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Transforming ministries: the power of sustainable leadership for economic development

Abstract. Sustainable leadership is a strategic approach aimed at enhancing public sector effectiveness, particularly within ministerial institutions. In complex, dynamic, and politically influenced bureaucracies, leaders integrating long-term vision, ethical governance, and empowered human resources are crucial for sustainable development. This study investigates the relationship between sustainable leadership and organizational performance in ministries through a systematic literature review using PRISMA guidelines. Analysis of 15 papers identified key aspects of sustainable leadership, including long-term orientation, stakeholder engagement, social-environmental accountability, and innovation culture. However, implementation challenges persist, such as bureaucratic resistance, limited leadership competence, inadequate performance metrics integration, and unstable strategic direction due to political dynamics. Findings indicate that sustainable leadership improves program efficacy, budget efficiency, staff satisfaction, and institutional legitimacy. This research contributes to public sector leadership theory and practice, emphasizing the integration of performance management with sustainability principles and offering strategic insights for policymakers pursuing bureaucratic reform toward sustainable development goals.

Keywords: Sustainable Leadership; Organizational Performance; Ministry; Public Sector; Public Administration; Performance Management; Policymaker; Bureaucracy; Systematic Literature Review; Knowledge Base Performance Management System; KBPMS

JEL Classifications: E24; E41; E64; I18; J28; J31

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1. Introduction and Brief Literature Review

Public sector organizations are organizations that are accountable for the management of their responsibilities and duties for the benefit of the public. These responsibilities may or may not be associated with financial matters (Mardiasmo, 2002). There are two distinct categories of organizations that fall under the umbrella of the public sector. The initial category consists of public

sector organizations that not only provide services to the community but also aim to generate financial profit. One example of this kind of organization is the State own Company. An organization that primarily deals with ensuring the delivery of services to the community is an example of the second category of public sector organizations.

Leadership in public sector organizations, especially ministerial entities, is crucial for achieving public service objectives. Effective leaders are key for establishing the vision, mission, and policies of the organization, while also fostering an organizational culture that encourages innovation and continuous improvement (Avery & Bergsteiner, 2011). Effective leadership within an organization is essential for navigating bureaucratic obstacles, balancing stakeholder interests, and ensuring the successful and sustainable execution of each policy developed (Zeier et al., 2021). Furthermore, a leadership framework grounded in enduring values can enhance organizational performance by fostering transparent, accountable, and responsive governance that aligns with the needs of the community (Maak & Pless, 2006). Consequently, within a ministerial organization, the enhancement of leadership capacity is a critical element in the pursuit of enduring objectives.

This study examines the link between sustainable leadership and organizational performance in ministerial organizations, considering differences between public and private sectors. This study used a qualitative approach to analyze literature, identifying the main challenges ministries face in adopting sustainable leadership and strategies to improve leadership effectiveness for sustainable development goals. This study's primary contribution is to offer comprehensive insights into the integration of sustainable leadership within ministerial governance to enhance organizational performance. This study not only identifies critical aspects and implementation issues but also assesses the actual impact of this leadership approach on organizational outcomes within the public sector. Consequently, this study enhances the theory and practice of leadership within the state bureaucratic context focused on sustainability. The findings of this study may serve as a reference for policymakers and public sector leaders in formulating more effective and evidence-based sustainability initiatives.

Currently, multiple performance management methodologies exist; however, the methodology tailored for ministerial organizations is the Knowledge Base Performance Management System (KBPMS) proposed by Wibisono (2017) and Nasrudin (2019).

The KBPMS performance management methodology proceeds in three phases: initially, it involves identifying fundamental information, including stakeholders and the environment (stage 1). Subsequently, the organization's vision, mission, and strategy are established, during which the identified indicators are comprehensively organized and aligned with the previously outlined performance management principles (stage 2). The final phase encompasses implementation, monitoring, and periodic evaluation to ensure the data remains current (stage 3). In this stage 3, a recurring cycle is established to maintain the sustainability of performance management (Wibisono, 2017; Furaijl et al., 2025).

2. Method

This study applies a systematic literature review methodology adhering to PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) standards to guarantee the traceability and precision of the literature review process (Moher et al., 2009). The phases of the literature review involve locating appropriate databases and keywords, doing an initial screening based on titles and abstracts, assessing article eligibility according to inclusion-exclusion criteria, and concluding with the final selection of studies for review. This study use theme analysis approaches to examine the content of the selected literature (Braun & Clarke, 2006). The categories were analyzed and consolidated into coherent primary concepts. This study's thematic analysis yielded three primary themes:

1. Fundamental aspects of sustained leadership;
2. Obstacles to the implementation of sustainable leadership within the public sector;
3. The impact of sustainable leadership on organizational success. Narrative articulation of thematic insights from various literary sources provides a comprehensive understanding of the issues examined.

This analysis utilizes the systematic literature review methodology, adhering to the PRISMA guidelines. The literature search technique was executed across three primary academic databases (Scopus, Web of Science, and PubMed) during 2015-2025. The utilized keywords comprise:

«sustainable leadership», «public sector», «government», «organizational performance», and their Indonesian equivalents, including «sustainable leadership», and «organizational performance». The investigation concentrated on journal articles in English or Indonesian, encompassing empirical investigations and theoretical studies.

Following the selection process and the elimination of duplicate articles from the three academic databases, 230 articles were identified for first screening based on their titles and abstracts. Forty articles were acquired from the initial screening process and proceeded to the stage of comprehensive text filtering. Out of the 40 articles, 15 will be incorporated into the analysis. The selecting process is illustrated in Figure 1.

After the acquisition of 15 articles, the coding procedure was conducted to identify the principal topics, which were subsequently categorized according to the pre-established thematic classifications (see Table 1).

The results of the analysis of the 15 articles conducted based on information, bibliography, research methods, organizational contexts and main findings related to sustainable leadership show that a quantitative approach based on surveys is widely used to determine the current conditions and influence of a factor in an organization in the context of leadership, while several other articles use qualitative analysis and mixed methods based on interviews and case studies, in addition

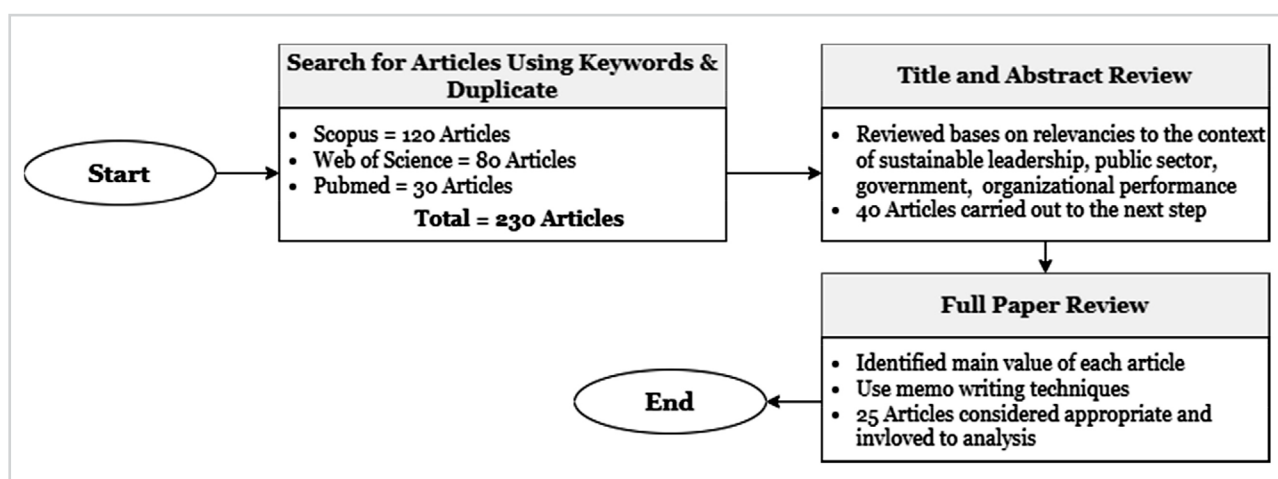


Figure 1:
Prisma Flow Diagram
Source: Authors' own research

Table 1:
Data Analysis

No.	Title	Author	Method/Context	Focus & Findings
1.	Sustainable leadership practices driving financial performance: Evidence from Thai SMEs	Suriyankiet & Avery (2016)	Survey of 1,152 SME employees in Thailand	23 sustainable leadership practices and their impact on performance
2.	Sustainable leadership at a Thai bank: In practice and measurement	Kantabutra & Thepha (2016)	Interviews and surveys of major banks in Thailand	Implementation of sustainable leadership practices in the finance
3.	Organizational performance and sustainable leadership: A study on public sector institutions in Syria	Dalati (2015)	Survey in Syrian public institutions	The relationship between sustainable leadership style and organizational trust
4.	Leadership for sustainability: A theoretical integration and future research agenda	Gerard et al. (2017)	Literature review	Integration of the concept of sustainable development into leadership theory
5.	Sustainable leadership in the public sector: A systematic literature review	Rehman et al. (2019)	Public sector systematic review	Contribution of sustainable leadership to socio-economic balance
6.	Sustainable leadership and triple bottom line performance: Evidence from the public sector of Pakistan	Iqbal et al. (2020)	Survey in the public sector of Pakistan	The relationship between sustainable leadership and triple bottom line performance
7.	Leadership styles and employee well-being in the public sector: A quantitative study in Greece	Aravidou et al. (2025)	Survey in Greek public institutions	Collaborative leadership and conflict resolution and job satisfaction
8.	Leadership as a determinant of organizational sustainability and competitive advantage	Kantabutra (2021)	Business and public sector survey in Thailand	The relationship between sustainable leadership and financial performance and organizational stability
9.	The age of responsibility: CSR 2.0 and the new DNA of business	Visser (2011)	Global-theoretical studies	CSR 2.0 as a sustainability approach in organizational leadership and management
10.	The embedding of sustainability in organizational practices: Evidence from public institutions	Piowar & Iqbal (2023)	Case study of public institutions in Poland	The difficulties of public organizations in integrating sustainability

Source: Authors' own findings

there are also articles that use a systematic review approach which is then used to strengthen the literature analysis. Some of the nations that are included in these studies are Thailand, Pakistan, Malaysia, Bangladesh, Greece, Poland, England, and several cross-regional studies. There is a relatively large representation of South Asia and Southeast Asia, which is an indication of the seriousness of the challenge of sustainable leadership in a region that is transforming its bureaucratic structure. South Asia and Southeast Asia are both included in this statement. Studies that have been carried out in Europe and other regions of the world have in addition contributed to the enrichment of the comparative viewpoint between performance management models and public leadership practices.

According to the literature, there were three key themes that were effectively recognized and consistently expressed, and these themes served as the framework for the articles:

1. The most important characteristics of a sustainable leadership style;
2. The difficulties that are normally linked with the execution of sustainable leadership;
3. The performance of the organization is affected.

3. Results

The purpose of this analysis is to build a solid foundation to investigate the role that sustainable leadership plays in the process of bureaucratic reform and improve the overall performance of government institutions. The findings of this investigation demonstrate that the concept of sustainable leadership is not only relevant from a theoretical standpoint but also applicable within the context of ministerial bureaucracy. The findings provide credence to the notion that the effectiveness of organizations operating in the public sector is driven not just by a tight administrative framework but also by leadership that is imaginative, collaborative, and focused on sustainability.

Key Dimensions of Sustainable Leadership

The literature suggests that the ability of a leader to strike a fair balance between economic, social, and environmental goals is the fundamental component of sustainable (Liao, 2022). In the context of ministries, the dynamics of bureaucratic reform and the continuously expanding public performance management system are inextricably tied to the concept of sustainable leadership.

The dimensions of sustainable leadership in public sector organizations, which include ministerial entities, require leaders to incorporate sustainability principles into the formulation of vision, mission, and strategy, while simultaneously engaging all stakeholders associated with the organization (Knox et al., 2025). Sustainable leadership practices for enhancing business resilience and performance are presented in a literature source (Avery & Bergsteiner, 2011). These practices include continuous training, organizational trust, and a focus on service quality. Moreover, building a work climate that supports innovation and stakeholder engagement is a vital obligation of sustainable leaders inside the firm (Metcalf & Benn, 2013).

Challenges of Implementing Sustainable Leadership

In Indonesia, the difficulties of executing sustainable leadership are strongly connected to the complex bureaucratic framework and resistance to change, as articulated by Wibisono (2017), who underscored the significance of a contextual and integrative performance management system framework for effective ministry management. Furthermore, a performance management framework is required that aligns with the principles of sustainable leadership, ensuring that the performance management system prioritizes more than only administrative output and budget utilization (Wibisono, 2017). Moreover, the deficiency in managerial capacity and inadequate sustainability literacy among leaders of public sector enterprises constitute significant problems. Numerous organizational leaders still lack a comprehensive understanding of sustainability and its integration into the decision-making process (Wardana & Frinaldi, 2024). In the absence of training and stakeholder support, leaders are likely to adopt an authoritarian and transactional approach, which contradicts the principles of sustainable leadership that emphasize a long-term vision. Consequently, the establishment of sustainable leadership necessitates a thorough organizational change plan (Jalal & Ismail, 2023).

Finally, implementation issues may also arise from political influence. Alterations in governmental regimes or national political dynamics frequently influence the trajectory of ministry policies and may result in disruptions in the execution of sustainability initiatives. The efficacy of sustainable leadership is significantly reliant on the stability and continuity of the organization's strategic

direction, which, in several instances, has not been ingrained as a culture inside government bureaucracy. To address this difficulty, policies are required that facilitate the integration of sustainability concepts into effective governance.

The Impact of Sustainable Leadership on Organizational Performance

Studies indicate that sustainable leadership boosts public organization performance. The influence of sustainable leadership is evident in both qualitative outcomes, such as employee satisfaction, organizational trust, and innovation, and quantitative outcomes, including program effectiveness, budget efficiency, and public accountability. This is demonstrated by the sustainable leadership practices in ministries of the United Arab Emirates, which significantly affect economic, social, and environmental performance (Faqera & Manaf, 2023).

In the Asian region, the integration of performance management approaches with sustainability values positively influences the outcomes of public enterprises. Ministries employing this strategy typically exhibit enhancements in public accountability, transparency, and the efficacy of executing development plans and programs. Performance-based contracting, outcome-based indicators, and the Balanced Scorecard system encourage leaders to prioritize long-term results. The implementation of a results-based evaluation system in ministries in Malaysia, Bangladesh, and the Philippines has enhanced program efficiency and elevated public satisfaction (Asian Productivity Organization, 2024).

The review's findings indicate that leaders who embrace sustainable values are more adept at incorporating ethical principles and public partisanship into their decision-making processes. Consequently, the organization's performance is evaluated not alone by its output but also by its role in fostering sustainable societal ideals. Ministries exhibiting sustainable leadership are often at the forefront of significant and accountable institutional transformation. The adoption of sustainable leadership positively influences structural dimensions (operational efficiency and effectiveness), cultural aspects (collaborative and inventive culture), and symbolic elements (fostering public trust). Ministries that implement these principles are more adept at adjusting to shifts in the strategic landscape and enhancing the quality of data-driven and value-oriented decision-making.

4. Conclusion

This research study shows that sustainable leadership significantly enhances the performance of ministerial organizations. The primary aspects of sustainable leadership encompass the amalgamation of long-term strategic focus, ethical standards, and the empowerment of human resources. The investigation verifies that sustainable leadership is a crucial element in enhancing ministerial performance. However, its efficacy is significantly impacted by a robust performance management system, profound conceptual comprehension, and a flexible organizational culture. This study theoretically enhances the comprehension of sustainable leadership within the public sector and paves the way for more, more comprehensive research, utilizing both case studies and quantitative methods to empirically examine causal links. Sustainable leadership is not merely an alternative strategy; it is a strategic imperative for public organizations aiming to endure and prosper in the long run. The practical ramifications of these findings necessitate the enhancement of leadership capability via training and competency development aligned with sustainable principles.

1. This study recommends the establishment of a ministerial performance management system that integrates outcome-oriented and value-driven leadership.
2. Modification of performance measures to encompass not just administrative production but also social sustainability and policy responsiveness.
3. Enhancing leadership potential via ethical, visionary, and collaborative leadership development programs.
4. Enhancing organizational frameworks that facilitate cross-unit and stakeholder engagement in the review and planning processes.

This study also facilitates subsequent research to investigate the causal relationship between sustainable leadership styles and specific aspects of ministerial performance, including public satisfaction, program effectiveness, and crisis responsiveness. Integrating theoretical and practical applications in the management of ministerial performance through sustainable leadership constitutes a strategic advancement toward enhanced resilience and competitiveness in public governance.

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