The role of ethical leadership in business sustainability: Gauteng business leaders' perceptions, experiences and challenges

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Abstract

The study of ethical leadership has been conducted for decades by scholars and business practitioners alike, proving a perennial and consequential topic. Literature demonstrates that ethical leadership is imperative for business sustainability, with some research indicating a direct link between the two. Recurring business scandals expose leaders who take unethical decisions when confronted with ethical dilemmas, revealing a persistent disconnect between what leaders know about ethical leadership and what they practice in their day-to-day business activities.

A qualitative, phenomenological study was conducted using ten (10) Gauteng business leaders as the unit of analysis to seek their perceptions, challenges and experiences of acting ethically in their leadership roles. Semi-structured, in-depth interviews of 60 – 90 minutes were conducted, and the data were analysed thematically using NVivo.

The findings indicate that Gauteng business leaders possess thorough knowledge and understanding of the importance of ethical leadership for business sustainability. All ten participants characterised ethical leadership as the moral foundation of organisational sustainability, anchoring it in integrity, transparency, and stakeholder accountability. The findings further reveal challenges and lived experiences by Gauteng leaders in their bid to act ethically. Impediments such as investor pressure and a bottom-line mentality, weak enforcement mechanisms, and entrenched organisational culture act as barriers to ethical practice. These findings are interpreted through the lenses of stakeholder theory, the triple bottom line (TBL) framework, and the South African governance discourse of King V and Ubuntu.

Finally, the researcher recommends that future studies explore ethical leadership through a human behaviour and psychological lens and further proposes that organisations develop an ethical leadership performance scorecard, a tool to assess leaders' ethical practices and their measurable impact on business sustainability. Such a tool holds potential to establish a direct, evidence-based link between ethical conduct and long-term organisational sustainability.

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Chapter 1: Introduction

1.1 Introduction

The overall purpose of this dissertation is to explore how senior business leaders in the province of Gauteng, South Africa, think about, experience and practise ethical leadership in relation to business sustainability. While the existing literature has examined aspects of ethics in leadership, decision-making and their impact on various outcomes, such as organisational culture, commitment and performance, the explicit link between ethical leadership as a leadership practice, the sustainable firm and the South African context has not been as clearly articulated (Bhana and Suknunan, 2022; Cheteni and Umejesi, 2025).

Moreover, the public record of corporate misconduct, both in South Africa and globally, testifies to the risks and costs at stake (Bhana and Suknunan, 2022; Cheteni and Umejesi, 2025). The pursuit of short-term rewards and a bottom-line mentality, when it comes to making decisions about "how we do things around here", has the capacity to betray stakeholder trust, destroy value and threaten firms' sustainability.

This study provides a response to this research void by attempting to yield qualitative, phenomenological data about leaders' own perceptions, dilemmas and lived challenges as they strive to govern their organisations in a more sustainable way in complex, stakeholder-rich environments.

1.2 Research background

Ethical leadership is a concept that seeks to shape leadership behaviour and organisational culture. It refers to a form of leadership guided by ethical principles and values. Business materially advances the economy by creating jobs, fostering innovation and generating tax revenues to support public goods (Alsaaty and Makhlouf 2020; Atichasari and Marfu, 2023; Beecher, 2021). However, the value created by business only becomes enduring where organisations respect people and planet as well as profit. This is the fundamental premise of the triple bottom line (TBL), which proposes that long-term corporate performance must steward people, planet and profit (Correia, 2019; Nogueira, Gomes and Lopes, 2025; Wisconsin Online Collaboratives, 2022). TBL reframes success beyond short-term shareholder returns and prompts leaders to consider the implications of externalities, intergenerational equity and good corporate citizenship as integral to strategy and reporting.

Brown, Trevino and Harrison (2000) conceptualised ethical leadership by defining it as a demonstration of normatively appropriate behaviour through personal actions and interpersonal relationships. This was the foundational framing of a leader as a moral person and moral manager; it is commonly cited in literature and establishes that ethical leadership is a personal virtue and an organisational practice (Fatoki, 2020; Ughulu, 2024). Stakerholder theory underpins this paper and is founded on Freeman's (1984) stakeholder theory. He redefines the purpose of firms from just increasing shareholder value to balancing the interests of all persons affected by the firm including employees, society, suppliers, environment, etc. These seminal frameworks provide theoretical architecture to understanding why ethical leadership is critical for sustainability.

In practice, however, the track record of firms to embed sustainability into their value proposition and practices has been mixed. Research has highlighted implementation gaps in sustainable business models, under-integration of digital innovation for sustainability and gaps in assessment tools to measure and track sustainability performance (Karuppiah, Sankaranarayana and Ali, 2023; Saulick, Bokhoree and Bekaroo, 2023). These persistent implementation gaps sharpen the focus on the quality of leadership. Ethical leadership – leadership that is grounded in integrity, fairness, transparency and accountability – shapes organisational culture, signals priorities and anchors governance in ways that can enable or undermine sustainability performance (Fatoki, 2020; Hassan and Al-Jubouri, 2023; Kanyamukenge and Kagwaini, 2024).

Recent qualitative and quantitative research directly and indirectly links ethical leadership to outcomes relevant to sustainability, such as fair and balanced decision-making, enhanced stakeholder trust and principled conduct and decision-making (Hassan and Al-Jubouri, 2023; Malik et al., 2023; Wirba, 2023). Malik et al. (2023), for instance, find that a “bottom-line mentality” crowds out ethical considerations, despite self-reported awareness of ethical norms and values. This disjunction of knowing versus doing implies that ethical leadership is not simply a matter of individual character, but is also influenced by organisational incentives, culture and perceived dilemmas.

Even though the body of evidence continues to grow, there remains a critical gap wherein literature is dominated by quantitative studies with limited phenomenological accounts from senior leaders with their lived experiences and challenges – particularly within the South African context. While governance frameworks such as King V and the Ubuntu philosophy provide normative foundation for ethical leadership in South Africa, the way in which senior leaders apply these to their day-to-day sustainability and ethical decisions remain under-studied (Bhana and Suknunan, 2022; Cheteni and Umejesi, 2025). This paper seeks to address this gap.

The South African context deepens these concerns. Large firms have failed ethically across successive leadership teams over the past decade, with the Steinhoff collapse serving as a textbook case of “accounting irregularities” and major value destruction for investors (Van der Linde, 2022). Enron and other global giants are referenced in the research on Nigeria as a reminder that such ethical failures are by no means a unique or peculiar problem to the South African jurisdiction (Bondarenko, 2024). At the same time, South African governance discourse (e.g. King V Principle 1 on ethical and effective leadership) and the communitarian ethic of Ubuntu emphasise a leader’s obligations to a network of relationships and to long-term flourishing for communities. The study situates ethical leadership as foundational to sustainable business in a stakeholder-rich context and thus reinforces the application of TBL and stakeholder theory in South Africa.

1.3 Research problem

Although corporate governance has received considerable attention, and the ethical dimensions of leadership are normatively compelling, corporate scandals persist, and sustainability outcomes are mixed (Karuppiah, Sankaranarayanan and Ali, 2023; Saulick, Bokhoree and Bekaroo, 2023; Van der Linde, 2022). A recurring sequence can be observed: unethical or overly financialised decisions trigger an erosion of stakeholder trust, which subsequently causes reputational and financial damage, weakening organisational resilience and thereby placing long-term business sustainability at risk (Bondarenko, 2024; Fatoki, 2020). Evidence suggests that even leaders who understand ethical leadership and sustainability principles may find it difficult to uphold when faced with incentives, cultural pressures or perceived trade-offs (Malik et al., 2023; Wirba, 2023).

While some qualitative work on ethical leadership with senior managers exists in the South African context, rich qualitative descriptions of senior leaders' lived experiences of ethical challenges and their relationship to organisational sustainability remain limited. Much of the literature in the country has explored similar topics – for instance, ethical leadership's impact on employee outcomes in local government (Ndou and Agbenyegah, 2022) or how ethical leadership is associated with small and medium-sized enterprise (SME) performance (Fatoki, 2020; Madanchian et al., 2025). However, phenomenological perspectives that give voice to C-suite leaders' perspectives on how ethical leadership contributes to (or detracts from) business sustainability are scarce (Tabaghdehi, Ayaz and Tatoglu, 2026). In parallel, work on organisational barriers has shown that lack of ethics training, weak enforcement, misaligned incentives and cultural challenges are among the factors that stymie ethical practice (Rahman et al., 2020; Ughulu, 2024).

The problem lies in the gap between the acknowledged importance of ethical leadership for the sustainability of business and its practical application in Gauteng's business environment. This study seeks to address this gap by analysing Gauteng's leaders' perceptions, challenges and experiences.

1.4 Research aim

The goal of the study is to explore how senior business leaders in Gauteng conceive of ethical leadership, the barriers they encounter and their experiences of practising it in relation to business sustainability.

The purpose is to develop a contextually rich description and understanding of conceptions and practices of ethical leadership at the top of organisations; to identify barriers to ethical behaviour in decisions relevant to sustainability; and to generate implications for leadership development, governance practices and sustainability strategy in South African organisations (Easterby-Smith et al., 2021; Oranga and Matere, 2023).

1.5 Research objectives or questions

1.5.1 Main research question

How do Gauteng's business leaders perceive, experience, and navigate the role of ethical leadership in fostering business sustainability?

1.5.2 Sub-questions

i. How do Gauteng's business leaders perceive the role of ethical leadership in business sustainability?
ii. What challenges have business leaders faced in their bid to behave ethically?
iii. What ethical dilemmas have leaders encountered in their leadership roles?

1.5.3 Research objectives

i. To explore Gauteng leaders' perceptions of the role of ethical leadership in business sustainability.
ii. To examine the challenges business leaders often face in their bid to behave ethically.
iii. To explore ethical dilemmas encountered by business leaders in their leadership roles.

1.6 Significance of the study

The thesis provides qualitative, phenomenological data from a relatively under-researched population (Gauteng C-suite executives) on the realities of ethical leadership vis-à-vis sustainability. It makes an empirical contribution to stakeholder theory, illuminating leaders' understanding and navigation of their obligations to multiple constituencies over time (Mahajan et al., 2023). It also nuances TBL and ethics literature with a South African governance lens (King V's injunction to be both ethical and effective leaders, and Ubuntu-inflected expectation of relational accountability), to contextualise the conceptual framing.

For boards, executives and governance professionals, the study can shed light on the barriers and enablers of ethical leadership practices when sustainability is at stake – impacting on incentive design, tone-at-the-top, ethics training, risk management and stakeholder engagement (Fatoki, 2020; Hassan and Al-Jubouri, 2023; Rahman et al., 2020).

The findings have the potential to inform leadership development curricula and corporate governance guidance, enhancing the credibility of sustainability commitments and reducing the risk of ethical lapses that erode long-term value and stakeholder trust (Kanyamukenge and Kagwaini, 2024; Ndou and Agbenyegah, 2022).

Academically, this study enriches the qualitative and phenomenological literature on ethical leadership by providing lived, experience-near accounts from C-suite leaders in the South African context, a population that remains under-researched relative to middle-management samples. It contributes to the theoretical conversation at the intersection of stakeholder theory, triple bottom line (TBL), and Ubuntu-informed governance. For business, the findings surface practical barriers and enablers can directly inform incentive design, ethics training, board oversight, and tone-at-the-top initiatives in Gauteng's organisations. For society, at a time when South Africa continues to grapple with the aftermath of state capture, COVID-19 corruption and corporate scandals such Tongaat Hulette, and persistent socio-economic inequality, the study speaks to the urgent need for leadership that is not only compliant but genuinely ethical, leadership that positions business as a contributor to sustainable nation-building and the well-being of communities.

1.7 Scope, assumptions, limitations and delimitations

The study's unit of analysis is the individual senior leader (e.g. C-suite or equivalent) in medium to large organisations (public and private) operating in Gauteng. The sample's seniority focus is a deliberate choice, given that decisions made at this level have an outsize impact on sustainability outcomes and their stakeholder constituencies (Beecher, 2021; Wisconsin Online Collaboratives, 2022).

It is assumed that participants have encountered ethical challenges relevant to sustainability; they can communicate their perceptions and experiences in the context of a research interview, and an interpretivist approach can provide credible and situated understandings of ethical leadership (Easterby-Smith et al., 2021; Oranga and Matere, 2023).

The study is delimited to Gauteng and excludes small businesses and multinational company headquarters based outside of the province, as the research focus is on high-impact decisions made in South Africa's largest economic hub. Causal relationships will not be measured, and the study will not generalise its findings statistically.

The study acknowledges the potential for self-presentation bias among senior leaders and takes steps to mitigate it by assuring confidentiality, using neutral prompts and engaging in reflexive interviewing.

Additionally, the study acknowledges the limitation of small sample size: with ten participants, the findings are not statistically generalisable to all Gauteng business leaders, and analytic generalisation are bounded by the specificity of the context represented. The study also recognises the researcher's subjectivity as a limitation: as a qualitative, phenomenological inquiry, the interpretation of interview data is inevitably shaped by the researcher's own positionality, assumptions, and prior knowledge of the field. Reflexive journaling and peer debriefing were employed to mitigate this risk but cannot eliminate it entirely.

1.8 Definitions of key concepts

- Ethical leadership: Leadership characterised by integrity, fairness, transparency, accountability and consideration for the interests and well-being of multiple stakeholders (Fatoki, 2020; Hassan and Al-Jubouri, 2023; Ughulu, 2024).
- Business sustainability: The capacity of an organisation to create and preserve long-term value by aligning economic performance with social equity and environmental stewardship, consistent with triple bottom line thinking (Correia, 2019; Nogueira et al., 2025; Wisconsin Online Collaboratives, 2022).
- Triple bottom line (TBL): A strategic and reporting framework emphasising people, planet, profit as inseparable pillars of performance (Correia, 2019; Nogueira et al., 2025).
- Stakeholder: Any person or group affected by or capable of affecting the organisation's activities (Mahajan et al., 2023).

- Ethical dilemma: A decision situation involving competing moral claims, obligations or stakeholder interests where courses of action may carry trade-offs for sustainability (Malik et al., 2023; Rahman et al., 2020).

1.9 Preliminary literature review

1.9.1 Stakeholder theory

Stakeholder theory posits that organisations create value by recognising and balancing the legitimate interests of diverse stakeholders, not only shareholders (Mahajan et al., 2023). As a business-ethics theory, it provides both a descriptive lens (how organisations actually operate among many claims) and a normative guide (how they ought to operate to be legitimate and sustainable). Ethical leadership is the human and organisational capacity that translates stakeholder obligations into strategy and day-to-day decisions.

1.9.2 Triple bottom line (TBL)

TBL operationalises stakeholder considerations across social, environmental and financial domains (Correia, 2019; Nogueira et al., 2025). It offers an outcome frame for sustainability, while stakeholder theory foregrounds the relational obligations of leaders.

1.9.3 South African governance and Ubuntu

In South Africa, the King V Code foregrounds ethical and effective leadership as foundational to governance and sustainable performance, while the Ubuntu ethos underscores relational personhood and interdependence – "a person is a person through other persons" – which coheres with stakeholder theory's communitarian leanings. Together, these perspectives sharpen the study's contextual lens: leaders are answerable to a community of stakeholders and to the long-term social-ecological systems that support enterprise.

This triangulation – stakeholder theory, TBL and a South African ethos of leadership – underpins the conceptual diagram articulated in the study, which depicts ethical leadership as the foundation on which sustainable business rests.

1.10 Overview of methodological approach

The subjective nature of phenomena of interest warrants a qualitative, phenomenological design (Easterby-Smith et al., 2021; Oranga and Matere, 2023). Semi-structured, in-depth interviews were used to elicit participants' rich descriptions of ethical dilemmas, decision-making rationales and perceived links to sustainability (Osborne and Grant-Smith, 2021; Ruslin et al., 2022).

Purposive sampling identified C-suite or equivalent leaders with at least 10 years' senior leadership experience in medium-to-large organisations in Gauteng. Snowball referrals complemented purposive identification for hard-to-reach executives

(Campbell et al., 2020). Sampling was conducted until data saturation was reached. Fairness in selection is promoted by diversifying selections across sectors, ownership (public/private) and, where possible, demographics to reduce the homophily risk that is inherent in snowballing.

Interviews (estimated 60 to 90 minutes) were conducted in person or online (participants' preference) and recorded with consent for accurate transcription and analysis (Ruslin et al., 2022). Open-ended prompts were used to solicit definitions of ethical leadership, reflections on challenges and narrative descriptions of dilemmas (Malik et al., 2023; Wirba, 2023). Probes were neutral and non-leading.

Thematic analysis was used for coding and interpretation of the data, supported by NVivo 14 for enhanced rigour and retrieval (Allsop et al., 2022; Christou, 2022; Limna, 2023; Zamawe, 2015). Inductive coding allowed for the emergence of themes from the data, after which patterning occurred in relation to the conceptual frame (Riger and Sigurvinsdottir, 2016).

1.11 Ethical considerations

Risk level and participants: The study is classified as minimal risk. Vulnerable populations were not recruited. Nonetheless, interviews with senior leaders may present professional or reputational risks; questions avoided company-specific identifiers and participants were reminded that they may skip any questions or stop at any time without penalty (Osborne and Grant-Smith, 2021). Approximate interview length was provided in advance (±60–90 minutes).

Informed consent and inducements: The participants were provided with an informed consent form and signed it before taking part in the research. No financial or non-financial inducements were given.

Confidentiality, anonymity and POPIA: Data was de-identified during transcription; pseudonyms and general industry descriptions (rather than company names) were used in any reports. Potentially identifying details (e.g. unique projects) were masked. Personal information was processed in accordance with the Protection of Personal Information Act (POPIA). For snowball referrals, only those people who have consented to sharing their contact details were contacted.

To address data security and retention, digital recordings and transcripts are kept on a password-protected, institutionally approved cloud repository that features two-factor authentication. Files are encrypted at rest, and access is limited to the researcher (and supervisor, if necessary). Consistent with institutional guidance, data will be retained for five years and then securely deleted.

Sensitive disclosures: Although the study is not designed to elicit incriminating information, interviews about dilemmas may be uncomfortable. If any unlawful conduct or serious wrongdoing was disclosed, the researcher discussed it with the supervisor and followed institutional procedures, which precluded absolute confidentiality. The limit to confidentiality was included in the consent form, so participants were aware of this issue. The possibility of psychological discomfort was addressed through reminders during interviews that participants may pause or stop, as well as through information on support resources available, if necessary.

Fairness in selection and gatekeeping: To mitigate selection bias through snowballing, recruitment was from multiple professional networks and from public directories, where possible. Participants were made aware that they were speaking as private persons; formal organisational gatekeeper letters were obtained if needed to minimise institutional sensitivities, consistent with the access or reputational considerations that may be in play.

Researcher reflexivity: The researcher kept a reflexive journal throughout data collection and analysis to surface positionality, account for potential bias and document analytic decisions, thereby making the reflexive process explicit. Peer debriefs were conducted during coding to check assumptions.

1.12 Chapter outline

- **Chapter 1: Introduction**
  Setting, problem, purpose, questions/objectives, significance, scope, concepts, conceptual framework, methodological overview, ethics and trustworthiness.
- **Chapter 2: Literature review**
  Thematic synthesis of key literature on ethical leadership, sustainability (TBL), stakeholder theory, South African governance discourse and empirical gaps/omissions; special focus on qualitative accounts of leaders' experiences and dilemmas.
- **Chapter 3: Methodology**
  Philosophical position, design (phenomenology), sampling (purposive, until saturation), participants, instruments, procedures, analysis (thematic/NVivo), ethics and trustworthiness in detail.
- **Chapter 4: Findings**
  Presentation of themes and supporting de-identified excerpts.
- **Chapter 5: Discussion**
  Interpretation in light of the conceptual frame and prior literature; implications for theory, governance practice and leadership development. Contributions/limitations summary, practical recommendations, limitations, future research (e.g. cross-provincial comparative designs).

1.13 Conclusion

This chapter contextualised why ethical leadership for sustainability matters and why South Africa, and Gauteng in particular, is a critical context for this inquiry. It articulated a clear problem statement; align aim, questions and objectives; and clarify significance, scope and terms. It also established a situated theoretical frame that integrates stakeholder theory, TBL and South African governance values. It furthermore summarised the qualitative, phenomenological approach and buttressed ethical safeguards and trustworthiness procedures as per the ethics review.

The following chapter deepens the theoretical and empirical anchoring by way of a structured, critical literature review.

Chapter 2: Literature review

2.1 Introduction

This chapter critically reviews scholarship pertaining to business sustainability and the potential role of ethical leadership, and examines how these concepts contribute to an understanding of the perceptions, experiences and challenges of top-level leadership in Gauteng (South Africa). This chapter further develops the approved study and responds directly to the ethical structure through a clearer thematic organisation; a deeper situating of the discussion in the South African context (e.g. King V governance discourse, Ubuntu, etc.). It aims to move beyond descriptive summaries to a more critical synthesis to surface explicit gaps in the existing scholarship (e.g. the relative dearth of phenomenological accounts of C-suite leadership in South Africa).

2.2 Conceptualising ethical leadership

Ethical leadership is a complex and multifaceted concept that resides at the intersection of moral philosophy, behavioural ethics and organisational studies. As one of the most researched and yet misunderstood domains of leadership practice in the 21st century, ethical leadership has generated much literature but few insights that directly address the knowing–doing gap. This gap reflects the persistent disconnect between ethical awareness and ethical behaviour in business contexts.

The review that follows surveys the key literature on ethical leadership, including its definition, theoretical underpinnings, characteristics, comparative styles and implications for organisational culture, decision-making and sustainability. The review places a particular emphasis on the South African context, given the recent leadership challenges that have dogged corporate South Africa.

2.2.1 Defining ethical leadership

Ethical leadership can be defined as “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers”, as cited in Fatoki (2020). This definition is the most cited in the literature and reflects two main aspects: the leader as a moral person and the leader as a moral manager (Fatoki, 2020; Ughulu, 2024). The moral person is the leader’s personal qualities of integrity, honesty and fairness, which are also known as “moral agency” (Ughulu, 2024). The moral manager is the leader’s active role in communicating, reinforcing and rewarding ethical conduct among followers. Ethical leadership, therefore, involves both “being” and “doing” right (Fatoki, 2020).

Another key point is that ethical leadership goes beyond simply having a code of conduct or an ethics statement (Bondarenko, 2024). While these are important elements of an ethical framework, ethical leadership itself refers to the conscious moral orientation of the leader. It is reflected in the leader’s patterns of decision-making, which consistently embed integrity, fairness, transparency and concern for others’ welfare into their choices (Hassan and Al-Jubouri, 2023). As organisations in South Africa and around the world continue to face crises caused by unethical decisions, from corruption to environmental violations, the relevance of ethical leadership as the bedrock of sustainable business practice becomes clearer (Van der Linde, 2022; Bondarenko, 2024).

2.2.2 Ethical leadership in theory

In theoretical terms, ethical leadership is derived from various moral philosophical traditions. Deontological ethics or duty-based ethics accords with the leader's obligation to act right because it is right, regardless of consequences (Ughulu, 2024).

Virtue ethics or character-based ethics, on the other hand, emphasises the leader's character or the moral virtues they have cultivated over time through practice and reflection, such as honesty, prudence, temperance and compassion (Ughulu, 2024).

Consequentialist or outcome-based ethics, meanwhile, assesses the leader's decisions by their impact on all stakeholders, aligning with the modern stakeholder theory, which urges managers to consider all affected parties rather than prioritising shareholders alone (Mahajan et al., 2023).

In the actual business world, ethical leadership entails elements of all three traditions. The leader must be a person of virtuous character (virtue ethics), must act from a sense of duty to do right (deontology), and must also look at the stakeholders' outcomes when making decisions (utilitarianism).

The stakeholder theory, which is the theory underpinning this paper, is key to ethical leadership because it recognises that leaders must juggle the competing claims and interests of different stakeholders, including shareholders, employees, customers, suppliers, communities and the environment (Mahajan et al., 2023). This balancing act calls for ethical leadership that can weigh and reason about fairness, harm, benefit, need and legitimacy, rather than simple technical or financial rationality. In South Africa, King V Code of Corporate Governance similarly codifies this moral responsibility in its definition of effective leadership as "ethical and responsible leadership that achieves sustainable value creation through good governance". The Ubuntu philosophy, meanwhile, further roots ethical leadership in South African soil by emphasising interdependence, empathy and human dignity – "I am because we are" (Mahajan et al., 2023; Fatoki, 2020).

2.2.3 Characteristics of ethical leaders

Ethical leaders are therefore both moral persons and moral managers who use their power and positions to promote integrity in organisations. Some of the common characteristics and behaviours of ethical leaders include the following. First, they practise fairness by applying rules and standards consistently and making decisions transparently. Second, they demonstrate care and concern for the well-being of employees and other stakeholders (Hassan and Al-Jubouri, 2023). Third, they value accountability and accept responsibility for outcomes rather than shifting blame. Fourth, they engage in moral communication, that is, openly discussing ethical standards and expectations, as well as dilemmas, rather than assuming mutual understanding (Fatoki, 2020). Fifth, ethical leaders are role models in their organisations, using their position of influence to socialise employees into ethical norms (Wirba, 2023).

The behavioural patterns of ethical leaders operate on three organisational levels. At the micro level, ethical leadership affects individual employees' perceptions, attitudes and actions (Ndou and Agbenyegah, 2022). At the meso level, it shapes organisational culture, or the norms, values and systems that underpin how things are done in an organisation, such as policy guidelines, decision-making systems and reward systems (Rahman et al., 2020). At the macro level, ethical leadership influences how the organisation is perceived externally by stakeholders, such as customers, investors and regulators (Hassan and Al-Jubouri, 2023). In this sense, ethical leadership is both a personal moral compass and a governance mechanism that cascades through the layers of the organisation.

2.2.4 Ethical leadership and organisational culture

Ethical leadership and organisational culture are mutually reinforcing (Rahman et al., 2020). Leaders directly shape culture through their decisions, while culture also shapes what leaders are likely to do. A culture of fairness, openness and respect enables ethical leadership to flourish, while a culture of silence, fear or cut-throat competition undermines it.

Recent research in South Africa by Ndou and Agbenyegah (2022) confirms that ethical leadership only impacts on employee commitment in the presence of a supportive culture. This is why it is not sufficient to focus on individual leaders alone in seeking to improve ethical culture. Ethical leadership must be built into the organisational fabric via regular training, an enforced code of conduct, an ethics champion and anonymous whistle-blowing mechanisms.

The culture itself acts as the firewall against misconduct and mediates the effects of leadership (Fatoki, 2020; Wirba, 2023). When employees observe that leaders value ethics over convenience, they are less likely to tolerate, or even engage in, wrongdoing themselves. Equally, if leaders are only paying lip service to ethical standards but operating counter to them, the employees become cynical, less engaged and demoralised. As such, ethical leadership is not just a matter of individual consistency but of systemic cultivation.

2.2.5 Ethical leadership and the knowing–doing gap

Notwithstanding all this, a substantial knowing–doing gap remains in the actual practice of ethical leadership. Recent research by Malik et al. (2023) shows that even when business leaders recognise the intrinsic moral worth of ethical leadership, they often revert to a bottom-line mentality, a set of beliefs that focuses narrowly on economic value and utility while discounting social or environmental considerations. This mentality sets up a structural tension in leadership since leaders are often evaluated by short-term financial results rather than long-term value creation or moral stature.

Under such pressures, ethical principles become secondary if they appear to constrain immediate success or shareholder expectations. In a similar vein, Wen et al. (2020) provided evidence that leaders sometimes engage in unethical pro-organisational behaviour (UPB), that is, actions that benefit the organisation but violate moral norms, because they rationalise these behaviours as necessary or good for the organisation.

These studies shed light on the contextual and systemic factors that militate against ethical leadership in practice.

In the South African context, such tensions are exacerbated by a business environment where socio-economic disparities and high corruption risk remain in the post-apartheid era. Corporate governance scandals such as Steinhoff and Tongaat Hulett show that complex, informed leaders, well aware of the governance code, could still act deceptively, eroding value from their organisations (Van der Linde, 2022). This suggests that there is not ignorance of ethics but a failure to apply even known standards of right conduct. For leaders, ethical leadership is thus not only personal but also structural and cultural.

2.2.6 Ethical leadership as a relational process

Ethical leadership should not be understood as a monologue or a unilateral act of the leader towards followers. Instead, it is an inherently relational process that requires interactions among leader and followers. This view is supported by the social identity theory, which states that employees relate to their leaders through shared identity and group membership (Rahman et al., 2020). Followers thus play a vital role in determining the leader's legitimacy and ethical standing. In return, the leader depends on the followers' feedback, support and trust to perform effectively (Heres, 2021). This interplay is described by Hassan and Al-Jubouri (2023) as moral reciprocity.

In the example of ethical leadership, this takes the form of the leader socialising the followers into ethical norms, which, in turn, follow the leader because they trust them (Ahmed and Khan, 2024). Ethical leaders also practice empowerment, such that followers are not afraid to speak up or raise their concerns with superiors. This kind of psychological safety is necessary for ethical discourse and improvement (Rahman et al., 2020).

In South Africa, relational ethics resonates with the Ubuntu values, in particular, the emphasis on community and the human (I am because we are). Ethical leadership based on Ubuntu would foreground compassion, mutuality and reconciliation as the basis for lasting relations (Mahajan et al., 2023). It also corresponds to the stakeholder theory in modern management, which reconceptualises the organisation as a set of relationships rather than a unit of shareholder value alone (Mahajan et al., 2023). The relational approach to ethical leadership, therefore, opens the way to gain legitimacy not only with the investors but also with communities and society at large.

2.2.7 Ethical leadership and decision-making

Decision-making is the primary space where ethical leadership is exercised or demonstrated. It is in the small, everyday decisions where the ethical leader leads the most, since these affect the cumulative performance of the organisation. The important decisions about resource allocation, performance appraisals, contracts, disciplinary measures and strategic choices are typically sources of ethical dilemmas (Mahajan et al., 2023). Ethical decisions involve choices between different and sometimes conflicting principles. To what extent is it fair to select A over B? Does the decision benefit some groups and harm others? To what extent does it infringe the rights or confidentiality of some stakeholders? An ethical decision is one where the leader justifies their choice in the face of trade-offs based on some moral or ethical principles. These principles may be captured by different moral reasoning modes, including duty-based reasoning (what rules or rights apply), consequence-based reasoning (what outcome maximises benefit for most stakeholders) and virtue-based reasoning (what would a person of integrity do?) (Fatoki, 2020). Effective ethical leaders, therefore, should draw on all three modes, depending on the situation, and use a variety of ethical reasoning tools.

2.2.8 Ethical decision-making in practice

Decision-making is often, however, a constrained activity. A variety of pressures and limitations can cloud or even prevent ethical decisions (Mahajan et al., 2023). For instance, ethical decisions often take time to research and justify. But decisions must often be made with incomplete or unreliable information. As such, ethical decisions may also be delayed or distorted to fit a particular business agenda. Decision-makers may also be incentivised by internal power structures to make decisions that advance their careers or networks (Rahman et al., 2020). A lack of enforcement and accountability for ethical breaches only allows leaders to use decision-making to pursue personal gain rather than promote the common good (Mahajan et al., 2023).

Another reason is the bottom-line mentality, which leads to short-termism in business decisions. The ethical leader, therefore, must be able to counter the pressure to prioritise immediate profit over long-term sustainability (Correia, 2019). The conceptual framework, the TBL influence on business performance, developed by Nogueira, Gomes and Lopes (2025) provides a useful model to do so. It uses a stakeholder mapping process to show how decisions ripple outwards to various systems, including social and environmental spheres. Decision-makers who ignore the interests of weak stakeholders or limit their thinking to dominant stakeholders fail to maximise value for the majority (Nogueira, Gomes and Lopes, 2025). Ethical decision-making must thus be transparent and open to scrutiny and debate (Wisconsin Online Collaboratives, 2022).

2.2.9 Ethical leadership and sustainability outcomes

Ethical leadership has the potential to impact the performance of the organisation in many ways relating to sustainability outcomes. Fatoki (2020) found that ethical leadership had a positive and significant impact on performance in SMEs. The ethical leader cultivates trust, commitment and motivation among employees, which, in turn, enhances performance through reduced misconduct, lower turnover and higher customer and supplier relationships. Hassan and Al-Jubouri (2023) also show a positive relationship between ethical leadership and performance, where the performance included the sustainability indicators of innovation and customer/stakeholder satisfaction. The literature review by Nogueira, Gomes and Lopes (2025) similarly demonstrates the TBL view that ethical leadership can lead to people, planet and profit outcomes if embedded into organisational culture.

This can also be explained from a corporate governance perspective, which views governance as ensuring adherence to standards and codes of practice. In this way, ethical leadership is a preventive factor that prevents harm (misconduct). But ethical leadership is not merely the absence of bad behaviour; it can also be generative, that is, the deliberate creation of positive social value beyond profit (Nimani, Zeqiraj and Spahija, 2022). The ethical leader ensures compliance with ethical standards, enhances transparency and disclosure to investors and the public, and prevents reputational damage and financial risk. Ethical leaders can also practice good corporate citizenship by going beyond what is legally required, making voluntary contributions to the community through environmental sustainability efforts, community donations or participation in public causes (Nimani, Zeqiraj and Spahija, 2022).

2.2.10 The practical challenges of ethical leadership as a decision-making practice

Globally, ethical leadership is becoming more complex as businesses face greater uncertainty amid globalisation, technological disruption and stakeholder activism. Decisions about data privacy, algorithmic bias, digital security and environmental footprint all require moral reflection from leaders. In addition, digital disruption has sped up information flows, amplifying the reputational damage from unethical decisions. Business scandals may no longer only cost millions in recoverable losses but wipe out decades of brand trust. The cross-cultural and hybrid workforces and workspaces also test ethical leaders to the extent that they must be sensitive to different ethical norms and values and seek a common set of ethical principles. This can be especially challenging in South Africa, given the richness and diversity of the country (Urbancová, Hudáková and Fajčíková, 2020).

On the internal front, even when leaders themselves are ethically minded, they may find ethical leadership hard to practise. Ethical leadership is only as good as the systems that support it. If performance appraisals, bonuses or promotions are based only on profit and neglect broader stakeholder impact, employees quickly conclude that ethics is not rewarded in the organisation. Rahman et al. (2020) highlight that ethical leadership fails not because of a lack of communication or individual motivation but because of the systemic weakness of oversight, enforcement and cultural complacency. In sum, ethical leadership requires internalising ethics as a matter of personal integrity as well as systemic logic.

2.2.11 Ethical leadership from a South African perspective

Ethical leadership is a particularly important concept for South Africa at this juncture, given its historical and socio-political significance. Post-apartheid South Africa embarked on a period of reforms to restore public confidence in leadership through values such as transparency and inclusivity (Noyoo, 2021). The King Reports on Corporate Governance (I–IV) have been the most visible institutionalisation of this moral and sustainability agenda. Yet recent scandals such as Steinhoff, Eskom irregularities and state capture illustrate that ethical leadership remains a problem, even when the ethically appropriate course of action is clear (Van der Linde, 2022). Scholars such as Fatoki (2020), Ndou and Agbenyegah (2022) have pointed out that the persistence of unethical behaviour in South African business is not because of a lack of knowledge or the ethical code, but a weakness in the system. In some cases, they reflect perverse incentives, cultural complacency and poor enforcement. Ethical leadership, therefore, becomes not only a matter of compliance or reputation but a part of the moral and social project of nation-building.

As South Africa grapples with massive socio-economic disparities, unemployment and inequality, ethical leadership takes on an even greater role. Ethical leaders must model integrity at a time when society is demanding it most. This view is supported by the Ubuntu philosophy, which deepens the ethical vision of leadership beyond profit to include other values such as human dignity, welfare of the marginalised, community and even intergenerational equity (Mahajan et al., 2023). In this regard, ethical leadership is both a governance imperative and a moral obligation to the project of sustainable nation-building.

Ethical leadership, as conceptualised in this chapter, combines the moral character of the leader with the active management of ethical conduct, requiring ongoing judgement across competing stakeholder claims and moral considerations.

These characteristics of ethical leadership manifest across individual, organisational and stakeholder levels and distinguish ethical leadership from related leadership styles through their explicit emphasis on moral reasoning and ethical decision-making.

The main external challenge to ethical leadership is the knowing–doing gap. Research shows that many leaders revert to a bottom-line mentality that discounts non-economic values when under pressure (Pajic et al., 2025).

There are a variety of pressures that can influence ethical decision-making in business, including time constraints, political considerations and incomplete information.

Ethical leadership can lead to sustainable performance by reducing misconduct, attracting and retaining talent, enhancing social licence to operate and creating positive social value beyond profit. In South Africa, ethical leadership is not only a compliance matter but a social and moral one, which requires rebuilding trust with a society that demands integrity, inclusion and equity.

2.3 Business sustainability: From CSR to TBL and sustainable business models

Sustainability means the ability of businesses to continue operating in the long term. The definition of sustainability has changed over the last 40 years as stakeholders have understood more about how businesses create or destroy value (Park, Cuervo-Cazurra and Montiel, 2023). Business has historically been defined as maximising shareholder value through profits and obeying the law. When corporate scandals, environmental damage and social inequality came to light, it was clear that profit was not enough to achieve sustainability (Correia, 2019; Nogueira, Gomes and Lopes, 2025). The more recent definition of sustainability has included long-term value generation for all stakeholders and has integrated social, environmental and financial factors into daily operations. This suggests that money is not the only aim, and social issues such as safety or diversity and inclusion may also be considered. It also emphasises that sustainability must be integrated into business models (Estenbanz and Martin, 2025).

2.3.1 Difference between corporate social responsibility (CSR) and sustainability

CSR was an earlier movement that has provided a new and long-term mindset for business operations. Organisations should take social responsibility for their impacts on society, such as giving money to good causes, supporting projects for the community and following environmental and employee safety standards (Nimani, Zeqiraj and Spahija, 2022). CSR could take various forms, including community-based educational and health initiatives in developing countries such as South Africa (Cheruiyot-Koech and Reddy, 2022). CSR had a positive reputation and had many supporters, but was frequently used for self-promotion (Levesque, 2023; Correia, 2019).

CSR was restricted to the business, yet sustainability focused on the preservation of value creation (Radoiu, 2022). It can be argued that CSR and sustainability have different aims, although some of their aims overlap (Haidar, 2021). Sustainable activities were required in a company's entire value chain, from product sourcing to customer service, to create long-term value (Mahajan et al., 2023). For instance, sustainable strategies may incorporate social and environmental elements into corporate governance and long-term planning rather than as an afterthought (Saulick, Bokhoree and Bekaroo, 2023). Furthermore, CSR and sustainability are closely connected to stakeholder theory, which defines the organisation's purpose as serving all stakeholders' needs and not just those of the owner. In other words, there is a tight relationship between corporate ethics and sustainability, and leadership recognises the importance of interdependence.

2.3.2 Triple bottom line (TBL)

In business, the three most important terms are people, planet and profit (Wisconsin Online Collaboratives, 2022). These components comprise the TBL framework, a significant sustainable business perspective introduced in the 1990s. TBL aimed to create a business value that was not only economic but also moral (Correia, 2019). "People" refers to the company's social impact, such as fair labour practices, social inclusion, human health and safety and overall well-being. "Planet" refers to the organisation's environmental responsibility to conserve and improve the environment through resource efficiency, waste reduction, carbon management and biodiversity conservation (Nogueira, Gomes and Lopes, 2025). "Profit" emphasises that long-term, responsible and equitable value creation for all stakeholders is essential, and short-term profits at others' expense are unsustainable.

The TBL is significant since it adds a social and environmental dimension to the economic value. This requires organisations to follow integrated reporting standards that reveal corporate performance in all three dimensions, giving internal and external stakeholders a more transparent picture of the organisation's effectiveness (Correia, 2019). One of the difficulties with TBL is determining which social and environmental measures to use since these factors are often intangible or long-term (Latino, Menegoli and Lorenzi, 2024). Despite sustainability forming part of the mission of most organisations, profit is often considered more important. According to Saulick, Bokhoree and Bekaroo (2023), while standards like the Global Reporting Initiative (GRI) and United Nations Sustainable Development Goals (SDGs) might assist with sustainability reporting, sustainability claims are frequently not met. It is a phenomenon known as greenwashing (Jegadeeswari et al., 2024). Authentic sustainability declarations must be supported by data and tracked over time, which requires effective and ethical leadership.

2.3.3 Sustainability and business ethics

If TBL is to be sustainable, it must be ethically led and governed. Ethical leadership is necessary for developing organisations that incorporate TBL sustainability since it includes moral decision-making at every level (Fatoki, 2020; Hassan and Al-Jubouri, 2023). Sustainability activities that are not ethically led may be hollow and merely symbolic. Some scholars argue that many organisations create sustainability efforts and systems to gain social legitimacy rather than to reorient core processes to be more sustainable (Karuppiah, Sankaranarayanan and Ali, 2023). Karuppiah Sankaranarayanan and Ali (2023) found that one of the most significant impediments to transitioning from CSR to sustainability was a lack of ethical leadership commitment.

Rahman et al. (2020) found that although businesses may define and operationalise sustainability in various ways, most were unable to sustain it in practice because the moral codes of conduct were not strictly enforced, there was a narrow profit maximisation orientation, and there was a lack of understanding of what ethical responsibility entails. Ethical leadership is significant because, as observed by Rahman et al. (2020), it serves as a bridge between governance codes and the actual activities and decisions made by people in organisations.

The King V Report on Corporate Governance provides some essential strategic directions that include sustainability and closely align with an ethical leadership orientation. The King V Report (2022) states: “Governance is the exercise of ethical and effective leadership directed at creating sustainable value.” Leaders must balance a wide range of stakeholders’ reasonable interests, accountabilities and responsibilities within the constraints and opportunities provided by the social and environmental context in which the organisation conducts its operations. The King V Report establishes this strong connection. The authors of the King V Report (2022) made it clear that to be successful, good governance must also be ethically and morally led. As a result, corporate governance must include ethical leadership.

2.3.4 Sustainable business models (SBMs)

Sustainable business models are a related area of academic research. SBMs offer frameworks that reorganise a business’s core to consider sustainability when creating, offering and capturing value (Karuppiah, Sankaranarayanan and Ali, 2023). SBMs must be both socially and environmentally sustainable by design; they must be more than just cosmetic adjustments, a greenwashing ploy or a checklist of corporate social responsibilities. SBMs, according to Karuppiah, Sankaranarayanan and Ali (2023), have redefined the business’s purpose, core operations and relationships with other stakeholders.

SBMs, for example, have combined the circular economy (reduce, reuse, recycle), cradle-to-grave product design and digital transformation in new and innovative ways to improve efficiency and reduce waste (Karuppiah, Sankaranarayanan and Ali, 2023). Saulick, Bokhoree and Bekaroo (2023) reviewed a wide range of sustainable assessment techniques for various business model types and divided them into several groups. An effective SBM evaluation is a multi-criteria evaluation of financial, environmental and social metrics. The most significant challenge, however, is that only a small percentage of current organisations, particularly in developing countries, have fully integrated SBMs (Karuppiah, Sankaranarayanan and Ali, 2023). In South Africa, for example, most businesses face institutional constraints such as unclear regulations, unstable financial markets and less investor demand for transparency. The result of this challenging institutional setting is that ethical leadership is more crucial than ever. Ethical leaders must promote sustainability initiatives in the face of powerful structural and external oppositions (Nogueira, Gomes and Lopes, 2025). Ethical leaders can aid in the transition to SBMs by developing the right learning culture, fostering digital and sustainability innovation and encouraging multi-sector collaboration with other stakeholders to speed up the adoption of SDGs.

2.3.5 Leadership and strategic governance

The board and senior management have long considered sustainability from the perspective of strategic integration. The CEO must lead the way, and the board and other governance bodies must support them and enshrine the appropriate values in corporate policies and codes of conduct as well as performance incentives, according to Correia (2019). Sustainability should no longer be a reactive compliance duty, according to the article. It should be a moral and strategic organisational goal. Sustainability's moral aspect must, therefore, be embedded in an organisation's strategy by considering the ethical implications of decisions at every level and in all corporate activities, from procurement to employee recruitment and investor relations.

According to Nogueira, Gomes and Lopes (2025), the more an organisation authentically practices sustainability, the more financially successful it will be. This is because sustainability not only fulfils an organisation's ethical responsibilities but also provides advantages such as lower risk, more innovation and better stakeholder connections. Reducing expenses is one significant source of these financial savings, and sustainability principles frequently cause organisations to reorganise their activities to be more efficient. For example, sustainability practices in human resources, such as diversity and inclusion, result in better employee retention and productivity and cost savings regarding turnover and disengagement (Galdiero et al, 2024). Moreover, a robust commitment to sustainability can enhance organisational self-efficacy, enabling the setting and achievement of increasingly ambitious strategic goals in environmental and social performance (Bonilla-Priego, Sanchez and Font, 2021). This holistic integration necessitates strong ethical leadership to navigate complex trade-offs and drive organisational transformation towards genuinely sustainable practices (Alkhodary, 2023).

2.3.6 Problems in sustainability practices

Greenwashing has been a challenge for the sustainability movement. Greenwashing occurs when a company is not as sustainable as it claims to be. According to Jegadeeswari et al. (2024), this is not uncommon. Malpractices like this are likely to increase as long as short-termism remains a primary focus in business. The need to maximise shareholder value in the short term has resulted in leaders focusing on quarterly reports, which only look at the next three months of a company's performance.

Measurement challenges are another difficulty. It is quite simple to measure a business's financial status, but it is much more difficult to determine its social or environmental impact. Many of the techniques used to measure this are based on subjective criteria or the context of a specific organisation. For example, while it is simple to report a company's carbon emissions, how it affects social cohesion or educational outcomes is less clear (Saulick, Bokhoree and Bekaroo, 2023). The final problem that business sustainability faces today is capacity. According to Fatoki (2020) and Rahman et al. (2020), this is most prevalent in developing nations. The capacity constraint refers to both the leadership and the organisation's ability to implement or promote sustainability (Malik et al., 2023). The result of this is that organisations may not have the resources or skills to change to a more sustainable model of governance, or, if they do, they may not have the necessary technological infrastructure to adapt.

The capacity gap could be addressed with ethical leadership by, for example, making sustainability practices simple to understand and implement, providing training to businesses or involving non-governmental organisations to help identify areas where change is necessary.

Sustainability is not simply about compliance, profit or environmental protection in isolation, but about redefining the purpose of business and its capacity to create enduring social value. Even though CSR has evolved into more strategic and integrated sustainability approaches, the moral underpinnings remain consistent. The TBL and SBM frameworks represent how sustainability may be incorporated into daily operations and long-term strategic and investment planning. Sustainable businesses are ultimately led by ethical leaders. These leaders, in the words of the King V Report on Corporate Governance, have demonstrated ethical and effective leadership. They are oriented towards value creation for all stakeholders within the natural and social world in which they function. In the South African context, sustainability has become a normalised expectation of corporate conduct, best understood not as a checklist, but as an ongoing moral and strategic process of reflection, accountability and renewal.

2.4 Linking ethical leadership and business sustainability

There are multiple potential pathways linking ethical leadership to sustainability outcomes:

i. Cultural embedding and governance: Ethical leaders set and model expectations for behaviour, contributing to organisational culture and embedding governance mechanisms (codes, training, accountability systems) which deter misconduct and support responsible decision-making (Fatoki, 2020; Hassan and Al-Jubouri, 2023; and Rahman et al., 2020).
ii. Stakeholder trust and legitimacy: Ethical conduct can build credibility with employees, customers, communities and regulators, and thereby help secure cooperation and patience for long-term investments and trade-offs (Hassan and Al-Jubouri, 2023; Nimani, Zeqiraj and Spahija, 2022).
iii. Quality of decision-making under trade-offs: Ethical leaders manage competing claims (profit, people, planet) and may apply fairness- and duty-oriented heuristics that counter short-termism and opportunism (Fatoki, 2020; Malik et

al., 2023). Conversely, a deficiency in ethical leadership can lead to instances of “SDG-washing” or greenwashing, where sustainability claims are made without genuine commitment, thereby undermining the credibility and effectiveness of true sustainability initiatives (Jaganjac et al., 2023). This underscores the critical role of ethical leadership in fostering genuine commitment to SDGs and ensuring that organisational practices align with stated objectives rather than merely engaging in a tick box exercise (Tabaghdehi, Ayaz and Tatoglu, 2026).

iv. Strategic alignment and resilience. Ongoing ethical commitments can mitigate risks of scandals, fines, and reputational damage, events which destroy value and make organisations less resilient (Hariyani et al., 2024); Van der Linde, 2022).

v. Employee outcomes and capacity: Ethical leadership has been linked to commitment, high morale and low frequency of counterproductive behaviour among staff – indirect factors which may support sustainability initiatives (Ndou and Agbenyegah, 2022; Fatoki, 2020).

Both quantitative and qualitative studies find positive correlations between ethical leadership and outcomes consistent with sustainability principles (Fatoki, 2020; Hassan and Al-Jubouri, 2023; Kanyamukenge and Kagwaini, 2024). However, Malik et al. (2023) demonstrate how bottom-line mentalities can neutralise these positive effects, while Wen et al. (2020) show that leaders will rationalise harmful choices if framed as in the interest of the organisation. These findings suggest that the relationship between ethical leadership and sustainability is likely to be contingent on organisational incentives, culture and external pressures.

Failure is costly. Cases of corporate wrongdoing, globally (e.g. Enron) and in South Africa (e.g. Steinhoff), exemplify how breakdowns in ethical judgement and conduct destroy value for stakeholders and put organisations at risk of failure (Bondarenko, 2024; Van der Linde, 2022). Analysis of other organisational collapses similarly cite leadership decisions, cultures of impunity and poor governance (Hariyani et al., 2024). In turn, these episodes erode public trust in business and increase calls for leadership that is both ethical and effective (Wisconsin Online Collaboratives, 2022).

We can plausibly link ethical leadership to sustainability via pathways involving culture, governance systems, stakeholder trust, quality of decision-making under trade-offs and employee capacity. The relationships are unlikely to be automatic or linear; organisational context will modulate the influence of ethical leadership. This supports the importance of contextually grounded research, which investigates how leaders in local settings think about, try to do and sometimes struggle with ethical leadership as a means to sustainability.

2.5 South African context: Governance, Ubuntu, and recent scandals

South African corporate governance thinking – especially as enshrined in the King Codes – emphasises effective and ethical leadership as core to value creation and sustainability, aligning with TBL and stakeholder accountability. The study both positions itself in this setting and positions ethical leadership as the foundation for sustainable business. This can support a communitarian Ubuntu ethic, per which persons are constituted through relationships – “a person is a person through other persons”. The joint premise of these perspectives is that leaders are accountable to a web of stakeholders and interdependencies, not merely shareholders. This broader accountability extends to environmental and societal well-being, demanding a leadership approach that integrates ethical considerations into strategic decision-making to foster long-term resilience and shared prosperity. This perspective is particularly salient in the South African context, where pervasive issues such as corruption and unethical conduct in private and public sectors underscore the urgent need for principled leadership (Radenkovic, 2023).

For local empirical signals, Joseph and Albert (2022) found that in a Gauteng municipal setting, organisational culture had a stronger relationship with commitment than did ethical leadership per se, raising questions about the in-practice meaning of ethical leadership in local organisations. Other local studies point to high-profile cases of governance and ethical failures in leading South African companies (Van der Linde, 2022). This suggests that real risks of failure in contexts where ethical leadership is weak or subverted.

Unethical behaviour regularly cascades into loss of stakeholder trust, value destruction and organisational fragility and thus creates a credibility gap (Bondarenko, 2024). As the ethics review rightly notes, scholarship in this setting needs to sharpen the cause–effect reasoning, avoid generalities and ground research in the complex and ethically ambivalent dilemmas that leaders face at the top.

South Africa has a strong normative governance discourse, but repeated ethical breakdowns. This paradox makes a strong case for qualitative inquiry into how Gauteng leaders conceptualise and attempt (or fail) to enact ethical leadership as a pathway to sustainability.

2.6 Ethical dilemmas in leadership practice

Incentives and performance pressures are a major concern. Bottom-line mentalities are a recurring problem, setting priorities and narrowing attention to financial returns (Malik et al., 2023). Where incentive systems only reward short-term performance without balancing ethical indicators, leaders face structural incentives to do as little as possible regarding ethical decision-making and long-term sustainability thinking (Rahman et al., 2020).

Cultural barriers of bending rules, incivility or retaliation against whistle-blowers are organisational cultures that weaken ethical leadership (Rahman et al., 2020; Ndou and Agbenyegah, 2022). At the other extreme, cultures that prioritise candour, fairness and accountability help reinforce ethical practice (Fatoki, 2020).

Capability and knowledge gaps also play a role. There are documented deficits in ethics training, as well as a weak grasp of how to apply ethical principles and codes in situations that are ambiguous and fast-moving (Rahman et al., 2020). Without strong training and reflective spaces, even the best-intentioned leaders can fall back on expediency.

Weak controls and accountability further undermine ethical leadership. If violations and ethical failures have few consequences, the ethical norms are hollow (Rahman et al., 2020). Leaders who push back on norms are at risk of isolation or even retaliation, especially in places where power imbalances are stark.

Complexity and diversity management pose additional challenges. The growing diversity of organisations – by design and by necessity – is an asset for sustainability (Urbancová, Hudáková and Fajčíková, 2020), but also a source of complex fairness dilemmas and inclusion conundrums that leaders must manage ethically (Nancholas, 2024). Without an ethical orientation, diversity and inclusion can be instrumental or performative.

Leaders can also rationalise harming others by seeing it as in the interest of the organisation (Wen et al., 2020). This rationalisation may be "contagious" in high-pressure settings and erode ethical standards.

Greenwashing and reputation risk also create pressures for ethical leadership. A mismatch between sustainability reporting and action on the ground could create risks of accusations of greenwashing and loss of stakeholder trust (Jegadeeswari et al., 2024). Ethical leadership is vital to ensuring claims are well-supported by controls and credible metrics (Saulick, Bokhoree and Bekaroo, 2023).

Policy and public expectations present further challenges. South African employees, community members and regulators expect organisations to be responsible corporate citizens. Failing to meet those expectations risks public backlash, regulatory enforcement and loss of social licence to operate (Wisconsin Online Collaboratives, 2022; Nimani, Zeqiraj and Spahija, 2022). Ethical leadership needs to understand and manage these expectations in legally complex and rapidly evolving environments.

The barriers and challenges to ethical leadership are in fact multidimensional – structural (incentives, controls), cultural (norms), cognitive (knowledge gaps) and contextual (policy, diversity, public expectations). Disentangling how leaders perceive these barriers and try to work around them may be an essential first step to bridging the knowing–doing gap.

2.7 Leadership dilemmas in practice

Leaders frequently face dilemmas involving conflicting interests (personal vs professional ties in procurement decisions), trade-offs between shareholder demands and stakeholder interests, environment vs cost trade-offs or trade-offs in transparency (stakeholder vs competitive harm) (Correia, 2019; Nogueira, Gomes and Lopes, 2025; Wisconsin Online Collaboratives, 2022). We can reasonably expect these to be prevalent where short-term personal gains are misaligned with longer-term sustainability.

In procurement and sales, kickbacks, preferential treatment of friends and the use of opaque intermediaries all subvert fairness and risk long-term sanctions (Rahman et al., 2020).

In financial reporting, earnings pressure on management and attempts to "smooth" results or hide losses are also common and represent early step towards accounting fraud (Bondarenko, 2024; Van der Linde, 2022; Hall-Smith, 2018).

Environmental management similarly involves choices between compliance only and proactive environmental restoration, with leaders' ethical commitments often determining whether organisations will exceed legal minima (Correia, 2019).

People decisions are also ethically charged, including diversity and inclusion trade-offs, layoffs vs retraining and investments in occupational health and safety – all of which are ethically fraught and carry reputational implications (Urbancová, Hudáková and Fajčíková, 2020; Nancholas, 2024).

How leaders reason through these dilemmas varies. In practice, they may rely on a mix of duty-based reasoning (rules, fairness), consequence-based reasoning (balancing benefits to multiple stakeholders) and virtue-based reasoning (what a person of integrity would do) (Fatoki, 2020; Ughulu, 2024). Bottom-line mentalities are a major cognitive constraint on this reasoning (Malik et al., 2023).

Ethical dilemmas are likely to be the norm rather than the exception in today's complex organisations. The critical question is not whether leaders will face dilemmas, but how they frame them, reason through them and resolve them, and with what consequences for sustainability.

2.8 Conceptual framework for the study

This framework is anchored in stakeholder theory and TBL. Stakeholder theory argues that organisations create value by recognising and balancing the legitimate interests of multiple stakeholders (Mahajan et al., 2023). TBL operationalises value across the people, planet, profit dimensions (Correia, 2019; Nogueira, Gomes and Lopes, 2025). Ethical leadership is the human and organisational capability that renders stakeholder obligations actionable in strategy and day-to-day decision-making.

This study's framework (depicting ethical leadership as the foundation of sustainable business) aligns with King V's emphasis on ethical and effective leadership and with Ubuntu's relational accountability. This lens elevates relational legitimacy (trust, fairness, community benefit) as central to sustainability in South Africa.

2.8.1 Core constructs and links

Figure 2.1: Ethical leadership as the foundation supporting people–planet–profit outcomes in sustainable business

Table 2.1: Core constructs and links between ethical leadership and sustainability outcomes

Ethical leadership link	**Mechanism / Focus area**	**Outcomes**
Ethical leadership → Culture & governance	Codes, sanctions, training	Reduced misconduct risk; credible sustainability claims
Ethical leadership → Stakeholder trust & participation	Internal and external stakeholder engagement	Resilience; patient capital for long-term investments
Ethical leadership → Decision quality in trade-offs	Duty/fairness lenses	Alignment with TBL outcomes
Influencing factors		
Bottom-line mentality; incentive design; enforcement strength; diversity complexity; external scrutiny (Malik et al., 2023; Rahman et al., 2020; Urbancová, Hudáková and Fajčíková, 2020; and Jegadeeswari et al., 2024).		

2.8.2 Analytic propositions (for qualitative exploration)

Senior leaders who understand ethical leadership through the dual lens of relational and accountability dimensions – that is, as both moral managers and moral persons – tend to describe a stronger alignment between their organisations' sustainability goals and day-to-day decision-making processes (Fatoki, 2020; Hassan and Al-Jubouri, 2023). However, this alignment is often challenged by entrenched bottom-line mentalities, misaligned incentive structures and weak enforcement mechanisms, which emerge as key barriers limiting the influence of ethical leadership (Malik et al., 2023; Rahman et al., 2020). Within this tension, leaders' narratives frequently expose recurring ethical dilemmas and trade-offs across the TBL dimensions, with their reasoning typically centring on principles of fairness, harm minimisation and the protection of organisational reputation (Correia, 2019; Nogueira, Gomes and Lopes, 2025).

In the South African context, governance frameworks such as King V and the philosophy of Ubuntu often appear in leaders' accounts as legitimising resources or rhetorical anchors for ethical and sustainable conduct. Nonetheless, the extent to which these ideals are translated into concrete practices varies significantly depending on organisational culture and the incentive environment. Ultimately, in settings where ethical leadership is reinforced by supportive cultures and robust control systems, leaders tend to report more credible and consistent sustainability practices, accompanied by fewer instances of greenwashing or unethical pro-organisational behaviour (UPB) (Hassan and Al-Jubouri, 2023; Jegadeeswari et al., 2024; Wen et al., 2020).

2.9 Gaps in the literature and implications for this study

2.9.1 Limited phenomenological accounts from senior leaders in South Africa

Much of the cited work on ethical leadership is either conceptual or quantitative, often outside the South African private sector. Local studies (e.g. Ndou and Agbenyegah, 2022) focus on public entities or employee outcomes rather than C-suite experiences. There is a distinct need for elite interviews capturing how South African executives navigate ethical dilemmas amidst governance ideals and market pressures.

2.9.2 Under-specified mechanisms linking ethical leadership to TBL outcomes in context

While general mechanisms are theorised (culture, trust, governance), few studies explicate how these manifest under specific institutional conditions (e.g. regulatory expectations, data protection norms, procurement risks). Greenwashing analyses (Jegadeeswari et al., 2024) and SBM reviews (Karuppiah, Sankaranarayanan and Ali, 2023; Saulick, Bokhoree and Bekaroo, 2023), point to credibility and integration gaps that leadership practice might bridge, yet the leadership practice itself is under-described.

2.9.3 The knowing–doing gap under bottom-line pressure

Malik et al. (2023) show the crowding-out effect of bottom-line mentality. Wen et al. (2020) reveal how pro-organisational frames justify unethical acts. We lack rich descriptions of how South African leaders recognise, resist or reproduce these pressures.

2.9.4 Diversity, inclusion and ethics

Diversity is linked to sustainability and competitive advantage (Urbancová, Hudáková and Fajčíková, 2020). However, ethical leadership needed to navigate inclusion dilemmas in South African organisations is under-explored (Nancholas, 2024).

2.9.5 Failure learning and recovery

Although the consequences of ethical failure are documented by Van der Linde (2022), Bondarenko (2024), Hall-Smith (2018) and Hariyani et al. (2024), there is limited qualitative research on learning – how leaders recalibrate governance, incentives and culture after crises to re-establish sustainability trajectories.

2.9.6 Implications for the present study

In response, this dissertation has generated phenomenological accounts from Gauteng senior leaders; traced the mechanisms (culture, governance, trust, decision rules) through which ethical leadership connects to sustainability; surfaced barriers (incentives, culture, UPB) and how leaders navigate them; and situated insights in

South Africa's governance and Ubuntu ethos for contextual specificity (Mahajan et al., 2023; Correia, 2019; Nogueira, Gomes and Lopes, 2025). The structure, focus and depth reflect the call for analytic sharpness and contextual rigour.

2.10 Conclusion

The literature converges on a powerful claim: ethical leadership is necessary, but not sufficient, for business sustainability. It is necessary because culture, governance, trust and credible stakeholder engagement do not materialise without ethical stewardship at the top. It is insufficient because contextual pressures – especially bottom-line mentality, weak enforcement and complex stakeholder claims – can blunt its impact. In South Africa, governance ideals and Ubuntu provide a compelling normative frame, yet recent scandals highlight persistent implementation gaps. These patterns justify a qualitative, phenomenological inquiry into how Gauteng's senior leaders perceive, experience and enact ethical leadership in sustainability-relevant decisions.

Chapter 3: Methodology

3.1 Introduction

This chapter outlines how the study was carried out to address the main research question and its three sub-questions, namely: What are the perceptions, challenges and experiences of business leaders of Gauteng of the role of ethical leadership for business sustainability?

The chapter reaffirms that the study is qualitative, phenomenological and positioned in an interpretivist paradigm, with semi-structured, in-depth interviews as the primary data collection technique and thematic analysis (assisted by NVivo 14) as the analytic approach.

It also specifies the research philosophy, design, setting and unit of analysis; population and sampling, recruitment and data collection procedures; data analysis; ethical considerations and data management; and trustworthiness strategies.

3.2 Research philosophy

This study is positioned within an interpretivist paradigm, a philosophical orientation that holds that social reality is multiple, subjective, and co-constructed through the meanings that individuals assign to their lived experiences (Easterby-Smith et al., 2021), The study is underpinned by interpretivism, which endorses a relativist ontology (multiple, socially constructed realities) and a subjectivist epistemology (knowledge co-created by researcher and participant). Ethical leadership and business sustainability are not tangible objects with fixed features or values, but lived, sense-making practices that are given meaning in context; hence, the study aims to elicit experience-near accounts from senior leaders (Easterby-Smith et al., 2021; Oranga and Matere, 2023; Ugwu and Val Hyginus, 2023). This choice of interpretivism is consistent with the study.

3.3 Research design

The study has used a qualitative, phenomenological design and semi-structured, in-depth interviews as a single-data source strategy. Semi-structured interviews allow for probing of complex dilemmas and for participants to tell their sensitive stories in their own words (Osborne and Grant-Smith, 2021; Ruslin et al., 2022).

A phenomenological design is selected to make sense of the lived experience (perceptions, challenges and dilemmas) of ethical leadership for business sustainability, as it is told by C-suite or equivalent leaders. Rather than testing a priori hypotheses or concepts, the study uses inductive reasoning from thick descriptions to elicit patterned meanings (Soiferman, 2010; Taherdoost, 2022). Phenomenology is appropriate for research with the goal of describing the essence and texture of experience and understanding how meaning is constructed in concrete organisational contexts (Easterby-Smith et al., 2021; Oranga and Matere, 2023).

In terms of time horizon, the study adopts a cross-sectional design. Data were collected at a single point in time (interviews were conducted between May 2025 and July 2025), capturing participants' perceptions and experiences as they existed during that period. This is appropriate for phenomenological inquiry, where the aim is to describe the essence of lived experiences rather than to track change over time (Easterby-Smith et al., 2021). The study is further characterised as exploratory in nature given the limited phenomenological literature on C-suite ethical leadership experiences in the South African context.

The ethics encourages the study to capture lived experiences and to align research questions, objectives and theory. A phenomenological lens is appropriate for eliciting leaders' situated meanings and reasoning processes as they experience ethical dilemmas – nuances that are often invisible in survey-based designs.

The study proceeds inductively, that is: eliciting situated narratives; coding meaning units; developing themes; and interpreting findings in the light of stakeholder theory and the triple bottom line framework (Soiferman, 2010; Riger and Sigurvinsdottir, 2016).

3.4 Research setting and unit of analysis

Gauteng is South Africa's economic centre and a relevant context for questioning the interface between leadership ethics and sustainability in high-stakes organisational environments.

The individual senior leader (C-suite or equivalent decision-maker) is the unit of analysis. This recognises the disproportionate influence of senior decisions on stakeholder interests and sustainability outcomes. This focus is consistent with the study's defined population target of senior leaders, making it methodologically sound.

3.5 Population, sampling strategy and sample size

The theoretical population is defined as senior leaders in medium-to-large organisations (public and private) in Gauteng. Medium-to-large is operationalised with reference to extant South African guidance (e.g. > R10 million turnover; ≥ R10 million assets) (South African Revenue Service, 2024). The exclusion of micro and small organisations excludes decision contexts with potentially narrower stakeholder and systemic effects.

3.5.1 Inclusion criteria

- Must hold or have held (in the last 2 years) a C-suite or equivalent (CEO, CFO, COO, CHRO, MD, Business Unit Executive, etc.) senior executive role.
- Must have ten or more years' experience as a leader at senior/strategic level.
- The organisation must be medium-to-large, private or public sector, and headquartered or substantially operating in Gauteng.
- Must be willing and able to talk openly about their perceptions of, and experiences with, ethical leadership and challenges and dilemmas without disclosing identifying company information.

3.5.2 Exclusion criteria

Leaders who only work for small organisations, independent consultants without current organisational accountabilities, individuals with less than ten years' senior leadership experience, and any participants who fall into vulnerable populations.

The sampling strategy is non-probability, purposive, identifying information-rich cases meeting the inclusion criteria (Campbell et al., 2020). Given the known difficulty of elite access, purposive recruitment was supplemented by snowball sampling (strict POPIA-compliant referral process, i.e. not providing details without consent from the referred person). Recruitment was sought across a range of:

i. Sectors (financial services, manufacturing, ICT, retail, energy, public utilities).
ii. Ownership (public vs private).
iii. Demographic characteristics (gender, etc.) to the extent possible. Heterogeneity is sought not to support statistical representativeness but to support information power and transferability.

Purposive sampling was selected because it allows the researcher to deliberately identify information-rich cases – in this instance, senior leaders with the experience and proximity to ethical decision-making processes were required to address the research questions (Campbell et al., 2020). Rando or probability sampling would have been inappropriate for this study as it would not guarantee access to participants with the requisite experience and organisational influence. Snowballing was used as a supplementary strategy to reach executives who are not relatively difficult to access through public directories alone. Given the elite and relatively small population of C-suite leaders in Gauteng, snowball referral from initial participants provided a legitimate and methodologically recognised access route (Campbell et al., 2020). To mitigate the homophily risk inherent in snowballing, whereby referrals may cluster within similar networks, recruitment was diversified across sectors, ownership types and demographic characteristics. The gender of the participants was not pre-determined, however, seven (7) males and three (3) females were interviewed.

The sampling frame comprises professionals accessible through professional networks (e.g. LinkedIn), public leadership lists (e.g. company websites, annual reports), sectoral organisations and the Institute of Directors in Southern Africa (if publicly listed).

Data saturation was reached after interviewing the 10th participant. Data saturation – i.e. that no new codes are identified and that theme properties are well developed – is the criterion for sample sufficiency (Campbell et al., 2020; Riger and Sigurvinsdottir, 2016). While a range of ten to eighteen participants is commonly considered sufficient for phenomenological studies involving elite participants, the final sample size of ten interviews was determined by saturation rather than by a fixed numerical target.

3.5 Recruitment and access procedures

Invitations to participate were sent as an email/LinkedIn message, stating: the purpose of the study; the inclusion criteria; time commitment involved; consent and privacy guarantees; and contact information to answer queries. Interested leaders were emailed the Participant Information Sheet and Informed Consent Form.

To reduce the likelihood of a sample drawn from the researcher's immediate networks, the invitations were purposely targeted at a range of industries and ownership types, and snowball referrals were asked for with an explicit condition that the referrer only refer individuals who have consented to have their details shared (POPIA-compliant "referral consent").

Participants were not offered monetary or non-monetary inducements. Out-of-pocket expenses (e.g. parking at a venue) were avoided because interviews were scheduled at participants' convenience or conducted virtually.

3.6 Data collection

The data collection instrument was a semi-structured interview guide aligned to the three research sub-questions. The interview guide asked participants to:

i. Define ethical leadership in their own words.
ii. Reflect on how ethical leadership relates to sustainability and a sense of stakeholder obligation.
iii. Describe any challenges and organisational constraints they encounter.
iv. Recount one or two ethical dilemmas they have navigated (without disclosing company identifiers).

Interviews were conducted in person or using Microsoft Teams, according to the participant's preference. The duration of the interviews was between 60 and 90 minutes. Participants were reminded that they may pause or withdraw at any time without penalty. Interviews were audio recorded with consent to ensure accurate transcription, and brief field notes were used to capture non-verbal cues and contextual observations (Osborne and Grant-Smith, 2021).

The interview guide was piloted with one senior leader (who meets the inclusion criteria) to test question phrasing and flow. The researcher would have excluded this pilot data from the analysis, but the participant provided full consent to use the data after the interview debrief.

Each interview opened with rapport-building and a reminder of the privacy safeguards. Questions were open-ended and neutral; probes were used to avoid drifting into company-specific information but also to elicit depth without pressure to disclose. At the end of the interview, participants were asked if they had any final reflections and to indicate their willingness to review their transcript or a summary of themes (member checking) (Soiferman, 2010).

The semi-structured format is methodologically appropriate because it affords a balance between the needs for comparability (across the three research question domains) and flexibility to explore unexpected but relevant lines of inquiry (Osborne and Grant-Smith, 2021; Ruslin et al., 2022).

3.7 Ethical considerations and risk management

This study received ethical clearance from the IIE Higher Degrees Committee on a formal letter dated 30 April 2025 prior to the commencement of data collection. All research procedures were conducted in line with the conditions stipulated in the ethical clearance certificate. The participant informed consent form clearly outlines the purpose, procedures, risks, benefits, time commitment, recording and data management. Written informed consent was obtained before the interviews began, and participants were reminded that they may refuse to answer any questions and withdraw from the study at any time without penalty or prejudice.

Participant identities are protected through pseudonyms, general industry descriptors (e.g. “large financial services firm”), and masking of potentially identifying information (e.g. unique projects, dates). The researcher is emphasising de-identification, noting the particular challenge of interviewing a small, elite population in a defined geography. Any published excerpts were thoroughly scrubbed of names, company titles or specifics that could enable deductive disclosure.

Personal data has been collected and processed in accordance with the Protection of Personal Information Act (POPIA). For snowball referrals, details were only shared after the referred person has given express permission to the referrer to release their contact information to the researcher.

Digital recordings and transcripts are stored in an institution-approved, password-protected cloud repository with two-factor authentication; files were encrypted at rest and accessible only to the researcher and supervisor. Consistent with institutional policy, data will be retained for five years and then securely deleted.

While the study promises confidentiality, this cannot be absolute if unlawful conduct, imminent harm or severe organisational malpractice is revealed. The consent form explicitly stated that, in such rare cases, the researcher would consult the supervisor and institutional protocols, which may require limited disclosure.

Discussing moral dilemmas can cause discomfort or anxiety about professional repercussions. To reduce risk, interview questions avoided company-specific identifiers; participants were afforded the right to skip questions; de-identification has been robust; and participants were given contact details for follow-up or support if distress arises.

3.8 Data management plan

Each interview was assigned a unique study ID (e.g. P01_GFS_M). A separate, encrypted cross-walk file is used to link IDs to identities. Recordings (.mp4/.m4a) were uploaded the same day to the secure repository; local copies on devices were deleted immediately after upload.

Transcription was conducted by the researcher or an approved service provider under a confidentiality agreement. The researcher checked transcripts against recordings for accuracy (±100% coverage), making corrections for inaudibles and normalising minor verbal tics without changing meaning.

During transcript preparation, names, company titles, specific project names and unique identifiers were replaced with general descriptors (e.g. “a large mining company”). A notation “[redacted: project name]” was used to indicate any masked content for transparency in the audit trail.

All data (recordings, transcripts, NVivo files, analytic memos) will be retained for five years and then securely destroyed (encrypted deletion), consistent with institutional guidance.

3.9 Data analysis

Interview data was analysed using thematic analysis as articulated in the qualitative methods literature (Riger and Sigurvinsdottir, 2016; Christou, 2022). The analytic plan seeks a middle ground between inductive coding (remaining close to participants' words) and more interpretive synthesis in light of the stakeholder-theoretic frame. NVivo 14 was used to support coding, retrieval and memoing (Allsop et al., 2022; Limna, 2023; Zamawe, 2015).

3.9.1 Procedural steps (adapted from Riger and Sigurvinsdottir, 2016; Christou, 2022).

i. Familiarisation: Read each transcript multiple times; record initial impressions and questions in reflexive memos.
ii. Open coding: Generate descriptive codes for salient meaning units (e.g. "tone at the top," "bottom-line pressure," "stakeholder trade-offs," "greenwashing fears").
iii. Pattern coding: Cluster related codes into candidate categories (e.g. enablers, barriers, decision rules, outcomes).
iv. Theme construction: Develop higher-order themes with clear definitions and inclusion/exclusion rules (codebook).
v. Theme review: Check coherence of coded extracts within themes and distinctiveness across themes; examine negative or deviant cases.
vi. Theoretical integration: Map themes against the conceptual frame (stakeholder theory + TBL) to interpret mechanisms and contingencies.
vii. Member checks and peer debrief: Share brief thematic summaries with a subset of participants for accuracy; discuss theme boundaries with a peer/mentor to challenge assumptions (Du Plooy-Cilliers, Davis and Bezuidenhout, 2021; Ahmed, 2024).
viii. Reporting: Present themes with de-identified excerpts to illustrate nuance while preserving anonymity.

NVivo 14 was used to manage data and coding. While software does not analyse data, it improves transparency, retrieval and the auditability of analytic decisions (Allsop et al., 2022; Zamawe, 2015; Limna, 2023).

3.10 Strategies for trustworthiness

Trustworthiness is addressed through credibility, transferability, dependability and confirmability (Du Plooy-Cilliers, Davis and Bezuidenhout, 2021; Ahmed, 2024).

3.10.1 Credibility

- Member checking of thematic summaries (not full transcripts unless requested) with participants to verify interpretive accuracy.
- Prolonged engagement within each interview (60–90 minutes) and iterative probing to clarify meanings.
- Peer debriefing with the supervisor/colleague to interrogate theme coherence and consider rival explanations.
- Negative case analysis to test theme robustness.

3.10.2 Transferability

- Thick description of organisational context (industry, size, ownership) and participant role tenure – reported in generalised terms to avoid identifiability – so that readers can judge applicability to analogous settings (Ahmed, 2024).

3.10.3 Dependability

- Audit trail of decisions, including sampling rationale, recruitment logs, interview schedules, codebook versions, memos and theme development records (Du Plooy-Cilliers, Davis and Bezuidenhout, 2021).
- Code–recode checks (time-lagged coding of a subset) to assess coding stability.

3.10.4 Confirmability

- Reflexive journalling to surface assumptions and manage bias; linkage of memos to codes in NVivo 14 (Christou, 2022).
- Evidence chains: Maintaining traceable linkages from raw data → codes → categories → themes → interpretations (Zamawe, 2015).

3.11 Quality, rigour and validity in elite interviewing

Elite participants may offer polished narratives or exercise agenda control. To mitigate social desirability and impression management, the interviewer: (a) used neutrally worded prompts; (b) allowed silence and time for reflection; (c) asked for concrete, de-identified examples; and (d) checked understanding by summarising and seeking confirmation. These practices help balance rapport and critical distance in elite interviewing without compromising participant comfort or confidentiality (Osborne and Grant-Smith, 2021).

3.12 Limitations and delimitations (methodological)

Focusing on Gauteng and medium-to-large organisations narrows the scope to high-impact settings and senior leaders whose decisions have significant sustainability consequences; small enterprises and multi-national headquarters outside Gauteng were excluded.

3.12.1 Limitations

- Non-generalisability: Qualitative findings are not statistically generalisable; instead, they offer analytic generalisation via thick description.
- Access and sample diversity: Executive access constraints may limit sectoral diversity. Purposive heterogeneity and continued sampling to saturation partially mitigated this (Campbell et al., 2020).
- Self-report bias: Participants may self-censor. Robust confidentiality, neutral interviewing and de-identification were used to reduce this risk.
- Recall bias: Dilemmas may be recounted post hoc. Triangulation through follow-up probes and, where feasible, publicly available policy artefacts was used to contextualise accounts.
- Time constraints: Senior leaders' schedules may prolong recruitment. The project plan accommodated sequencing until submission of the dissertation.

Chapter 4: Presentations and analysis of findings

4.1 Introduction

This chapter presents the empirical results of the phenomenological study, which investigated Gauteng's business leaders' perceptions, challenges and experiences of ethical leadership in relation to business sustainability. The qualitative, interpretivist and phenomenological study sought to capture rich, experience-near accounts of leadership ethics in practice (Easterby-Smith et al., 2021; Oranga and Matere, 2023). The purpose of this chapter, therefore, is to do two things. First, to describe and interpret how executive leaders in different industries understand, make sense of, and practice ethical leadership in the contemporary organisational context. Second, to illustrate and interpret how business leaders negotiate tensions, barriers and ethical dilemmas in their efforts to lead with ethics and integrity towards sustainable organisational outcomes.

The chapter follows the typical sequence of qualitative thematic presentation. The next section (4.2) describes the participants and briefly contextualises their organisational environments to orient the reader in the empirical space. The following section (4.3) then describes how the raw interview data was processed, coded and organised thematically to ensure interpretive trustworthiness. Sections 4.4 to 4.7 present the themes and the interpretive synthesis of the three sub-research questions that guided the analysis. Consistent with the phenomenological approach, the findings are presented primarily in participants' own words, accompanied by analytic commentary that moves from description to interpretation (Christou, 2022; Riger and Sigurvinsdottir, 2016).

It is understood from the outset that phenomenological analysis is interpretive and not purely descriptive. This means that the researcher must identify meaning patterns across the interviews that reveal how ethical leadership is viewed and practised. At the same time, however, there must be a strong orientation to ensuring that the lived experiences of the participants are faithfully described and represented. The findings, in other words, should strive to portray ethical leadership as a complex, dynamic and somewhat elusive construct that involves leaders acting with integrity, transparency, accountability, stakeholder engagement and sustainability orientation. These themes emerged across the ten interviews (Table 4.1) and are visually summarised in the infographic that was produced following the coding.

4.2 Participant profile

The study interviewed ten senior leaders who occupied executive or equivalent positions across various sectors in Gauteng. Table 4.1 provides a summary of each participant's pseudonym, position, industry and years of leadership experience. This diversity was, in fact, by design to allow the study to see variation in industry sectors, from relatively highly regulated industries such as banking and telecommunications to emerging and resource-intensive industries such as renewable energy and mining. All participants were adult and non-vulnerable, and they volunteered for the study in response to the recruitment email as stipulated by the institution's ethical requirements and in compliance with POPIA (Osborne and Grant-Smith, 2021).

Table 4.1: Summary of participants

Pseudo-nym	Position / Role	Industry sector	Years in senior leadership	Key focus area of ethical concern
P1	Chief Financial Officer	Logistics & Freight Transport	12	Integrity in procurement and compliance
P2	Chief Executive Officer	FinTech (start-up)	7	Data privacy and transparent communication
P3	Human Resources Director	Mining	15	Human rights and anti-corruption
P4	Managing Director	Manufacturing (Textiles)	10	Fair labour practices and product integrity
P5	Head of Compliance	Retail (FMCG)	18	Fraud prevention and fair pricing
P6	Chief Operating Officer	Telecommunications	20	Accountability and data ethics
P7	Executive Director (Corporate Services)	Banking	16	Governance and conflict-of-interest management
P8	Founder and Owner	Agribusiness	11	Environmental stewardship and fair wages
P9	Strategy Director	Management Consulting	9	Client honesty and professional independence
P10	Sustainability Manager	Renewable Energy (Solar & Wind)	6	Supply-chain ethics and environmental responsibility

Two of the participants (P2 and P10) had less than ten years of executive tenure in the formal sense. However, these two participants met the spirit of the inclusion criteria because they both held senior and strategic positions in industries that have experienced rapid growth and changes over the last decade. The inclusion of these two perspectives is considered to improve the transferability (Du Plooy-Cilliers, Davis and Bezuidenhout, 2021) of the findings without diluting the credibility of the data.

The participants were drawn from a mix of high-risk, emerging and traditional industries, represented in Table 4.1: Summary of participantsTable 4.1. High-risk industries (banking, mining and telecommunications) are heavily regulated, which makes these sectors more exposed to ethical challenges associated with corruption risk, political capture or compliance fatigue. The emerging industries (FinTech and renewable energy) have faced ethical grey areas because they are market-shaping or associated with technologies that have blurred the lines of ethical judgement. The traditional industries (manufacturing and agriculture) also experience moral tension between efficiency and social responsibility due to the pressures of cost containment and profit maximisation. This cross-cutting, multi-industry sample was considered sufficient to allow the study to examine how context makes a difference in the application of ethical leadership theory, consistent with the earlier point that sustainability is multi-contextual and shaped by norms (Karuppiah, Sankaranarayanan and Ali, 2023; Saulick, Bokhoree and Bekaroo, 2023).

For the purpose of phenomenological analysis, the demographic information about the participants was reduced to a minimum to preserve anonymity in a small, high-status population. Pseudonyms were assigned (P1 to P10), and other identifying details were de-identified, such as company names, job titles and specific projects. All references to these details were redacted from the quotes used in this report. All participants were reminded that they are free to withdraw from the study or skip a question without consequence; no one opted to withdraw or decline a question. Interviews took between 60 and 90 minutes, reported earlier as one of the ways the study ensured more explicit data on interview duration. Interviews were conducted between May and July 2025 and were done either in person or via Microsoft Teams (virtually) depending on the convenience of the participant.

The study stopped recruiting participants when no substantively new codes were produced during the analysis. This was the case after the tenth interview. At this point, thematic convergence was observed across key areas (integrity, accountability, stakeholder consideration), suggesting that saturation had been reached. The dataset that emerged, therefore, was a comprehensive picture of how executive leaders interpret ethical leadership in organisational settings that vary in size, ownership or regulatory environment but share a common South African ethos of governance based on King V and Ubuntu principles.

4.3 Data analysis process

4.3.1 Preparation and familiarisation

The interviews were transcribed verbatim by the researcher. This was done to reduce time for proximity to the data and also to ensure confidentiality as required. The transcription accuracy was validated by the researcher by cross-checking with the audio file. Minor speech fillers and repetitions were edited out (unless meaning was altered) and each transcript was assigned a unique alpha-numeric code (e.g. P03_Mining_HR). Field notes were taken to capture non-verbal and contextual cues in the interviews, such as pauses, tone changes, etc. These notes later enriched interpretation (Osborne and Grant-Smith, 2021). The verbatim transcripts were then uploaded into NVivo 14 (described in detail in Chapter 3) for systematic coding, storage and retrieval (Zamawe, 2015; Allsop et al., 2022).

Prior to formal coding, the researcher first immersed in the data through the following process: re-reading transcripts and memos, and writing interpretive memos/reflexive journaling. This allowed some preliminary impressions or early gestalt – recurrent metaphors of trust, integrity and "doing the right thing" – to emerge. Reflexive journaling was continued throughout the process to account for researcher positionality and bias. The journaling recorded analytic decisions, emotions and notes for further interpretation of the themes. The journal was used as an audit trail for the study to increase confirmability (Christou, 2022).

4.3.2 Coding and theme development

The thematic analysis was conducted by following the six iterative steps suggested by Riger and Sigurvinsdottir (2016) and Christou (2022): familiarisation, open coding, pattern coding, theme construction, theme review and theme integration. During the open coding, descriptive labels (words or short phrases) were generated for meaning units using the participants' own language (e.g. fair pricing, bribe pressure, data transparency, community hiring). More than 300 initial codes were generated at this stage. In pattern coding, the similar codes were grouped into higher-level conceptual categories to represent recurring phenomena (e.g. Integrity and Transparency, Accountability and Fairness, Stakeholder Engagement, Challenges and Barriers). This was an inductive process, but it was informed by prior theoretical knowledge through sensitising concepts (Mahajan et al., 2023; Nogueira, Gomes and Lopes, 2025) that guided the reading of the data. After several rounds of consolidation and recoding, the following eight themes emerged:

I. Integrity and Transparency
II. Long-Term Value and Sustainability Vision
III. Stakeholder Consideration and Engagement
IV. Accountability and Fairness
V. Trust Building and Credibility
VI. Sustainable and Responsible Practices
VII. Challenges and Barriers to Ethical Leadership
VIII. Ethical Dilemmas in Decision-Making

Note that these are very close to the visual representation that was developed in Figure 4.1. Ethical leadership is the hub, with six major radiating dimensions, as well as two cross-cutting factors (Challenges and Dilemmas). The triangulation of the textual and visual data added to the dependability of the analysis because it established consistency across independent analytic methods.

Figure 4.1: Ethical leadership perceptions: Key themes (Author's own work compiled using canva.)

4.3.3 Ethical and data management assurances

All digital files were stored on an institution-approved and password-protected cloud system with two-factor authentication in line with the data-management plan submitted in Chapter 3. Files were encrypted at rest, and local copies were deleted after successful upload. The data will be kept for a period of five years and then destroyed. This is because the interviews captured data of elite participants in positions that are recognisable within their own sectors. Extra care was taken to further mask some of the contextual identifiers in quotations while still preserving the interpretive value. This is a trade-off that was considered to respect both the ethical and transparency imperatives of the study, as noted by (Osborne and Grant-Smith, 2021).

4.3.4 From codes to themes: Analytic saturation

As the coding continued, it became clear that some semantic patterns started to repeat themselves and suggest saturation. In particular, mentions of integrity, trust, accountability and stakeholders show up in all of the transcripts, which means that they are central to the concept of ethical leadership. Other themes like ethical dilemmas and systemic barriers are mentioned differently by sector, which may be an indicator of complexity, not of novelty. To ensure that the themes reflect both of these considerations, NVivo's query function was used to generate code-frequency reports that were later represented visually in Figure 4.2 (industry challenge heat map). The number of nodes or references for the Integrity and Transparency (45) and Challenges and Barriers (42) codes speaks to their salience in the participants' accounts.

4.3.5 Analytic positioning for subsequent sections

The result of the above rigorous process is a set of interrelated themes that allow the study to provide answers to the three sub-questions outlined in Chapter 3. They are as follows:

I. Perceptions: How leaders conceptualise and make sense of ethical leadership in relation to sustainability.
II. Challenges: The obstacles that business leaders experience in the application of ethical leadership theory under organisational and market constraints.
III. Experiences and dilemmas: How leaders deal with ambiguous situations.

These three will be discussed in more detail in sections 4.4 onward. In each of these sections, the researcher used verbatim, de-identified data excerpts and linked them to the theoretical concepts used in the literature review from stakeholder theory and the triple bottom line (TBL). The integration of NVivo analytics, infographic visualisation and reflexive interpretation give the next sections the assurance of methodological soundness and contextual authenticity.

4.4 Findings

4.4.1 How business leaders perceive the role of ethical leadership in business sustainability

In all ten interviews, ethical leadership was characterised as the moral foundation of organisational sustainability. The meanings attributed to ethical leadership were long-term legitimacy, reputation and trust, and stakeholder relationships, consistent with the literature's view of ethical leadership as the moral person and moral manager (Fatoki, 2020; Hassan and Al-Jubouri, 2023). This group of leaders reiterated the attributes of integrity, transparency and fairness over ten times during the interviews.

CFO of a logistics company (P1):

> "Ethical leadership means doing the right thing even when it is not profitable in the short term … being fair and transparent with clients and staff build long-term trust."

The Managing Director in manufacturing (P4) also defined ethics as "doing the right thing even when it costs you money", and the Executive Director in banking (P7) said it is “the oxygen of reputation – once gone, the organisation suffocates”. These sentiments resonate with the argument by Correia (2019) and Wisconsin Online Collaboratives (2022) that long-term value creation is underpinned by responsible stewardship of people, planet and profit.

A more modern idea was offered by the FinTech CEO (P2) and the Telecoms COO (P6) in the context of data protection. In two industries at the cutting edge of digital disruption, being honest about algorithms, privacy breaches and network outages was presented as a basic ethical responsibility rather than a compliance exercise. P6 said:

> “When we have a technology outage, it is easy to cover it up – but we own up. Ethics means accountability even when there is a fallout.”

This aligns with the work of Ughulu (2024) and Malik et al. (2023) on authentic communication being the true test of ethical leadership today.

The HR Director in Mining (P3) and the Agribusiness Founder (P8) extended this principle to natural and social capital domains:

> “You can’t have a sustainable business without ethics in extractive industries – community goodwill and taking care of the environment are pillars” (P3).
>
> “If I’m not ethical today, I will have no business tomorrow” (P8).

These statements echo the convergence of ethical leadership and sustainability practice highlighted by Karuppiah, Sankaranarayanan and Ali (2023) and Saulick, Bokhoree and Bekaroo (2023). The leadership group viewed ethics not as a “soft” aspect of work but as a strategic lever for stabilising stakeholder relationships and ensuring resilience.

Relational accountability was a sub-theme that several participants pointed to indirectly in terms reminiscent of Ubuntu. The Head of Compliance in Retail (P5) observed, “Customer loyalty is built on trust; you can’t fake care for people”, and the Sustainability Manager in Renewable Energy (P10) said, “We took action even when our sub-contractors abused workers in our supply chain; ethics means owning what happens in your value chain”. This echoes King V’s call for ethical and effective leadership (Van der Linde, 2022) and the communitarian stance discussed in Chapter 2.

4.4.2 What are the challenges business leaders face when trying to behave ethically?

Although most of the business leaders espoused strong ethical positions, they also described external and internal pressures that make ethical behaviour difficult. This confirms the knowing–doing gap discussed in the literature (Malik et al., 2023). Systemic constraints were organised into four overlapping categories:

Bottom-line and investor pressures

Several participants mentioned tension between ethical norms and financial targets or performance measures. The Banking Executive (P7) reflected:

> "There's always pressure to meet quarterly targets; sometimes the teams even make riskier loan proposals. Ethical leadership is when you say 'no' even if it means a drop in earnings."

The FinTech CEO (P2) gave an example of dilemmas around investment funding:

> "Investors always want rapid scaling, but ethical hiring and inclusive growth take time."

Statements like these reinforce the existing literature on short-termism and shareholder primacy crowding out ethical considerations (Rahman et al., 2020; Fatoki, 2020). Business leaders felt that ethical behaviour was, in many cases, sustainable but not rewarded in performance reviews – a finding congruent with King V's critique of incentive misalignment.

Weak enforcement and organisational culture

Leaders reported that formal codes of conduct without consistent enforcement are not practical. The Head of Compliance in Retail (P5) raised the example of recurring procurement fraud despite a written code of conduct:

> "It takes strong systems to correct the wrong without fear or favour."

This ties to Rahman et al. (2020) on ethical failures in South Africa being associated with inadequate oversight and cultural complacency. Codes of conduct are not enough, leaders felt; they should be built "into the organisational fabric" rather than left to personal integrity.

External and political pressures

The Mining Director (P3) also spoke about attempted bribery and political interference in tender evaluations as a governance risk of doing business in South Africa (Van der Linde, 2022). In a similar vein, the Agribusiness Owner (P8) related a personal experience of resisting a corrupt government official who tried to extort bribes for water-use permits. Such ethical dilemmas show that business leaders do not work in a vacuum of perfect institutions, but imperfect conditions acknowledged in Ndou and Agbenyegah (2022).

Resource and capacity constraints

Leaders in more traditional sectors pointed to the stress of trying to maintain ethical initiatives when times were hard. The Manufacturing MD (P4) reported the tension during the load-shedding crisis in energy reduction: "We were told to retrench staff or cut wages to survive, but we kept people by rotating shifts instead." Leaders also spoke of having insufficient capacity or knowledge to intervene effectively when ethical breaches occurred. Such capacity limits were described by Fatoki (2020) as a recurring barrier to ethical decision-making in developing economies. The capacity to resist unethical shortcuts required moral courage.

4.4.3 What ethical dilemmas have business leaders faced in their experience?

Participants provided numerous examples of moral dilemmas where they had to choose between conflicting obligations and make trade-offs. These dilemmas included sensitive retrenchments, supplier due diligence and choosing between transparency and confidentiality.

- People vs Profit: P1 described how their company decided to avert mass retrenchments by leaders cutting their own salaries during the COVID-19 crisis – a conflict between financial prudence and human compassion.
- Compliance vs Efficiency: P10 recounted refusing to site solar farms on protected lands, even though this would have made the project 30% more cost-efficient – a deontological ethics choice to do one's duty regardless (Ughulu, 2024).
- Transparency vs Competitive Risk: P6 talked about a network failure where the company disclosed this information to the public, even though it hurt its competitive position – a consequentialist reasoning based on the greater public good.
- Client Pressure vs Integrity: P9 recounted rejecting a lucrative business development contract that would have required submitting falsified performance data, an assertion of virtue-based reasoning.

These dilemmas indicate that ethical leadership is not an either/or proposition but a lived reality of trade-offs in concrete situations. The leader has to reason using a blend of deontological, consequentialist and virtue ethics frameworks in ways consistent with the theoretical moral foundations identified in Chapter 2 (Ughulu, 2024; Fatoki, 2020).

4.4.4 Cross-industry comparison of ethical challenges

In line with Figure 4.2, the perceived intensity and nature of ethical challenges were found to be industry-dependent. The high-risk sectors of banking, mining and telecommunications scored high on the heat map for regulatory and corruption threats (Rahman et al., 2020; Van der Linde, 2022). The new industries of FinTech and solar energy experienced uncertainty and anxiety around what ethical practice should look like in practice (medium). The most traditional sectors – manufacturing and agriculture – reported cost-induced moral stress (low–medium). Despite these differences, a common theme of trust and fairness emerged as a constant from all stakeholders. This finding echoes Saulick, Bokhoree and Bekaroo (2023): authentic sustainability across sectors is undergirded by the ethical dimension.

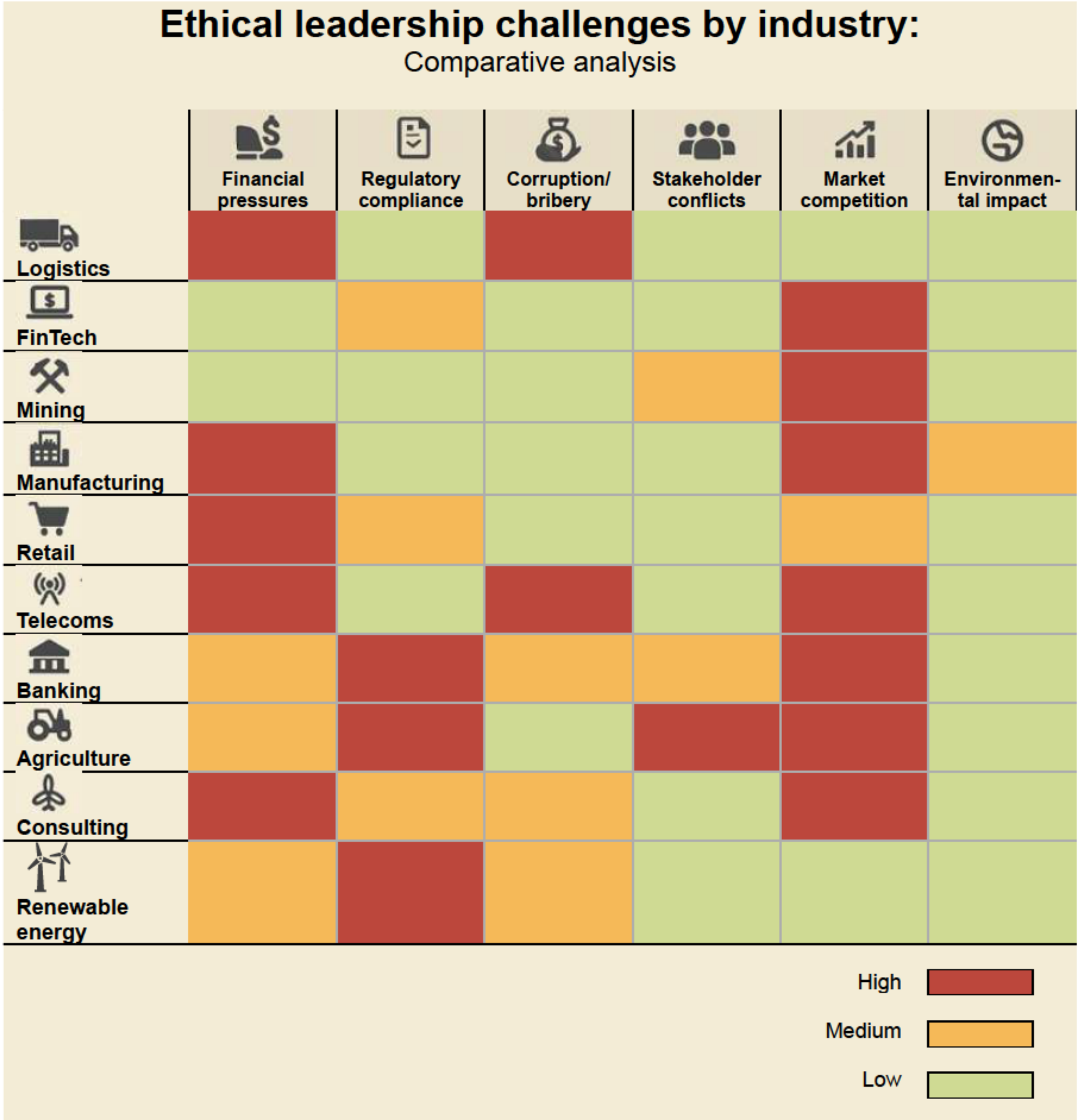

Figure 4.2: Industry challenges comparative analysis (Author's own work compiled using canva.)

4.5 Cross-theme insights from the analysis

Analysing the themes across the data set, I derived four meta-patterns that recurred in the individual narratives of the participants.

4.5.1 Ethics as a sustainability enabler

All participants saw ethics as the link to organisational sustainability. Ethical leadership was defined as "the glue between performance and purpose" (Kanyamukenge and Kagwaini, 2024). Leaders also articulated how ethics, translated into trust with stakeholders, reduced transaction costs, increased employee commitment and attracted ethical investors.

4.5.2 The knowing–doing gap

Although the participants had a very high ethical awareness, they also observed a gap between their moral knowing and their actual conduct (Malik et al., 2023). In their view, this is because ethical decay does not start with a lack of knowledge but with structural or cultural disincentives to moral action. As P7 noted, “Everyone knows the code. but the bonus sheet speaks louder.”

4.5.3 Ubuntu-inspired relationality

The saying “a person is a person through others” resonated directly with most of the responses, especially around tough retrenchments, supplier and client relationships and community engagement. Mining and Agribusiness leaders reported using inclusive decision forums with unionised workers and rural cooperatives. This orientation speaks to Mahajan et al. (2023)’s reading of Ubuntu as a relational extension of stakeholder theory.

4.5.4 Alignment with governance

Most of the executives who were members of the boards of directors cited corporate governance principles, especially King V’s call for “ethical and effective leadership”. Ethical leadership was thus described as the practical outworking of governance rather than a policy add-on. This tallies with Van der Linde (2022), who also sees the ethical breakdown in scandals like Steinhoff as leadership failures more than structural flaws.

In summary, the meta-findings show that Gauteng business leaders are aspirational to practice ethical leadership aligned to the values and norms of King V. They anchor ethical practice in relational fairness and stakeholder engagement and recognise their dependence on supportive systems to protect moral integrity.

4.6 Summary of findings

The study revealed six compelling findings on how Gauteng’s business leaders perceive and practice ethical leadership for business sustainability. First, leaders consistently viewed ethical leadership as integrity in action, equating transparency, fairness and honesty with long-term organisational trust and resilience. Second, participants demonstrated that ethics functions as a strategic enabler of sustainability, directly influencing stakeholder loyalty, reputation and long-term profitability – confirming the TBL linkage of people, planet and profit. Third, the research uncovered a persistent knowing–doing gap, where leaders understood ethical principles but struggled to enact them amid investor and performance pressures, reflecting Malik et al. (2023)’s findings on bottom-line mentality. Fourth, systemic and contextual barriers such as weak enforcement, political interference and capacity constraints limited the institutionalisation of ethics. Fifth, Ubuntu-inspired relationality emerged as a uniquely South African expression of ethical leadership, where compassion, shared accountability and community well-being guided decision-making, aligning with the stakeholder theory’s relational ethics. Finally, leaders described ethical dilemmas and moral courage in balancing profit and principle, often resisting unethical pressures even at financial cost. Collectively, these findings confirm the dissertation’s thesis that ethical leadership is a strategic enabler of business sustainability.

Chapter 5: Discussion, conclusion and recommendations

5.1 Introduction

The aim of the dissertation has been articulated as: to explore Gauteng senior business leaders' perceptions, challenges and experiences regarding the role of ethical leadership for business sustainability, having identified a problem of leaders knowing and understanding ethical leadership but behaving unethically when faced with ethical dilemmas in practice. Unethical behaviour by business leaders is demonstrated by the widespread corporate scandals that jeopardise the sustainability of businesses.

The previous chapter presented the interview data from ten South African senior business leaders across different sectors in Gauteng. This chapter moves from description to interpretation, connecting the empirical results with the theoretical and conceptual arguments in Chapters 1 and 2. It shows how the participants' lived experiences enrich, confirm or complicate our understanding of the ethical leadership literature and its role in business sustainability.

This section was guided by three main sub-questions that link the themes to theory:

I. How do business leaders perceive the role of ethical leadership for business sustainability?
II. What challenges have business leaders faced in their bid to behave ethically?
III. What ethical dilemmas have leaders encountered in their leadership roles?

The interpretation draws on cross-sectoral comparisons and contextualises the findings in South Africa's socio-economic and governance environment. It also highlights how the leaders' experiences support or diverge from recent scholarship on key debates like the knowing–doing gap (Malik et al., 2023), the moral-person–moral-manager split (Fatoki, 2020) and the stakeholder legitimacy imperative (Mahajan et al., 2023).

In explaining the results through theory, this chapter illustrates that ethical leadership is not just a personal virtue or idiosyncrasy but a structural enabler for business sustainability. It grounds governance, builds trust and legitimises the organisation's relationship with its stakeholders. However, it is also constrained by economic pressures, cultural norms and institutional gaps that make its consistent practice a challenge in South Africa.

5.2 Perceptions of ethical leadership's role in sustainability

5.2.1 Ethical leadership as Integrity in action

The first sub-question asked how business leaders understand the role of ethical leadership in business sustainability. Participants uniformly described ethical leadership as a practice of integrity in action and therefore, a behaviour, resonating with Brown and Treviño (2006) and cited in Fatoki (2020)'s definition of the leader as both a moral person and a moral manager. Ethical leadership was associated across sectors with personal authenticity, transparency, fairness and consistency, which were said to directly foster trust and contribute to the long-term viability of the organisation.

The Chief Financial Officer (P1) in Logistics and the Managing Director (P4) in Manufacturing spoke of ethics as a moral compass that should guide strategic and operational choices even in the face of adversity. P1's comment, "being fair and transparent with clients and staff builds long-term trust", echoes Hassan and Al-Jubouri (2023)'s assertion that ethical leadership strengthens social capital, which sustains business performance. The ethical leader, in their view, becomes the steward of relational integrity on which durable stakeholder relationships are built (Mahajan et al., 2023). Furthermore, P1 made a fundamental statement by saying that weak enforcement opens the gap for unethical behaviour when grey areas arise. They suggested that organisations should consider creating an ethical leadership performance scorecard that will be used as a tool to evaluate ethical practices by leaders and the role of such practices on sustainability. These findings address research objective 1 on the leader's perception of ethical leadership.

This perception is in line with the virtue ethics school in moral philosophy, where leadership integrity is a habit of moral excellence rather than a function of episodic decision-making (Ughulu, 2024). For many participants, ethical leadership extended beyond personal honesty to include institutional transparency. For instance, the Chief Operations Officer (P6) in Telecommunications said: "It's easier to hide a tech failure, but we own up." Statements like these confirm that when ethical leadership is embedded in communication and disclosure, it creates conditions for organisational legitimacy (Rahman et al., 2020).

5.2.2 Ethical leadership as strategic sustainability

Participants also interpret ethics not as a limitation on profitability but as a strategic resource for sustainability. As the Banking Executive (P7) observed, "Reputational capital is everything in banking – ethics equals business continuity." This insight aligns with Correia (2019)'s argument that sustainable enterprises are those that balance financial success with social and environmental accountability under the TBL paradigm.

Evidence that ethical leadership can enhance environmental and social stewardship and hence the TBL's people and planet dimensions came from the Agribusiness Owner (P8) and the Renewable Energy manager (P10). The emphasis on honest labour relations, ecological conservation and fair supplier networks, in their narratives, substantiates Nogueira, Gomes and Lopes (2025)'s claim that ethics is a key mechanism for translating stakeholder theory into actual sustainability outcomes in operational practice.

This finding enriches the literature by repositioning ethical leadership not as a moral obligation or discretionary trait but as a strategic resource. Ethical behaviour creates reputational advantages, lowers the cost of conflicts and generates customer and employee loyalty. Therefore, as Fatoki (2020) and Kanyamukenge and Kagwaini (2024) argue, ethical leadership is a necessary catalyst for sustainability, aligning moral legitimacy with organisational performance.

5.2.3 Ubuntu and relational accountability

An important contextual nuance that emerged from the findings is the apparent resonance between participants' moral reasonings and the Ubuntu worldview of relational accountability. The reiterative themes of fairness, empathy and communal well-being in their narratives reflect the communitarian ethos that defines Ubuntu's aphorism: "a person is a person through others." Leaders in sectors such as mining, agriculture and retail emphasised inclusive stakeholder engagement not as compliance but as a moral responsibility.

For instance, the Mining HR Director (P3) narrated regular consultations with unions and local community representatives as part of ethical governance. This relational orientation corroborates the stakeholder perspective recently advanced by Mahajan et al. (2023) and repositions ethical leadership in South Africa's broader social contract, where legitimacy accrues not merely from profit-making but from contributions to shared well-being. Ubuntu thus operates as an indigenous normative frame that deepens stakeholder theory by infusing it with cultural meaning and moral reciprocity.

5.2.4 Ethical leadership and trust as organisational currency

Finally, participants equated trust with sustainability. As the Retail Compliance Head (P5) succinctly put it, "Customer loyalty is built on trust, and investors look at ESG scores before funding". This insight reaffirms Hassan and Al-Jubouri (2023)'s argument that ethical leadership enhances perceived fairness and hence organisational performance. In the South African context, where public trust in corporate leaders has been eroded by scandals like Steinhoff (Van der Linde, 2022), ethical leadership becomes a mode of reputational repair.

To sum up, leaders view ethics not as an appendage to business strategy but as its core logic. Ethical leadership, they argue, underpins the licence to operate by generating confidence among all who have a stake in the organisation: employees, customers, investors, regulators and communities. This conclusion tallies with the normative claim of stakeholder theory that an organisation's legitimacy is conditional upon how well it balances all those it affects (Mahajan et al., 2023).

5.3 Experiences and challenges in practising ethical leadership

While the stated values of the participants accorded closely with the ethical ideals, their experiences also brought to the fore the persistent challenges that prevent ethical leadership from being fully institutionalised. These findings concur with prior studies that have identified the knowing–doing gap (Malik et al., 2023; Rahman et al., 2020). Four dominant categories of challenges emerged: economic and investor pressures, organisational culture and enforcement, external corruption and political influence and capacity constraints in resource-scarce environments.

5.3.1 Economic and investor pressures: The bottom-line mentality

Almost all leaders confirmed that ethical choices often come at odds with short-term financial objectives. The Executive Director in Banking (P7) noted:

> "There's pressure to meet quarterly growth targets. Teams may push riskier loans. Ethical leadership means pulling back even if it affects earnings."

This finding addresses research objective 2, examining challenges faced by leaders in their bid to act ethically.

This example typifies the bottom-line mentality that Malik et al. (2023) describe in South African leaders, where financial performance trumps all other decision-making criteria to the detriment of ethical judgement. The FinTech CEO (P2) similarly mentioned investor pressure for accelerated growth conflicting with fair labour practices: "Funding pressures are tough. Investors want scaling, but ethical growth takes time."

These experiences confirm Fatoki (2020)'s observation that leaders in developing economies are subject to more moral tension because survival and ethics are often felt to be in competition. However, this is also an indictment of the quality of governance systems that make leaders feel that, in the face of the powerful culture of short-termism, there is no alternative to prioritising profit indicators. Neglect of people and planet, as the TBL framework has taught us, only undermines profit in the longer run through reputational and other operational risks (Correia, 2019).

5.3.2 Organisational culture and weak enforcement

Another set of participants indicated that, while their organisations had written codes of conduct, there was weak enforcement. The Retail Compliance Head (P5) decried that procurement fraud still occurred "despite all the policies", while the Mining HR Director (P3) said breach of ethical standards was rife in the use of subcontractors. These experiences are not dissimilar from Rahman et al. (2020)'s finding that ethical initiatives fail not for want of knowledge but for want of institutionalisation.

Ethical leadership, therefore, depends on cultural embedding – creating a climate where ethics becomes part of everyone's job rather than episodic compliance with rules (Fatoki, 2020; Ndou and Agbenyegah, 2022). The difficulty lies in whether organisational structures and systems – in the tone of the top leadership, the reward systems, and the performance metrics against which everyone is held to account – are aligned with ethical values. In many South African organisations, especially private companies, this work remains to be done due to structural and governance gaps.

Additionally, as Hassan and Al-Jubouri (2023) observe, subordinates look to leaders as moral exemplars in the organisation. If senior leaders are themselves inconsistent, the same moral dissonance will flow down to staff. The finding confirms the mediating role of culture on ethical outcomes: A culture of fairness enables moral action, but one of silence and fear stifles it. Ethical leadership, therefore, requires the conviction of individuals but also the support of systems and structures, especially governance and accountability.

5.3.3 External corruption, political influence and regulatory complexity

Another important category of challenge mentioned had to do with external actors, especially in sectors that were heavily regulated and politicised. The Mining Director (P3) alluded to many instances of bribery attempts by suppliers with political connections:

> "We often face pressure from local politicians or businesspeople who expect tenders in return for favours."

Such accounts are not new and accord with Van der Linde (2022)'s assertion that most South African corporate scandals in recent history are the product of corrupt business–politics relationships. Leaders in telecommunications and banking also noted a lack of clarity in external regulations and frequent changes in the compliance environment, which also test their ethical resolve. The COO in Telecommunications (P6) noted that rapid technological change sometimes outpaces regulation, which creates grey areas that may test what is "the right thing to do".

These realities make the ethical performance of leaders fragile when institutions have yet to consolidate credible systems of integrity. Ethical leadership then must be a moral courage and exercise of prudential judgement, especially in ambiguous and grey areas. This attitude reflects the emphasis on prudence and practical wisdom by virtue ethics scholars (Ughulu, 2024).

5.3.4 Capacity constraints and resource limitations

The fourth challenge reported was material resource constraints and financial or operational scarcity. The Manufacturing MD (P4) explained that during load shedding and periods of low demand, there were several temptations to lower wages or compliance investment costs, but ethics prevailed. The Agribusiness Owner (P8) also said that the adoption of organic and biological inputs was more costly and required time, but it was necessary "to protect the soil and the workers".

These accounts echo Rahman et al. (2020) and Fatoki (2020), who both observe that when the context is resource-scarcity, the ethical trade-offs are made more acute. However, by choosing the long-term and sustainability over the short-term, the leaders just mentioned did exactly what the TBL framework demands of businesses – accountability to future generations (Nogueira, Gomes and Lopes, 2025). Their decisions exemplify that ethical leadership is about making sustainability operational.

5.3.5 The knowing–doing gap and institutional weakness

The overall pattern across all interviews is that ethical failure is rarely a function of moral ignorance, rather institutional weakness and a culture of inverted incentives. Malik et al. (2023) describe the resulting gap as the knowing–doing gap: Despite full intellectual assent to ethics, leaders may still opt for expedient and counter-ethical options when under performance pressure. The interviews confirmed that this challenge was real. As P7 put it, "Everyone knows the code, but the bonus sheet speaks louder".

This experience substantiates Rahman et al. (2020)'s thesis that ethics training is not enough without structural interventions. Ethical conduct must be rewarded, and unethical behaviour sanctioned. Leadership ethics, therefore, is not only the personal preserve of the individual but also a systemic project requiring innovative approaches in terms of system design. This finding resonates with the insistence in stakeholder theory on balanced accountability systems for the organisation (Mahajan et al., 2023).

In addition, the finding has important implications for governance in South Africa. Ethical leadership must be systemically supported by transparent and fair procurement systems, independent auditing and institutionalised whistle-blower protection. In the absence of this systemic infrastructure, ethical leadership is reduced to a personal wish rather than a practical option.

5.3.6 Contextualising the challenges in the South African setting

The persistence of these challenges must be understood in the light of South Africa's socio-political and economic realities. A history of structural inequality, the effects of corruption scandals, general public mistrust and cynicism have created a space where ethical leadership is simultaneously charged with more moral significance and placed under more intense moral scrutiny (Van der Linde, 2022). In leaders' narratives, one can see an awareness of this context: They seem to view their ethical leadership responsibilities not just as good corporate practice but as a moral contribution to national renewal.

Ubuntu values of compassion, fairness and shared humanity reinforce this. Leaders' emphasis on consultation, distributive justice, and the common good echoes the moral ontology of Ubuntu and is consistent with stakeholder calls for inclusive decision-making and community investment. Long before these themes became fashionable in recent sustainability publications, South Africa's King Codes had aligned ethical governance with social justice. In that sense, ethical leadership becomes not only a business strategy for the individual organisation but a nation-building project for society at large, binding together economic and moral accounts.

5.3.7 Theoretical integration

The challenges outlined above can be integrated into the theories that the study deployed in its early chapters.

Stakeholder theory can explain the challenge of competing claims on the organisation. Ethical leaders find it difficult to balance profit maximisation for shareholders with the rights of other stakeholders, such as employees, customers, regulators and surrounding communities (Mahajan et al., 2023). Ethical failure on one or the other side results in reputational damage and loss of legitimacy.

TBL affords an evaluative framework for sustainability. Decisions must meet the triple criteria of producing benefits for people, planet and profit (Correia, 2019; Nogueira, Gomes and Lopes, 2025). In the findings above, leaders who foregrounded the interests of the workforce, suppliers or the local environment were demonstrating their fidelity to this model.

Ubuntu philosophy also helps us by adding cultural weight and depth to the analysis. The emphasis of many of our participants on fairness, empathy or long-term collective interests of the organisation is in line with Ubuntu's moral psychology, confirming that localised ethics and values can meaningfully complement global sustainability norms (Mahajan et al., 2023).

Therefore, the study affirms that ethical leadership in South Africa is a process of negotiating universal ethical principles with context-specific values and cultural categories. Theoretical integration here is instructive; it indicates that sustainability goals cannot be attained without ethics, and ethical action is likely to remain a minority choice without the cultural capital and support from relevant institutions.

5.3.8 Implications of the challenges

The implications of these findings are significant and should have an impact on practice. First, to counter the bottom-line mentality, organisational systems should integrate ethics into performance metrics. Second, to help leaders grow in their moral reasoning and reflexivity, leadership development programmes should give more weight to character formation and moral decision-making. Third, regulators and professional bodies have a role to play in ensuring that external pressures are minimised through credible oversight. Finally, in developing an ethical culture, leadership ethics cannot be separated from corporate culture and must therefore be pursued through sustained dialogue, transparency and accountability. The latter, it will be recalled, are the characteristics both of stakeholder governance and Ubuntu-inspired leadership.

5.3.9 Synthesis

Gauteng's business leaders are aware of and deeply committed to the intrinsic link between ethical leadership and organisational sustainability. They are equally mindful of the complex moral ecologies in which their ethical agency operates. Their views on the theme of this study affirm that ethical leadership is a universal good. At the same time, this study also shows that ethical leadership is not an unalloyed virtue, but a contested terrain marked by ambivalences, moral trade-offs and occasional failure. As such, ethical leadership is both an aspiration and a constraint; it is dynamic and responds to the processual characteristics of the moral ecology within which it is practised.

This conclusion holds implications for practice and thought. On the one hand, efforts are needed to overcome the barriers to ethical leadership identified in this study. On the other hand, while this study has focused on the challenges, we would like to end with a plea for the positive contributions ethical leadership is already making in South African organisations.

We have heard this a number of times from the respondents: A consistent culture of integrity grounded in relational values pays off not just for society but also for the business that practices it. This study confirms their experiences.

5.4 Discussion

The findings of this study support the theoretical proposition put forward in Chapter 2 that ethical leadership is a mediating factor between the ideals of good governance and business sustainability. Interpreted through the lenses of stakeholder theory, TBL logic and Ubuntu, the lived experience of Gauteng business leaders shows that ethical leadership is a moral and structural capability that makes organisational sustainability practicable. Sections 5.4.1 to 5.4.3 below address the findings in relation to the third research objective.

5.4.1 Stakeholder theory and ethical leadership

Stakeholder theory (Freeman, 1984) posits that an organisation gains legitimacy by effectively mediating the often-conflicting demands of stakeholders (Mahajan et al., 2023). These are individuals or groups that have the power to affect, or are affected by, the organisation. The narratives of the participants show that they are aware of their pluralist role as guardians of stakeholder interests. Leaders talk about fairness to workers, honesty to suppliers, responsibility to regulators and community participation in decisions. These are the outcomes of what Fatoki (2020) refers to as moral management, which is the conscious institutionalisation of ethics in everyday leadership.

The interviews, however, also reveal that stakeholder balancing is often not equal. Economic stakeholders, like investors, shareholders and customers, tend to carry more weight in decision-making. There is also a “need for legitimacy”, in the words of one participant, because businesses must obey the law and please their owners and consumers. However, several participants, especially in mining, agriculture and renewable energy, described a “no sacred cows” or “beyond compliance” practice that amplifies the voice of “silent” stakeholders, such as communities and ecosystems. These leaders give moral weight to stakeholders who have been neglected in traditional profit-maximisation thinking. This is in line with the normative thrust of stakeholder theory (Mahajan et al., 2023) and also shows the participants’ awareness that long-term legitimacy is earned by inclusivity. The findings, therefore, confirm the descriptive and prescriptive usefulness of stakeholder theory in a South African setting where ethical leadership is expected to moderate tensions between profit and purpose.

5.4.2 TBL as an outcome framework

The TBL framework (Correia, 2019; Nogueira, Gomes and Lopes, 2025), on the other hand, provides a three-pronged performance prism for measuring sustainability. The account of the participants shows that ethical leadership converts these three dimensions to operations reality. For example, the decisions of ethical leaders for fair pay, open procurement and green operations reflect the internalisation of social and ecological externalities in their business logic. The Agribusiness Owner (P8) was willing to pay higher prices to get rid of toxic pesticides, and the Mining HR Director (P3) invested in training community members before giving them jobs. These examples fit what Nogueira, Gomes and Lopes (2025) describe as stakeholder-sensitive governance, which is the alignment of moral intent and sustainable outcomes.

On the other hand, where ethical leadership is weak or sacrificed at the altar of short-term gain, the TBL ends up becoming single-bottom-line thinking. This is the case when leaders talked about sectoral scandals and corruption, which confirms Malik et al. (2023)'s observation that "profit-at-all-costs" thinking erodes moral reasoning. The study thus provides empirical validation for the TBL proposition that ethics is not an afterthought but central to the concurrent pursuit of economic, social and environmental performance.

5.4.3 Ubuntu as a contextual ethic

A theoretical contribution of this research is how it shows Ubuntu, which is a local philosophy of relational personhood, to be a powerful complement to Western ethical lenses. This is because Ubuntu puts the morality of leadership in the context of communal interdependence. For example, the frequent talk of the participants about fairness, compassion and shared accountability are reflections of Ubuntu's premise that "a person is a person through other persons". In practice, Ubuntu took the form of stakeholders' inclusive dialogue, shared sacrifice in times of crisis and commitment to employee welfare despite financial pressures. These are confirmations of Mahajan et al. (2023)'s argument that local ethical frameworks can enrich global sustainability and ethical discourse by rooting empathy and social cohesion in corporate governance.

Therefore, by using the triangulation of stakeholder theory, TBL and Ubuntu, this study argues for an integrated framework in which ethical leadership is the human factor that links stakeholder obligations to sustainable outcomes. In other words, sustainability in South Africa is both a moral, a strategic and a cultural phenomenon.

5.5 Recommendations

The outcomes of this study have some practical implications for several stakeholders in the business space. These are useful if we consider that the aim of the study was not just to produce new knowledge but also to impact business and society positively.

5.5.1 Business leaders

For business leaders, this study shows that ethical leadership is something that must be practised, communicated and embodied. The participants who modelled honesty and accountability reported better employee trust and customer loyalty. Organisations should, therefore, formalise ethics-based leadership capabilities like integrity, fairness and empathy as competencies in their recruitment, performance appraisals and succession systems (Hassan and Al-Jubouri, 2023). In addition, leaders should also practise moral communication by talking openly about ethical dilemmas and encouraging frank dialogue instead of silence and conformity (Fatoki, 2020). These and other practical approaches help to make ethics a shared habit in the organisation.

5.5.2 Governance and board oversight

Boards of directors should regard ethics as a strategic value, and not merely a function. The study confirms that most leaders' ethical reasoning is stunted by poorly designed incentives. From the perspective of the Banking Director (P5), bonuses and commissions are tied to financial KPIs, which are short-term and myopic. The board can help address this problem by mandating management to design executive scorecards that include sustainability and ethical performance measures as King V recommends (Van der Linde, 2022). Ethics committees and whistle-blowing mechanisms should be strengthened, preferably independent, to enforce accountability and transparency at all organisational levels (Rahman et al., 2020).

5.5.3 Policy and regulatory frameworks

Policymakers should be concerned by how weak institutional integrity systems are. Bribery and political interference, as expressed by some participants, illustrate this. Reinforcing anti-corruption enforcement agencies, clarifying procurement rules and protecting whistle-blowers would enable ethical leadership to thrive. As Fatoki (2020) and Ndou and Agbenyegah (2022) note, ethical leadership thrives where external institutions support fairness and transparency.

5.5.4 Leadership development and education

Leadership schools and professional bodies should incorporate ethics and sustainability as mandatory modules in executive leadership training curricula. The programme should combine teaching philosophical thinking (duty, virtue, consequence, etc.) and real-life case studies that reflect South African business challenges. Encouraging reflective journaling and peer debriefing, as this study has done, can also help to cultivate moral self-awareness and reflexivity (Christou, 2022). Leadership education that combines Ubuntu with Stakeholder thinking can, therefore, help to prepare future leaders to walk the tightrope between performance and purpose.

5.5.5 Societal impact

This study reiterates that ethical leadership is a social good that can help to build the nation. In a society still struggling with inequality and a trust deficit, business leaders who show fairness and compassion can help to restore the public's confidence in business. Ethical organisations act as beacons of integrity and serve as role models for others, thus building social cohesion and a more resilient long-term economy. This is the same message that King V (2022) gives about governance as "the exercise of ethical and effective leadership directed at creating sustainable value".

5.6 Limitations

Qualitative research has its own strengths and weaknesses. As such, while this study is methodologically rigorous, several factors delimit the inferences and scope of its findings and suggest new avenues for future research.

5.6.1 Sample size and generalisability

The limited sample size of ten (elite) executives affects generalisability; the findings of this study cannot be generalised. However, it is well-known that phenomenological research does not seek statistical generalisation; rather, it is about analytic generalisation, which is the conceptualisation of a meaning-structure (Campbell et al., 2020). The reader can, therefore, treat the findings of the research as an illustration and not an exhaustive representation of all contexts and settings in South Africa.

5.6.2 Sectoral representation

The study included a reasonably good spread of the South African industrial spectrum; however, other sectors like health, education and public service, which have some unique stakeholder regimes, were missing. Future studies might want to consider adopting a multi-sectoral or cross-provincial design for comparative purposes.

5.6.3 Self-report and social desirability bias

Elite interview participants have the propensity to present themselves as ideal executives, who they may or may not be in their everyday lives. The assurance of confidentiality helped with this problem but cannot completely exclude the possibility of socially desirable responding. Including organisational documents or third-party observations will strengthen future research (Osborne and Grant-Smith, 2021).

5.6.4 Temporal and contextual boundaries

This study offers a snapshot of leadership in 2025. However, ethical climates change over time and with the macro environment. Economic recession, regulatory reforms, or new scandals may all impact leaders' ethical reasoning. Longitudinal designs would allow future research to capture how ethical leadership changes over time or with governance reforms.

5.6.5 Researcher positionality

This was an interpretivist study. The personal worldview of the researcher would, therefore, impact their interpretation of the data. Reflexivity is a technique that helps to minimise the risks of subjectivity. Although this study adopted reflexivity, it's not possible to eliminate subjectivity in qualitative research. However, by documenting the positionality of the researcher, the study enhanced transparency and allowed the reader to assess for themselves the possibility of interpretive bias (Christou, 2022).

Acknowledging these limitations is a sign of integrity and serves to situate this study's findings in the realistic confines of qualitative social inquiry.

5.7 Future studies

While the aim of this paper sought to explore the perceptions, challenges and experiences of Gauteng business leaders on the role of ethical leadership for business sustainability, the findings indicate that there is a deep and thorough understanding of the importance of ethical leadership for business sustainability. The question of the knowing–doing gap remains unanswered. It is recommended that further studies be conducted to study ethical leadership from a human behaviour perspective. The results from that study may reveal the thinking patterns or influences of humans when they are faced with ethical dilemmas. Deeper research needs to be undertaken to learn the normal human response when dilemmas arise. Furthermore, the comment made by P1 of developing an ethical leadership performance scorecard to evaluate ethical practices by leaders and the role of such practices on sustainability requires further studies on its practicality. The scorecard has the potential to create a measurable link between ethical leadership and business sustainability.

5.8 Conclusion

This research set out to examine the perceptions, experiences and navigation of ethical leadership by Gauteng's business leaders, in the context of business sustainability. In so doing, through a phenomenological exploration of ten executive interviews, this study has produced an empirically grounded and contextually nuanced knowledge and theory about ethical leadership as a moral compass and a strategic organisational capability.

This study showed that ethical leadership in the South African business context exists at the intersection of individual virtue, organisational governance and societal expectation. For business leaders, ethics is integrity in action and is expressed in three ways: by being transparent, being fair and being accountable. The participants also recognise ethical leadership not as a constraint on performance but a necessary condition for long-term performance. The findings of this study echo the propositions of stakeholder theory and TBL logic (Correia, 2019; Nogueira, Gomes and Lopes, 2025). However, this study also confirms that there are significant barriers to ethical leadership in the South African business space. Some of these barriers are external, and others are internal. For example, the economy is not performing well, regulators are seen as weak and often compromised by politicians, while the dominant performance metrics are financial. There is, therefore, a knowing–doing gap (Malik et al., 2023; Rahman et al., 2020) that business leaders find challenging to address.

In their lived experience, some participants also showed that Ubuntu is operationalised through inclusive stakeholder dialogues, shared sacrifice in times of crisis, and commitment to employee welfare in spite of financial hardship. These actions, therefore, confirm the argument by Mahajan et al. (2023) that local and contextual ethical frameworks enrich global sustainability and ethical discourses by rooting social cohesion and empathy within corporate governance.

In summary, the study has exposed structural challenges that business leaders face in their bid to act ethically, such as bottom-line and investor pressures, weak enforcement and organisational culture, external and political pressures and resource capacity constraints. The study also showed that leaders do experience challenges in their bid to behave ethically by conflicting objectives, in other words, increasing shareholder value and social welfare. Through a phenomenological analysis, this study proved that Gauteng business leaders perceive the importance of the role of ethical leadership for business sustainability.

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Appendices

Appendix 1: Informed consent form

Annexure H: Participant or Respondent Consent Form 2024

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Annexure H – PARTICIPANT OR RESPONDENT INFORMED CONSENT FORM

Explanatory information sheet and consent form for participants

To whom it may concern,

My name is KEITUMETSE and I am a student at The IIE's MSA. I am currently conducting research under the supervision of DR. KURAI CHITIMA about THE ROLE OF ETHICAL LEADERSHIP IN BUSINESS SUSTAINABILITY TO UNDERSTAND BUSINESS LEADERS' PERCEPTIONS, CHALLENGES AND EXPERIENCES IN BUSINESS IN THEIR BID TO ACT ETHICALLY. I hope that this research will enhance our understanding of REASONS FOR THE GAPS BETWEEN WHAT LITERATURE SUGGESTS ON THE IMPORTANCE OF ETHICAL LEADERSHIP AND WHAT IS ACTUALLY PRACTICED BY LEADERS.

I would like to invite you to participate in my study. In order to explain to you what your participation in my study will involve, I have formulated questions that I will try to fully answer so that you can make an informed decision about whether or not to participate. If you have any additional questions that you feel are not addressed or explained in this information sheet, please do not hesitate to ask me for more information. Once you have read and understood all the information contained in this sheet and are willing to participate, please complete and sign the consent form below.

What will I be doing if I participate in your study?

I would like to invite you to participate in this research because you are a business leader with relevant experience and can contribute meaningfully to study. If you decide to participate in this research, I would like to clarify that you will be sharing your perception, challenges and experiences that will help other business leaders and contribute to the body of knowledge the difference between literature and business practice.

You can decide whether or not to participate in this research. If you decide to participate, you can choose to withdraw at any time or to decide not to answer particular interview questions.

Are there any risks/ or discomforts involved in participating in this study?

Whether or not you decide to participate in this research, there will be no negative impact on you. There are no direct risks or benefits to you if you participate in this study. You might, however, indirectly find that it is helpful to talk about your (perceptions, challenges and experiences as a business leader). If you find at any stage that you are not comfortable with the line of questioning, you may withdraw or refrain from participating.

Detail the potential risks and how it will be managed by the researcher. Indicate how the ethical considerations will be applied in the context of the study.

Do I have to participate in the study?

- Your inclusion in this study is completely voluntary;
- If you do not wish to participate in this study, you have every right not to do so;
- Even if you agree to participate in this study, you may withdraw at any time without having to provide an explanation for your decision.

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Appendix 2: Interview guide

Data Collection Instrument

Interview Guide

Stage 1 (before the interview)

Introduction

- ⇒ I am Keitumetse Mosenohi, an MBA student with IIE MSA and currently putting together the mini dissertation for submission in October. I am the researcher.
- ⇒ Thank you so much for taking the time to do this interview with me.
- ⇒ The interview is not expected to take longer than 60 minutes. It will be between 30 minutes to 60 minutes.
- ⇒ The selected topic for the research project is: The role of ethical leadership in business sustainability: Gauteng's business leaders' perceptions, challenges and experiences.
- ⇒ Although this interview is recorded, confidentiality takes priority.
- ⇒ The researcher will keep the recording in cloud storage only accessible by her. The recording may be made available to the research team that will be assisting with data analysis. When the study is completed, this recording will be deleted.
- ⇒ Please note that you are allowed to withdraw from the interview at any time should you feel uncomfortable.
- ⇒ Please confirm the size of your organisation by annual turnover. (Is it medium or large enterprise?)
- ⇒ Are you comfortable that we can continue with the recorded interview?
- ⇒ Are you comfortable that your identity will be protected?
- ⇒ Do you have any questions before we start the interview?
- ⇒ Please sign the informed consent letter to proceed with the interview.
- ⇒ Can I start recording?

Background

- ⇒ The role of ethical leadership in business sustainability: Gauteng's Business Leaders' perceptions, challenges and experiences.

Experience

- ⇒ What is your current position at your company?
- ⇒ How long have you occupied the position?
- ⇒ How long have you held leadership positions?
- ⇒ Which industries have you worked within?
- ⇒ Which industry does your current company operate within?

Appendix 3: Interview transcript – CFO Logistics Company – P1

Interview 1: CFO of a Large Logistics Company

Background:

- **Position:** Chief Financial Officer (CFO)
- **Experience:** 12 years in leadership
- **Industry:** Logistics & Freight Transport

Perception of Ethical Leadership:
"Ethical leadership, to me, means upholding integrity even when it's not profitable in the short term. In logistics, where regulation and compliance are tight, being fair and transparent with clients and staff builds long-term trust."

Understanding of Ethical Decisions:
"It's about evaluating not only financial impact but also legal, social, and environmental consequences. For example, choosing suppliers with clean labour practices even if they charge more."

Stakeholder Consideration:
"We always consider our clients, employees, and environmental regulators. Our code of ethics includes quarterly audits and stakeholder reports."

Importance for Sustainability:
"Without ethical leadership, trust erodes. You may make profit for a year or two, but eventually, reputational risks catch up."

Challenges:
"I once rejected a vendor contract due to unethical clauses and faced pushback from operations. It's not always easy to hold the line when there's pressure to deliver numbers."

Ethical Dilemmas:
"We faced one during COVID-19 when deciding on retrenchments. Balancing profitability with humanity was tough. We opted for shared sacrifices like executive pay cuts instead."

Appendix 4: Coding sheet

Main Theme / Code	Sub-Codes / Categories	Operational Definition	Example Quote (From Transcript)	Linked Research Question / Objective	Theoretical Link
1. Integrity and Transparency	Honesty in communication; Truthful reporting; Refusal to mislead; Whistle-blowing	Acting openly and truthfully even when it carries reputational or financial risk; disclosure of issues (e.g. errors, failures).	“When we have a technology outage, it’s easier to hide it—but we own up.” (Telecoms COO)	RQ1 – How do business leaders perceive the role of ethical leadership?	Stakeholder Theory (legitimacy), Virtue Ethics (honesty)
2. Accountability and Fairness	Taking responsibility; Fair treatment; Consistency in applying rules	Leaders own the outcomes of decisions and apply standards consistently to all stakeholders.	“It takes strong systems to correct the wrong without fear or favour.” (Head of Compliance – Retail)	RQ1 & RQ2	King V Governance; Ubuntu (justice, fairness)
3. Stakeholder Consideration and Engagement	Employees; Clients; Communities; Regulators; Suppliers	Recognising and balancing the interests of all parties affected by organisational decisions.	“We have forums with unions and community leaders. Ethical leadership ensures no voices are ignored.” (HR Director – Mining)	RQ1 – Relationship between ethical leadership and sustainability	Stakeholder Theory
4. Long-Term Value & Sustainability Vision	Reputation building; Legacy thinking; Environmental care	Seeing ethics as an investment in long-term trust, goodwill and resilience rather than short-term profit.	“Without ethics, you may profit for a year or two, but reputation catches up.” (CFO – Logistics)	RQ1	Triple Bottom Line (People, Planet, Profit)

Main Theme / Code	Sub-Codes / Categories	Operational Definition	Example Quote (From Transcript)	Linked Research Question / Objective	Theoretical Link
5. Trust and Credibility	Reputation; Reliability; Authenticity	The belief that the organisation or leader will act ethically and responsibly over time.	"Customer loyalty is built on trust. You can't fake care for people." (Retail Head of Compliance)	RQ1 – How ethical leadership supports sustainability	Ubuntu relational accountability
6. Challenges & Barriers to Ethical Leadership	Investor and profit pressures; Organisational culture; Weak enforcement; Corruption and political influence; Capacity constraints	Structural and cultural obstacles that make ethical behaviour difficult to sustain.	"Everyone knows the code, but the bonus sheet speaks louder." (Bank Executive Director)	RQ2 – What challenges do leaders face?	Knowing–Doing Gap (Malik et al., 2023); Institutional Weakness
7. Ethical Dilemmas in Decision-Making	Profit vs. People; Compliance vs. Efficiency; Transparency vs. Confidentiality; Client pressure vs. Integrity	Situations where leaders must choose between competing moral imperatives with trade-offs for sustainability.	"We had to choose between retrenchments and pay cuts. We chose shared sacrifice." (CFO – Logistics)	RQ3 – What ethical dilemmas have leaders faced?	Deontology, Consequentialism, Virtue Ethics
8. Ubuntu-Inspired Relationality	Compassion; Shared sacrifice; Community welfare; Mutual respect	Leadership as interdependence — valuing human dignity and collective well-being in decision-making.	"We speak weekly with rural cooperatives — everyone in the chain matters." (Agribusiness Founder)	RQ1 – Social positionality / worldview	Ubuntu Ethics; Stakeholder Inclusivity
9. Governance Alignment (King V Principles)	Tone at the top; Ethical codes; Board oversight; Whistle-blowing systems	Embedding ethics in organisational systems and governance mechanisms.	"Governance is only real when the board lives the values they write." (Banking Executive)	RQ2 – Institutional enablers/barriers	King V: Ethical and Effective Leadership

Main Theme / Code	Sub-Codes / Categories	Operational Definition	Example Quote (From Transcript)	Linked Research Question / Objective	Theoretical Link
10. Knowing–Doing Gap	Ethical awareness vs. behaviour; Misaligned incentives	Discrepancy between knowing the right thing and doing it due to performance or cultural pressures.	"It's not ignorance; it's the system that rewards shortcuts." (Telecoms COO)	RQ2 – Challenges of applying ethics in practice	Malik et al. (2023) Bottom-Line Mentality
11. Sustainable & Responsible Practices	Fair wages; Environmental stewardship; Anti-corruption procurement	Ethical leadership operationalised through sustainable business practices.	"We stopped using suppliers with child labour even though it delayed production." (Mining HR Director)	RQ1 & RQ3	Triple Bottom Line; Stakeholder Theory
12. Moral Courage & Resistance	Standing up to pressure; Rejecting unethical deals	The capacity to resist unethical demands or influences from superiors, clients or politics.	"A client offered a big order if we ignored certifications—I walked away." (Manufacturing MD)	RQ3 – Resistance and ethical agency	Virtue Ethics (Courage)
13. Capacity and Resource Constraints	Lack of training; Limited ethics expertise; Operational pressure	Deficits in time, skills, or resources that limit ethical practice or sustainability efforts.	"It's hard to sustain ethics when you're firefighting to survive." (Manufacturing MD)	RQ2	Rahman et al. (2020) – Implementation Barriers
14. Leadership as Moral Stewardship	Role-modelling; Moral communication; Leading by example	Ethical leadership as guiding, mentoring, and reinforcing ethics among subordinates.	"My job is to set the tone — if I bend, everyone bends." (Executive Director – Banking)	RQ1	Moral Person & Moral Manager Framework (Brown & Treviño, 2006)

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15. Ethics as a Sustainability Enabler (Meta-Theme)	Integrative insight across codes 1–14	Ethics as the foundation for sustainable value creation — moral legitimacy drives resilience and stakeholder trust.	Synthesised from multiple participant accounts	Overarching Objective: link ethical leadership and business sustainability	Stakeholder Theory + TBL + Ubuntu Integration