

Contemporary Business Leadership: Integrating Transformational, Digital, Inclusive, and Ethical Leadership for Sustainable Organizational Performance

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ABSTRACT

This article examines how contemporary business leadership can integrate transformational, digital, inclusive, and ethical orientations to generate adaptive and sustainable organizational performance. It employs a qualitative literature review—not a systematic literature review—of reputable journal articles published mainly since 2020. Sources were purposively selected for their relevance to leadership, team management, digital transformation, organizational change, ethics, and sustainability, and were synthesized thematically and interpretively. The review shows that leadership does not affect performance directly or uniformly. Its influence operates through trust, psychological safety, empowerment, engagement, learning, and knowledge-sharing mechanisms. Transformational leadership supplies direction and change energy; digital leadership connects strategy, technology, data, and work design; inclusive and shared leadership broaden voice, collaboration, and innovation; and ethical-sustainable leadership protects legitimacy, accountability, and stakeholder value. The article proposes an integrated leadership capability model comprising strategic sensemaking, human-technology orchestration, participation architecture, ethical stewardship, and adaptive learning. The model emphasizes contextual fit, behavioral consistency, and supporting organizational systems. Practically, organizations should develop leaders through capability portfolios and multidimensional performance metrics rather than relying on a single idealized leadership style

INTRODUCTION

The contemporary business environment is marked by rapid digitalization, geopolitical and economic uncertainty, changing workforce expectations, and increasing demands for social and environmental responsibility. In this context, leadership is no longer enough if it's only seen as formal authority to direct work. Leaders need to interpret changes, connect strategy with technology, build cross-border coordination, and maintain the legitimacy of decisions in front of various stakeholders. Digital transformation literature also shows that transformation is not just about acquiring technology, but a comprehensive change in strategy, structure, processes, capabilities, and the organization's value proposition. Because of this, the quality of leadership becomes a key factor in whether technology drives business model innovation or just adds operational complexity.

The importance of studying business leadership has grown stronger because the way we work has changed. Virtual and hybrid teams increase flexibility, but they also raise risks like communication breakdowns, digital burnout, weaker informal networks, and less visibility of contributions. Research shows that remote work effectiveness depends on job design, autonomy, social support, clear goals, and a manager's ability to build trust without micromanaging. So, leaders need to manage results, relationships, and well-being at the same time, instead of just bringing office-style control into digital platforms.

At the same time, leadership literature has evolved into various styles – transformational, authentic, servant, inclusive, shared, ethical, digital, and sustainable. This diversity enriches understanding, but it can also lead to conceptual fragmentation and a tendency to look for one style considered universal. Recent reviews remind us that style labels often overlap and don't automatically explain causal mechanisms. Leadership effectiveness is better understood through a combination of behaviors, context, relational processes, and organizational systems that turn a leader's influence into motivation, learning, innovation, and performance [9], [10], [11].

Leadership also faces greater normative demands. Business decisions about automation, data use, restructuring, supply chains, and the environment have consequences for employees, consumers, society, and ecosystems. Leaders who chase financial results without transparency and stakeholder consideration can damage trust as well as the organization's social license. On the other hand, ethical and sustainable leadership can strengthen integrity, pro-environmental behavior, green innovation, resilience, and well-being if translated into policies, incentives, and consistent management practices [12], [13], [14], [15].

The main issue underlying this article is that discussions about strategic direction, people management, digital transformation, inclusion, ethics, and sustainability have not yet been integrated into a single business leadership framework. Many studies examine the relationship between one style and one outcome, whereas leadership practice demands managing paradoxes: speed and caution, control and autonomy, exploitation and exploration, and short-term performance and long-term value. A review that combines these streams of

literature is needed so that leadership is understood as a portfolio of capabilities that can be configured according to the context, rather than as the heroic attributes of an individual [16], [17], [18], [19].

Based on this gap, this article raises two research questions. First, how do transformational, digital, inclusive/participative, and ethical-sustainable leadership approaches affect team management, change capability, innovation, and organizational performance? Second, what integrated leadership capabilities does an organization need to face digital disruption, hybrid work, ethical-sustainability demands, and crisis uncertainty? These questions place mediating mechanisms and contextual conditions as key parts of the explanation, so the discussion doesn't just compare leadership styles descriptively.

The goals of the article are: (1) to synthesize the latest conceptual developments and empirical evidence on business leadership; (2) to explain the mechanisms that link leadership behavior to individual, team, and organizational outcomes; (3) to formulate an integrated leadership capability model; and (4) to identify managerial implications and research agendas. The contribution of the article lies in shifting the focus from the question 'which style is best' to the question 'which combination of capabilities, through which mechanisms, and in what contexts does leadership produce responsible and sustainable performance'.

LITERATURE REVIEW

1. Leadership and Management in the Context of Contemporary Business

Leadership and management are different functions but they depend on each other. Management focuses on planning, organizing, controlling, and consistent execution; leadership emphasizes creating meaning, setting direction, building commitment, and collective capability to act in uncertainty. In modern organizations, being too strict about separating the two isn't productive because vision without execution discipline leads to symbolism, while control without innovation leads to rigidity. Effective business leaders need to combine strategic orientation with the ability to turn goals into decision-making structures, resource allocation, performance indicators, and learning routines [11], [17]. Recent literature has also shifted the focus from the leader as an individual to leadership as a social process. Leadership influence is shaped through interactions between leaders, followers, tasks, structures, technology, and the environment. Because of this, the quality of relationships, credibility, and trust becomes the foundation that determines how directives are accepted and members' willingness to take interpersonal risks. Meta-analyses show that trust bridges the relationship between leadership and performance, while work engagement increases when leaders provide resources, meaning, support, and opportunities for growth [9], [20], [21].

2. Transformational, Authentic, and Servant Leadership

Transformational leadership focuses on articulating a vision, intellectual stimulation, individual consideration, and setting an example that pushes followers beyond narrow self-interest. The value of this approach lies in its ability to generate change energy and foster intrinsic motivation, especially when the work requires creativity and learning. However, recent evidence emphasizes that follower transformation—the change in how they understand their roles, identity, and capabilities—is a mechanism that needs to be explained, not just assumed. The transformational effects also depend on implementation quality, contextual fit, and support from an innovative climate [22], [23], [24].

Authentic leadership emphasizes self-awareness, relational transparency, balanced information processing, and an internalized moral perspective. Cross-cultural meta-analyses show that authenticity is linked to positive attitudes and performance, but its expression is influenced by cultural values and social expectations. Servant leadership adds a focus on prioritizing the growth, dignity, and needs of followers. Both approaches strengthen the relational dimension of leadership, but they shouldn't be reduced to personal image; authenticity and service should be reflected in decisions, allocation of opportunities, reward systems, and the willingness to accept accountability [25], [26].

Conceptually, these three approaches complement each other: transformational leadership provides a direction for change, authentic leadership ensures consistency of identity and transparency, while servant leadership gives a focus on human development. The limitations arise when vision turns into charismatic domination, authenticity is used to justify expression without sensitivity, or service blurs the need for decisive action. That's why organizations need to assess specific behaviors and their consequences, not just leadership style scores. Meta-analyses on leadership, creativity, and innovation also show the importance of context and psychological mechanisms in explaining why certain behaviors are effective [11], [27].

3. Inclusive, Participative, and Shared Leadership

Inclusive leadership tries to meet two seemingly opposing needs: a sense of belonging and recognition of uniqueness. Leaders create access to information, opportunities, networks, and decision-making processes, while also making sure that different perspectives aren't punished. Inclusion isn't just about being friendly; it requires system designs that reduce bias, clarify procedures, and make minority voices have real impact. A multi-level framework shows that leader behavior, unit climate, and organizational policies need to be consistent so that the experience of inclusion doesn't just stay symbolic [18], [28].

The relationship between inclusive leadership and innovation works mainly through psychological safety, empowerment, and creative confidence. When team members can share ideas, disagreements, mistakes, or ask for help without fear of being embarrassed, the team gets more complete information and can learn faster. Studies show that psychological safety bridges inclusive leadership and innovative performance, while empowerment and creative self-efficacy boost innovative behavior and project success [29], [30], [31], [32].

Shared leadership expands sources of influence by allowing members to lead based on expertise and task needs. This approach is relevant for complex knowledge teams because not all information is held by the formal leader. However, distributing leadership requires a shared goal, clear boundaries of authority, competencies, and integration mechanisms; without these, decisions can become slow or unclear. Evidence from design teams shows that shared leadership can boost effectiveness when task complexity and interdependence support the use of distributed expertise [33].

4. Digital Leadership and Hybrid Work

Digital leadership isn't just about being able to operate devices; it's about connecting business vision, technology architecture, data, talent, and change management. Digital leaders need to understand the opportunities and limitations of technology, ask strategic questions, set investment priorities, and make sure that digitalization changes the way value is created. Research shows that digital leadership capability drives innovation when supported by platform capabilities, agility, and a coherent digital strategy [19], [34], [35], [36].

Digital transformation also demands changes in identity, roles, processes, and coordination patterns. Therefore, success isn't just determined by the chief digital officer or the tech unit, but by the ability of cross-functional leaders to develop a common language and handle conflicts between old systems and new experiments. Relevant leadership traits include a learning orientation, tolerance for controlled experimentation, data-driven decision-making, and the ability to manage ambidexterity between core operations and innovation [2], [37], [38]. In virtual and hybrid teams, e-leadership requires intentional social presence, context-rich communication, transparent priorities, and output-based evaluation. Digital platforms can speed up coordination, but they also cause overload, fragmented communication, and camera fatigue. Leaders need to set norms for communication channels, response times, decision documentation, sync-async rhythms, and recovery boundaries. Virtual team effectiveness improves when leaders build trust, clarity, and connection, rather than expanding digital surveillance [5], [39], [40], [41].

5. Ethical and Sustainable Leadership

Ethical leadership combines personal moral qualities with a managerial role in communicating, reinforcing, and enforcing standards of behavior. A leader's integrity becomes credible when there is consistency between statements, decisions, and consequences. Studies comparing ethical, virtuous, and charismatic leadership show that moral orientation relates differently to effectiveness, follower behavior, and leader well-being. This highlights the need to distinguish personal appeal from the ethical quality of decisions [12].

Sustainable leadership broadens the performance horizon from short-term financial results to economic, social, and environmental value. Leaders need to integrate sustainability goals into strategy, investments, innovation, supply chains, talent management, and performance metrics. Systematic reviews have found that transformational and sustainable leadership are most often linked to sustainable performance, but this connection depends on organizational capabilities and implementation practices [14], [15].

Green transformational leadership shows how an environmental vision can be turned into creativity, innovation, and pro-environmental behavior. Its influence works through green motivation, creative process engagement, green HRM, environmental knowledge, and organizational climate. In this way, sustainability rhetoric needs to be translated into selection, training, rewards, resources, and opportunities for experimentation. Without system consistency, green goals risk becoming greenwashing and eroding trust [13], [42], [43], [44], [45].

6. Connecting Mechanisms and Integrated Conceptual Framework

Literature synthesis shows six recurring mechanisms: trust, psychological safety, empowerment, engagement, intrinsic motivation, and learning/sharing knowledge. Trust reduces the need for control and increases risk acceptance; psychological safety allows people to speak up and learn from mistakes; empowerment provides autonomy and a sense of capability; engagement mobilizes energy; intrinsic motivation sustains creative effort; while learning turns experience into capability. These mechanisms explain why the same leadership behavior can produce different effects when the climate, resources, or reward systems aren't supportive [9], [10], [20], [29].

Based on that synthesis, this article views business leadership as a setup of five capabilities: strategic sensemaking, human-technology orchestration, participation architecture, ethics and sustainability safeguarding, and adaptive learning. Sensemaking sets direction and priorities; orchestration ensures technology boosts work; participation architecture activates expertise and voices; ethics safeguarding assesses impact and accountability; adaptive learning turns feedback into updates. These five capabilities work through relational and psychological mechanisms to produce economic performance, innovation, resilience, well-being, as well as social and environmental impact.

Table 1. Synthesis of Leadership Currents and Main Mechanisms

Leadership Flow	Key Contributions	Dominant Mechanism	Risks When Standing Alone
Transformasional	Vision, energy of change, innovation stimulation	Meaning, intrinsic motivation, identification	Charismatization, a vision without execution
Digital	Integration of strategy, technology, data, and work design	Agility, literasi digital, koordinasi platform	Teknosentrism, <i>surveillance</i> , <i>overload</i>
Inclusive/Sharing	Access, voice, distributed expertise utilization	Psychological safety, empowerment, <i>belongingness</i>	Pseudo-participation, fuzzy decisions
Transformational	Vision, energy of change, innovation stimulation	Meaning, intrinsic motivation, identification	Charismatization, a vision without execution

Digital	Integration of strategy, technology, data, and work design	Agility, digital literacy, platform coordination	Teknosentrism, surveillance, overload
Inclusive/Sharing	Access, voice, distributed expertise utilization	Psychological safety, empowerment, belongingness	Pseudo-participation, fuzzy decisions
Transformational	Vision, energy of change, innovation stimulation	Meaning, intrinsic motivation, identification	Charismatization, a vision without execution
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Inclusive/Sharing	Access, voice, distributed expertise utilization	Psychological safety, empowerment, belongingness	Pseudo-participation, fuzzy decisions
Ethical-Sustainable	Integrity, legitimacy, stakeholder values	Trust, accountability, long-term orientation	Moral licensing, greenwashing

Source: Author's Synthesis Based on the Literature Studied

METHODOLOGY

This article uses a qualitative literature review, not a systematic literature review. This approach was chosen because the goal of the research is to integrate concepts, mechanisms, and findings across leadership streams to build a theoretical explanation, not to calculate effect sizes, test the entire population of publications, or present a PRISMA selection flow. A qualitative literature review allows for interpretive reading, comparing perspectives, identifying assumptions, and developing a conceptual framework that connects previously fragmented areas [46], [47], [48].

Sources were selected purposively from reputable peer-reviewed journal articles, mainly published since 2020. The conceptual search used a combination of terms like leadership, business leadership, transformational leadership, digital/e- leadership, inclusive/shared leadership, ethical/responsible/sustainable leadership, psychological safety, hybrid work, organizational change, innovation, and performance. Priority was given to review articles, meta-analyses, influential conceptual studies, and empirical research explaining mechanisms or boundary conditions. Books and non-journal sources in the initial draft were not used as primary foundations; references were kept only if they were relevant, verifiable, and within the time frame.

The analysis was done through repeated reading and thematic coding of: leadership definitions and dimensions; psychological-relational mechanisms; individual, team, and organizational outcomes; digital, change, ethical, and sustainability challenges; and managerial implications. Themes were compared to find convergences, contradictions, and relationships between constructs, then organized into an integrated capability model. Since this approach doesn't claim to cover the literature exhaustively, the conclusions are presented as an analytical synthesis that can be tested further, rather than as a universal causal estimate.

RESULTS AND DISCUSSION

1. Strategic Direction: From Vision to Execution Discipline

The first finding is that the main contribution of transformational leadership lies in shaping direction and collective energy, but its impact only emerges when the vision is translated into strategic choices, priorities, and routines. A vision that's too vague doesn't resolve conflicts over resource allocation; therefore, leaders need to clarify the problems to be solved, the value to be created, the capabilities to be built, and the trade-offs accepted. This way, inspiration is combined with management discipline. This finding answers the first part of the first research question: transformational leadership affects performance through creating meaning, motivation, and willingness to change, not just through charisma [22], [23].

Strategic direction also requires sensemaking, which is the ability to gather signals, test assumptions, and build a narrative clear enough to act without oversimplifying uncertainty. In a crisis, leaders need to combine decisiveness and epistemic humility: making temporary decisions, communicating the reasoning behind them, and changing them when new evidence emerges. Studies during the pandemic highlight the importance of honest communication, empathy, cross-functional coordination, and developing human capabilities as part of the crisis response [49], [50], [51].

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2. Team Management: Trust, Psychological Safety, and Accountability

The synthesis results show that effective team management isn't the same as unlimited autonomy or micromanaging. Teams need a mix of clear goals, room for discretion, access to information, support, and accountability. Trust allows coordination with less supervision, while psychological safety lets members speak up about risks, mistakes, and underdeveloped ideas. They're different things: members can trust a leader's intentions but still be afraid to speak up if team norms punish disagreement. So, leaders need to actively invite input, handle bad news productively, and distinguish learning mistakes from negligence [20], [29].

Inclusive leadership strengthens team management when participation actually influences decisions. Relevant practices include rotating speaking opportunities, prereading materials to reduce spontaneous dominance, having dissent mechanisms, transparency in promotion criteria, and sponsorship for members with less access. Evidence shows that inclusion boosts innovation through psychological safety and creative confidence, while empowerment improves project success when members understand the limits of their authority and have access to resources [30], [31], [32].

In expert teams, shared leadership can speed up problem-solving because leadership shifts to whoever has the most relevant knowledge. However, the formal leader is still responsible for providing integration, resolving deadlocks, and keeping things on track. The most effective approach isn't to get rid of the hierarchy, but to make it more permeable to expertise. This answers the first research question that participative and shared leadership affect team performance through information quality, ownership, and knowledge coordination [18], [33].

3. Digital Transformation and Human-Technology Orchestration

Digital transformation creates value when leaders align technology with changes in processes, business models, customer experience, and human capabilities. Digital leadership skills include strategic technology literacy, the ability to create experimental portfolios, data governance, business-IT collaboration, and risk management. Evidence shows that digital leadership boosts innovation through digitization platforms, while agility and digital strategy bridge transformation ambitions with implementation [19], [34]. Human-technology orchestration means figuring out which tasks should be automated, enhanced, or still require human judgment; how algorithmic decisions are supervised; and how jobs are redesigned so they don't just add more burden. Leaders need to assess data quality, bias, security, privacy, and the impact on job identity. Transformation that's forced without participation can trigger resistance, while a mix of visionary and supportive behavior helps employees understand the benefits, learn new skills, and deal with anxiety [52], [53].

Hybrid work makes it clear that digitalization is a socio-technical issue. Collaboration data shows that remote work can make networks more static and siloed, while work design studies emphasize the importance of autonomy, support, and clarity. Because of this, leaders need to design goals for physical presence, coordination rhythms, knowledge documentation, and opportunities for informal connections. Cameras shouldn't be used as an engagement indicator since constant use can increase fatigue; measurements should instead focus on outcomes, collaboration quality, and work well-being [6], [7], [8], [39].

These findings answer the second research question: dealing with digital disruption requires orchestration capabilities, not just technical skills. Leaders need to connect strategy, technology architecture, work design, learning, and data ethics in a single decision. This aligns with the understanding of digital transformation as a broad and continuous organizational change [1], [4], [37].

4. Change Management: Participation, Learning, and Momentum

Effective change management starts with diagnosis, not urgency slogans. Leaders need to distinguish between technical problems that can be solved with procedures and adaptive problems that require changes in habits, identity, and power relationships. The success of change is influenced by vision, communication, engagement, resources, readiness, competence, leadership, and reinforcement. These factors need to be managed as a system; communication without capability or training without structural support isn't enough [54].

Participation improves the quality of change because operational knowledge often lies with frontline employees. However, participation needs to be honest about what can be negotiated and what decisions are already fixed. Consultation theatre – asking for input without influence – damages trust more than transparent decisions. Leaders also need to build a portfolio of relevant quick wins, not cosmetic victories, to show progress and gather learning data. An experimental approach with risk boundaries, indicators, and regular reviews allows the organization to move quickly without neglecting control.

During changes, well-being and adaptability need to be treated as strategic resources. The piling up of change burdens can lead to fatigue, cynicism, and a drop in performance. Crisis evidence shows the need for psychological support, flexibility, communication, and HR practices that help people adjust. Sustainable leadership is also tied to resilience and well-being when employees have the resources to handle turbulence [16], [55], [56].

5. Ethics, Inclusion, and Sustainability as a Governance System

Leadership ethics can't be judged just by personal intentions. Organizations need governance that makes ethical values actionable: decision-making criteria, stakeholder mapping, reporting mechanisms, whistleblower protection, audits, handling conflicts of interest, and consistent consequences. Leaders play the role of both process guardian and role model. When standards only apply to lower levels, the organization sends a signal that results beat integrity. Credible ethical leadership builds trust and norms that help members consider not just legality, but also fairness and impact [12].

Inclusion needs to be treated as a governance dimension because decisions about access, information, opportunities, and rewards shape who can contribute. Leaders should use data to spot patterns of inequality, but it shouldn't replace talking things through. Measuring representation, experiences of belonging, voice, promotions, and pay equity needs to be combined with evaluating the quality of processes. A multi-level inclusive framework emphasizes that interpersonal behavior will be fragile if organizational policies and practices are contradictory [18], [28].

Sustainability also needs to be at the core of strategy, not just a separate philanthropy program. Green transformational leadership can boost creativity and pro-environmental behavior, but its effects are influenced by HR practices, motivation, knowledge, and organizational climate. This means environmental goals need to be linked to investment decisions, product innovation, operations, procurement, competencies, and incentives. Evidence from various studies shows a positive connection between green leadership, green innovation,

environmental performance, and sustainable performance when supported by organizational systems [13], [15], [42], [43], [44].

Practically speaking, leaders need to use a multidimensional balanced scorecard that includes financial, customer, innovation, people, ethics, and environmental indicators. Trade-offs should be disclosed and discussed, not hidden. Decisions that delay short-term results to reduce long-term risks require an accountable investment narrative. In this way, ethics and sustainability are not limits to strategy, but rather criteria for strategy quality.

6. Integrated Business Leadership Capability Model

The answer to the first research question can be summed up as follows. Transformational leadership affects direction, motivation, and readiness for change; digital leadership affects strategy-technology integration and agility; inclusive/sharing leadership affects information quality, psychological safety, and innovation; ethical-sustainable leadership affects trust, legitimacy, responsible behavior, and performance horizon. These influences aren't linear, but are mediated by psychological and relational mechanisms and moderated by context, work design, culture, competence, and organizational systems [20], [21], [25].

The answer to the second research question is the need for five integrated capabilities. First, strategic sensemaking to read the environment and frame priorities. Second, human-technology orchestration to ensure digitalization enhances value and work quality. Third, participation architecture to distribute voices and leadership according to expertise. Fourth, ethical and sustainability stewardship to maintain accountability and impact for stakeholders. Fifth, adaptive learning to experiment, evaluate evidence, and update decisions. This portfolio should be configured according to the organization's phase, type of tasks, risk level, and team maturity.

An integrated model also changes the way leaders are developed. Training isn't just about taking classes on leadership styles; it requires cross-functional experience, dilemma simulations, coaching, data-based reflection, transformation project rotations, and multi-source feedback. Development needs to assess the ability to make trade-offs, not just the behaviors that are liked. Organizations also need to build leadership at various levels so resilience doesn't rely on a single person.

Table 2. Integrated Business Leadership Capability Model

Capability	Core Practice	Mechanism	Main Output	Example Indicator
Strategic Sensemaking	<i>Scanning, framing, priorities, trade-offs</i>	Meaning and alignment	Directional accuracy, response speed	Decision quality; priority realization
Human-Technology Orchestration	Digital portfolio, data management, work redesign	<i>Agility and capability building</i>	Innovation, productivity, adoption	<i>Time-to-value; adoption; data quality</i>
Participatory Architecture	<i>Voice, dissent, shared leadership, access</i>	Psychological safety and ownership	Collaboration, creativity, quality of information	<i>Voice climate; idea to be implemented</i>
Ethics-Sustainability Oversight	<i>Stakeholder review, transparency, accountability</i>	Trust and legitimacy	Substantive compliance, lasting impact	Ethics incident; emissions; fairness
Adaptive Learning	Experiment, after-action review, feedback loop	Learning and resilience	Adaptation, continuous improvement	Learning speed; recovery time

Source: Author's Synthesis

7. Implications for Organizations and Managers

For organizations, the first implication is to replace overly generic competency models with behavioral evidence that's linked to context and outcomes. Leader assessments need to combine business results, team quality, innovation, risk, ethics, and sustainability. 360-degree feedback should be used for learning and combined with organizational data, not treated as the single truth. Promotions also need to evaluate the ability to develop people and systems, not just individual achievements.

The second implication is designing contexts that allow for effective leadership. Information systems, span of control, decision-making forums, escalation procedures, incentives, and learning resources shape leader behavior. Organizations can't demand inclusiveness if meetings and promotions remain closed; they can't demand innovation if short-term targets dominate; and they can't demand ethics if violations by high performers are tolerated. Therefore, leadership interventions need to be combined with system changes.

The third implication is building temporal ambidexterity. In emergencies, leadership can be more directive to achieve quick coordination; once things stabilize, participation needs to expand for learning and legitimacy. In the

exploration phase, experimentation and having a voice are more important; in the scaling phase, standardization and accountability increase. This flexibility isn't inconsistency as long as the reasons, boundaries, and transition criteria are communicated transparently.

CONCLUSIONS AND RECOMMENDATIONS

This article concludes that contemporary business leadership can't be reduced to just one best style. Organizations face simultaneous demands – digital transformation, hybrid work, innovation, uncertainty, inclusion, ethics, and sustainability – so leaders need a configurable portfolio of capabilities. Transformational, digital, inclusive/participative, and ethical-sustainable leadership each contribute differently, but the biggest impact comes when all four are integrated.

Regarding the first research question, the synthesis shows that leadership affects team management, change, innovation, and performance through mechanisms like trust, psychological safety, empowerment, engagement, intrinsic motivation, and learning. Vision directs attention; inclusion broadens information and ownership; digital capabilities link technology with value; while ethics and sustainability maintain legitimacy and the scope of decisions. These impacts depend on context, work design, culture, resources, and organizational system consistency.

For the second research question, the article offers five integrated capabilities: strategic sensemaking, human-technology orchestration, participatory architecture, ethics-sustainability guarding, and adaptive learning. These five capabilities need to be implemented through observable practices and multidimensional metrics. This framework avoids two extremes: heroic leadership that relies on individuals and technocratic management that ignores relationships, values, and meaning.

The practical implication is that leadership development needs to go hand in hand with organizational redesign. Leadership style training won't lead to change if incentives, governance, access to information, and decision-making norms remain contradictory. Organizations need to evaluate leaders based on their ability to build collective capacity, manage trade-offs, develop successors, and create sustainable value for stakeholders.

Future research needs to test this integrated model through longitudinal, multi-level, and cross-cultural studies; compare combinations of capabilities at different transformation stages; and use behavioral and performance indicators that are not just perception-based. Studies also need to look into leadership in the use of artificial intelligence, algorithmic governance, human-AI collaboration, and surveillance risks. In the context of developing countries, SMEs, public organizations, and family businesses are important to examine because ownership structures, institutions, and cultures can change leadership mechanisms. Mixed methods research and configurational analysis can help explain the various equally effective paths toward sustainable performance.

FURTHER STUDY

This study still has its limitations, so more research is needed on Contemporary Business Leadership: Combining Transformational, Digital, Inclusive, and Ethical Leadership for Sustainable Organizational Performance, so the study can be more complete and give the author and readers more insights

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