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Challenges in Practising Sustainable Leadership and Their Implications for Strategic People Management

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Abstract

This study explores the challenges in practising sustainable leadership and their implications for strategic people management across organisations in multiple sectors. As environmental, social, and governance (ESG) expectations increasingly shape organisational priorities, leaders face growing pressure to align sustainability-oriented values with human resource strategies, often under complex and competing demands. Using a qualitative research design, semi-structured interviews were conducted with senior leaders and human resource professionals from selected organisations representing diverse industries. The findings reveal that sustainable leadership is constrained by several key challenges, including short-term performance pressures, misalignment between sustainability goals and HR systems, limited leadership capabilities, and competing stakeholder expectations. These challenges influence strategic people management practices by shaping decisions related to talent development, employee engagement, performance management, and long-term workforce planning. By highlighting the practical tensions between sustainable leadership aspirations and people management realities, this study contributes to ongoing discussions on how ESG-driven leadership is enacted in organisational contexts. The insights offer actionable guidance for leaders and policymakers seeking to strengthen the integration of sustainability principles into strategic workforce management amid evolving organisational and sustainability challenge

Introduction

The contemporary business landscape is undergoing a profound transformation, with sustainability shifting from a peripheral concern to a central organisational priority. Organisations are increasingly expected to integrate environmental, social, and governance (ESG) considerations into long-term strategic planning, requiring leaders to balance financial performance with ethical, social, and environmental responsibilities. This pressure is particularly pronounced in the service sector, where human capital is the primary driver of value creation, service quality, and customer satisfaction. While sustainable leadership has emerged as a critical approach to navigating these expectations, leaders often face significant challenges in embedding sustainability principles into everyday organisational practices.

Sustainable leadership (SL), characterised by ethical decision-making, stakeholder inclusivity, a long-term orientation, and a commitment to social and environmental responsibility, is widely recognised as a key driver of organisational performance and resilience (Altassan, 2025; Cavero López et al., 2025; Leal Filho et al., 2020). However, translating SL principles into action is not without obstacles. Leaders encounter tensions between short-term performance pressures and long-term sustainability goals, misalignments between ESG aspirations and human resource systems, limitations in leadership capabilities, and conflicting stakeholder expectations. These challenges can constrain the effectiveness of sustainable leadership and limit its impact on strategic people management practices.

Strategic People Management and the Challenges of Sustainable Leadership

Strategic people management (SPM) involves aligning human resource practices—such as recruitment, training, performance management, and talent retention—with broader organisational objectives to ensure workforce capability, engagement, and long-term sustainability. In service-oriented organisations, where success depends heavily on employees' skills, motivation, and interactions with customers, effective SPM is crucial for maintaining competitiveness and adaptability (Zulkarnaini et al., 2025).

Sustainable leadership directly shapes SPM by influencing organisational culture, ethical norms, and employee-centred practices. However, challenges in practising SL—such as resource constraints, cultural resistance, and competing business priorities—can impede leaders from implementing human resource strategies that fully reflect sustainability principles (Thomas et al., 2025; Heliyon, 2023). These obstacles affect key areas of SPM, including talent development, employee engagement, performance management, and workforce planning, potentially limiting organisational resilience and long-term value creation.

Rationale and Aim of the Study

Despite the growing interest in sustainable leadership, research on the practical challenges leaders face when enacting SL and its implications for strategic people management remains scarce. While existing studies highlight the positive outcomes of SL, such as enhanced employee engagement and ethical practices (Altassan, 2025; Thomas et al., 2025), they provide limited insight into the difficulties organisations encounter when integrating sustainability into HR systems and decision-making processes.

This study aims to address this gap by exploring the challenges of practising sustainable leadership and how these challenges shape strategic people management across organisations in multiple industries. Through a qualitative approach, the study provides in-depth insights into the obstacles leaders face in embedding sustainability principles into workforce management, offering practical guidance for organisations striving to align ESG priorities with human resource strategies in dynamic and complex business environments.

Problem Statement

Sustainability has emerged as a critical priority in contemporary business, driven by growing environmental, social, and governance (ESG) expectations from stakeholders, regulators, and society at large. Organisations are increasingly required to integrate sustainability principles into their strategic planning to maintain competitiveness while fulfilling ethical, social, and environmental responsibilities. This demand is particularly acute in the service sector, where human capital is the primary driver of value creation, customer satisfaction, and organisational success. In this context, sustainable leadership

characterised by ethical decision-making, long-term orientation, stakeholder inclusivity, and commitment to social and environmental responsibility—has been recognised as a pivotal factor in guiding organisations toward sustainable outcomes. Leaders who exemplify sustainable leadership not only shape organisational culture and ethical norms but also influence human resource practices, fostering employee engagement, talent retention, and workforce adaptability.

Despite the theoretical and practical importance of sustainable leadership, translating its principles into actionable organisational practices is fraught with challenges. Leaders often face competing priorities, including short-term performance pressures versus long-term sustainability goals, misalignment between sustainability objectives and existing HR systems, limited leadership competencies to navigate complex ESG requirements, and divergent stakeholder expectations. These challenges can constrain the effectiveness of sustainable leadership and inhibit its potential to positively influence strategic people management, which involves aligning HR practices—such as recruitment, training, performance management, and talent retention—with organisational objectives to ensure workforce capability, engagement, and long-term sustainability.

While previous studies have highlighted the benefits of sustainable leadership, including enhanced ethical accountability, employee engagement, and organisational resilience, the mechanisms through which leaders address practical challenges in implementing it, and the subsequent effects on strategic people management, remain underexplored. Existing literature provides limited insights into how organisations across diverse industries navigate the tensions, resource constraints, and contextual complexities that impede the integration of sustainability principles into HR practices. This knowledge gap is significant because, without understanding these challenges, organisations may struggle to design effective workforce strategies that align with ESG-driven objectives, potentially undermining long-term organisational resilience and value creation.

In response to this gap, the present study seeks to explore the challenges faced by leaders in practising sustainable leadership and examine how these challenges shape strategic people management across organisations in multiple sectors. By adopting a qualitative research design, this study aims to provide rich, contextual insights into the barriers to effective implementation, the tensions between sustainability goals and HR practices, and the strategies leaders employ to overcome these challenges. The findings are expected to contribute to both theory and practice by advancing understanding of the intersection between sustainable leadership and strategic people management, offering guidance to leaders, HR professionals, and policymakers seeking to embed sustainability principles into workforce strategies in dynamic and complex organisational environments.

Underpinning Theory

Contingency Theory (CT)

Contingency Theory provides a robust framework for understanding the challenges of practising sustainable leadership and their implications for strategic people management. At its core, the theory posits that there is no single best way to lead; instead, effective leadership depends on the alignment between organizational context, situational variables, and leadership behaviors. Organizational outcomes are determined by the fit between leadership practices and factors such as organizational structure, workforce characteristics, technology, environmental pressures, and stakeholder expectations. Applied to sustainable leadership, Contingency Theory emphasizes that the effectiveness of sustainability-driven leadership practices is contingent upon both internal organizational conditions and external contextual factors.

In practice, sustainable leadership involves integrating ethical decision-making, long-term strategic vision, stakeholder inclusivity, and social and environmental responsibility into organizational operations. However, leaders often encounter substantial challenges in implementing these principles due to situational misalignments. For instance, high-pressure business environments, limited resources, rigid human resource systems, and conflicting stakeholder priorities can impede the enactment of sustainable leadership. These situational constraints can reduce leaders' flexibility and capacity to implement workforce strategies that fully reflect sustainability principles, creating a gap between aspirational leadership values and operational reality.

From a strategic people management perspective, Contingency Theory highlights that human resource practices must also be adapted to the specific organizational context to be effective. Investments in employee engagement, talent development, performance management, and retention strategies will yield positive outcomes only when they align with the organization's structure, culture, and broader sustainability objectives. Leaders must therefore diagnose situational factors such as workforce readiness, organizational culture, and external pressures and adapt their leadership style and HR strategies accordingly.

Contingency Theory also provides a lens for understanding variability in leadership challenges across organizations. Two organizations may pursue similar sustainability goals, yet differences in resources, organizational culture, workforce composition, and market dynamics may result in divergent leadership experiences and difficulties. For example, in highly bureaucratic organizations, sustainable leadership may be constrained by rigid policies, whereas in smaller or more agile organizations, leaders may have more flexibility but face resource limitations or competing operational demands.

By applying Contingency Theory to the study of sustainable leadership challenges, this research emphasizes the importance of context-sensitive approaches to leadership and strategic people management. It suggests that understanding the situational variables that influence leaders' ability to implement sustainability practices is critical for designing HR strategies, leadership development programs, and organizational processes that are adaptive, resilient, and aligned with ESG priorities. In this way, Contingency Theory not only explains why challenges arise in practising sustainable leadership

but also provides actionable insights for overcoming these challenges and enhancing organizational effectiveness through strategic people management.

Methodology

This study employed a qualitative case study approach to examine the challenges associated with practising sustainable leadership and their impact on strategic people management. Case study methodology is particularly suited for exploring complex organizational phenomena in their real-world contexts, as it allows researchers to investigate how and why certain leadership practices are enacted, and how contextual factors shape their effectiveness. This approach provides rich insights into participants' experiences, organizational dynamics, and the situational obstacles that influence the implementation of sustainable leadership, which quantitative methods may not fully capture.

Qualitative research emphasizes the exploration of participants' perspectives, enabling a deeper understanding of the meanings behind social actions and interactions. In this study, the case study design facilitated a comprehensive exploration of the difficulties leaders encounter in aligning sustainability objectives with human resource strategies, offering nuanced insights into organizational practices and workforce management. Such designs are commonly employed in leadership and human resource research to reveal the intricacies of organizational decision-making in natural settings.

The research focused on senior leaders and human resource professionals who play a central role in shaping workforce strategies and implementing organizational policies. These participants were chosen due to their direct involvement with strategic decision-making, leadership challenges, and integration of sustainability principles into people management, making them well-positioned to provide in-depth perspectives on the barriers and constraints of sustainable leadership.

Participants were recruited through purposive sampling, ensuring that those selected had significant experience and knowledge relevant to the study's objectives. Access was coordinated with organizational gatekeepers, and invited participants engaged in semi-structured interviews to discuss their experiences, perceptions, and strategic approaches to sustainable leadership and its implications for workforce management.

To enhance the richness and credibility of the findings, multiple data sources were utilized. Primary data were collected through interviews that allowed participants to elaborate on their experiences, while enabling the researcher to probe specific challenges and contextual factors. Complementary data included organizational documents such as policies, reports, and strategic plans, as well as observational notes where possible. This triangulated approach ensured a comprehensive and credible understanding of the research problem.

Ethical considerations were strictly observed throughout the study. Participants were fully informed of the research purpose and procedures, and consent was obtained prior to participation. Confidentiality

was maintained through anonymization, and all data were stored securely to protect participants' identities. Measures were also taken to ensure voluntary participation and participant comfort.

For data analysis, a thematic approach was applied to systematically identify patterns, categories, and themes emerging from the interviews and documents. This method is consistent with interpretive qualitative research and enables the organization of complex textual data into meaningful insights. The resulting themes were analyzed in relation to Contingency Theory and relevant leadership and human resource literature, providing a framework for understanding the situational challenges of sustainable leadership and generating actionable insights for improving strategic people management practices.

Findings and Discussions

This study identifies how sustainable leadership influences strategic people management through decision-making, stakeholder engagement, workforce development, talent retention, and capability-building initiatives. Based on thematic analysis of interview data, the findings suggest that sustainability is embedded within everyday people management practices and long-term organizational strategies, rather than treated as a standalone initiative. Five key themes emerged, reflecting the major challenges and tensions experienced by leaders in operationalizing sustainable practices:

Key Themes

1. Sustainability vs. Performance Trade-offs
2. Stakeholder Alignment and Collaboration
3. Barriers to Organizational Change and Cultural Transformation
4. Talent Retention and Attraction
5. Training, Development, and Capability Building

Sustainability vs. Performance Trade-offs

Participants consistently highlighted the tension between long-term sustainability objectives and immediate business performance demands. Leaders reported challenges in allocating resources, prioritizing initiatives, and balancing operational efficiency with investments in sustainable practices. One respondent explained,

"Sometimes we must prioritize immediate operational goals over sustainability initiatives, even though we know long-term benefits are at stake" (Respondent 2).

Another stated, *"Balancing employee development with the risk of losing talent to larger competitors is a constant challenge"* (Respondent 1).

Leaders described sustainability–performance trade-offs as a recurring source of stress, often requiring strategic judgment to align short-term operational goals with long-term workforce and organizational

objectives. These trade-offs affected decisions regarding talent development, employee engagement programs, and ethical leadership practices.

The findings confirm that sustainable leadership is inherently a context-dependent practice, where leaders must navigate competing priorities between short-term operational imperatives and long-term sustainability goals. This aligns with Contingency Theory, which posits that leadership effectiveness depends on the fit between leadership behaviors and situational constraints (Fiedler, 1967; Suriyankietkaew & Avery, 2016).

Operational pressures often constrain leaders' ability to fully implement sustainability-focused HR strategies. This reflects prior research showing that organizations frequently prioritize immediate financial or productivity outcomes, potentially undermining investments in employee development and sustainable practices (Altassan, 2025; Thomas et al., 2025).

From a Resource-Based View (RBV) perspective, employees are key organizational assets. When sustainability initiatives—such as training or ethical programs—are deprioritized due to performance pressures, organizations risk underutilizing their human capital potential, threatening long-term competitiveness (Barney, 1991). This study extends the literature by empirically demonstrating how operational trade-offs directly influence people management strategies, particularly in service-oriented contexts where employee skills and engagement drive performance.

Stakeholder Alignment and Collaboration

Leaders emphasized that aligning diverse internal and external stakeholders with sustainability goals is a continuous challenge. Employees, clients, regulators, and partners often have differing priorities, which complicates the implementation of sustainable leadership practices. One participant noted,

"Getting everyone on board with sustainability objectives, from the ground staff to external partners, requires constant engagement and follow-up" (Respondent 3).

Another stated, *"Different stakeholders have different priorities, and reconciling them without compromising sustainability goals is tough"* (Respondent 4).

Leaders highlighted the need for ongoing communication, negotiation, and collaborative problem-solving to maintain alignment and sustain engagement with sustainability initiatives.

These findings highlight the complexity of multi-stakeholder management in sustainable leadership. According to Stakeholder Theory, organizational success is contingent on satisfying the expectations of diverse groups, including employees, investors, regulators, and clients (Freeman, 1984). Misalignment can create friction, reduce engagement, and compromise strategic HR practices, particularly talent development and workforce planning.

From a Contingency Theory perspective, stakeholder diversity represents an environmental variable that shapes leadership effectiveness. Leaders must adapt communication styles, decision-making processes, and HR strategies to reconcile competing expectations. The findings support prior research indicating that sustainable leadership requires collaborative, inclusive, and context-sensitive approaches to manage complex networks of stakeholders (Altassan, 2025; Cavero López et al., 2025).

Moreover, the discussion emphasizes that leadership capability is not just technical skill but socially embedded competence. Leaders who can negotiate, influence, and foster shared understanding enable HR practices—like engagement programs or development initiatives—to succeed despite conflicting stakeholder demands. This underscores the need for leadership development programs that enhance stakeholder management competencies as part of strategic people management.

Barriers to Organizational Change and Cultural Transformation

Resistance to change and the absence of structured processes were repeatedly cited as barriers to embedding sustainability. Leaders observed that informal decision-making and entrenched short-term mindsets often impede the adoption of sustainable practices.

One participant remarked, *"Employees often resist change, especially when the culture is used to short-term targets and informal decision-making"* (Respondent 5). Another added,

"Implementing sustainability practices without clear structures or metrics is extremely challenging, and it can be difficult to sustain these practices over time" (Respondent 6).

Cultural transformation was seen as critical to institutionalizing sustainability, requiring consistent communication, reinforcement of values, and integration into organizational routines.

These findings reinforce the idea that organizational culture is a key situational variable in Contingency Theory. A culture that prioritizes short-term outcomes and informal decision-making constrains leaders' capacity to embed sustainability into HR and strategic management practices (Thomas et al., 2025). Resistance to change further amplifies the challenge, as employees may perceive sustainability initiatives as peripheral or symbolic rather than integral to business strategy.

From a Change Management perspective, these findings suggest that embedding sustainability requires deliberate interventions, including clear governance, structured processes, and reinforcement mechanisms. Lewin's Change Model (unfreeze-change-refreeze) is particularly relevant: leaders must unfreeze entrenched behaviors, guide employees through the change process, and institutionalize sustainability practices (Burnes, 2004).

The discussion also connects to strategic people management by illustrating that cultural barriers affect HR initiatives such as performance management, engagement, and succession planning. Without

cultural alignment, even well-designed programs may fail to achieve sustainable workforce outcomes. This underscores the need for integrated strategies that simultaneously address culture, HR systems, and leadership practices.

Talent Retention and Attraction

Talent retention, attraction, and motivation emerged as critical challenges. Leaders reported difficulties in recruiting skilled employees, managing generational differences, and competing with larger organizations offering higher compensation. Respondents highlighted that short-term career expectations and high turnover rates complicate consistent application of strategic HR practices aligned with sustainability goals.

"Maintaining commitment from younger employees is difficult, as many see SMEs as temporary career stops" (Respondent 7).

Another stated, *"Recruiting and keeping good talent while balancing compensation constraints is an ongoing challenge, especially in specialized roles"* (Respondent 8).

Adaptive HR strategies, including career development, succession planning, and flexible work arrangements, were viewed as essential to mitigating talent loss.

The findings align with literature emphasizing human capital as a critical driver of organizational sustainability (Barney, 1991; Zulkarnaini et al., 2025). Talent-related challenges directly affect the effectiveness of sustainable leadership and the implementation of strategic people management practices. Contingency Theory suggests that HR strategies must adapt to both internal workforce dynamics and external labor market conditions. Leaders must therefore tailor recruitment, retention, and engagement strategies to mitigate turnover and ensure workforce continuity.

Generational differences introduce additional complexity, reflecting divergent expectations around career progression, flexibility, and organizational purpose. Prior studies indicate that younger employees prioritize purpose-driven work and ethical organizational practices, reinforcing the importance of sustainable leadership in attracting and retaining talent (Suriyankietkaew & Avery, 2016).

The discussion also highlights reciprocal dynamics: sustainable leadership behaviors such as ethical conduct, transparency, and career support strengthen employee commitment, which in turn supports long-term workforce sustainability. HR practices that integrate sustainability principles—mentorship programs, succession planning, and flexible arrangements serve as operational levers to reinforce leadership intent and mitigate talent-related risks.

Training, Development, and Capability Building

Leaders emphasized that ongoing training and capability building are essential to sustain both leadership practices and people management initiatives. Challenges include cost, time, operational constraints, and maintaining employee engagement in continuous learning. One participant stated,

"Continuous training is essential to keep the workforce aligned with sustainability goals, but it can be expensive and time-consuming" (Respondent 9).

Another explained, *"Preparing employees for new roles and ensuring capability development while managing operational demands is a delicate balance"* (Respondent 10).

Structured learning, leadership development programs, and skills adaptation were identified as critical to ensuring the long-term sustainability of both leaders and the workforce.

These findings underscore that capability development is a strategic enabler of sustainable leadership and people management. Consistent with Contingency Theory, organizations with high operational demands and limited resources may struggle to prioritize training, yet such investments are essential for long-term workforce resilience (Fiedler, 1967).

From a Human Capital Theory perspective, training enhances employees' knowledge, skills, and adaptability, creating sustainable competitive advantage (Becker, 1964). The study demonstrates that leadership effectiveness and HR outcomes are intertwined with learning initiatives: without continuous skill development, leaders are less able to implement sustainable practices, and employees are less prepared to support organizational sustainability objectives.

Furthermore, the findings suggest that learning and capability-building programs serve as a mechanism to embed sustainability into organizational routines. Leadership development, coaching, and rotational assignments equip employees with both the technical and ethical competencies required to sustain long-term people management practices, thereby strengthening workforce stability, engagement, and alignment with organizational values.

Conclusion

This study demonstrates that sustainable leadership is central to effective strategic people management, yet its implementation is accompanied by a range of complex and interrelated challenges. Leaders face persistent tensions between achieving short-term operational performance and pursuing long-term sustainability objectives, highlighting the inherent trade-offs between immediate business demands and investments in workforce development, ethical practices, and organizational resilience. The findings reveal that these challenges are multidimensional, encompassing organizational, cultural, and human resource considerations.

A key insight is that sustainable leadership extends beyond formal policies or programs. Leaders who actively demonstrate ethical decision-making, transparency, and long-term vision create conditions that foster employee engagement, commitment, and alignment with organizational values. Such leadership

behaviors are critical for embedding sustainability into everyday people management practices and ensuring that HR initiatives—such as recruitment, performance management, training, and talent retention—are strategically aligned with organizational sustainability objectives.

Stakeholder management emerged as another critical factor. Leaders must engage with diverse internal and external stakeholders, each with unique expectations and priorities, to ensure that sustainability initiatives are understood, accepted, and supported. Misalignment between stakeholders can hinder implementation, reduce employee engagement, and compromise long-term sustainability goals. Effective leadership requires negotiation, collaboration, and continuous communication to bridge these gaps and foster shared understanding.

Cultural transformation is equally important. The study found that resistance to change and informal organizational structures often impede the adoption of sustainable practices. Leaders emphasized the need to actively cultivate a culture that values ethical behavior, inclusivity, long-term thinking, and continuous learning. Embedding sustainability into organizational culture ensures that it becomes an integral part of strategic people management rather than a peripheral or short-term initiative.

Talent-related challenges also play a central role in shaping sustainable strategic people management. Leaders reported difficulties in attracting, retaining, and motivating employees, particularly in competitive markets or where generational differences influence workforce expectations. Without targeted strategies such as succession planning, career development programs, mentorship, and flexible work arrangements, organizations risk losing critical skills and facing workforce disengagement, which can undermine long-term sustainability goals.

Training, development, and continuous capability building were highlighted as essential mechanisms for equipping employees and leaders to meet evolving organizational needs. Sustainable leadership requires ongoing investment in human capital to ensure that employees possess the skills, knowledge, and mindset necessary to contribute meaningfully to sustainability objectives. Structured development programs, leadership pipelines, and upskilling initiatives enable organizations to adapt to changes in the external environment while maintaining workforce commitment and capability.

Finally, inclusivity and diversity emerged as integral to sustainable people management. Inclusive practices foster equity, psychological safety, and a sense of belonging, which enhances employee engagement, innovation, and organizational loyalty. Organizations that prioritize inclusion are better able to attract and retain talent, create collaborative work environments, and embed sustainability principles into their operational and cultural practices.

Overall, this study underscores that sustainable leadership is both a strategic and relational endeavor. It requires leaders to balance operational efficiency with long-term objectives, foster cultural and behavioral change, engage diverse stakeholders, and invest in workforce development. The findings suggest that the successful integration of sustainable leadership into strategic people management is

not a linear process but a dynamic, ongoing effort that depends on adaptive leadership, consistent communication, and continuous reinforcement of ethical, inclusive, and sustainable practices.

By identifying the key challenges leaders face in implementing sustainable leadership, this study provides a foundation for both academic inquiry and practical interventions. It demonstrates that addressing these challenges is essential not only for achieving organizational sustainability but also for fostering long-term workforce engagement, resilience, and performance. Sustainable leadership, therefore, should be viewed as a core driver of strategic people management, capable of transforming HR practices, shaping organizational culture, and securing enduring value for both employees and the broader organization.

Implications for Practice

The findings of this study offer several practical implications for organizations seeking to strengthen sustainable leadership and strategic people management practices. Addressing the challenges identified requires a holistic, integrated approach that combines leadership development, HR strategies, cultural interventions, and workforce engagement initiatives.

Embed Transparent Communication and Feedback Mechanisms

Transparent communication and consistent feedback emerged as foundational mechanisms for sustaining employee engagement and trust. Organizations should institutionalize regular feedback loops, including town halls, one-on-one check-ins, and structured performance discussions. These practices reinforce alignment with organizational values, clarify expectations, and provide employees with opportunities to contribute ideas and insights. By promoting open dialogue, leaders can reduce resistance to change, improve stakeholder alignment, and create a culture of shared accountability and ethical behavior.

Balance Short-Term Performance with Long-Term Sustainability

Leaders must actively manage the trade-offs between operational efficiency and sustainability goals. Organizations can develop strategic frameworks that prioritize initiatives based on long-term value creation while maintaining operational effectiveness. This involves clear resource allocation, performance metrics that integrate sustainability indicators, and decision-making processes that consider both immediate outcomes and future organizational resilience. Leaders should also model forward-thinking behavior by demonstrating that sustainability is not secondary to short-term profits but a strategic priority integral to the organization’s success.

Drive Cultural Transformation and Change Management

The study highlights the importance of cultivating a culture that supports sustainable practices. Leaders should implement formal policies, governance structures, and programs designed to reinforce ethical behavior, inclusivity, and long-term thinking. Change management strategies including communication campaigns, employee workshops, and recognition programs can help overcome resistance, foster buy-in, and embed sustainability principles throughout the organization. Leadership modeling is critical, as employees often adopt behaviors that are visibly prioritized and valued by senior management.

Strengthen Talent Retention, Attraction, and Workforce Adaptation

Workforce challenges, including retention difficulties, generational differences, and competition for talent, require proactive HR strategies. Succession planning, career development programs, mentorship initiatives, and flexible work arrangements can help organizations retain critical skills and ensure continuity. Additionally, aligning compensation structures with industry standards, providing growth opportunities, and recognizing employee contributions strengthen engagement and commitment. Organizations should also develop strategies for managing generational differences, ensuring that sustainability objectives resonate across diverse workforce segments.

Invest in Training, Capability Building, and Continuous Learning

Sustainable leadership requires continuous investment in employee development. Organizations should implement structured learning programs that enhance skills relevant to sustainability and strategic HR management. Leadership development, rotational assignments, and coaching programs equip future leaders with the competencies necessary to guide ethical decision-making, talent management, and cultural transformation. Continuous learning initiatives also help employees adapt to evolving business needs, technological changes, and sustainability-related practices, supporting long-term organizational resilience.

Promote Inclusivity and Diversity

Inclusive practices strengthen workforce engagement, psychological safety, and innovation. Organizations should integrate diversity and inclusion into recruitment, leadership development, and organizational culture, fostering equity and a sense of belonging. Employees who feel valued and respected are more likely to be motivated, engaged, and committed to sustainability initiatives. Inclusive practices also enhance collaboration, idea-sharing, and innovation, supporting strategic objectives and the organization’s long-term performance.

Integrate Sustainability into Everyday HR Practices

Finally, sustainability should not be treated as a separate initiative but as an integral part of daily people management. This includes embedding sustainability principles into recruitment, onboarding, performance management, career development, and recognition programs. Organizations that consistently reinforce these principles cultivate a workforce aligned with long-term objectives, fostering resilience, engagement, and sustainable performance outcomes.

Summary

Collectively, these implications underscore that sustainable leadership and strategic people management are interconnected. Effective implementation requires adaptive leadership, ethical practices, structured HR strategies, and continuous engagement with employees. Organizations that proactively address the challenges identified in this study are better positioned to sustain workforce capability, foster long-term engagement, and achieve enduring organizational resilience in increasingly dynamic and sustainability-focused business environments.

Future Research

While this study provides valuable insights into the challenges of practising sustainable leadership and strategic people management, it also highlights several avenues for future research that can deepen understanding and guide practice.

Longitudinal Studies on Sustainable Leadership

Future research could adopt longitudinal designs to examine how sustainable leadership practices evolve over time and their long-term impact on organizational performance, employee engagement, retention, and resilience. Such studies would allow researchers to track changes in workforce behaviors, cultural alignment, and organizational outcomes, providing robust evidence of causal relationships between sustainable leadership and strategic people management effectiveness.

Cross-Industry and Cross-Cultural Comparisons

Comparative studies across different industries and cultural contexts could provide insights into how organizational characteristics, sectoral norms, and societal values influence the implementation and effectiveness of sustainable leadership. Understanding the contextual factors that shape challenges and best practices would help organizations tailor HR strategies and leadership development programs to local needs while maintaining alignment with broader sustainability goals.

Role of Digital Technologies and Analytics

Future research could explore the use of digital technologies, HR analytics, and artificial intelligence in supporting sustainable people management. Investigations could focus on how digital tools enhance employee engagement, training, performance monitoring, and communication, particularly in geographically dispersed or hybrid workforces. Additionally, studies could examine how analytics can measure the impact of sustainability initiatives on workforce outcomes and guide evidence-based decision-making.

Integration of ESG Priorities

Sustainable leadership and strategic people management are increasingly influenced by environmental, social, and governance (ESG) considerations. Future studies could investigate how embedding ESG principles into HR policies, leadership strategies, and organizational culture affects employee behavior, engagement, and long-term organizational performance. This research could provide empirical insights into the relationship between ESG integration and workforce sustainability outcomes, contributing to both academic literature and practical guidance for organizations.

Mechanisms for Overcoming Organizational Resistance

The findings of this study highlight resistance to change as a persistent barrier to sustainable leadership. Future research could explore mechanisms, interventions, and leadership behaviors that effectively reduce resistance, foster cultural transformation, and support the adoption of sustainable people management practices. This could include examining change management strategies, communication techniques, and incentive structures that promote alignment between employees and organizational sustainability goals.

Employee-Centric Perspectives

Most research, including this study, focuses on leadership and managerial perspectives. Future research could examine employee experiences and perceptions of sustainable leadership and strategic HR practices to gain a more comprehensive understanding of how these initiatives influence motivation, engagement, and career development. Such studies could explore generational differences, employee expectations, and psychological factors that affect commitment to sustainability initiatives.

Evaluation of Training and Development Effectiveness

Given the importance of training, capability building, and continuous learning highlighted in this study, future research could examine the effectiveness of different learning and development interventions in supporting sustainable leadership and strategic people management. This could include assessing skill

acquisition, knowledge retention, behavioral change, and organizational impact resulting from targeted leadership and workforce development programs.

Limitations

Despite the valuable insights generated by this study, several limitations should be acknowledged, which also provide guidance for interpreting the findings and designing future research.

Sample Size and Generalizability

The study employed a qualitative research design with a purposive sample of leaders and HR professionals from selected organizations. While this approach allowed for in-depth exploration of experiences and perceptions, the relatively small sample size limits the generalizability of the findings to broader populations. The challenges, practices, and solutions identified may not fully represent other organizations, industries, or geographic regions with differing workforce dynamics, organizational structures, or cultural contexts.

Industry and Geographic Focus

The research focused on organizations within specific sectors and regions, which may constrain the transferability of the findings. Different industries, organizational sizes, and cultural environments could present unique challenges and opportunities in sustainable leadership and strategic people management. As such, caution should be exercised when applying the insights of this study to contexts that differ substantially from the sampled organizations.

Reliance on Self-Reported Data

The primary data source was semi-structured interviews with leaders and HR professionals. While interviews provide rich, contextually grounded insights, they rely on participants' self-perceptions and may be subject to response bias, selective recall, or social desirability effects. Participants may have emphasized successes or downplayed challenges, which could affect the completeness and objectivity of the data.

Cross-Sectional Design

The study employed a cross-sectional research design, capturing experiences and perceptions at a single point in time. This limits the ability to assess causal relationships or examine how sustainable leadership practices, challenges, and their impacts evolve over time. Longitudinal studies would provide stronger evidence of the dynamic nature of leadership, HR practices, and workforce sustainability.

Focus on Leadership Perspectives

The study primarily captured the viewpoints of leaders and HR professionals, with limited input from other employee groups. This excludes broader employee perspectives, which could provide additional insights into how sustainable leadership initiatives are perceived, experienced, and enacted at different organizational levels. Including employees in future studies would help provide a more holistic understanding of the effectiveness and challenges of sustainable people management practices.

Scope of Sustainability Practices

While the study focused on sustainable leadership and strategic people management, it did not examine in detail the full spectrum of organizational sustainability practices, such as environmental initiatives, corporate social responsibility, or ESG reporting frameworks. Future research could integrate these aspects to provide a more comprehensive understanding of how organizational sustainability initiatives interact with workforce management.

Declarations

Ethics, Consent to Participate, and Consent to Publish: This study was conducted in accordance with ethical principles for qualitative research involving human participants. All participants were fully informed of the research purpose and voluntarily provided informed consent prior to participation. Confidentiality was maintained through anonymisation of all data, and participants were assured of their right to withdraw at any time without consequence. No personally identifiable information is reported in this manuscript. Consent to publish anonymised data and quotations was obtained from all participants.

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Competing Interests:

The authors declare that they have no competing interests.

Ethics approval:

The study protocol for the research study titled “Challenges in Practising Sustainable Leadership and Their Implications for Strategic People Management” was reviewed and approved by the Research and Ethics Committee of INTI International University, Nilai, Malaysia. The approval was granted for the study to proceed as outlined in the submitted research proposal.

Consent to publish

anonymised data and quotations was obtained from all participants. The study does not include any identifiable images or personal information.

Author Contribution

Shye Hui conceptualized the study, conducted the literature review, designed the research methodology, collected and analyzed the data, interpreted the findings, prepared the figures and tables, and wrote the original manuscript. Sharmila contributed to the study conception and research design, provided academic supervision and methodological guidance, assisted with the interpretation of the findings, critically reviewed and revised the manuscript for important intellectual content, and provided overall project oversight. All authors reviewed, approved, and agreed to the final version of the manuscript.

Data Availability

The qualitative data generated and analysed during this study are not publicly available due to ethical and confidentiality considerations, as the data contain information that could potentially identify the research participants. The data may be available from the corresponding author upon reasonable request, subject to ethical approval and the protection of participants' confidentiality.

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