaders with a strong value framework are not only able to provide clear direction in ambiguous situations but also encourage adaptive and innovative organizational behavior.

In his book "The Speed of Trust", Covey et al. (2008) emphasizes the importance of trust as the main capital for organizations to face change. Trust built through ethical leadership can be the foundation for organizations to face uncertainty with more confidence. In addition, Horney et al. (2010) in their study explained that leaders who have ethical integrity tend to be more successful in building organizations that are flexible, able to innovate, and respond quickly to change.

Developing ethical leadership skills is a critical step in ensuring corporate sustainability in the VUCA era. Leaders are not only required to have technical competence but also the ability to apply ethical principles in decision-making. According to Gary Yukl's "Leadership in Organizations" (Yukl, 2010), the development of leadership skills should include training on moral values, ethical conflict resolution, and change management that is responsive to the needs of the organization and society.

In addition, (Treviño & Brown, 2014) in their journal published in the Journal of Business Ethics emphasized the importance of ethical leaders in building an organizational culture that supports sustainability. They found that ethical leadership directly contributes to employee engagement, improved company reputation, and value-based innovation.

In the context of the VUCA era, integrating ethical leadership into a company's sustainability strategy is not only a necessity but also a necessity. Ethical leaders are able to steer organizations to face external challenges more resiliently, while building long-term, mutually beneficial relationships with various stakeholders.

This research focuses on exploring ethical leadership strategies to achieve corporate sustainability within the VUCA environment. This article aims to answer three main questions:

RQ1 : How Ethical leadership strategies can shape companies sustainable and adaptable in the VUCA environment?

RQ2 : How to build ethical leadership skills to be able to forming a sustainable and adaptable

company in a VUCA environment?
RQ3 : *How can the right ethical leadership be integrated into the company's sustainable strategy in the face of VUCA challenges?*

Through a systematic literature review (SLR) approach, this article will integrate findings from various recent studies to make theoretical and practical contributions. Theoretically, this study seeks to enrich the literature related to ethical leadership and sustainability in the VUCA environment. In practical terms, the results of this study are expected to provide guidance for leaders and organizations in developing strategies that are relevant to modern challenges.

2. Method

The research method is the entire process in research that starts from formulating the problem to making a conclusion. The research method used in this study is a literature review on ethical leadership in the VUCA area, which includes various types of literature that discuss the topic. Literature review is a research method carried out by analyzing and analyzing data collected by other researchers previously (Adlini et al., 2022). This approach can be used to examine various things, such as history, theory, and the application of a concept or theory. Based on Sharma et al. (2023), there are several steps taken in this study. The first step is to determine the research topic, which is to choose the main focus to be researched. In the next stage, researchers collect data from various sources, such as books, journals, articles, theses, dissertations, and research reports, which can be done manually or with the help of information technology. After the data is collected, the next step is to process the data using the descriptive analysis method, to ensure that the data is ready to be used in answering research questions. Finally, the researcher formulated a conclusion based on the results of the data processing and analysis that had been carried out. Thus, this literature study approach provides a systematic framework in exploring knowledge from existing literature to enrich understanding of the topic being researched.

Systematic Literature Review (SLR) is a term for a way of identifying, evaluating, and interpreting all available research that is relevant to the formulation of the problem or topic area being studied. (Calderón & Ruiz, 2015). Systematic Literature Review (SLR) is defined as the process of identifying, assessing and interpreting all available research evidence with the aim of providing answers to specific research questions (Kitchenham et al., 2009). Based on this explanation, this study uses the Systematic Literature Review (SLR) approach because all information is collected through the analysis of existing literature. The literature review method was chosen to contribute to the development of this field and address gaps in previous research. Additionally, this approach helps to refine research problems, identify existing gaps, and identify areas that require further investigation.

2.1 Selection and Data Collection Methods

The research data will not meet the standards if the data collection technique is not established. The selection and data collection methods in this study are as follows: (a) Selection of Data Sources, by identifying various relevant literature sources related to ethical leadership, sustainable enterprise, and the VUCA environment. (b) The research criteria, by setting clear criteria for selecting literature relevant to the topics of ethical leadership, sustainable companies, and the VUCA environment in the last five years (2020-2024) with the source of International Journals indicated by Scopus. (c) Selection Procedure, by filtering literature according to the set criteria.

2.2 Data Analysis Methods

The author uses the Miles and Huberman model in data analysis techniques, namely by collecting data, reducing data, presenting data, and drawing conclusions. Qualitative data analysis techniques begin with reducing data obtained from various sources (Siyoto & Sodik, 2015) :

1. Data reduction means summarizing and selecting the main things that are focused on and considered important. As well as throwing away unnecessary things. In reducing data, alternative methods can be done by abstraction, so that in making and compiling core summaries, processes, and stored statements in accordance with the research procedures and conditions (Siyoto & Sodik, 2015).
2. The presentation of data is carried out in the form of descriptions, for example with a research thinking framework. The initial stage by explaining or can provide ease of understanding and planning the next stage (Hardani et al., 2020).

3. Drawing conclusions, by describing various final opinions based on the previous description with an inductive or deductive thinking method. The conclusion must be relevant to the focus of the research, the purpose of the research, and the findings of the research through interpretation and discussion (Hardani et al., 2020).

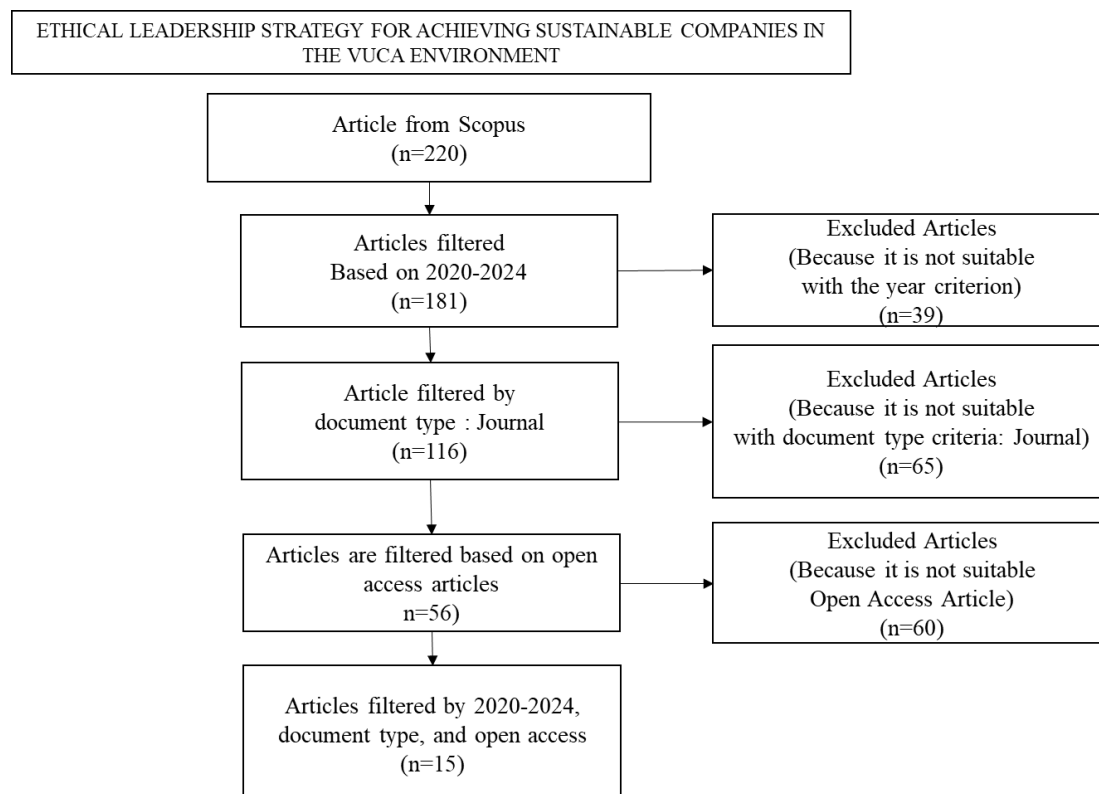
2.3 Flowchart

The literature selection process was carried out to support research with the topic of Ethical Leadership Strategy for Achieving Sustainable Companies in the VUCA Environment. From a total of 220 articles taken from the Scopus database, the screening process is carried out in stages using several main criteria, namely the year of publication, type of document, and article accessibility (open access). This rigorous selection ensures that the articles used are truly relevant and in line with the objectives of the research that explores how ethical leadership strategies can support corporate sustainability amid VUCA's environmental challenges.

The first stage in screening is based on the publication year range, which is between 2020 and 2024. From this process, 39 articles were excluded because they did not meet the criteria for the year, leaving 181 articles. Furthermore, the selection process is focused on the type of document. Only articles in the form of journals are retained, because journals are considered more credible and relevant to explore the topic of ethical leadership and sustainability. A total of 65 articles were removed from this process, bringing the number of filtered articles to 116. The final stage of screening is based on open access criteria, with the aim of ensuring that the literature used is accessible to the public and supports the principle of research transparency. At this stage, 60 articles were excluded, leaving 56 articles.

The final result of this selection is 15 articles that meet all criteria: 2020–2024 range, journal document type, and open access. These remaining articles then became the basis for formulating ethical leadership strategies that are relevant to the context of VUCA. This approach suggests that research focuses on cutting-edge and high-quality sources, which allows for in-depth and comprehensive analysis. The ethical leadership strategies proposed in this study are expected to be able to build resilient, competitive, and sustainable companies by prioritizing moral principles and social responsibility in the midst of an uncertain business environment.

Figure 1
Flowchart



3. Results and Discussion

3.1 Results

3.1.1 Ethical Leadership

Ethical leadership is defined as leadership that is based on moral principles and universal values, such as justice, transparency, and social responsibility. Ethical leaders not only prioritize the success of the organization but also act as protectors for the well-being of employees, communities, and the environment. Sajjad et al. (2024) in *Business Strategy and the Environment* stated that ethical leadership is able to increase employee motivation, stakeholder trust, and organizational reputation. Ethical leaders, according to Gupta et al., (2024), act as mediators who can steer the company through ambiguity by making value-based decisions. Ethical leadership, measured through the values of integrity, accountability, and empathy.

Furthermore, Elkington (1999) in his book *Visionary Leadership in a Turbulent World* emphasizes that ethical leaders play an important role in creating an organizational culture that upholds integrity, both in stable and challenging situations. Ethical leadership is also often associated with a company's success in navigating global markets, especially amid increasingly intense competition. Minciu et al. (2024) added that in a VUCA environment, ethical leaders can reduce conflict and uncertainty through open communication and strong collaboration.

3.1.2 Sustainable Company

Corporate sustainability involves the integration of economic, social, and environmental values in the company's business model. This concept is rooted in the idea that companies must contribute positively to society while maintaining their competitiveness. According to (Barahona & Ortegon, 2024), companies that adopt sustainability strategies can be more resilient to market changes and have better relationships with consumers and business partners.

One common sustainability strategy is to invest in renewable energy and green technologies. Furthermore, the book *Sustainable Leadership: How to Lead in a VUCA World* by Ducheyne (2017) emphasizes that companies that want to survive in a dynamic global environment must integrate sustainability in all their operational activities. Minciu et al., (2024) also highlight that sustainability is

not only related to technological innovation but also to a holistic approach that includes investing in local communities.

More specifically, Gupta et al. (2024) explain that effective corporate sustainability requires a balance between current economic needs and long-term sustainability. They highlight that this approach can only succeed if the company is led by individuals who understand the importance of social responsibility. Sustainable Companies, measured through several main dimensions such as environmental aspects, social aspects, governance aspects, and sustainability indexes.

3.1.3 VUCA Environment

The VUCA environment describes the modern business world full of volatility, uncertainty, complexity, and ambiguity. In this context, leaders must have high adaptability skills as well as the ability to prioritize strategic interests amid evolving challenges. Esenyel (2024) highlights that successful leaders in this environment often rely on data analytics to support their decision-making.

The book *Responsible Leadership in a VUCA World* by Mendenhall et al. (2020) provides in-depth insights into how leaders can meet the challenges of the VUCA environment through the development of strategic, communication, and team leadership skills. They emphasized the importance of flexibility in the face of uncertainty as well as the ability to embrace change as an opportunity.

The VUCA environment requires a more collaborative leadership approach. The research also shows that digital technology can be used to support corporate sustainability in an unstable environment. The VUCA environment, measured by Volatility (the degree of unexpected change in the environment), Uncertainty (uncertainty where the available information is insufficient to predict the outcome), Complexity (measures the number of interrelated factors in the environment), Ambiguity (measures the level of ambiguity where a situation is difficult to interpret due to lack of clarification).

3.1.4 Synergy between Ethical Leadership, Corporate Sustainability, and VUCA Environment

Ethical leadership, corporate sustainability, and the ability to survive within VUCA are inextricably linked. Gupta et al. (2024) explain that ethical leadership can be a cornerstone for driving sustainability, while sustainability can help companies stay competitive in an uncertain market. On the other hand, the VUCA environment requires a structured but flexible approach to face unexpected challenges.

Research by Minciu et al. (2024) shows that companies that successfully implement sustainability strategies within the VUCA environment often have leaders who practice ethical values consistently. This strategy allows companies to build a strong reputation, increase customer loyalty, and attract new investments.

3.1.5 Review Literature Source

A literature resource that focuses on ethical leadership strategies in supporting corporate sustainability in the midst of VUCA (Volatility, Uncertainty, Complexity, Ambiguity) environmental challenges. The sources of this literature come from eight leading international journals, such as Corporate Social Responsibility and Environmental Management, Business Strategy and the Environment, and Technological and Economic Development of Economy, all of which are in the Q1 quartile, as well as several journals from MDPI and Elsevier in Q2. The dominance of journals with the Q1 category confirms that the research referenced is of high quality and relevant to the topic of ethical leadership strategy and sustainability. These journals explore various aspects that support companies to survive and thrive in dynamic and uncertain situations. The article in Sustainability (MDPI) discusses the importance of integrating ethical leadership in driving corporate sustainability through innovation and risk management. The article from Heliyon and Sustainable Futures highlights the role of inclusive leadership and procedural fairness in creating organizational trust and employee commitment. The literature's focus on adaptive strategies, innovation, and environmental preservation creates a theoretical foundation for organizations to overcome VUCA challenges and achieve long-term success.

Table 2. *Literature Sources*

No.	Journal	Publisher	Quantity	Scimago Quartile
1.	Corporate Social Responsibility and Environmental Management	Wiley	1	Q1
2.	Business Strategy and the Environment	Wiley	1	Q1
3.	Technological and Economic Development of Economy	Vilnius Gediminas Technical University	1	Q1
4.	Heliyon	Elsevier	1	Q1
5.	Sustainable Futures	Elsevier	1	Q2
6.	Sustainability	Multidisciplinary Digital Publishing Institute (MDPI)	8	Q2
7.	Administrative Sciences	Multidisciplinary Digital Publishing Institute (MDPI)	1	Q2
8.	International Journal of System Assurance Engineering and Management	Springer	1	Q2

The importance of ethical leadership strategies in supporting corporate sustainability, especially in facing the challenges of the VUCA (Volatility, Uncertainty, Complexity, Ambiguity) environment. Some studies emphasize that ethical leadership, characterized by fairness, moral responsibility, and transparency, plays a key role in strengthening organizational trust and commitment. Research published in the journal Sustainability by MDPI reveals how the implementation of procedural justice and an inclusive leadership approach can increase employee engagement, strengthen company culture, and encourage sustainability-oriented innovation. Ethical leadership also encourages transparent and collaborative communication with stakeholders, which is especially important in an environment of uncertainty. In addition, several articles found the need for adaptive strategies and innovations to maintain sustainability in the midst of rapid change. The study in the journal Heliyon emphasizes the importance of transformational and transactional leadership in supporting crisis management and improving corporate competitiveness. Transformational leadership, for example, motivates teams to innovate and create creative solutions, while transactional leadership strengthens the processes and procedures that support operational sustainability. By combining this approach, companies can develop a flexible and responsive strategy, so that they are able to survive and thrive in the midst of the challenges of VUCA's environment. This strategy not only ensures long-term business sustainability, but also creates a positive social and environmental impact through ethical-based leadership practices.

Table 3. *Result of Literature Review*

Article	Publication	Result
Environmental Sustainability for Strategic Planning Effectiveness and Organizational Improvement	Gandrita, D. M., Gandrita, A., Rosado, D. P., & Carmo, M. D. Sustainability. Multidisciplinary Digital Publishing Institute (MDPI).	This paper emphasizes the importance of integrating environmental responsibility into strategic planning, highlighting that ethical leadership and pro-environmental behavior can improve workforce retention and organizational efficiency, especially in an unstable, uncertain, complexity, and ambiguity (VUCA) environment (Gandrita et al., 2023).
Article	Publication	Result

Realization of a Sustainable High-Performance Organization through Procedural Justice: The Dual Mediating Role of Organizational Trust and Organizational Commitment	Ha, J. C., & Lee, J. W. Sustainability. Multidisciplinary Digital Publishing Institute (MDPI).	This paper emphasizes that ethical management increases organizational commitment and work engagement, which is essential for sustainable performance within a VUCA environment. Companies must implement strategies to improve procedural fairness, foster trust and commitment among employees for better organizational outcomes (Ha & Lee, 2022).
Different Leaders in a COVID-19 Scenario: CEO Altruism and Generous Discourse	García-Sánchez, I. M., Amor-Esteban, V., & García-Sánchez, A. Sustainability. Multidisciplinary Digital Publishing Institute (MDPI).	This paper highlights that ethical leadership, characterized by responsible action and altruistic commitment, fosters sustainable companies within the VUCA environment. Leaders must prioritize transparent communication and emotional engagement with stakeholders while balancing self-improvement with ethical considerations in decision-making (García-Sánchez et al., 2021).
Organic Growth Theory for Corporate Sustainability	Karnama, A., & Vinuesa, R. Sustainability. Multidisciplinary Digital Publishing Institute (MDPI).	This paper emphasizes that ethical leadership is essential for companies to thrive sustainably in an unstable environment. It advocates the Organic Growth Theory, which integrates growth and sustainability strategies, fostering responsible corporate structures, called founcorps, to ensure long-term survival (Karnama & Vinuesa, 2020).
The role of training in implementing corporate sustainability: A systematic literature review.	Sult, A., Wobst, J., & Lueg, R. Corporate Responsibility and Social and Environmental Management. Wiley.	The paper emphasizes that training aligned with corporate strategy fosters ethical leadership, improving corporate sustainability. This highlights the importance of addressing stakeholder pressures and regulatory demands, demonstrating that well-designed training can lead to improved organizational performance in a VUCA environment (Sult et al., 2024).
Incorporating the sustainability concept in the major business excellence models. Sustainability	Politis, Y., & Grigoroudis, E. Sustainability. Multidisciplinary Digital Publishing Institute (MDPI).	The paper emphasizes that organizations must integrate sustainability into their goals and strategies, ensuring stakeholder engagement and long-term value creation, while adopting proactive initiatives for environmental preservation and social responsibility to effectively navigate VUCA's environmental challenges (Politis & Grigoroudis, 2022).

Article	Publication	Result
Multivariable supplier segmentation in sustainable supply chain management.	Rius-Sorolla, G., Estelles-Miguel, S., & Rueda-Armengot, C. Sustainability. Multidisciplinary Publishing Institute (MDPI).	This paper emphasizes that ethical leadership in sustainable supply chain management involves a coordinated response to stakeholder risks and pressures, prioritizing supplier segmentation and corporate social responsibility for navigating the complexities of an volatility, uncertainty, complex, and ambiguous environment (VUCA) (Rius-Sorolla et al., 2020).
Green Practices for Global Supply Chains in Diverse Industrial, Geographical, and Technological Settings: A Literature Review and Research Agenda	Giuffrida, M., & Mangiaracina, R. Sustainability. Multidisciplinary Publishing Institute (MDPI).	This paper emphasizes the importance of top management commitment as a critical factor for successful sustainable initiatives in global supply chains, demonstrating that ethical leadership can improve collaboration and adherence to environmentally oriented policies, especially in an unstable, uncertain, complex, and ambiguous (VUCA) environment (Giuffrida & Mangiaracina, 2020).
Ethical Leadership, Bricolage, and Eco-Innovation in the Chinese Manufacturing Industry: A Multi-Theory Perspective	Xuecheng, W., & Iqbal, Q. Sustainability. Multidisciplinary Publishing Institute (MDPI).	Ethical leadership improves sustainable performance through environmental innovation, especially in VUCA environments. By encouraging psychological safety and promoting high moral standards, ethical leaders can drive environmental innovation and align organizational goals with sustainability, essential for navigating volatility and uncertainty (Xuecheng & Iqbal, 2022).
Leadership and crisis management and their link to improvement of hotel performance: A study of the Jordanian hotel sector	Amar Hisham Jaaffar, Raed Hussam Alzoubi, Omar Hamdan Mohammad Alkharabsheh, & Jegatheesan Rajadurai. Heliyon. Elsevier.	The results of the study show that ethical leadership through transformational and transactional styles is essential in the context of corporate sustainability, especially in the hospitality industry facing VUCA environmental challenges. Transformational leadership styles have a direct positive impact on crisis management and hotel performance, allowing leaders to motivate teams, increase innovation, and ensure long-term sustainability. Meanwhile, transactional leadership shows a significant role in strengthening the crisis management process, which serves as a mediator to achieve operational sustainability. The research highlights that crisis management capabilities and leaders' experience play a critical role in overcoming uncertainty and ensuring that sustainability strategies can be effectively integrated to support a company's competitiveness in complex and ambiguous contexts (Jaaffar et al., 2023).

Article	Publication	Result
Mediation of "AKHLAK" corporate culture and affective commitment on the Effect of Inclusive Leadership on Employee Performance	Veronika Agustini Srimulyani, Sri Rustiyaningsih, Florentina Anif Farida, & Yustinus Budi Hermanto. Sustainable Futures. Elsevier.	This study shows that ethical leadership, such as inclusive leadership, contributes significantly to increasing employee affective commitment and internalizing company culture, such as the value of AKHLAK in SOEs. Although the AKHLAK culture supports employee commitment, its impact on performance is not optimal, signaling the need for deeper internalization. In the context of the VUCA environment, ethical leadership allows companies to remain adaptive, collaborative, and innovative while maintaining moral values, which are essential for long-term sustainability. The integration of ethical leadership with sustainability strategies creates a more resilient organization in the midst of challenges and uncertainties (Srimulyani et al., 2023).
Adaptive Strategies and Sustainable Investments: Navigating Organizations Through a Vuca Environment in and After Covid-19	Mihaela Minciu, Cristina Veith, Razvan Catalin Dobrea, & Vladimir-Codrin Ionescu. Technological and Economic Development of Vilnius Gediminas Technical University	The study reveals that adaptive strategies and sustainable investments play a crucial role in helping organizations navigate the uncertain VUCA environment, especially during and after the COVID-19 pandemic. Organizations that adopt a participatory leadership approach and invest in sustainability show a better ability to adapt to drastic changes. However, the study also shows a gap in employees' understanding of the concept of sustainable investment, emphasizing the importance of continuous training to improve preparedness to face VUCA's environmental challenges. By integrating ethical leadership, organizations can prioritize inclusive and strategic decision-making to drive long-term sustainability and operational resilience (Minciu et al., 2024).

Article	Publication	Result
Sustainability leadership: An integrative review and conceptual synthesis	Aymen Sajjad, Gabriel Eweje, & Muhammad Mustafa Raziq. Business Strategy and the Environment. Wiley.	This research highlights the importance of ethical leadership in managing the tension between conflicting social, economic, and environmental goals in the context of the complex VUCA environment. The concept of sustainability leadership emerges as an integrative approach to address global challenges through the management of paradoxical tensions at various levels: individuals, organizations, and communities. Sustainability leaders demonstrate the ability to practice ethical values, systemic thinking, and strategic adaptation, which are essential for creating companies that are sustainable and responsive to dynamic change. With a systems theory-based framework and a paradoxical perspective, this research strengthens the relationship between ethics-based decision-making and organizational sustainability in the face of uncertainty(Sajjad et al., 2024).
Evolving Leadership Theories: Integrating Contemporary Theories for VUCA Realities	Vildan Esenyel. Administrative Sciences. Multidisciplinary Digital Publishing Institute (MDPI).	This research shows that in VUCA environments, traditional leadership models are often inadequate to deal with complex and dynamic challenges. The research proposes the integration of adaptive, innovative, and heliotropic leadership theories as a more relevant approach. Ethical leadership is at the core of this approach, emphasizing flexibility, innovation, and positive behaviors to create an inclusive, adaptive, and resilient organizational culture. By leveraging technology, creativity, and sustainability, leaders can support corporate sustainability while maintaining competitiveness amid constant change. This model highlights the importance of leaders in driving innovation and organizational well-being as a strategy for long-term sustainability in the VUCA era (Esenyel, 2024).

Article	Publication	Result
A Qualitative Investigation of Contemporary Leadership Models for Sustainable Businesses in Times of Crises	Sunakshi Gupta, Aubid Hussain Parrey, Suchita Jha & Krishna Kumar Singh. International Journal of System Assurance Engineering and Management. Springer.	This research reveals that contemporary leadership models such as ethical, adaptive, and authentic leadership play an important role in building a sustainable company in the midst of VUCA's environmental challenges. Ethical leadership, which emphasizes transparency, fairness, and moral responsibility, enables organizations to maintain integrity while overcoming uncertainty. The adaptive leadership model shows that flexibility and innovation are key to handling crises, while authentic leadership focuses on building genuine relationships to increase trust. The results of this study underscore the importance of an ethics-based approach in integrating sustainability into organizational strategies to ensure durability and long-term success in the midst of ever-changing environmental dynamics (Gupta et al., 2024).

3.2 Discussion

3.2.1 RQ1: How can ethical leadership strategies shape sustainable and adaptable companies in a VUCA environment?

Ethical leadership shapes a sustainable company within VUCA through the development of a values-based culture that emphasizes trust, transparency and sustainability. For example, the AKHLAK approach in Indonesian organizations includes the values of trust, competence, harmony, adaptation, and collaboration, which has been proven to help organizations face uncertainty with a holistic approach. In addition, ethical leadership supports companies in integrating sustainability in global supply chains, for example through sustainability-based supplier segmentation to reduce environmental risks while improving operational efficiency. In the face of an uncertain environment, ethical leaders also leverage ecosystem innovation strategies to integrate economic, social, and environmental sustainability simultaneously. For example, the organic growth model allows for ethical development while increasing the adaptability of organizations to market changes. Research in the context of COVID-19 also shows that altruistic communication and transparency in strategic decisions can increase stakeholder trust during crises. Previous studies have also supported that ethical corporate transformation creates a strategic framework that allows companies to integrate sustainability aspects into every operational element, both at the local and global levels.

3.2.2 RQ2: How to build ethical leadership skills to form a sustainable and adaptable company in a VUCA environment?

The development of ethical leadership skills can be initiated through formal education, scenario-based training, and continuous learning that emphasizes capacity building in the face of the complexities of the VUCA environment. Value-based training such as AKHLAK, which is used in state-owned companies in Indonesia, is an example of how core values can be internalized through work culture policies and training. These skills also need to include crisis management and adaptation skills through a strategic approach. Simulation-based training helps leaders understand possible future scenarios, such as in a study on crisis management in the Jordanian hospitality sector that demonstrates the importance of training for leaders in a transformational and transactional style. To improve adaptability, skills in the integration of digital technology are also key. Leaders who have digital skills are able to encourage organizations to face complex challenges more flexibly. This can be seen in the leadership in the VUCA era which emphasizes the importance of a collaborative approach in data-based strategic decision-making.

3.2.3 RQ3: How can the right ethical leadership be integrated into the company's sustainable strategy in the face of VUCA challenges?

The integration of ethical leadership into a sustainable corporate strategy requires a systems-based approach that prioritizes collaboration and cross-functional risk management. This strategy can be realized through policies that are oriented towards the triple bottom line of economic benefits, social welfare, and environmental conservation. In the context of global supply chains, the use of collaborative strategies with stakeholders and digital technologies can strengthen a company's adaptation to uncertainty. Integrated ethical leadership also fosters a values-based company culture, as seen in the implementation of AKHLAK in Indonesia, where ethical values are practiced to improve employee trust and performance. Studies of hospitality organizations show that transformational and transactional leadership styles can be optimized through training designed to improve adaptability to crises. This strategic approach also leverages the concept of organic growth, where leaders drive innovation in the face of VUCA challenges while maintaining a balance between sustainability goals and organizational adaptability.

4. Conclusion

Based on the analysis of the Systematic Literature Review (SLR) that has been conducted, the following are the main conclusions of this study regarding ethical leadership strategies in building sustainable and adaptive companies in the VUCA environment:

Ethical Leadership Strategies for Corporate Sustainability in the VUCA Environment

Ethical leadership is the key foundation for building a sustainable company in an environment full of volatility, uncertainty, complexity, and ambiguity. Ethical leaders not only play a role in creating a values-based organizational culture, such as AKHLAK, but also encourage innovation, transparency, and risk management to meet the challenges of VUCA. Research has proven that implementing social, economic, and environmental sustainability values through a triple bottom line approach enhances an organization's adaptability and survival in the face of rapid change.

Ethical Leadership Skills Development

The development of ethical leadership skills requires a holistic approach that includes formal education, value-based training, crisis simulation, and continuous learning. Training programs such as AKHLAK in Indonesia provide examples of how ethical values can be internalized to support organizational sustainability and collaboration. In addition, crisis management skills, adaptation to digital technologies, and strengthening the sustainability culture play an important role in improving the competitiveness and flexibility of companies in the VUCA environment.

Integration of Ethical Leadership in Sustainability Strategies

The integration of ethical leadership into sustainability strategies requires leaders who are able to implement collaborative approaches, leverage technology, and manage risk adaptively. This strategy not only creates a robust operational framework but also improves organizational efficiency through a data-driven approach and cross-functional collaboration. Ethical leadership, through models such as organic growth and a triple bottom line approach, is able to ensure long-term sustainability while confronting uncertain global environmental dynamics.

Ethical leadership is not only about making the right decisions, but also about creating companies that are able to survive and thrive in the midst of rapid global change. By implementing value-based strategies, strengthening adaptation skills, and integrating sustainability into organizational strategies, companies can become more resilient, innovative, and relevant in the VUCA environment. This research shows that ethical leadership is a strategic solution to confronting the complex challenges of the modern business world.

5. References

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