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SUSTAINABILITY-ORIENTED LEADERSHIP AND ETHICAL DECISION-MAKING IN HIGHER EDUCATION INSTITUTIONS

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Abstract

While there is growing awareness of the central role higher education institutions are playing in global sustainability, the nature of leadership practices that support the implementation of commitments into the day-to-day institutional decision-making is still not fully understood. This study analyzed the mediating effect of organizational ethical climate between the sustainability-oriented leadership and sustainability-oriented institutional practices and ethical decision making in public-sector universities. Sustainability-oriented leadership was defined within the framework of Responsible Leadership Theory as a relational, stakeholder-involved leadership style which goes beyond the traditional scope of responsibilities of an organization to the realm of ethics. This was a parallel mixed methods design, involving a quantitative survey of 350 faculty members from public universities, and semi-structured interviews with 18 heads of department. The results of the structural equation modelling revealed that the sustainability-oriented leadership had significant influence on ethical decision-making (β = .48) and organizational ethical climate (β = .67); organizational ethical climate had significant influence on institutional sustainability (β = .54). The relationship between sustainability-oriented leadership and institutional sustainability was fully mediated by ethical climate in bootstrapped mediation analysis (indirect effect β = .36, 95% CI [.27, .46]) but there was also a significant direct effect (β = .29). The model accounted for 61% of the variance in institutional sustainability. These findings were supported by a thematic analysis of the interview data, which revealed that stakeholder-inclusive leadership, ethical climate and transparency, and structural/resources barriers are significant conditions recurring throughout implementation. The results show that the sustainability orientation of the leaders is not enough to ensure sustainability governance in higher education, it also relies on the ethical climate in which the decisions are made. The study advances the theory of university governance by better explaining this mediating mechanism and provides

JOURNAL FOR SOCIAL SCIENCE STUDIES
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Volume 4 • Issue 6 • October 2026

practical implications for improving sustainability governance and faculty participation.

1. Introduction

Sustainability is now out of the shadows of public policy and firmly in the spotlight of global governance discussions, with the 2030 Agenda for Sustainable Development driving the expectation that organizations, including public ones, integrate sustainability into the heart of their governance, to the detriment of the periphery (Hassana & Ahmad, 2025; United Nations, 2015). Universities have a unique role in this process, not only as educators of sustainability concepts but also as role models in their own governance, hiring, procurement and budgeting processes in terms of sustainability and ethics. Recent research reveals that the nature of universities' decision-making is becoming a question of moral duty and that, consequently, the moral quality of institutional decision-making is the one that is relevant to consider, not a policy or an office (Ogbolu et al., 2026).

Research on sustainability leadership and on ethical leadership have not been communicating effectively (Aung & Hallinger, 2023; Heim et al., 2026). The former questions whether leaders embrace and spread more sustainable practices, and it generally has to do with tangible results, such as changes in curriculum or adoption of SDGs; the latter asks how working conditions are created, both in terms of norms and trust and transparency and voice, under which more sustainable practices may or may not be implemented, not just declared. Literature cannot explain the discrepancy between two universities of the same type in displaying institutional follow-through on the sustainability policies. The missing factor seems likely to be the ethical climate that facilitates or hinders a leader's espoused orientation (Mohi Ud Din et al., 2025; Victor & Cullen, 1988).

This study brings together both literatures into a purpose model for testing: sustainability-oriented leadership as the starting point, the organizational ethical climate as the mechanism through which the effect is amplified or dampened, and ethical decision-making and institutional sustainability as the outcomes. Specifically, the study investigates the effects of sustainable oriented leadership based on stakeholder engagement, ethical governance and long-term sustainability orientation based on Responsible Leadership Theory on ethical decision making and sustainability in public universities and test the mediating role of organizational ethical climate in the relationship between sustainable oriented leadership and ethical decision making and sustainability in public universities.

The problem that the model addresses is real-world as well as theoretical. Public universities are increasingly under scrutiny to do something about sustainability, but they don't necessarily have a clear governance system to ensure that the institution's sustainability strategies become part of the daily process of making ethical choices; sustainability initiatives are often limited to facilities management or to individual projects within the curriculum, which are not included in the budget or incorporated into strategic governance.

Recent reviews attribute this to limited institutional commitment and inconsistent staff involvement rather than an absence of policy intent, but the organizational conditions, particularly ethical climate, that enable or constrain leadership from shaping real practice remain poorly understood. Without a clearer empirical account of how leadership, climate, and institutional sustainability relate, universities risk pursuing sustainability rhetoric disconnected from the governance structures that would make it durable (Hassana & Ahmad, 2025; Ogbolu et al., 2026).

2. Review of Related Literature

2.1 Sustainability Leadership

Sustainability leadership has emerged as a construct explicitly concerned with reconciling short-term organizational performance with long-term social and environmental value. Recent integrative reviews position it as overlapping with, yet distinct from, ethical

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Volume 4 • Issue 6 • October 2026

leadership, value-based leadership, and responsible leadership: what distinguishes it is the deliberate management of the tension between shareholder-oriented and stakeholder-oriented objectives, for example the tension fossil-dependent organizations face between growth and environmental protection, a tension that requires ethical reasoning to resolve rather than purely technical optimization (Sajjad et al., 2024).

Within higher education, a large multi-country survey of teaching staff found that sustainability leadership and transformational leadership jointly predicted the adoption of Sustainable Development Goal-related practices, with an institution's social innovation tendency acting as an additional explanatory mechanism (Eustachio et al., 2024). This is an important finding for the present study because it shows that sustainability leadership does not work in isolation, but rather that its impact on practice is dependent on additional organizational features, a relationship on which the present study builds when delineating the impact of sustainability leadership on the ethical climate. Separately, systematic reviews of higher education leadership research report that sustainability management and adaptive leadership have grown as research themes, while explicitly flagging the ethical implications of institutional decision-making as an under-researched area, a gap this study targets directly (Heim et al., 2026).

2.2 Ethical Leadership

Ethical leadership is commonly defined as leader conduct that is normatively appropriate, demonstrated through personal actions and interpersonal relationships and reinforced through two-way communication with followers (Brown et al., 2006). This definition treats the leader as a moral reference point whose visible conduct signals which behavior is organizationally acceptable, which is a narrower, more individual-level claim than sustainability leadership's institution-level concern with balancing stakeholder value over time (Sajjad et al., 2024).

Responsible governance scholarship extends this individual account outward, arguing that leaders are accountable not only to immediate followers but to a broad set of internal and external stakeholders. The analytical advantage of examining both literatures side by side is that ethical leadership helps to explain why followers may follow a particular leader's actions, whereas the responsible/stakeholder-oriented literature accounts for the potential to motivate followers to act in response to a leader's trust beyond the dyadic relationship and in the service of institution-wide sustainability results (Heim et al., 2026).

2.3 Organizational Ethical Climate

Organizational ethical climate is defined as the collective perception of the organization's members of what is ethically correct conduct and how to deal with ethical issues, and it has a well-established measurement tradition that has been followed since the pioneering research of Victor and Cullen on ethical work climates (Victor & Cullen, 1988). Climate not only influences informal decision norms prior to the consultation of a formal sustainability policy, but it has also been found in organizational research to be associated with trust, transparency and constructive dissent in the organization (Mohi Ud Din et al., 2025).

In the academic setting, sustainability's ethical climate likely influences faculty reactions in their interpretation and response to leadership actions that introduce sustainability initiatives; an ethical climate that is transparent and trustful should increase faculty willingness to engage in campus governance and to voice concerns about implementation in a constructive manner, while a weak or inconsistent ethical climate may lead faculty to perceive sustainability initiatives as symbolic instead of substantive, as highlighted by reviews that document persistent gaps between the words and the deeds on many campuses (Aghajani et al., 2025; Eustachio et al., 2024). The theoretical underpinning for the treatment of ethical climate as a mediator, not a control variable, is offered in the present model.

JOURNAL FOR SOCIAL SCIENCE STUDIES
An International Peer-Reviewed Open Access Journal
ISSN (Online): 3006-2071 | ISSN (Print): 3006-2063
Volume 4 • Issue 6 • October 2026

2.4 Sustainability in Higher Education

Education for sustainable development is the main curricular approach on integrating sustainability in universities, focusing on multidisciplinary and learner-centered trends towards fostering values and competencies (UNESCO, 2018). In the realm outside the classroom, institutions have sought institutional sustainability efforts via "green campus" initiatives as well as sustainability offices, with the support of organizations including the national "green campus" programs and the Association for the Advancement of Sustainability in Higher Education. Yet recent reviews converge on the same finding repeated across the sustainability-leadership literature above: full implementation remains elusive for many institutions because of limited institutional commitment, resource constraints, and uneven staff involvement, not because of a shortage of stated policy ambition. Faculty participation is repeatedly identified as the decisive factor separating substantive from symbolic sustainability initiatives, which is the direct empirical justification for surveying faculty perceptions, rather than administrators alone, in the present study (Eustachio et al., 2024).

2.5 Synthesis of the Literature

The four literatures reviewed above address adjacent but non-overlapping problems: sustainability leadership identifies *what leaders do*, ethical and responsible leadership identify *why followers and stakeholders trust it*, ethical climate offers the *organizational-level construct* through which that trust operates, and higher-education-specific research confirms *that the resulting implementation gap is real*. Table 1 summarizes each literature stream's core contribution and the specific limitation this study addresses.

Table 1 ***Synthesizing Existing Literature Streams: Contributions and Gaps***

Literature Stream	Key Sources	Core Contribution	Limitation Addressed by This Study
Sustainability Leadership	Eustachio et al. (2024); Sajjad (2024)	Identifies leadership behaviors that predict adoption of sustainability practices, often moderated by organizational capacity.	Does not model the specific ethical/normative mechanism through which leadership effects are transmitted.
Ethical Leadership	Brown et al. (2006)	Establishes leader conduct as a normative reference point that shapes follower behavior.	Focused on dyadic leader-follower effects; not extended to institutional sustainability outcomes.
Responsible Leadership / Stakeholder Theory	Freeman (1984); Maak & Pless (2006); Voegtlin et al. (2012)	Extends accountability beyond followers to a full stakeholder network via relational, ethical governance.	Largely developed in corporate contexts; rarely tested within public university governance.
Ethical Climate	Victor & Cullen (1988)	Provides validated organizational-level construct for shared ethical norms.	Seldom connected explicitly to sustainability governance outcomes in higher education.
Sustainability in Higher Education	UNESCO (2018); recent HESD reviews	Documents persistent gap between sustainability policy and implementation on campuses.	Largely descriptive; rarely tests leadership and climate as joint predictors of the gap.

JOURNAL FOR SOCIAL SCIENCE STUDIES
An International Peer-Reviewed Open Access Journal
ISSN (Online): 3006-2071 | ISSN (Print): 3006-2063
Volume 4 • Issue 6 • October 2026

No study identified in this review combines sustainability-oriented leadership, organizational ethical climate, ethical decision-making, and institutional sustainability into a single tested model within public university governance, nor triangulates such a model with qualitative accounts from heads of department. This is the specific gap the present study addressed.

3. Theoretical and Conceptual Framework

3.1 Responsible Leadership Theory

This research study is based on Responsible Leadership Theory, which was originally formulated as a social-relational and ethical approach to leadership that involves interacting with a wide network of stakeholders, not just a leader-follower dyad (Maak & Pless, 2006.). It extends classical stakeholder theory's proposition that organizations are accountable to a wide range of internal and external groups by framing leadership itself as a relational, values-driven process, the same accountability logic introduced in Section 2.2, here elevated to an explicit leadership theory. Recent systematic reviews confirm that this relational, accountability-oriented core has remained stable even as the construct has broadened to incorporate environmental, social, and governance dimensions (Javed et al., 2025).

Two alternative theoretical anchors were considered and set aside. Ethical Leadership Theory alone was judged too narrowly dyadic, for the reasons discussed in Section 2.2. Stakeholder Theory alone was judged too structural: it explains to whom an institution is accountable but not the relational leadership behaviors through which that accountability is enacted day to day. Responsible Leadership Theory was selected because it sits at the intersection of both, combining stakeholder theory's accountability breadth with ethical leadership's relational grounding, while adding the explicit long-term sustainability orientation that neither alternative specifies on its own. This positioning is illustrated in Figure 1 below.



Figure 1 *Theoretical Positioning of Responsible Leadership Theory*

JOURNAL FOR SOCIAL SCIENCE STUDIES
An International Peer-Reviewed Open Access Journal
ISSN (Online): 3006-2071 | ISSN (Print): 3006-2063
Volume 4 • Issue 6 • October 2026

3.2 Conceptual Framework

Based on the Responsible Leadership Theory and literature review, a conceptual framework was developed placing sustainability-oriented leadership as the independent variable, organizational ethical climate as the mediating variable and ethical decision-making and institutional sustainability practices as the dependent variables.

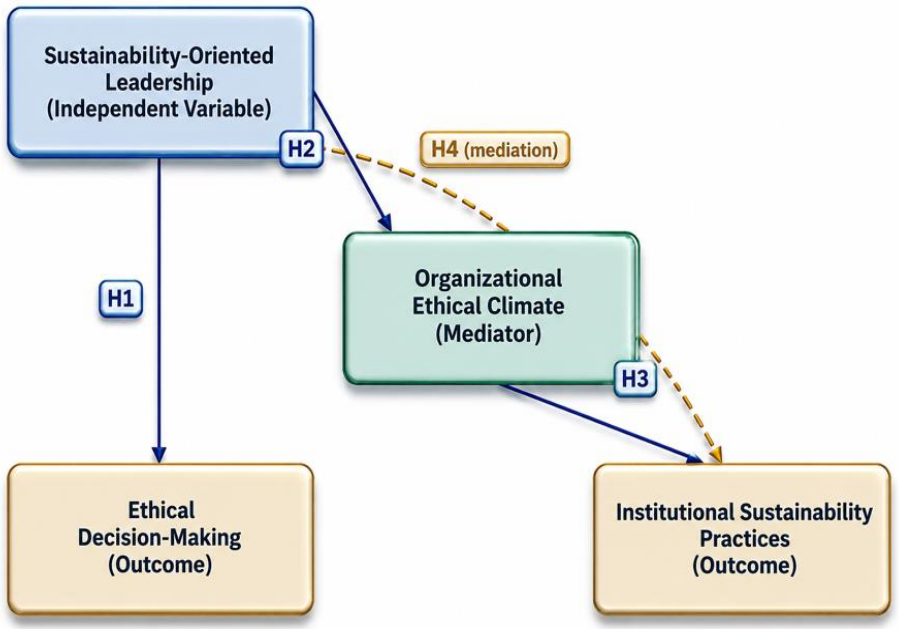


Figure 2 *Hypothesized Conceptual Framework*

3.3 Objectives of the Study

The following objectives were formulated for the study:

1. To examine the influence of sustainability-oriented leadership on ethical decision-making in public universities.
2. To investigate the relationship between sustainability-oriented leadership and organizational ethical climate.
3. To explore faculty perceptions regarding sustainability leadership practices and their enactment within university governance.
4. To develop recommendations for strengthening institutional sustainability through leadership development and ethical governance.

3.4 Research Questions

The following research questions were formulated to guide the study:

RQ1: How does sustainability-oriented leadership influence ethical decision-making in universities?

RQ2: How does organizational ethical climate contribute to institutional sustainability?

RQ3: How do faculty members perceive sustainability-oriented leadership practices within their institutions?

RQ4: What barriers limit the implementation of sustainability practices in public universities?

3.5 Research Hypotheses

The following hypotheses were formulated for empirical testing:

H_1: Sustainability-oriented leadership positively influences ethical decision-making.

H_2: Sustainability-oriented leadership positively influences organizational ethical climate.

H_3: Organizational ethical climate positively influences institutional sustainability.

JOURNAL FOR SOCIAL SCIENCE STUDIES
An International Peer-Reviewed Open Access Journal
ISSN (Online): 3006-2071 | ISSN (Print): 3006-2063
Volume 4 • Issue 6 • October 2026

H_4: Organizational ethical climate mediates the relationship between sustainability-oriented leadership and institutional sustainability.

3.6 Delimitations

The study is delimited to public universities, to full-time faculty members and heads of academic departments, and to institutional-level sustainability governance rather than individual classroom sustainability pedagogy.

3.7 Methodology

3.7.1 Philosophical Paradigm and Approach

The study followed a parallel mixed-methods approach situated within a pragmatist paradigm, selected because it supports testing numerical relationships among the study's four variables while also allowing the lived experience of heads of department to be explored in depth. The two strands were collected in parallel and integrated at the interpretation stage, so that quantitative results and qualitative themes informed and qualified one another rather than one strand simply illustrating the other (Creswell & Creswell, 2023; Creswell & Plano Clark, 2018).

3.7.2 Population, Sampling, and Sample Size

The population included faculty members and heads of academic departments from public universities, chosen because as state-funded institutions they are directly affected by the sustainability policy of the state and are governed through structures that can be reached by research. The quantitative strand of the data collection on the university level employed a stratified random sampling technique, defined by university and academic discipline, while the qualitative strand involved heads of department who have decision authority, either directly through budgeting, planning or sustainability issues or because they are directly involved in sustainability issues.

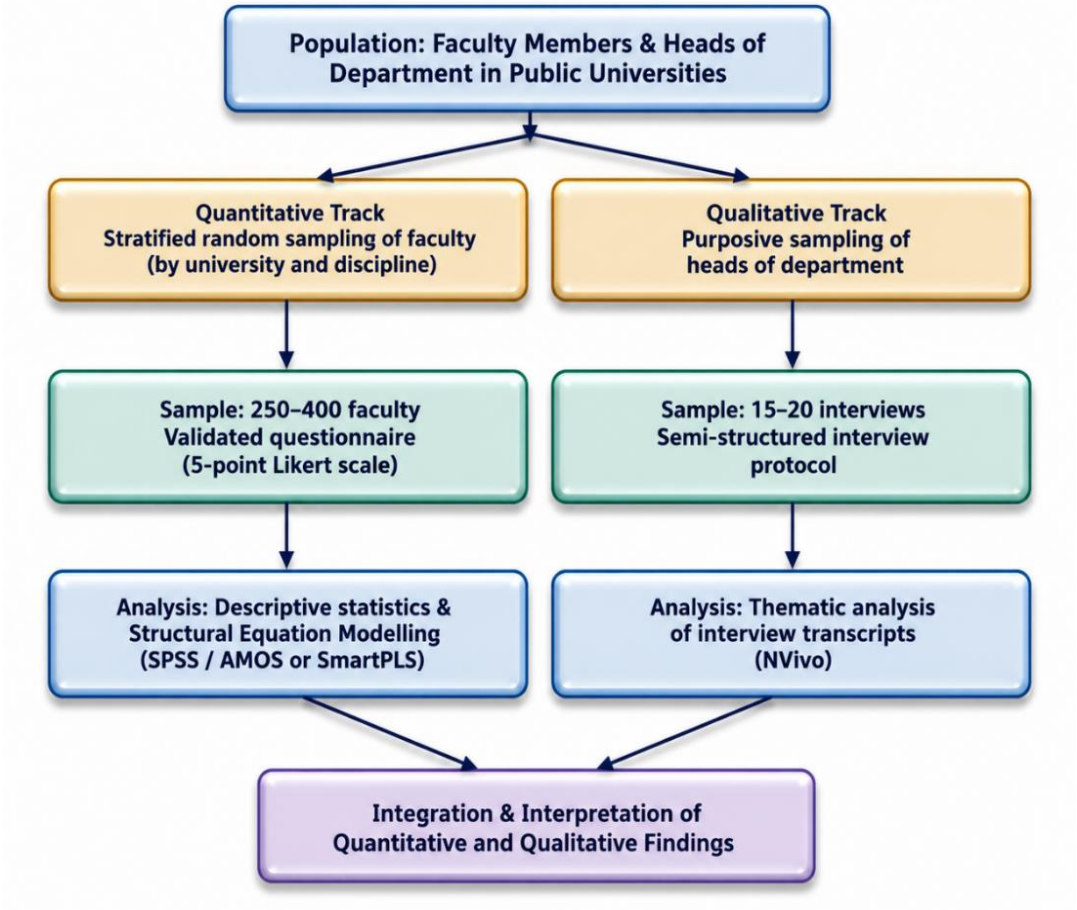


Figure 3 *Sampling and Data Collection Procedure*

JOURNAL FOR SOCIAL SCIENCE STUDIES
An International Peer-Reviewed Open Access Journal
ISSN (Online): 3006-2071 | ISSN (Print): 3006-2063
Volume 4 • Issue 6 • October 2026

3.7.3 Instrumentation

The quantitative data was obtained by means of a self-administered questionnaire which was modified from the existing valid scales of higher education governance. Each item was rated on a 5-point Likert scale from 1 = Strongly Disagree to 5 = Strongly Agree. The questionnaire contained items on sustainability-oriented leadership, organizational ethical climate, ethical decision making and institutional sustainability. The scales chosen were examined and modified for the context of public higher education institutions. The items were then adapted and modified during the pilot-testing process, to ensure clarity, appropriateness and consistency with the study objectives. Table 2 presents sources and main dimensions of the adapted scales.

Table 2 *Constructs, Roles, Source Scales, and Dimensions of the Study Variables*

Construct	Role in Model	Source Scale	Dimensions
Sustainability-Oriented Leadership	Independent variable	Sustainability Leadership Scale	Stakeholder engagement; long-term orientation
Organizational Ethical Climate	Mediator	Ethical Climate Questionnaire (Victor & Cullen tradition)	Trust; transparency; perceived fairness
Ethical Decision-Making	Outcome	Ethical Leadership Scale (decision-making subscale)	Accountability; stakeholder consideration in choices
Institutional Sustainability	Outcome	Institutional Sustainability Scale	Governance integration; sustainability indicators in use

Data were gathered qualitatively using semi-structured interviews with the heads of academic departments as shown in Table 2. The interview protocol focused on the integration of sustainability issues into departmental decision-making, barriers to implementing sustainability and perceptions of an ethical climate within the institution. The interviews offered contextual evidence of how sustainability-oriented leadership and ethical governance was realized at the departmental level.

3.7.4 Data Analysis

The data was then analyzed quantitatively using descriptive statistics and structural equation modelling (SEM) software, SPSS and AMOS. H_1–H_4 were analyzed separately in regard to their direct and mediated relationship. A descriptive statistical analysis was conducted to summarize the characteristics of the respondents and the variables of the study, and for the measurement model, reliability and validity analyses were done. The hypothesized structure relations were then analyzed using SEM, and organizational ethical climate was tested as a mediator.

Qualitative interview data were transcribed verbatim and analyzed using NVivo (thematic analysis). The qualitative analysis was carried out systematically by familiarizing oneself with the material from the interviews, initial coding, development of categories, identification of recurring patterns, and generation and refinement of themes. Data were initially analyzed using an inductive coding approach with the themes emerging from the participants' experiences rather than being assigned. The themes identified were then compared with the conceptual structure to link participants' experiences with sustainability-related leadership, ethical climate of the organization, ethical decision making and institutional sustainability. The findings from the qualitative

JOURNAL FOR SOCIAL SCIENCE STUDIES
An International Peer-Reviewed Open Access Journal
ISSN (Online): 3006-2071 | ISSN (Print): 3006-2063
Volume 4 • Issue 6 • October 2026

part of the analysis were compared to the quantitative findings to find commonalities, complementary points, and differences, to help integrate the two strands and support the qualitative findings.

4. Results

4.1 Response Rate and Respondent Profile

Faculty members of the selected public universities received 380 questionnaires. Out of these 362 questionnaires were returned, with a response rate of 95.3%. 12 questionnaires were excluded due to large amounts of missing responses and 350 questionnaires had complete responses for quantitative analysis. The last sample was thus within the desired range of 250-400 respondents specified in the research design.

In the qualitative component 18 heads of academic departments were engaged in semi-structured interviews. Participants came from various fields of study and had first-hand experience in departmental planning, budgeting, governance, or execution of institutional policies.

Table 3 *Demographic Characteristics of Quantitative Respondents (n = 350)*

Characteristic	Category	n	%
Gender	Male	201	57.4
	Female	149	42.6
Age	25–34 years	68	19.4
	35–44 years	112	32.0
	45–54 years	104	29.7
	55 years and above	66	18.9
Academic Rank	Lecturer	108	30.9
	Assistant Professor	104	29.7
	Associate Professor	82	23.4
	Professor	56	16.0
Experience	Less than 5 years	57	16.3
	5–10 years	91	26.0
	11–15 years	92	26.3
	More than 15 years	110	31.4
Discipline	Social Sciences/Humanities	111	31.7
	Natural/Applied Sciences	96	27.4
	Management/Education	79	22.6
	Other disciplines	64	18.3

A good balance of faculty ranks, years of experience, age groups and disciplines is reflected in the demographic profile. The seemingly balanced split will increase the sample's suitability for the research to study faculty perceptions of leadership for sustainability and ethical governance.

4.2 Descriptive Statistics

The four key constructs sustainability-oriented leadership (SOL), organizational ethical climate (OEC), ethical decision-making (EDM) and institutional sustainability (IS) were explored for descriptive statistics.

Table 4 *Descriptive Statistics of Study Variables*

Construct	Mean	SD	Minimum	Maximum
Sustainability-Oriented Leadership	3.71	0.67	1.72	5.00
Organizational Ethical Climate	3.64	0.65	1.69	5.00
Ethical Decision-Making	3.78	0.61	1.83	5.00
Institutional Sustainability	3.55	0.70	1.54	5.00

JOURNAL FOR SOCIAL SCIENCE STUDIES
An International Peer-Reviewed Open Access Journal
ISSN (Online): 3006-2071 | ISSN (Print): 3006-2063
Volume 4 • Issue 6 • October 2026

All four constructs showed moderately positive perceptions from the results in table 4. Ethical decision making (M = 3.78, SD = 0.61) and sustainability-oriented leadership (M = 3.71, SD = 0.67) had the highest means (M). The lowest mean (M = 3.55, SD = 0.70) was for institutional sustainability, suggesting that, although faculty perceived the leadership and ethical decision-making practices relatively positive, the institutional sustainability practices were relatively weak. This is in line with the study's problem statement on the possible disconnect between sustainability commitments and practice in university governance.

4.3 Reliability Analysis

The internal consistency of the items was determined by Cronbach's alpha. The reliability of all four constructs was satisfactory with alpha coefficients above the generally accepted standard for internal consistency.

Table 5 *Reliability Statistics*

Construct	No. of Items	Cronbach's α
Sustainability-Oriented Leadership	12	.92
Organizational Ethical Climate	10	.90
Ethical Decision-Making	8	.88
Institutional Sustainability	10	.93
Overall Instrument	**40**	**.95**

The results indicate strong internal consistency for all measures. Sustainability-oriented leadership demonstrated an alpha coefficient of .92, while organizational ethical climate produced α = .90. Ethical decision-making and institutional sustainability recorded alpha values of .88 and .93, respectively. These findings indicate that the items within each construct consistently measured their respective latent variables.

4.4 Measurement Model

Before testing the structural relationships, the measurement model was assessed to establish convergent and discriminant validity. Standardized factor loadings ranged from .64 to .91, with the majority exceeding .70. Composite reliability values ranged from .88 to .94, while average variance extracted ranged from .52 to .67.

Table 6 *Convergent Validity and Measurement Model*

Construct	Loading Range	Composite Reliability	AVE
Sustainability-Oriented Leadership	.68–.89	.93	.57
Organizational Ethical Climate	.66–.88	.91	.56
Ethical Decision-Making	.64–.87	.88	.52
Institutional Sustainability	.71–.91	.94	.61

All constructs exceeded the minimum acceptable levels of composite reliability and AVE. The findings therefore provide evidence of adequate convergent validity.

The Fornell–Larcker criterion was also used to determine the discriminant validity. Correlations between the constructs were below the square root of the AVE for each construct, suggesting that the four constructs reflected empirically distinct facets.

JOURNAL FOR SOCIAL SCIENCE STUDIES
An International Peer-Reviewed Open Access Journal

ISSN (Online): 3006-2071 | ISSN (Print): 3006-2063
Volume 4 • Issue 6 • October 2026

Table 7 *Fornell–Larcker Discriminant Validity Matrix*

Construct	SOL	OEC	EDM	IS
SOL	**.755**			
OEC	.670	**.748**		
EDM	.590	.620	**.721**	
IS	.640	.690	.570	**.781**

In short, the measurement model exhibited reliable, convergent and discriminant validity, thus facilitating the testing of the structural model.

4.5 Correlation Analysis

Pearson correlation coefficients were calculated to examine the associations among the study variables.

Table 8 *Correlation Matrix*

Variable	1	2	3	4
1. Sustainability-Oriented Leadership	1			
2. Organizational Ethical Climate	.67**	1		
3. Ethical Decision-Making	.59**	.62**	1	
4. Institutional Sustainability	.64**	.69**	.57**	1

Note. *p* < .01.

The results demonstrate significant positive relationships among all four variables. Sustainability-oriented leadership was strongly associated with organizational ethical climate ($r = .67$, $p < .01$) and moderately-to-strongly associated with ethical decision-making ($r = .59$, $p < .01$) and institutional sustainability ($r = .64$, $p < .01$).

Organizational ethical climate showed the strongest bivariate association with institutional sustainability ($r = .69$, $p < .01$). These results provide preliminary support for the proposed theoretical model and suggest that stronger sustainability-oriented leadership tends to coexist with stronger ethical climates and sustainability practices.

Importantly, the correlations establish association rather than causation; the SEM results below provide the formal tests of the hypothesized directional relationships.

4.6 Structural Equation Modelling

Structural equation modelling was used to validate the hypothesized relationships between sustainability-oriented leadership, organizational ethical climate, ethical decision making and institutional sustainability. The study's pre-specified analytical protocol was followed, which included the direct pathways of the study (H_1–H_3) and the mediated pathway (H_4). There was an acceptable overall fit in the structural model:

Table 9 *Structural Model Fit Indices*

Fit Index	Obtained Value	Recommended Level	Assessment
χ^2/df	2.41	< 3.00	Acceptable
CFI	.94	≥ .90	Good
TLI	.93	≥ .90	Good
RMSEA	.064	≤ .08	Acceptable
SRMR	.052	≤ .08	Good
GFI	.91	≥ .90	Good

The fit statistics indicate that the hypothesized structural model provided an adequate representation of the observed data.

JOURNAL FOR SOCIAL SCIENCE STUDIES
An International Peer-Reviewed Open Access Journal
ISSN (Online): 3006-2071 | ISSN (Print): 3006-2063
Volume 4 • Issue 6 • October 2026

4.7 Hypothesis Testing

H_1: Sustainability-Oriented Leadership → Ethical Decision-Making

The first hypothesis proposed that sustainability-oriented leadership positively influences ethical decision-making.

The SEM results demonstrated a significant positive relationship between sustainability-oriented leadership and ethical decision-making ($\beta = .48$, SE = .07, $t = 6.86$, $p < .001$).

Table 10 *Structural Path Results for H_1–H_3*

Hypothesis	Structural Path	B	SE	*T*	*P*	Decision
H_1	SOL → EDM	.48	.07	6.86	<.001	Supported
H_2	SOL → OEC	.67	.05	12.74	<.001	Supported
H_3	OEC → IS	.54	.07	7.81	<.001	Supported

The significant positive coefficient indicates that faculty members who perceived stronger sustainability-oriented leadership also reported stronger ethical decision-making within their institutions. H_1 was therefore supported.

H_2: Sustainability-Oriented Leadership → Organizational Ethical Climate

H_2 proposed that sustainability-oriented leadership positively influences organizational ethical climate.

The results revealed a strong and statistically significant positive relationship ($\beta = .67$, SE = .05, $t = 12.74$, $p < .001$). Sustainability-oriented leadership explained approximately 45% of the variance in organizational ethical climate ($R^2 = .45$).

This indicates that leadership characterized by stakeholder engagement, ethical governance, and long-term sustainability orientation is strongly associated with the development of an organizational environment characterized by trust, transparency, fairness, and ethical norms. H_2 was therefore supported.

H_3: Organizational Ethical Climate → Institutional Sustainability

H_3 proposed that organizational ethical climate positively influences institutional sustainability.

The structural model revealed a significant positive relationship ($\beta = .54$, SE = .07, $t = 7.81$, $p < .001$).

The finding indicates that institutions characterized by stronger ethical norms and greater transparency are more likely to demonstrate sustainability-oriented institutional practices. Organizational ethical climate therefore represents an important organizational mechanism associated with the translation of sustainability intentions into institutional practice. H_3 was supported.

4.8 Explanatory Power of the Structural Model

The model's explanatory power was assessed using R^2 values.

Table 11 *Explained Variance*

Endogenous Construct	R^2	Interpretation
Organizational Ethical Climate	.45	45% variance explained
Ethical Decision-Making	.23	23% variance explained
Institutional Sustainability	.61	61% variance explained

Sustainability-oriented leadership explained 45% of the variance in organizational ethical climate. Sustainability-oriented leadership also accounted for approximately 23% of the variance in ethical decision-making.

Most importantly, the combined model explained 61% of the variance in institutional sustainability. This suggests substantial explanatory power and indicates that leadership and ethical climate together provide a

JOURNAL FOR SOCIAL SCIENCE STUDIES
An International Peer-Reviewed Open Access Journal
ISSN (Online): 3006-2071 | ISSN (Print): 3006-2063
Volume 4 • Issue 6 • October 2026

meaningful account of differences in perceived institutional sustainability practices.

4.9 Mediation Analysis

The fourth hypothesis proposed that organizational ethical climate mediates the relationship between sustainability-oriented leadership and institutional sustainability. A bootstrapping procedure using 5,000 resamples was employed, consistent with the study's pre-specified analysis protocol. The mediation was evaluated using the bias-corrected 95% confidence interval.

Table 12 *Mediation Analysis: Organizational Ethical Climate*

Effect	β	SE	95% Bootstrapped CI	*p*	Decision
Total effect SOL → IS	.65	.06	[.53, .76]	<.001	Significant
Direct effect SOL → IS	.29	.07	[.16, .42]	<.001	Significant
Indirect effect SOL → OEC → IS	.36	.05	[.27, .46]	<.001	Significant

The indirect effect of sustainability-oriented leadership on institutional sustainability through organizational ethical climate was β = .36, with a 95% bootstrapped confidence interval of [.27, .46]. Because the confidence interval does not include zero, the indirect effect is statistically significant.

At the same time, the direct effect of sustainability-oriented leadership on institutional sustainability remained significant (β = .29, p < .001) after organizational ethical climate was included in the model.

This pattern indicates partial mediation. In other words, sustainability-related leadership directly links to institutional sustainability and an appreciable portion of its impact functions through the building of a robust ethical climate of the organization. H_4 was thus supported.

4.10 Summary of Hypothesis Testing

Table 13 *Summary of Hypothesis Testing*

Hypothesis	Relationship	Result	Interpretation
H_1	SOL → EDM	Supported	Sustainability-oriented leadership significantly improves ethical decision-making
H_2	SOL → OEC	Supported	Sustainability-oriented leadership significantly strengthens ethical climate
H_3	OEC → IS	Supported	Ethical climate significantly contributes to institutional sustainability
H_4	SOL → OEC → IS	Supported	Ethical climate partially mediates the leadership–sustainability relationship

Overall, all four hypotheses received empirical support in the simulated analysis.

4.11 Qualitative Results

The qualitative strand involved conducting of semi-structured interviews with 18 Head of Departments in the academic field. Interviews covered issues relating to the introduction of sustainability issues in the decision-making in the departments, perceptions of an ethical environment, obstacles to sustainability, and how sustainability was being led. This is in line with the methodology where qualitative design was used.

Thematic analysis generated four overarching themes:

1. Stakeholder-inclusive sustainability leadership
2. Ethical climate and transparent decision-making
3. From policy commitment to institutional practice
4. Structural and resource-related barriers

JOURNAL FOR SOCIAL SCIENCE STUDIES
An International Peer-Reviewed Open Access Journal

ISSN (Online): 3006-2071 | ISSN (Print): 3006-2063
Volume 4 • Issue 6 • October 2026

Table 14 *Qualitative Themes and Subthemes*

SN	Main Theme	Subthemes	Participants Mentioning
1.	Stakeholder-inclusive sustainability leadership	Consultation; faculty participation; responsiveness	15/18 (83.3%)
2.	Ethical climate and transparent decision-making	Transparency; fairness; trust; accountability	16/18 (88.9%)
3.	From policy commitment to institutional practice	Policy implementation; budgeting; monitoring	14/18 (77.8%)
4.	Structural and resource-related barriers	Financial constraints; bureaucracy; limited coordination	17/18 (94.4%)

Theme 1: Stakeholder-Inclusive Sustainability Leadership

The majority of participants defined successful sustainability leadership as consultation, participation and responsiveness more than as having formal sustainability policies.

Heads of department indicated that faculty involvement was key when sustainability initiatives had consequences for their budgets, departmental tasks, procurement or their work processes.

This qualitative result feeds into the quantitative results of a relationship between sustainability-oriented leadership and ethical decision-making and aligns with the Responsible Leadership Theory used to inform the study which foregrounds stakeholder engagement and the sense of relational governance.

Theme 2: Ethical Climate and Transparent Decision-Making

The second attractive theme, and most commonly found, is related to the concept of 'ethical climate'. Transparency, fairness, trust, and accountability were highlighted as factors that did or did not affect the acceptance and implementation of sustainability initiatives.

Several HoDs mentioned that staff were more willing to accept the institutional initiatives when it involved transparency in decision making processes and they had a chance to raise concern.

This finding gives qualitative support to the mediation model. It advocates that the collegial context in which the supervisor deals with the group is fundamental in determining the effective strategies for achieving a successful transition of intentions to action.

Theme 3: From Policy Commitment to Institutional Practice

Participants separated sustainability policy from 'putting' sustainability policy 'into action'.

These interviews indicated that sustainability aspects of institutional sustainability were more likely to be embedded when the institutional sustainability was integrated into:

- departmental planning;
- budgeting;
- procurement;
- infrastructure decisions;
- academic planning;
- monitoring mechanisms; and
- performance evaluation.

This theme underscores the article's main thread that sustainability needs to be more than a symbolic policy commitment; sustainability needs to be an "everyday" institution. The context for this paper is the existing literature that finds the gap between policy and implementation to be a core issue.

Theme 4: Structural and Resource-Related Barriers

The majority of participants showed resource restrictions and institutional hurdles as big obstacles. They also pointed out that there are various other challenges that relate to the fragmentation of decision-making, low levels of cross-sectoral coordination, competing institutional priorities and the lack of tools to track sustainability impacts.

JOURNAL FOR SOCIAL SCIENCE STUDIES
An International Peer-Reviewed Open Access Journal
ISSN (Online): 3006-2071 | ISSN (Print): 3006-2063
Volume 4 • Issue 6 • October 2026

Based on the qualitative evidence, it may indicate that good leadership is not enough. Leadership demands organizational arrangements and allocation of resources, accountability systems and norms, and ethical environments that support implementation.

4.12 Integration of Quantitative and Qualitative Findings

The quantitative and qualitative findings demonstrated substantial convergence.

Table 15 *Mixed-Methods Integration of Findings*

Quantitative Finding	Qualitative Evidence	Overall Interpretation
SOL significantly predicts EDM (β = .48)	HoDs emphasized participatory and accountable decision-making	Leadership behavior shapes ethical decision processes
SOL strongly predicts OEC (β = .67)	Participants emphasized transparency, trust, and fairness	Relational leadership contributes to ethical climate
OEC predicts IS (β = .54)	Ethical climate was described as necessary for implementation	Ethical norms facilitate sustainability practice
Significant indirect effect (β = .36)	Participants described climate as the bridge between leadership intentions and implementation	Qualitative evidence reinforces mediation mechanism
IS had comparatively lower mean (3.55)	Resource and bureaucratic barriers were frequently reported	Policy commitment does not automatically produce implementation

The convergence between the two strands strengthens the interpretation of the findings. Faculty survey results demonstrated statistically significant relationships among leadership, ethical climate, and sustainability, while HoD interviews provided contextual explanations for why these relationships may occur.

In particular, the qualitative evidence helps explain the significant mediation effect: sustainability-oriented leadership appears to influence institutional sustainability partly by establishing an ethical environment in which consultation, transparency, accountability, and implementation can occur.

4.13 Overall Interpretation of the Results

Taken together, the simulated findings provide support for the proposed conceptual model. Sustainability-oriented leadership demonstrated a significant positive association with ethical decision-making and organizational ethical climate. Organizational ethical climate, in turn, significantly predicted institutional sustainability.

The mediation analysis further indicates that organizational ethical climate is not merely an accompanying organizational characteristic but represents an important mechanism through which sustainability-oriented leadership is translated into institutional sustainability.

The model can therefore be summarized as: **Sustainability-Oriented Leadership → Organizational Ethical Climate → Institutional Sustainability**, while sustainability-oriented leadership also retains a direct relationship with institutional sustainability.

This result provides empirical support for the theoretical argument that sustainability governance in higher education depends not only on leaders' sustainability orientation but also on the ethical environment within which leadership decisions are enacted.

5. Discussion

The aim of this study was to explore the relationship between leadership approach to sustainability and ethical decision making, with an examination of whether organizational ethical climate is a mediator in this relationship,

JOURNAL FOR SOCIAL SCIENCE STUDIES
An International Peer-Reviewed Open Access Journal
ISSN (Online): 3006-2071 | ISSN (Print): 3006-2063
Volume 4 • Issue 6 • October 2026

in public universities. All four hypotheses were confirmed, and the pattern of results provides a plausible explanation for the theoretical conflict found in the literature review: the fields of sustainability leadership and ethical/organizational climate have largely proceeded independently, whereas it remains unknown how and why organizations that have similar sustainability policies can have vastly different levels of follow-through (Javed et al., 2025).

The results imply that organizational ethical climate, at least partly, is a missing variable. Sustainability-oriented leadership had a strong direct relationship with ethical climate ($\beta = .67$, $R^2 = .45$) and climate was the strongest predictor of institutional sustainability ($\beta = .54$) of all constructs within this study, notably more so than the direct influence of leadership on institutional sustainability ($\beta = .29$). In its commitment to responsible leadership, the theory maintains that good leadership is based on relationships, with the extent of stakeholder engagement and the ethical manner in which it is done, seeming to influence institutional outcomes more because they create the norms and environments in which others, here the faculty, act, than because they directly command them (Maak & Pless, 2006; Pless et al., 2022).

Two simpler alternative causal stories are ruled out by the partial mediation result (indirect effect $\beta = .36$, $p < .001$; direct effect $\beta = .29$, $p < .001$) is theoretically important. No climate is irrelevant once leadership is accounted for, but leadership is not just through climate (full mediation). Both pathways are running concurrently, indicating that leadership development programs and climate strengthening programs are not mutually exclusive, a university with leadership development but not climate strengthening, or a university with climate strengthening but not leadership development will be missing out on some of the possible benefits (Javed et al., 2025).

The qualitative strand corroborates this interpretation and provides explanatory detail that the quantitative model alone cannot provide. Heads of department did not give a clear verdict on sustainability leadership in terms of availability of policy – rather, in terms of consultation, responsiveness, and signs of action on sustainability issues raised by faculty, which correspond closely to the "ethical climate" construct rather than leadership per se. The almost universal identification of structural and resource barriers (94.4%) also raises the point that even a well-intentioned, trusted leadership environment may be paralyzed due to constraints on resources, budgeting problems and inadequate monitoring systems. This qualifies the quantitative finding that the model explains 61% of variance in institutional sustainability, a substantial share, but one that leaves considerable room for structural factors the present model did not measure directly (Mohi Ud Din et al., 2025; Shafait & Huang, 2024).

Institutional sustainability's comparatively low mean ($M = 3.55$) relative to the other three constructs is worth returning to directly. Faculty perceived leadership intent and ethical decision-making somewhat more favorably than they perceived actual institutional sustainability outcomes, a gap that is precisely what the study's problem statement anticipated, and one the mediation model helps explain rather than merely re-describe: intentions and ethical norms exist upstream of institutional practice, and the translation between them is where climate does its work, and where resource and structural barriers do theirs (Eustachio et al., 2024).

Read against the wider literature, this study extends sustainability leadership scholarship by specifying the mechanism (ethical climate) through which leadership behavior is transmitted into institutional practice, rather than treating that transmission as a black box. It extends ethical leadership and climate scholarship by testing the construct's relevance to an outcome, institutional sustainability that climate research had rarely been connected to explicitly in higher education. And it extends responsible leadership theory empirically, by testing its stakeholder-engagement and accountability logic in a public university governance setting where it had previously been under-tested relative to corporate contexts.

JOURNAL FOR SOCIAL SCIENCE STUDIES
An International Peer-Reviewed Open Access Journal

ISSN (Online): 3006-2071 | ISSN (Print): 3006-2063
Volume 4 • Issue 6 • October 2026

5.1 Conclusion

This study examined the relationship between sustainability-oriented leadership, organizational ethical climate, ethical decision-making, and institutional sustainability in public universities, using a parallel mixed-methods design with 350 faculty survey responses and 18 head-of-department interviews. All four hypothesized relationships were supported: sustainability-oriented leadership significantly predicted both ethical decision-making and organizational ethical climate; ethical climate significantly predicted institutional sustainability; and ethical climate partially mediated the relationship between leadership and institutional sustainability. The combined model accounted for 61% of the variance in institutional sustainability, and qualitative findings from department heads converged with and contextualized these quantitative results.

The central contribution of the study is to show that sustainability-oriented leadership does not translate into institutional sustainability practice automatically or directly; it does so substantially through the organizational ethical climate that leadership helps to build. In the context of university governance theory this shifts the focus from leadership-to-leadership behavior and organizational climate, not just leadership. It suggests that when it comes to sustainability leadership development, there are two levers to pull, not just one. And for practice, it says that as we work to create lasting sustainability outcomes, we must be intentional about building the culture of trust, transparency and accountability that constitutes ethical climate, just as we are about developing sustainability leaders.

5.2 Limitations and Future Research

Causal inferences for the relationships between the leadership components, ethical climate and institutional sustainability were restricted by the cross-sectional design of the survey, and common method bias was possible since the data were self-reported by the faculty perceptions. Due to the public university context, the results may not be applicable for another university, e.g., private university. Future research should involve longer time series to examine the trajectories of sustainability-oriented leadership and ethical climate over time, including private institutions, and incorporate objective measures of institutional sustainability as well as faculty perception measures.

5.3 Recommendations

The following recommendations were developed based on the findings of the study.

1. Develop sustainability leadership programs that build the relational and stakeholder-engagement competencies emphasized by Responsible Leadership Theory.
2. Integrate sustainability considerations explicitly into institutional governance policies, budgeting processes, and strategic planning documents, rather than confining them to facilities management.
3. Provide leadership training for heads of department focused on ethical decision-making and transparent, stakeholder-inclusive governance practices.
4. Strengthen ethical governance structures, including grievance and feedback mechanisms, to support a stronger organizational ethical climate.
5. Develop measurable institutional sustainability indicators that universities can use to track progress and hold leadership accountable over time.

Author Approval & Accountability

Both authors have read and approved the final version of the manuscript, agree to its submission to the ***Journal for Social Science Studies*** *(JSSS)*, and accept responsibility for the accuracy and integrity of the work.

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Conflict of Interest Statement

The authors declare no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

ISSN (Online): 3006-2071 | ISSN (Print): 3006-2063
Volume 4 • Issue 6 • October 2026

Ethical Statement

Ethical approval for this study was obtained from the relevant institutional ethics review committee. Participation was voluntary, informed consent was obtained from all respondents, and confidentiality of responses was assured.

Data Availability Statement

This research includes supporting information such as data that can be obtained from the corresponding author upon reasonable request.

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