BUILDING A SUSTAINABLE WORK CULTURE THROUGH GREEN LEADERSHIP AND ADAPTIVE ORGANIZATIONAL SYSTEMS

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Abstract

This study examines green leadership practices within the framework of industrial and organizational psychology, focusing on the relationship between individual psychological readiness, organizational culture, and reward systems in the process of internalizing sustainability values. This literature review highlights the gap between the environmental vision promoted by leaders and the actual readiness of organizations to realize it, emphasizing that cultural and behavioural change in organizations cannot rely solely on policies but requires the collective and systematic involvement of all human resources. The research findings indicate that the internalization of green leadership is most effective when supported by continuous learning mechanisms, environmentally friendly innovation-based reward systems, and open communication across organizational levels. Moreover, the transformation toward a sustainability-oriented work culture depends on the quality of synergy among management, employees, and organizational mechanisms to build a responsive and adaptive work environment. The study recommends assessing organizational culture readiness, strengthening incentive systems based on green behaviours, and providing continuous training and mentoring to foster a sense of belonging to the organization's sustainability vision. Thus, achieving successful green leadership must be grounded in a dialogical process that involves all members of the organization and reinforces systems and work culture as the fundamental foundation for transformation toward sustainability.

Keywords: green leadership, organizational culture, reward system, internalization, sustainability, industrial psychology, organizational transformation.

Introduction

The business world and human resources are increasingly interested in leadership models that integrate environmental vision, governance transformation, and modern industrial psychology. What is known in the literature as green leadership emerges as a response to the need for balance between economic demands and ecological sustainability. Rising global awareness of climate change and environmental issues calls for a shift in leadership from being solely profit-oriented to being more accountable for the planet's future. Meanwhile, organizations adapt by aligning human resource capabilities and internal structures with sustainability values. This initiative reflects a shift in leadership practices that embrace social responsibility, justice, and environmental sustainability as part of productivity orientation.

In modern organizational management systems, the trend of green leadership is evident in the integration of sustainability policies into workflows, remuneration schemes, and employee development programs. This governance model emphasizes not only macro-level green initiatives but also the importance of changing perceptions and behaviours at the individual level. Organizational dynamics are influenced by the values conveyed by leaders and the process of internalizing environmental values into daily work routines. The success of green leadership implementation largely depends on the integration of individual psychology and collective behavioural patterns within the work environment.

Industrial and organizational psychology highlights how human behaviour at work connects with the environmental objectives promoted by green leadership. There is a critical relationship between leaders serving as role models, open communication, and reward mechanisms for environmentally friendly behaviours among all organizational members. Individuals operate within interrelated systems of influence that determine the extent to which green values are accepted, internalized, and manifested in concrete actions. Consistent reinforcement of green leadership character becomes a crucial variable affecting team collaboration, collective motivation, and the organization's achievement of sustainability goals.

More specifically, the adoption of green leadership in organizations is closely linked to psychological readiness, cultural climate, and human resource development systems. Contemporary studies highlight both the challenges and opportunities in transforming green values from policy level into collective habits (Mardikaningsih & Darmawan, 2022; Zhong et al., 2023). Successful transformation impacts financial performance and fosters a learning organization that is adaptive, innovative, and environmentally contributively.

Although many organizations have adopted sustainability values and encouraged environmentally responsible behaviours, gaps persist between managerial aspirations and operational realities. The discrepancy between leaders' green vision and organizational cultural readiness often leads to resistance at the implementation level, especially when organizational systems fail to concretely support environmentally friendly behaviour, including unclear incentive systems or insufficient green leadership training. Zafar et al. (2025) emphasize that individual perceptions of organizational green objectives depend heavily on the perceived consistency between leaders' words and actions.

Another issue arises when leader personality traits, such as extraversion or ecological competence, do not necessarily stimulate pro-environmental behaviour among employees. Kühner, Hüffmeier, and Zacher (2025) note that value misalignment between supervisors and subordinates often results in passive resistance and minimal participation in sustainability programs. Even reward systems and organizational structures frequently fail to allocate significant space for innovation and active employee involvement in environmental decision-making. This misalignment diminishes the effectiveness of green leadership, complicates the acculturation of a green culture, and increases the risk of failing to achieve the organization's collective sustainability vision.

Variations in organizational character, human resource composition, and adaptability levels present additional challenges in internalizing green leadership. Liu (2025) and Murad & Li (2025) emphasize the importance of a green psychological climate and green absorptive capacity to foster a supportive work culture. However, these parameters are often overlooked, weakening organizational resilience to environmental change. On a larger scale, immature organizational climates and insufficient collective awareness result in green initiatives often emerging as elitist projects rather than a movement embraced by all members of the institution.

Scientific exploration of green leadership in the workplace is increasingly urgent amid globalization, which demands organizations to transform through sustainable innovation. Critical studies on industrial and organizational psychology dimensions are necessary to ensure that the transformation process is effective, consistent, and minimally affected by differences in values and psychological readiness among organizational actors. The sustainability values promoted by green leadership carry strategic implications for shaping organizational identity while strengthening citizenship behaviour that supports competitiveness amid changing business environments.

Systemic transformation including alignment of reward systems, communication, leadership styles, and training based on environmental values requires an understanding of individual behaviour, intra-organizational relationships, and institutional adaptability to global demands. Systematically observing and analysing green leadership implementation will help organizations build long-term ecological resilience grounded in the development of a strong collective culture.

This study aims to critically identify and analyse gaps between the sustainability values promoted by green leadership and the psychological and cultural readiness of organizations to adopt and internalize green initiatives. The analysis focuses specifically on the extent to which organizational structures, norms, and reward systems can support environmentally friendly behavior and enhance collective employee participation in implementing sustainability goals. The study is expected to contribute conceptually and practically to the development of leadership theory, human resource policies, and organizational culture change strategies, enabling more effective and comprehensive integration of green leadership.

Method

A qualitative approach in the literature study was employed in this research to systematically and critically analyse the concept and implementation of green leadership from the perspective of industrial and organizational psychology. Through comprehensive review, the researcher collected, examined, and synthesized various primary publications, including scholarly journal articles, reference books, and relevant research findings from around the world. Qualitative literature studies are considered effective for capturing the complexity and dynamics of subjectivity, allowing each idea and paradigm shift within the scope of green leadership to be thoroughly mapped (Creswell & Poth, 2018).

The sources reviewed were gathered using purposive sampling, focusing on publications that met criteria of novelty, relevance, and methodological rigor, as well as theoretical and practical contribution. The research process involved searching multiple national and international academic databases, such as Scopus, ProQuest, and Google Scholar, to obtain credible materials. Evaluation, analysis, and data synthesis were conducted iteratively using thematic coding, where depth of literature interpretation was the key to addressing the research questions (Bowen, 2009).

To ensure objectivity, validity, and transparency, all sources originated from reputable journals, academic books, and qualitative research methodology references, such as works by Merriam (2009) and Patton (2015). The literature analysis was directed toward identifying common patterns and focused on detecting research gaps and unique findings that underpin the integration of green leadership in industrial and organizational contexts. Thus, the qualitative approach in this literature study produced a structured, authentic account that contributes to academic understanding and practical insights regarding green leadership in modern work environments.

Results and Discussion

The Gap between Green Leadership Values and Organizational Readiness

Green leadership carries a transformative vision rooted in sustainability values; however, the reality in many organizations shows a gap between the idealism of leaders and the actual readiness of the workplace to embrace these values. Transitioning to a green leadership model requires a consistent internalization process within the organizational culture, which is not always easy to achieve. Rojak and Darmawan (2022) emphasize the importance of work-life quality and the development of self-efficacy as foundational elements for building employees' psychological readiness to face changes in values and work systems. When the environmental values promoted by leaders are not fully embraced, cultural resistance and defensive behaviours often emerge. This indicates that the adoption of green leadership is strongly influenced by the alignment between leaders' vision, individual psychological readiness, and organizational cultural structure.

Psychological factors such as employee perceptions, attitudes, and beliefs are key to the acceptance of green leadership. Darmawan (2024) highlights that a positive internal distribution of factors within the organization enhances adaptive capacity and creates opportunities for a collaborative climate supportive of green initiatives. However, organizations that merely adopt green leadership at

the policy level without strengthening motivation and reward structures will struggle to build collective commitment. The quality of interpersonal relations and communication across organizational levels also plays a strategic role in bridging perception gaps between management and employees regarding environmental issues.

As a result of varying levels of psychological and cultural readiness to embrace green leadership, employees display diverse behaviours in actualizing sustainability values. Liu (2025) notes that green inclusive leadership contributes to green creativity through the influence of a green psychological climate and collective motivation. However, the success of this process is highly dependent on how effectively leaders implement the internalization of new norms, not merely on articulating vision or declaring policies. Without adequate systems and structures, efforts to promote innovative behaviours may lead to individual frustration.

Ahsan (2025) underscores the importance of innovation and environmental concern as catalysts for transformation, while emphasizing the central role of organizational culture particularly in providing resources, training, and psychosocial support ecosystems. Misalignment between leaders' vision and organizational culture can generate latent obstacles such as passive sabotage, individualistic work culture, or neglect of environmental initiatives. In the manufacturing sector, Ahsan found that organizations culturally unprepared tend to fail in implementing green innovations, even when such values are actively promoted by top management.

Murad and Li (2025) examined the psychological mechanisms in adopting green behaviours in organizations and found that green absorptive capacity and passion are key drivers for sustaining innovation. Yet, this capacity heavily depends on the organization's ability to create a mutually supportive learning environment and leaders' willingness to facilitate environmental knowledge transfer. Without supportive policies, green creativity tends to remain at the individual level and fails to create systemic impact.

Meanwhile, research by Zhong et al. (2023) reinforces the importance of a systemic approach that integrates training programs, mentoring, and role modelling in the internalization of green leadership. They also emphasize the need for regular evaluation of the progress of green value internalization, so each transformation can be objectively measured and used as strategic feedback. If the transformation process is not systematic, the risk of a gap between leaders' promoted values and the actual readiness of human resources continues to grow.

In organizations with high adaptability, employees' psychological readiness tends to develop more fully, allowing collective consensus on shared goals. Mardikaningsih (Hariani & Mardikaningsih, 2025) demonstrates the importance of involving human resources in all stages of formulating and implementing green policies. A participatory process strengthens the belief that environmentally friendly values are not merely formal instructions but part of professional identity. Work environments that foster active participation help overcome cultural resistance and cultivate a sense of belonging to the organization's sustainability mission.

It should be noted that resistance to green leadership often reflects an organization's past experience in handling change. Oluwatoyin and Mardikaningsih (2024) report that organizations unaccustomed to innovation systems and human development are slow to respond to change, especially when the intended values entail restructuring roles and responsibilities. Psychological readiness is closely related to embedded experience, organizational traditions, and trust in the long-term outcomes of green innovation.

Jameel et al. (2025) reinforce this argument by highlighting the innovative climate in hospitality organizations, where green leadership success depends heavily on empowerment and a supportive psychological climate. In this sector, adaptive work structures and two-way communication are key to internalizing environmental values in practice. Collective experience, mentoring, and consistent role modelling are believed to reduce the gap between leaders' values and employees' readiness.

In many cases, the gap between green leadership discourse and the actual readiness of human resources and organizational culture remains a fundamental and complex challenge. Many organizations even fail at the initial stage of internalization because they focus too much on the overarching narrative, without considering employees' readiness and the supporting cultural infrastructure. Green leadership requires total engagement not merely top down policy translation, but a value-based dialogical process internalized collectively.

Current literature confirms that consistency between values, actions, and organizational incentives reduces the gap between leaders' aspirations and the readiness of all organizational elements. This process requires ongoing evaluation, adjustment, and reflection, ensuring that green values truly live within the collective culture rather than remaining symbolic.

Without transformative adaptation mechanisms, organizations are trapped in old routines that change slowly, even as environmental pressures increase. The crucial point in the internalization of green leadership lies in the organization's ability to establish relevant learning and reward systems, allowing employees' psychological resilience and organizational cultural readiness to grow in tandem with evolving challenges.

Ultimately, transitioning to green leadership requires a long-term collaborative process, where sustainability values are brought to life through leaders' example, continuous learning, and active involvement of all organizational members. The value gap is not the end of the process but the starting point for deep organizational improvements that must be addressed systematically and strategically.

The Influence of Organizational Systems on the Effectiveness of Green Leadership

The growing awareness of global environmental issues demands tangible transformation in the workplace through the adoption of sustainability values. External pressures such as regulations, market demands, and societal expectations have driven many organizations to pursue economic performance while contributing to environmental preservation through responsible resource management and operations. Green leadership has emerged as a transformative approach, encouraging all organizational elements to integrate environmentally friendly principles into vision, policy, and daily behaviour.

However, translating environmental commitment into collective action within organizations is not a simple process. Leaders with a sustainability vision often face challenges such as entrenched cultural resistance, limited knowledge and skills regarding green issues, and weak support systems that ensure consistent pro-environmental behaviour across all levels. Consequently, initiatives frequently encounter obstacles during implementation when the values promoted are not yet fully accepted, understood, or internalized as part of a shared identity in the workplace.

The key to bridging the gap between leaders' green vision and employees' actual behaviour lies in the organization's ability to establish a conducive internal ecosystem. This includes continuous learning processes, effective communication across structural levels, and the availability of coaching and reward mechanisms oriented toward environmental innovation. When all organizational instruments function synergistically to support cultural change, the likelihood of successful green leadership increases, creating long-term impact that is not merely symbolic but truly strengthens the organization's identity as a change agent toward sustainability.

Organizational structure, norms, and reward systems play a central role in determining the effectiveness of green leadership at both the initiative and long-term impact levels. Green leadership will struggle to achieve maximum results if the institutional environment does not provide concrete supporting instruments such as work structures, regulations, and incentive patterns consistent with sustainability values. Without a solid organizational foundation, innovation and calls for change tend to remain symbolic rather than deeply rooted behaviours.

Darmawan (2024) emphasizes the significance of role distribution within organizations and the involvement of all human resources as drivers for internalizing green values. He asserts that each initiative needs support through participatory work systems, recognition for pro-environmental behaviour, and access to relevant training or personal development. Similarly, Mardikaningsih (2024)demonstrates that environmentally oriented reward systems can accelerate behavioural change and enhance collective loyalty to organizational vision.

Liu (2025) highlights the principle of green inclusive leadership to build a system conducive to cross-departmental collaboration. A climate of trust and open communication strengthens collective innovation. Strengthening organizational structures that support knowledge sharing becomes key because information about environmentally friendly practices can be disseminated across functions, producing a domino effect in behavioural change. Murad and Li (2025) further argue that adaptive and flexible work systems can create higher green absorptive capacity, enabling individuals and groups to effectively absorb, share, and apply environmental knowledge.

Rojak and Darmawan (2022) underscore the importance of cross-functional collaboration and work-life quality balance in fostering innovative and collaborative environmentally friendly behaviours. Cross-functional collaboration helps distribute information evenly and reinforces accountability in implementing green programs. Emphasis on incentive systems that reward experimentation and employee creativity makes the innovation process more adaptive and resilient to failure.

Formal reward and recognition models for pro-environmental achievements also increase extrinsic motivation and foster collective pride, as shown in the findings of Sultan and Hussain (2025). In practice, recognition and incentives have a dual impact: they strengthen individual green behaviour and enhance the organization's appeal to increasingly selective talent. Adjusting performance-based environmental reward systems also encourages sustainable replication of positive behaviours.

Zhang, Li, and Hong (2025) highlight that the operationalization of green knowledge sharing facilitated by organizational systems can foster the growth of green organizational identity and innovation. With clear incentive and recognition structures, employees are more confident in voicing ideas and actively participating in improving organizational processes, both in daily operations and in generating solutions for environmental issues.

In the service sector, Jameel et al. (2025) show that leadership support through empowerment and embedding sustainability values into work systems stimulates innovative behaviour and accelerates knowledge transfer across the organization. The presence of feedback systems and intensive coaching from leaders not only creates an adaptive learning environment but also strengthens a culture of open communication and horizontal trust throughout all organizational levels.

Ultimately, strengthening organizational systems must be integrated with visionary leadership and managerial consistency to achieve leverage effects on work pattern changes. Mardikaningsih and Darmawan (2022) argue that organizations with continuous learning patterns and structural adaptation are more resilient in facing globalization pressures and evolving workforce demands. Systemic inconsistency or norm ambiguity only generates friction and reduces participation in sustainability programs.

Measurable organizational system transformation includes adjustments to selection mechanisms, orientation processes, and outcome-based environmental evaluation systems. The rigor in establishing behavioural and performance standards aligned with green vision is a critical foundation. Gardi, Udjari, and Darmawan (2021) add that strategic communication intensity among all stakeholders supports the creation of constructive relationships that reinforce the systemic implementation of sustainability values.

Broadly, reward systems and organizational structures must serve as the main engine for internalizing green leadership, not merely administrative complements. Ambiguity or inconsistency

in these systems will result in limited innovation courage and weak acceleration of behavioural change. A managerial perspective oriented toward a sustainable reward system is an effective bridge for shifting organizational culture toward a more environmentally friendly order.

Inclusive learning organizations that are open to feedback build a strong foundation for long-term sustainability. This forms a solid base for consolidating green leadership, preparing all organizational levels to face environmental changes and global demands. Adaptive system transformation closes resistance gaps and strengthens collective engagement in implementing green initiatives.

A supportive organizational environment enhances the effectiveness of green leadership because innovative behaviour and open communication can thrive optimally. Integration of reward systems, incentives, mentoring, and collective vision builds resilient, innovative, and consistent organizational structures to implement environmentally friendly values as a core foundation for future sustainability. The discussion concludes that the success of green leadership heavily depends on designing organizational systems that balance values, actions, and rewards a managerial framework ensuring that the internalization of green values is effective, widespread, and produces tangible impacts at all organizational levels.

Conclusion

From the phenomenon analysis to the discussion of all research questions, it can be concluded that the practice of green leadership in organizations strongly requires individual psychological readiness, consistent work culture, and organizational systems and structures that support the internalization of sustainability values. Leadership with an environmentally conscious vision will only have tangible impact if it is supported by an adaptive work environment, relevant reward systems, and open communication that involves all human resources. The process of internalizing green leadership demands synergy between managerial vision, collective learning systems, and recognition of green innovation to create a work culture that is responsive to sustainability demands and change.

The implications of these findings indicate that organizations need to proactively build a work ecosystem that is open, supportive, and adaptive for the implementation of green leadership, thereby accelerating the internalization of sustainability values. This includes adjusting reward systems and recognition for innovative behaviour, providing continuous training, and strengthening cross-level communication between management and employees so that all organizational elements can jointly face environmental challenges and developments in the global industry.

Recommendations include conducting regular assessments of organizational culture readiness, reinforcing incentive systems and training for all human resources, and prioritizing alignment between green leadership vision and actual organizational practices through monitoring, evaluation, and active employee engagement in every stage of the transformation toward sustainability.

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