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Strategic Leadership and Organizational Sustainability: Examining the Moderating Effect of Environmental Turbulence in Developing Economies

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Abstract

This theoretical paper examines the relationship between strategic leadership and organizational sustainability, proposing environmental turbulence as a moderating variable within the context of developing economies. Drawing on upper echelons theory, contingency theory, and the dynamic capabilities perspective, the paper develops a conceptual framework linking dimensions of strategic leadership - visionary orientation, stakeholder integration, and adaptive capacity to the economic, social, and environmental dimensions of organizational sustainability.

It argues that the strength of this relationship is conditioned by the intensity of environmental turbulence characteristic of developing economy institutional contexts, including regulatory volatility, infrastructural gaps, and resource-market instability. The paper synthesizes literature on strategic leadership, organizational sustainability, and environmental turbulence to advance four propositions and a conceptual model intended to guide future empirical investigation.

It contributes to theory by extending contingency-based leadership models to sustainability outcomes in under-researched developing economy settings, and offers practical implications for executives, boards, and policymakers seeking to embed sustainability into strategic decision-making under conditions of uncertainty. The paper concludes by identifying survey-based, mixed-methods, and comparative research designs through which the proposed model could be empirically tested, and it acknowledges the limitations inherent to a conceptual, literature-based approach.

Keywords: Strategic Leadership, Organizational Sustainability, Environmental Turbulence, Developing Economies, Upper Echelons Theory, Dynamic Capabilities, Contingency Theory, Strategic Management

Abbreviations: CEO, chief executive officer; TMT, top management team; WCED, World Commission on Environment and Development. All abbreviations are also defined at first use in the text; no additional nonstandard abbreviations are used.

Introduction

Organizations operating in developing economies face a distinctive constellation of pressures: volatile regulatory regimes, thin capital markets, infrastructural deficits, and social expectations that increasingly demand accountability for environmental and social outcomes alongside financial performance. Within this setting, the question of how organizations achieve long-term sustainability understood as the simultaneous pursuit of economic viability, social legitimacy, and environmental stewardship has moved from the periphery of management scholarship to its center. A growing body of research suggests that the answer lies substantially in the quality and orientation of strategic leadership: the cognitions, values, and behaviors of the executives who interpret the environment, allocate resources, and set the direction of the firm [1, 2].

Strategic leadership theory, most influentially articulated through the upper echelons perspective, holds that organizational outcomes are, in part, reflections of the characteristics of the individuals who lead them [2]. Top executives do not perceive their environments objectively; rather, they interpret ambiguous and complex information through the lens of their own experience, values, and cognitive frames, and these interpretations shape the strategic choices that follow [2]. Building on this foundation, strategic leadership research has expanded to examine how leaders build absorptive capacity, manage top management teams (TMTs), and exercise strategic wisdom in navigating complex adaptive systems [3-5].

Parallel to this stream, organizational sustainability has developed its own theoretical vocabulary. The Brundtland Report's definition of sustainable development as development that meets present needs without compromising the ability of future generations to meet their own has been translated into organizational terms through frameworks such as the triple bottom line, which asks firms to account for economic, social, and environmental performance simultaneously [6,7]. Stakeholder theory has provided a complementary lens, arguing that firms are sustainable to the extent that they manage relationships with the full range of constituents who affect or are affected by organizational activity, not shareholders alone [8]. More recent empirical work has demonstrated that firms with mature sustainability practices exhibit distinctive governance structures, longer decision horizons, and more engaged stakeholder relationships than their less sustainable peers [9].

What remains comparatively underexamined is the boundary condition under which strategic leadership translates into sustainability outcomes. Contingency theory has long held that the effectiveness of organizational structures and strategic choices is contingent upon characteristics of the external environment [10, 11]. Environmental turbulence variously operationalized as the rate, complexity, and unpredictability of change in an organization's task environment [12-14] has been shown to moderate the relationship between strategic choice and firm performance [15]. Yet the specific question of how environmental turbulence conditions the relationship between strategic leadership and organizational sustainability has received little systematic theoretical attention, and almost none in the context of developing economies, where turbulence is frequently structural rather than cyclical [16-18].

This paper addresses that gap. It develops a conceptual framework that positions environmental turbulence as a moderator of the strategic leadership organizational sustainability relationship, with particular attention to the institutional characteristics of developing economies. The paper is organized as follows. Section 2 reviews the theoretical foundations of strategic leadership, organizational sustainability, and environmental turbulence, and situates these literatures within the developing-economy context. Section 3 presents the conceptual model and a set of propositions derived from the reviewed literature. Section 4 describes the conceptual methodology employed. Section 5 discusses the theoretical and practical implications of the framework. Section 6 concludes with limitations and directions for future empirical research.

The contribution of the paper is threefold. First, it extends upper echelons and contingency theory by explicitly theorizing environmental turbulence as a moderating rather than merely contextual variable in the leadership sustainability relationship. Second, it addresses a documented gap in strategic management research, namely the underrepresentation of developing-economy institutional contexts in theory-building on strategic leadership [16, 18]. Third, it offers a conceptual model and propositions capable of guiding future empirical research, including in regions such as East Africa, where environmental turbulence is a persistent rather than episodic feature of the operating environment.

Theoretical Background and Literature Review

Strategic Leadership: Theoretical Foundations

The upper echelons perspective, introduced by Hambrick and Mason, reframed strategic management by proposing that organizational outcomes strategic choices and performance levels are partial reflections of the values and cognitive bases of powerful actors within the organization [2]. Because executives face environments too complex and ambiguous to be apprehended in full, they act on the basis of a perceptual screen formed by their experiences, values, and personalities, filtering and interpreting information selectively [2]. This insight redirected attention away from purely structural and environmental determinism and toward the demographic and psychological characteristics of top managers as explanatory variables in strategy formulation.

Hambrick's update of the theory refined several of its boundary conditions, arguing that executive discretion the latitude of action available to a leader moderates the strength of the relationship between executive characteristics and organizational outcomes [1]. Where managerial discretion is high, as is often the case in founder-led or loosely regulated firms common in developing economies, executive idiosyncrasies exert a stronger influence on strategic direction. Where discretion is constrained by regulation, ownership structure, or resource scarcity, the explanatory power of individual leadership characteristics is attenuated, though rarely eliminated.

Strategic leadership theory subsequently broadened beyond the individual chief executive to encompass the top management team as the unit of analysis, and to incorporate strategic leadership as distinct from operational or transactional leadership. Boal and

Hooijberg distinguished strategic leadership from other leadership paradigms by its emphasis on the capacity to create and maintain absorptive capacity, adaptive capacity, and managerial wisdom competencies specifically oriented toward navigating complexity and change rather than optimizing routine operations. Boal and Schultz extended this reasoning by situating strategic leadership within complex adaptive systems theory, arguing that leaders function less as unilateral decision-makers and more as meaning-makers who construct organizational narratives that enable coordinated adaptation under uncertainty [3,4].

Complementary streams of leadership research have emphasized the behavioral dimensions of strategic leadership. Bass's theory of transformational leadership characterized by idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration has been widely applied to strategic-level leadership, with subsequent work demonstrating that these behaviors diffuse through organizations across multiple levels of analysis [19,20]. Yukl synthesized decades of leadership research to argue that leader influence on organizational effectiveness operates through intervening variables including task performance, member commitment, resource acquisition, and organizational adaptation to the external environment a formulation that explicitly links leadership behavior to environmental responsiveness [21].

Empirical work on top management teams has reinforced the proposition that leadership characteristics matter for firm-level outcomes, while also revealing that the relationship is neither simple nor uniform. Certo, Lester, Dalton, and Dalton's meta-analysis of top-management-team performance research found that heterogeneity in findings across studies was attributable in part to variation in the environmental and industry contexts in which teams operated, suggesting the presence of unmeasured moderators [22]. Waldman, Ramirez, House, and Puranam provided direct evidence for one such moderator: charismatic chief executive officer (CEO) leadership was found to predict subsequent firm profitability only under conditions of high perceived environmental uncertainty, with no significant relationship under conditions of environmental stability [23]. This finding is foundational to the present paper's central argument, as it demonstrates empirically that the leadership performance relationship is environmentally contingent rather than universal. More recently, Nadkarni and Herrmann [24], studying the Indian business process outsourcing industry, found that CEO personality traits predicted strategic flexibility, and that this relationship was itself contingent on the turbulence of the competitive environment one of the few studies to examine this dynamic explicitly within a developing-economy setting.

Organizational Sustainability

Organizational sustainability has its intellectual roots in the sustainable development literature, most influentially codified by the World Commission on Environment and Development, which defined sustainable development in intergenerational terms. Elkington translated this macro-level concept into an organizational accounting framework the triple bottom line that requires firms to evaluate performance along three dimensions: economic prosperity, environmental quality, and social equity [6,7]. This framework has become the dominant heuristic through which management scholars and

practitioners operationalize organizational sustainability, notwithstanding well-documented critiques regarding the difficulty of achieving genuine integration, as opposed to sequential trade-offs, among the three dimensions.

Stakeholder theory, articulated by Freeman, provides the relational infrastructure for organizational sustainability by insisting that firm strategy must account for the interests of all parties who can affect, or are affected by, the achievement of organizational objectives employees, communities, suppliers, and regulators, in addition to shareholders [8]. Hart's natural-resource-based view extended the resource-based view of the firm to incorporate the natural environment as a source of competitive advantage, proposing that capabilities in pollution prevention, product stewardship, and sustainable development can generate rent-yielding, difficult-to-imitate strategic resources [25]. Sharma and Vredenburg provided empirical support for this proposition, showing that firms pursuing proactive environmental strategies developed distinctive organizational capabilities stakeholder integration, higher-order learning, and continuous innovation that were positively associated with competitive benefits [26].

More recent large-sample empirical research has reinforced the business case for sustainability while clarifying its governance antecedents. Eccles, Ioannou, and Serafeim compared matched samples of high-sustainability and low-sustainability firms over an eighteen-year period and found that high-sustainability firms significantly outperformed their counterparts in both stock-market and accounting measures over the long term, while also exhibiting more stakeholder-engaged governance structures, including sustainability-linked executive compensation and board-level environmental and social oversight [9]. Porter and Kramer reframed the relationship between competitive strategy and social performance through the concept of shared value, arguing that the most durable competitive advantages arise when firms address societal needs through their core business activities rather than through peripheral corporate social responsibility programs [27]. Collectively, this literature establishes organizational sustainability as a multidimensional, strategically consequential construct whose achievement depends substantially on governance and leadership choices rather than on compliance alone.

Environmental Turbulence as a Contingency Variable

The theoretical treatment of environmental turbulence originates in open-systems thinking, most notably Emery and Trist's typology of causal textures, which distinguished environments ranging from placid-randomized to turbulent fields, the latter characterized by dynamic, interconnected change processes that exceed the adaptive capacity of any single organization acting unilaterally [14]. Duncan operationalized environmental uncertainty along two dimensions simplicity complexity and stabilityinstability establishing a framework still widely used to classify task environments [13]. Dess and Beard refined this further into three empirically distinct dimensions: munificence (the availability of resources), complexity (the heterogeneity and concentration of environmental elements), and dynamism (the rate and unpredictability of change), the latter of which corresponds most closely to what subsequent literature has termed environmental turbulence [12].

Contingency theory, developed substantially by Lawrence and Lorsch and Child, holds that there is no universally optimal organizational strategy or structure; rather, effectiveness depends on the fit between organizational characteristics and environmental demands [10,11]. Child's concept of strategic choice is particularly relevant to the present framework because it explicitly reintroduces managerial agency into contingency theory, arguing that leaders are not merely passive respondents to environmental determinism but active interpreters who select which environmental features to attend to and how to respond [10]. Ansoff extended this reasoning into the concept of strategic issue management, proposing that firms operating in turbulent environments require continuous, real-time scanning and response mechanisms rather than periodic strategic planning cycles a proposition with direct relevance to leadership practice under conditions of high turbulence [28].

Milliken made an important conceptual distinction among three types of perceived environmental uncertainty: state uncertainty (inability to predict how environmental components will change), effect uncertainty (inability to predict the impact of environmental change on the organization), and response uncertainty (inability to predict the consequences of a given response) [29]. This tripartite distinction is useful for the present framework because it suggests that environmental turbulence does not act as a single, undifferentiated moderating force; rather, different dimensions of turbulence may condition different aspects of the leadership–sustainability relationship. Empirically, Bourgeois demonstrated that the relationship between strategic goal consensus among top management teams and firm economic performance was significantly stronger in volatile environments than in stable ones, providing direct precedent for the moderating role of environmental turbulence in strategy performance and, by extension, leadership performance relationships [15].

Strategic Leadership, Sustainability, and Turbulence in Developing Economies

Developing economies present a distinctive configuration of environmental turbulence that differs in kind, not merely degree, from the turbulence typically studied in mature-market contexts. Khanna and Palepu observed that emerging markets are characterized by institutional voids the absence or weakness of the intermediary institutions (credit-rating agencies, contract-enforcement mechanisms, information systems) that developed-economy firms take for granted which increases transaction costs and strategic uncertainty in ways not captured by conventional measures of market volatility [17]. Hoskisson, Eden, Lau, and Wright similarly argued that strategy research conducted in developed-economy contexts cannot be assumed to generalize to emerging economies, given fundamental differences in institutional infrastructure, capital market development, and the role of the state in economic activity [16]. Wright, Filatotchev, Hoskisson, and Peng extended this critique, calling explicitly for theory-building that treats emerging-economy institutional context as a substantive moderating variable rather than a control variable to be assumed away [18].

Within this context, environmental turbulence in developing economies frequently combines regulatory volatility (frequent and sometimes unpredictable changes in tax, trade, and sector-specific policy), infrastructural turbulence (unreliable power, transport,

and digital infrastructure that disrupts operational continuity), and resource turbulence (currency instability and constrained access to capital). Teece, Pisano, and Shuen's dynamic capabilities framework is instructive here: they argue that competitive advantage in rapidly changing environments depends on a firm's capacity to integrate, build, and reconfigure internal and external competences, a capacity that is itself substantially a function of strategic leadership [30]. In developing-economy settings, where formal institutional supports for such reconfiguration are often weak, the burden of building dynamic capabilities falls disproportionately on the interpretive and resource-mobilizing capacities of top leadership, reinforcing rather than diminishing the salience of the upper echelons perspective [1,2].

Taken together, this body of literature suggests that strategic leadership is likely to matter more, not less, for organizational sustainability outcomes in developing-economy contexts precisely because environmental turbulence is higher and more structurally embedded, and because the institutional buffers that might otherwise substitute for leadership judgment are frequently absent or underdeveloped. This proposition forms the theoretical core of the conceptual model developed in the following section.

Results: Conceptual Framework and Research Propositions

Building on the reviewed literature, this paper proposes a conceptual model in which strategic leadership is theorized as the primary driver of organizational sustainability, with environmental turbulence operating as a moderating variable that conditions the strength of this relationship. The model draws its independent-variable structure from upper echelons and strategic leadership theory, its dependent-variable structure from the triple-bottom-line and stakeholder traditions, and its moderating-variable structure from contingency theory and the environmental uncertainty literature [1-3, 7,8,12-14].

Strategic leadership is conceptualized along three dimensions consistent with the reviewed literature: (a) visionary and transformational orientation, reflecting the leader's capacity to articulate a compelling long-term direction and inspire commitment to it [19, 20]; (b) stakeholder integration capacity, reflecting the leader's capacity to identify, engage, and balance the interests of diverse internal and external stakeholders [8]; and (c) adaptive and dynamic-capability orientation, reflecting the leader's capacity to sense environmental change, seize emergent opportunities, and reconfigure organizational resources accordingly [30]. Organizational sustainability is conceptualized, consistent with the triple-bottom-line framework, along economic, social, and environmental dimensions, operationalized respectively as long-term financial resilience, social legitimacy and community relations, and environmental stewardship and resource efficiency [7].

Environmental turbulence is conceptualized, following Dess and Beard and Milliken, as a multidimensional construct encompassing the rate of change, the unpredictability of change, and the complexity of the causal relationships among environmental elements, with particular attention in the developing-economy context to regulatory, infrastructural, and resource-market turbulence [12,16-18,29].

On this basis, the paper advances the following four propositions.

Proposition 1: Strategic leadership comprising visionary orientation, stakeholder integration capacity, and adaptive capacity is positively associated with organizational sustainability across its economic, social, and environmental dimensions.

Proposition 2: Environmental turbulence moderates the relationship specified in Proposition 1, such that the positive relationship between strategic leadership and organizational sustainability is stronger under conditions of high environmental turbulence than under conditions of low environmental turbulence.

Proposition 3: The moderating effect specified in Proposition 2 operates primarily through the adaptive-capacity dimension of strategic leadership; that is, environmental turbulence amplifies the contribution of adaptive capacity to sustainability outcomes more strongly than it amplifies the contribution of visionary orientation or stakeholder integration capacity.

Proposition 4: In developing-economy contexts, where environmental turbulence is structurally embedded rather than cyclical, the moderating effect specified in Proposition 2 will be observable even at consistently high levels of turbulence, such that strategic leadership functions as a partial substitute for institutional infrastructure that is otherwise absent or underdeveloped.

Figure 1 depicts the proposed conceptual model, showing strategic leadership as the independent construct, organizational sustainability as the dependent construct, and environmental turbulence as a moderating variable acting on the path between them, consistent with the propositions above.

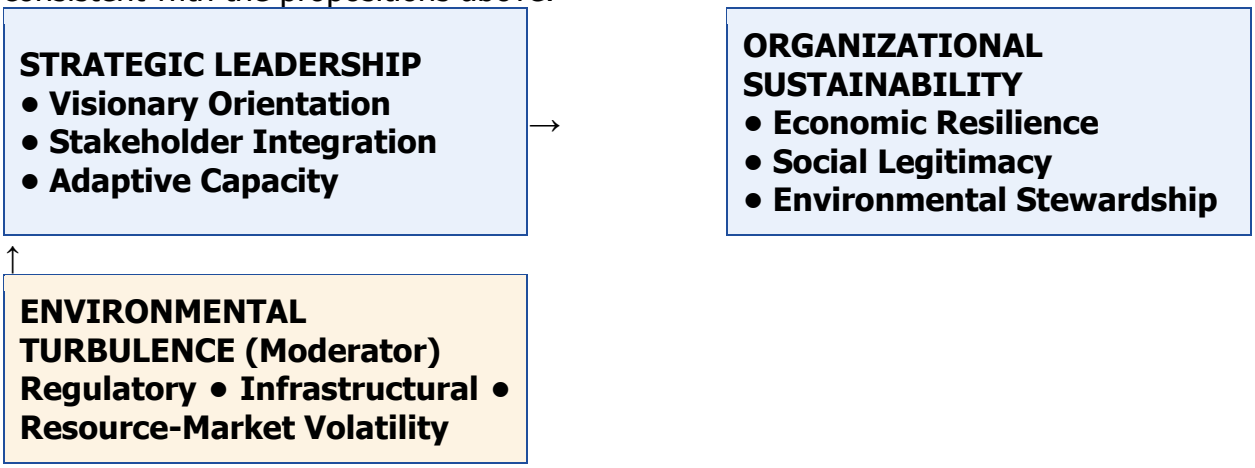


Figure 1. Conceptual model of the relationship between strategic leadership and organizational sustainability, moderated by environmental turbulence. *Source:* Author's construct (2026), synthesized from Boal & Hooijberg [3]; Dess & Beard [12]; Elkington [7]; Hambrick [1]; Hambrick & Mason [2]; Teece, Pisano & Shuen [30].

The model is deliberately parsimonious. It does not seek to enumerate every antecedent of organizational sustainability resource endowments, industry structure, and ownership form all plausibly play a role but rather to isolate and specify the theoretically distinct contribution of strategic leadership under varying conditions of environmental turbulence,

an interaction that the reviewed literature identifies as under-theorized, particularly outside developed-economy settings.

Materials and Methods

As this is a theoretical/conceptual contribution rather than a data-collection study, the applicable "materials" are the published literature reviewed in Section 2, and the "method" is a structured, three-stage narrative synthesis rather than an empirical protocol. This paper adopts a conceptual, theory-building methodology rather than an empirical, data-driven one. The approach follows established conventions for conceptual contributions in strategic management and organization theory, in which the objective is to synthesize disparate literatures, identify a theoretical gap, and propose a novel set of testable relationships rather than to test those relationships against primary or secondary data [3,30].

The literature synthesis proceeded in three stages. First, foundational works in three theoretical domains strategic leadership (upper echelons theory, transformational leadership, strategic leadership theory), organizational sustainability (triple-bottom-line theory, stakeholder theory, the natural-resource-based view), and environmental turbulence (open-systems theory, contingency theory, environmental uncertainty theory) were identified based on their centrality and citation influence within each respective literature. Second, literature specifically addressing the intersection of these domains, and literature addressing strategy and leadership in developing-economy and emerging-market contexts, was reviewed to identify points of theoretical connection and divergence. Third, the reviewed literature was synthesized into a conceptual model and a corresponding set of propositions, following the logic of contingency-theoretic moderation, in which a contextual variable is theorized to alter the strength or form of a relationship between an independent and a dependent construct [10,11,15].

Because this is a conceptual paper, it does not report primary data collection, sampling, or statistical analysis. This is a deliberate methodological choice appropriate to the paper's objective, which is to establish a theoretical foundation and a set of falsifiable propositions capable of guiding future empirical work, rather than to test hypotheses against an existing dataset. Section 6 outlines specific empirical research designs survey-based, multi-respondent, and mixed-methods through which the propositions advanced here could subsequently be tested.

The scope of the paper is bounded in three respects. First, it addresses organizational-level rather than individual-level sustainability outcomes; individual employee well-being, while related, falls outside the scope of the triple-bottom-line framework as operationalized here. Second, it focuses on the moderating role of environmental turbulence as a single, if multidimensional, contingency variable, without extending the model to a full set of possible moderators (for example, firm size, ownership structure, or industry sector), which are acknowledged as fruitful directions for future theoretical extension. Third, the paper's treatment of developing economies draws primarily on literature addressing Sub-Saharan African, South and Southeast Asian, and Latin American contexts, and the propositions advanced should be understood as most directly

applicable to institutional environments sharing the characteristics institutional voids, infrastructural constraints, regulatory volatility identified in Section 2.4, rather than as universal claims applicable to all economies conventionally classified as developing.

Discussion: Theoretical and Practical Implications

Theoretical Implications

The conceptual model advanced in this paper makes three principal theoretical contributions. First, it extends upper echelons theory [1,2] by specifying organizational sustainability, rather than financial performance alone, as a focal outcome variable, responding to calls within the strategic leadership literature to broaden the range of outcomes examined beyond conventional accounting and market measures [3,5]. Second, it integrates contingency theory explicitly into the leadership sustainability relationship, treating environmental turbulence not as background noise to be controlled for statistically, but as a theoretically meaningful moderator whose presence or absence changes the explanatory logic of the model, consistent with earlier demonstrations that leadership effects on performance are conditional rather than universal [15,23]. Third, and most directly responsive to the gap identified in Section 2.4, the model treats developing-economy institutional context as a substantive theoretical variable rather than a background setting, in keeping with recommendations from emerging-market strategy scholars that context be built into, rather than assumed away from, theoretical models [16,18].

The model also has implications for the dynamic capabilities literature. Teece, Pisano, and Shuen argue that dynamic capabilities the capacity to sense, seize, and reconfigure are the primary source of sustained competitive advantage in rapidly changing environments [30]. The present framework suggests that these capabilities are not organizationally self-generating; rather, they are substantially the product of strategic leadership's adaptive-capacity dimension, particularly under conditions of high turbulence. This reframes dynamic capabilities theory as partially endogenous to leadership characteristics rather than as a purely organizational-level construct, a reframing consistent with Nadkarni and Herrmann's finding that CEO personality predicts strategic flexibility in a turbulent emerging-market industry context [24].

Practical Implications

For executives operating in developing economies, the framework suggests that investment in strategic leadership development particularly in the adaptive-capacity dimension, encompassing environmental scanning, scenario planning, and rapid resource reconfiguration should be treated as a sustainability investment in its own right, not merely as a general management-capacity investment. Where formal institutions that might otherwise buffer firms against turbulence (reliable regulatory enforcement, developed capital markets, robust infrastructure) are weak or absent, the framework implies that the burden of achieving sustainability outcomes falls more heavily on leadership judgment and less on institutional scaffolding, a pattern consistent with the institutional-voids literature [17].

For boards and governance structures, the framework suggests that sustainability-linked governance mechanisms of the kind documented among high-sustainability firms by

Eccles, Ioannou, and Serafeim may be particularly valuable in turbulent developing-economy contexts precisely because they formalize a commitment to sustainability outcomes that might otherwise be deprioritized under the pressure of short-term crisis response [9]. Boards might, for example, explicitly evaluate executive candidates and incumbents on adaptive-capacity indicators, in addition to conventional leadership competencies, when turbulence is structurally high.

For policymakers and development-finance institutions operating in developing economies, the framework suggests that capacity-building interventions aimed at strengthening strategic leadership in firms through executive education, mentorship programs, or leadership-focused technical assistance may generate sustainability dividends that are disproportionately large relative to interventions focused solely on capital provision or infrastructure development, insofar as leadership capacity partially substitutes for missing institutional infrastructure, consistent with the reasoning in Proposition 4 above.

Table 1 summarizes the principal theoretical perspectives synthesized in this paper, their central constructs, and their specific contribution to the proposed conceptual model.

Theoretical Perspective	Central Construct(s)	Key Source(s)	Contribution to the Model
Upper Echelons Theory	Executive cognition, values, managerial discretion	Hambrick & Mason [2]; Hambrick [1]	Basis for strategic leadership as the model's independent construct
Strategic Leadership Theory	Absorptive and adaptive capacity, managerial wisdom	Boal & Hooijberg [3]; Finkelstein et al. [5]	Defines the three dimensions of strategic leadership
Transformational Leadership Theory	Idealized influence, inspirational motivation	Bass [19]; Avolio & Bass [20]	Basis for the visionary-orientation dimension
Stakeholder Theory	Multi-constituent value creation	Freeman [8]	Basis for the stakeholder-integration dimension
Triple Bottom Line / Sustainable Development	Economic, social, environmental performance	Elkington [7]; WCED [6]	Defines the three dimensions of organizational sustainability
Natural-Resource-Based View	Environmental capability as competitive resource	Hart [25]; Sharma & Vredenburg [26]	Links environmental strategy to competitive advantage

Theoretical Perspective	Central Construct(s)	Key Source(s)	Contribution to the Model
Open-Systems / Contingency Theory	Environmental turbulence, strategic choice	Emery & Trist [14]; Duncan [13]; Dess & Beard [12]; Child [10]	Basis for environmental turbulence as moderating construct
Dynamic Capabilities Theory	Sensing, seizing, reconfiguring	Teece, Pisano & Shuen [30]	Links adaptive-capacity dimension to turbulence response
Emerging-Market Strategy Theory	Institutional voids, strategic context	Khanna & Palepu [17]; Hoskisson et al. [16]; Wright et al. [18]	Situates the model within developing-economy institutional context

Table 1. Summary of theoretical perspectives underpinning the conceptual model. *Source:* Author's compilation (2026), based on the literature reviewed in Section 2.

Conclusion, Limitations, and Directions for Future Research

This paper has developed a conceptual framework theorizing environmental turbulence as a moderator of the relationship between strategic leadership and organizational sustainability, with particular attention to the institutional characteristics of developing economies. Drawing on upper echelons theory, contingency theory, stakeholder theory, and the dynamic capabilities perspective, the paper advances four propositions specifying the conditions under which strategic leadership is expected to exert its strongest influence on sustainability outcomes. The central argument is that strategic leadership matters more, not less, for organizational sustainability precisely where environmental turbulence is high and structurally embedded a condition that characterizes many developing-economy operating environments because leadership judgment substitutes, at least partially, for institutional infrastructure that would otherwise buffer organizations against environmental volatility.

The paper is subject to several limitations inherent to its conceptual methodology. First, because it does not report primary empirical analysis, the propositions advanced remain theoretical claims requiring empirical validation before they can be regarded as established findings. Second, the paper's synthesis draws predominantly on literature originating in, or subsequently applied to, North American and Western European contexts, supplemented by a smaller body of emerging-market strategy research; this imbalance reflects the state of the broader literature rather than a deliberate methodological choice, and future work should draw more extensively on management scholarship originating within developing economies themselves. Third, the model's treatment of environmental turbulence, while multidimensional, does not fully disaggregate the distinct effects of regulatory, infrastructural, and resource-market turbulence, each of which may condition the leadership

sustainability relationship differently; this disaggregation is identified as a priority for future theoretical and empirical refinement.

Future research should proceed along several lines. First, the propositions advanced here could be tested using multi-respondent survey designs administered to top management teams and boards across firms operating in developing-economy contexts characterized by varying degrees of environmental turbulence, using validated multi-item scales for strategic leadership [19,20], organizational sustainability [9], and environmental turbulence [12] constructs. Second, mixed-methods designs combining survey data with qualitative case analysis could illuminate the specific mechanisms sense-making, resource reconfiguration, stakeholder negotiation through which strategic leadership translates into sustainability outcomes under turbulent conditions, addressing calls for process-oriented research on strategic leadership [4]. Third, comparative research designs spanning multiple developing-economy regions could test whether the moderating effect of environmental turbulence, and its specific institutional drivers, varies systematically across distinct developing-economy institutional configurations, extending the theoretical distinctions drawn by Hoskisson and colleagues [16] into the sustainability domain specifically. Finally, longitudinal research designs, following the approach of Eccles, Ioannou, and Serafeim [9], would allow researchers to examine whether the leadership sustainability relationship theorized here strengthens, weakens, or remains stable as firms and their institutional environments mature over time.

In sum, this paper contributes a theoretically grounded, if empirically untested, account of why and how strategic leadership shapes organizational sustainability differently across levels of environmental turbulence, and offers both a conceptual model and a research agenda for extending this account into the developing-economy contexts where it is likely to matter most.

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