




# “Investigating the impact of leadership dynamics, job performance, and organizational climate on sustainable development in Chinese enterprises”

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# INVESTIGATING THE IMPACT OF LEADERSHIP DYNAMICS, JOB PERFORMANCE, AND ORGANIZATIONAL CLIMATE ON SUSTAINABLE DEVELOPMENT IN CHINESE ENTERPRISES

## Abstract

Chinese leadership dynamics have a significant impact on job performance in Chinese enterprises, influencing long-term success and fostering innovation, which highlights the importance of a positive organizational atmosphere in enhancing employee motivation. This study aims to examine how transformation and ethical leadership dynamics influence employee empowerment, organizational learning, and the subsequent long-term sustainability and job performance in Chinese industries. Data were collected from 500 employees across various Chinese industries, e.g., manufacturing, technology, and service. Partial least squares structural equation modeling (PLS-SEM) was employed to analyze the data. The results reveal that transformational leadership ( $\beta = 0.45, p < 0.001$ ), employee empowerment ( $\beta = 0.45, p < 0.001$ ), and organizational learning ( $\beta = 0.28, p < 0.001$ ) significantly enhance organizational climate, which in turn strongly influences job performance ( $\beta = 0.50, p < 0.001$ ). Organizational climate also mediates the effects of transformational leadership (indirect effect:  $\beta = 0.23, p < 0.001$ ), employee empowerment (indirect effect:  $\beta = 0.16, p < 0.001$ ), and organizational learning (indirect effect:  $\beta = 0.14, p < 0.001$ ) on job performance. Furthermore, ethical leadership moderates the impact of transformational leadership ( $\beta = 0.19, p < 0.001$ ) and employee empowerment ( $\beta = 0.15, p < 0.01$ ) on organizational climate. These findings emphasize the importance of integrating ethical and transformational leadership, employee empowerment, and continuous learning to foster a supportive organizational climate and drive sustainable development. This study offers actionable insights for organizational leaders and policymakers, contributing to a deeper understanding of leadership and organizational dynamics that facilitate long-term success.

## Keywords

organizational climate, job performance, transformational leadership, employee empowerment, sustainable development

## JEL Classification

M14, M12, Q01

## INTRODUCTION

Businesses must strike a balance between sustainable development, job performance, and employee engagement. This is a difficult task. Leadership dynamics, especially transformational and ethical leadership, are crucial to this alignment. These dynamics affect employee empowerment, learning culture, and organizational performance. According to Iqbal and Ahmad (2021) and Agbarakwe (2020), job performance, leadership behavior, and organizational climate are all crucial to an organization's long-term success. Despite growing interest in these topics, the impact of different leadership styles on an organization's long-term sustainability remains unknown.



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Author(s) reported no conflict of interest

Companies that wish to achieve resilience, agility, and a competitive edge in today's rapidly changing business world must understand how these components interact, as business environments are constantly evolving. Businesses that successfully integrate these dynamics can survive external pressures and grow by using their own human capital and organizational culture. According to Georgescu et al. (2024), businesses that incorporate these dynamics can thrive. The industry success of these companies is a testament to this. Hashimy et al. (2023) define effective leadership as the ability to inspire teammates, enhance productivity, and cultivate a collaborative and innovative work environment. These traits define good leadership. This positive feedback loop, which is supported by a healthy organizational climate, promotes both continual improvement and sustained growth. This is why both concepts are being widely considered. Researching leadership styles, job performance, and organizational climate is crucial for developing a theoretical understanding and practical solutions that lead to long-term success.

This study defines leadership dynamics as transformational and ethical leadership, which affect employee performance, sustainability, and organizational climate. Leadership dynamics refer to the methods, strategies, and procedures that leaders employ to make decisions that impact their teams and the organization (Zhu et al., 2021). Effective leadership involves encouraging and empowering employees (Ali & Anwar, 2021). How leaders handle challenges, communicate their vision, and foster a coherent culture significantly impacts the organization's culture and employee performance. Leaders who can adapt to different personalities and situations create more positive and effective workplaces (Kouzes & Posner, 2023). When managers push and grow employees, they may be more motivated and dedicated. Open, honest, and moral leadership builds trust. Trust is essential for workplace wellness.

Along with leadership dynamics, employee empowerment and organizational learning shaped the working atmosphere and productivity. Giving workers autonomy and ownership can boost productivity and job happiness. Organizational learning generates, preserves, and shares company knowledge. This boosts flexibility and performance. With transformational leadership, these elements create a workplace that boosts output and long-term growth.

Particularly in Chinese companies, only a limited number of empirical studies have looked at the whole influence of these elements. To understand how leadership dynamics can be changed to increase organizational sustainability in a transforming economy, this knowledge gap must be addressed.

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## 1. LITERATURE REVIEW AND HYPOTHESES

Recent research suggests that leadership dynamics have a significant impact on job performance and organizational sustainability. Transformational leadership improves organizational climate, employee engagement, and innovation, according to Georgescu et al. (2024). The three goals have some connection. Iqbal and Ahmad (2021) advocate that transformative leaders are driven, energized, and engaged. Transformative leadership, meanwhile, may struggle to maintain high-performance cultures. Transparency, confidence, and moral judgment, according to Dey et al. (2022), increasingly depend on ethical leadership. According to Al Halbusi et al. (2020), ethical leadership can mitigate the effects of transformational leadership by

enhancing employee satisfaction and organizational climate. Studies show that employee motivation and organizational commitment increase with appropriate resources, management autonomy, and decision-making ability. The motivation behind job performance has been greatly changed by employee empowerment.

Operational sustainability requires organizational learning. Different leadership theories influence the way environmentally friendly businesses work. According to Antunes and Pinheiro (2020), a company's adaptive culture determines its long-term performance. Businesses that provide information and training programs emphasize the importance of adaptation. Obeso et al. (2020) discovered that by encouraging proactive problem-solving, teamwork, and innovation, organizational learn-

ing raises employee performance. Zagenczyk et al. (2021) discovered that an organizational climate that encourages leadership helps employees perform better. Supporting conditions influence the interaction between leadership and performance. When combined, transformational leadership, organizational learning, employee empowerment, and ethical leadership boost long-term success and job performance.

Leaders use a variety of approaches and techniques to influence their teams in complex leadership dynamics (McDermott, 2020; Scandura & Meuser, 2022). Transformational leadership involves motivating and encouraging staff members to enhance productivity and foster a positive work environment (Norcilus, 2021; Agbarakwe, 2020; Enyia, 2022). On the other hand, the transactional leadership style places a greater emphasis on monitoring, consistency, and reward based on performance. The fact that transformative leadership encourages employee engagement and long-term commitment is well-known. These two factors are necessary for sustained success.

Transformational leaders can boost productivity and innovation when employees' aspirations are merged with the firm's aims, rather than relying solely on vision, intellectual stimulation, and individual consideration. To assist their organizations in adopting sustainable practices that strike a balance between economic growth, environmental conservation, and social justice, leaders who prioritize moral behavior and long-term planning can be of great assistance. Achieving this congruence is necessary for sustainable growth.

Employee empowerment, or granting workers autonomy and control over their work, enhances output and contentment at work (Alshemmari, 2023; Riyanto et al., 2021; Zhang et al., 2022; Khaliq et al., 2020). Empowerment theory claims that giving employees control over their work enhances performance and intrinsic motivation (Okochi & Ateke, 2020; Jnaneswar & Ranjit, 2022). Empowered workers are more motivated and engaged, which increases productivity and encourages creativity. An empowered work environment that cultivates a culture of trust and cooperation is conducive to developing employee initiative and achievement. Employees empowered to make de-

isions are more likely to devise and implement innovative solutions to environmental and social problems, which helps the company move closer to achieving its sustainability goals from a sustainable development perspective. Long-term success can be achieved by implementing this strategy, which uses the employees' pooled expertise and creative abilities.

Organizational learning is creating, growing, and exchanging knowledge inside a company. It is indispensable for improving productivity and adaptability at work (Kordab et al., 2020; Obeso et al., 2020). The perception of organizational learning powerfully emphasizes the importance of information exchange and continuous learning as prerequisites for accepting organizational innovation (Azeem et al., 2021; Lam et al., 2021). Learning organizations are committed to systematically collecting, disseminating, and applying knowledge to cultivate creativity and long-term success. In a corporate climate that is always shifting, the ability to adapt is necessary to maintain a competitive edge. Furthermore, organizational learning is essential for advancing sustainability because it increases the possibility that businesses will incorporate new ideas and approaches to resolve environmental and social issues. Organizations focusing on learning are better equipped to achieve their long-term sustainability goals, innovate, and adapt, all of which contribute to a long-term competitive advantage.

The organizational environment in the workplace encompasses common attitudes and views (Powell et al., 2021; Kuenzi et al., 2020). Higher job fulfillment and performance are associated with a collaborative, trustworthy, and supportive work environment. Leaders are indispensable in developing this atmosphere because they deliver an example of moral behavior, communicate effectually, and motivate cooperation. A positive work environment enhances employee confidence and motivation, which in turn boosts productivity and job satisfaction. When working in a supportive environment, people are more likely to participate in sustainability projects, as outlined in the concept of sustainable development. This supportive environment, which also helps the business reach its sustainability goals by reaffirming a sense of accountability and ownership for sustainability goals, is the driving force behind long-term success.

Job performance, which is influenced by organizational learning, employee empowerment, organizational environment, and leadership style, is one of the key elements influencing an organization's success (Soomro et al., 2021; Hosseini et al., 2020). Effective leadership that highlights accomplishments, provides feedback, and reassures with defined goals can significantly improve work performance. Good job performance directly impacts achieving organizational objectives and preserving a competitive advantage. Employees who trust that their supervisors are impartial and helpful tend to exhibit greater job satisfaction and loyalty, which in turn enhances productivity. Leading sustainability efforts in the framework of sustainable development is a critical responsibility of high-performing employees. When these components are united, companies will undoubtedly accomplish both short-term goals and long-term viability and success.

The transformational leadership paradigm stresses the role of leaders in exciting and motivating employees to bring about momentous organizational change, according to Usman (2020) and Shrestha (2020). Transformational leaders encourage dedication and inspiration by collaborating directly with them and demonstrating genuine concern for their personal development and well-being. This leadership style accentuates intellectual stimulation, with leaders challenging conventional thinking and encouraging creativity and problem-solving in their followers. In the context of this study, it is hypothesized that transformational leadership positively affects work performance and the organizational atmosphere. By introducing a vision that aligns individual ambitions with organizational objectives, transformational leaders can foster a favorable atmosphere that upsurges employee engagement and productivity, pushing long-term business growth.

According to the empowerment hypothesis, giving employees more self-sufficiency and control over their work progress, performance, and essential motivation is crucial (Andika & Darmanto, 2020; Muzafary et al., 2021; Okochi & Atteke, 2020). This method holds that empowerment entails allowing employees to make decisions, providing them with the necessary tools and resources, and encouraging initiative. Workers who have a sense of au-

thority are more likely to accept accountability for their work, solve problems creatively, and contribute to the organization's growth. This study posits that employee empowerment will advance both work performance and organizational atmosphere. Empowerment promotes a culture of trust and collaboration that upsurges productivity and innovation to accomplish long-term sustainability goals.

Organizational learning theory states that an organization's capacity for novelty and adaptation is contingent on information exchange and continuing learning (Antunes & Pinheiro, 2020; Obeso et al., 2020). This idea suggests that firms prioritizing learning are well-equipped to overcome challenges and adapt to varying conditions, thereby maintaining a competitive edge. Organizational learning is the cautious gathering, sharing, and applying of knowledge within a company. The study's hypothesis states that organizational learning has a satisfactory effect on both work performance and business values. By supporting a culture of continuous improvement, organizational learning reinforces an organization's capacity for revolutionization and adaptation, a serious skill for long-term success.

Organizational climate theory scrutinizes how shared attitudes and beliefs influence employee behavior and organizational outcomes (Zagenczyk et al., 2021; Otake-Ebede et al., 2020). This theory holds that happy and creative workers in supportive, cooperative, and trust-based work settings achieve more in their occupations. Leaders play a central role in founding and maintaining this atmosphere by modeling suitable conduct and cheering open communication. In addition to having a direct impact on job performance, this study views organizational climate as a mediator between work performance, leadership dynamics, employee empowerment, and organizational learning. Long-term organizational performance is contingent on innovation and reduced attrition, which a supportive culture adopts.

Dey et al. (2022) and Al Halbusi et al. (2020) assert that moral conduct is indispensable to active leadership and has a momentous effect on the culture and output of businesses. This view holds that properly pure leaders foster a cooperative and trusting work environment. Ethical leadership is supposed to regulate the associations between

transformational leadership, worker empowerment, organizational learning, organizational climate, and job performance. The advantage of these traits is that they enable ethical leaders to maximize their impact by emphasizing transparency, integrity, and moral behavior. This increases organizational resilience and encourages sustained growth.

The literature review explored the complex relationships between transformational leadership, employee empowerment, organizational learning, organizational climate, and job performance. By integrating theories such as transformational leadership theory, empowerment theory, organizational learning theory, organizational climate theory, and ethical leadership theory, this study aims to examine how these factors collectively influence employee performance and sustainability initiatives.

Despite their differences, leadership dynamics, organizational climate, and job performance are closely related. This is true even though these three things seem distinct. This paper examines the direct and indirect effects that leadership dynamics have on both organizational climate and employee performance by considering them through the lenses of transformational and ethical leadership. This methodology offers a uniform approach to examining the interactions between these structures.

The purpose is to provide insights into how Chinese leadership dynamics significantly impact job performance in Chinese enterprises, influencing long-term success and fostering innovation. This highlights the importance of a positive organizational atmosphere in enhancing employee motivation.

Based on the literature review, the following hypotheses are proposed:

- H1: *Organizational climate is positively impacted by transformational leadership.*
- H2: *Employee empowerment has a favorable impact on organizational climate.*
- H3: *Organizational climate is positively impacted by organizational learning.*

H4: *Job performance is positively impacted by organizational climate.*

H5: *Job performance is positively impacted by transformational leadership.*

H6: *Job performance is positively impacted by employee empowerment.*

H7: *Job performance is positively impacted by organizational learning.*

H8: *The relationship between transformational leadership and job performance is mediated by organizational climate.*

H9: *The relationship between job performance and employee empowerment is mediated by organizational climate.*

H10: *The relationship between job performance and organizational learning is mediated by organizational climate.*

H11: *When ethical leadership is high, the links between transformational leadership, job performance, and organizational climate are strengthened. Ethical leadership modifies these relationships.*

H12: *When ethical leadership is high, the links between job performance, organizational climate, and employee empowerment are strengthened. Ethical leadership modifies these relationships.*

H13: *Ethical leadership moderates the relationship between job performance, organizational learning, and organizational climate; high ethical leadership strengthens this relationship.*

## 2. METHODOLOGY

### 2.1. Research design

This study uses a quantitative research design to observe the associations between job performance, organizational culture, employee empowerment, leadership styles, and organizational learning in

Chinese businesses. The primary aim is to realize how these elements work together to support sustainable development. Partial least squares structural equation modeling is used in the study to examine the data (PLS-SEM) (Zhao et al., 2021; Zhao et al., 2020). This strategy is chosen because it is effective when working with intricate models that contain multiple dimensions, and it can assess both direct and indirect effects, as well as mediating and moderating connections (Zhao et al., 2021).

## 2.2. Measurement development and data collection

Five hundred Chinese workers from various industries were asked to study the effects of leadership dynamics on organizational climate and job performance. The stratified random sample included executives, middle management, technology, services, and manufacturing. These industries were chosen for their importance to China’s economy and their varied organizational structures, which allow leadership performance examination in many business environments. Identifying the companies would improve the study’s framework and generalizability. The respondents’ demographic data are shown in Table 1.

Employees were selected from manufacturing enterprises located in Jiangsu Province, China, that align with Sustainable Development Goal (SDG) 12: Responsible Consumption and Production. Selection was based on prior reports and publications evidencing these enterprises’ commitment to sustainability. Focusing on SDG-aligned organizations was critical to the study’s objective of examining how leadership dynamics and organizational climate contribute to sustainable development outcomes.

This ensured a contextually grounded investigation of the internal organizational mechanisms that support SDG integration. The study aimed to enhance the generalizability and external validity of findings. The survey participants were chosen based on recommendations from structural equation modeling, which suggests that high sample sizes improve parameter estimates and hypothesis testing (Elsa et al., 2025; Jahangir et al., 2022, 2024; Manzoor & Jahangir, 2023; Zhang et al., 2022). The inclusion of a diverse range of businesses, including small and medium-sized businesses, ensured a well-balanced and accurate representation of the Chinese business environment.

**Table 1.** Demographics

Demographic Variable	Category	Frequency	Percentage
Gender	Male	275	55%
	Female	225	45%
Age	18–25 years	80	16%
	26–35 years	200	40%
	36–45 years	150	30%
	46–55 years	50	10%
	56 years and above	20	4%
Education Level	High School	50	10%
	Bachelor’s Degree	250	50%
	Master’s Degree	150	30%
	Doctorate	50	10%
Job Position	Executive	50	10%
	Middle Management	200	40%
	Staff	250	50%

The survey questionnaire was adopted from previous studies. Table 2 details the adopted questionnaire. A 5-point Likert scale was used to rate the items (1 being strongly disagree and five being strongly agree).

**Table 2.** Survey questionnaire items

Construct	Items	Reference
Transformational Leadership	1. My leader inspires me with his/her vision. 2. My leader encourages me to think creatively and solve problems. 3. My leader provides a clear vision of the future. 4. My leader treats me as an individual and supports my development.	Shrestha (2020)
Employee Empowerment	1. I have significant autonomy in determining how I do my job. 2. I have control over the resources I need to do my job well. 3. I feel confident about my ability to do my job. 4. My job activities are personally meaningful to me.	Alshemmari (2023)

**Table 2 (cont.).** Survey questionnaire items

Construct	Items	Reference
Organizational Learning	1. My organization continually seeks to learn and improve. 2. Knowledge sharing is encouraged in my organization. 3. There are opportunities for continuous learning in my organization. 4. My organization has systems in place to capture and share knowledge.	Antunes and Pinheiro (2020)
Organizational Climate	1. There is a high level of trust among employees in my organization. 2. My organization supports collaboration and teamwork. 3. Employees are treated fairly in my organization. 4. My organization fosters a positive and inclusive work environment.	Zagenczyk et al. (2021)
Job Performance	1. I consistently meet or exceed my performance targets. 2. My performance has improved due to feedback and recognition from my leader. 3. I am efficient in completing my job tasks. 4. My work quality is consistently high.	Soomro et al. (2021)
Ethical Leadership	1. My leader demonstrates ethical behavior in all decisions. 2. My leader encourages transparency and honesty. 3. My leader sets an example of ethical behavior. 4. My leader promotes fairness and justice.	Dey et al. (2022)

### 2.3. Ethical considerations

The data used in this inquiry were verified according to the highest ethical standards for veracity and confidentiality. The participants were informed of the study's purpose, their voluntary participation, and their right to withdraw at any time without penalty. All participants gave informed consent prior to beginning the trial. Answers were anonymized, and secure data storage was maintained to ensure data confidentiality. The study was conducted in compliance with ethical standards and received approval from the institutional review board.

## 3. RESULTS AND DISCUSSION

With the help of SmartPLS 3.0, an excellent tool for analyzing complex structural models using partial least squares structural equation modeling (PLS-SEM), primary data collected from 500 individuals working for Chinese companies were analyzed (Aman-Ullah et al., 2025; Hafeez et al., 2023). The primary reason for conducting this procedure was to assess the efficacy of the models. The boot-

strapping procedure was used to derive the path coefficients, *t*-values, and *p*-values generated during the hypotheses testing.

The measurement model was assessed for reliability and validity. Table 3 provides the Cronbach's Alpha, Composite Reliability (CR), and Average Variance Extracted (AVE) for each construct.

**Table 3.** Measurement model assessment

Construct	Cronbach's Alpha	CR	AVE
Transformational Leadership	0.91	0.93	0.78
Employee Empowerment	0.88	0.90	0.74
Organizational Learning	0.87	0.89	0.71
Organizational Climate	0.92	0.94	0.80
Job Performance	0.90	0.92	0.76
Ethical Leadership	0.89	0.91	0.75

All constructs exhibited high reliability (Cronbach's Alpha > 0.7), composite reliability (CR > 0.7), and convergent validity (AVE > 0.5). Next, the structural model was evaluated to test the hypotheses. Table 4 presents the path coefficients and significance levels for the direct effects. All direct effects were significant, supporting hypotheses H1 to H7.

**Table 4.** Structural model results

Hypothesis	Path	Coefficient	t-value	p-value
H1	Transformational Leadership → Organizational Climate	0.45	8.76	0.000
H2	Employee Empowerment → Organizational Climate	0.32	6.14	0.000
H3	Organizational Learning → Organizational Climate	0.28	5.67	0.000
H4	Organizational Climate → Job Performance	0.50	9.23	0.000
H5	Transformational Leadership → Job Performance	0.30	5.89	0.000
H6	Employee Empowerment → Job Performance	0.22	4.56	0.000
H7	Organizational Learning → Job Performance	0.20	4.21	0.000

### 3.1. SEM analysis

The mediating role of organizational climate was tested using the bootstrapping method. Table 5 summarizes the indirect effects. The results indicate that organizational climate mediates the relationships between transformational leadership, employee empowerment, organizational learning, and job performance, supporting hypotheses H8 to H10.

The moderating effect of ethical leadership was examined by including interaction terms in the structural model. The results are provided in Table 6. The findings show that hypotheses H11 and H12 testing moderating effects are supported.

Based on the findings of this study, there are significant and persistent relationships between leadership dynamics, organizational climate, and job performance in Chinese enterprises. Organizational learning, employee empowerment, and transformational leadership all had a significant, favorable impact on both organizational climate and job performance. Previous research has shown that transformational leadership is effective in creating a supportive working environment and enhancing employee outcomes (Georgescu et al., 2024; Norcilus, 2021).

Autonomy and engagement influence intrinsic motivation and performance (Alshemmari, 2023; Jnaneswar & Ranjit, 2022). The favorable impact of employee empowerment lends credibility to this study, which implies that autonomy and involvement are factors that contribute to these outcomes. The preceding research findings are supported by the positive impacts of employee empowerment, which are consistent with those discussed earlier. According to Antunes and Pinheiro (2020)

and Obeso et al. (2020), the impacts of organizational learning on job performance are consistent with prior research, which has shown that knowledge sharing and continuous learning are excellent techniques for promoting flexibility and innovation. This indicator highlights the importance of organizational learning's impact on job performance.

One of the most significant findings of this study was that organizational climate plays an important role as a mediator in the relationship between leadership variables and job performance. According to Zagenczyk et al. (2021) and Otaye-Ebede et al. (2020), this study supports the organizational climate theory, which states that leadership activities can be translated into performance outcomes if all members of the organization share the same beliefs about justice, trust, and collaboration. It was discovered that ethical leadership exacerbated the effects of employee empowerment and transformational leadership on organizational climate. Previous research (Dey et al., 2022; Al Halbusi et al., 2020) has demonstrated that ethical behavior not only fosters trust but also enhances the success of behavior change. This study also builds upon earlier research findings, which have demonstrated that ethical behavior enhances confidence. The study's findings contribute to increased awareness of this fact among the leadership community; an integrated leadership strategy is the most effective way to achieve long-term success. Adopting this approach, which combines an ethical orientation, empowerment, and continuous learning, can lead to a pleasant workplace and a workforce capable of high performance. The goal of building a multidimensional leadership framework is to give leaders concrete information to help them integrate sustainability into the

**Table 5.** Mediating effects of organizational climate

Hypothesis	Indirect Path	Coefficient	t-value	p-value
H8	Transformational Leadership → Organizational Climate → Job Performance	0.23	5.12	0.000
H9	Employee Empowerment → Organizational Climate → Job Performance	0.16	4.01	0.000
H10	Organizational Learning → Organizational Climate → Job Performance	0.14	3.89	0.000

**Table 6.** Moderating effects of ethical leadership

Hypothesis	Interaction Path	Coefficient	t-value	p-value
H11	Transformational Leadership * Ethical Leadership → Organizational Climate	0.19	3.72	0.000
H12	Employee Empowerment * Ethical Leadership → Organizational Climate	0.15	3.21	0.000

culture and operations of their respective businesses. This framework was designed to provide leaders with practical guidance.

There are noteworthy theoretical implications when exploring job performance, organizational environment, and leadership dynamics in the setting of sustainable development. This study emphasizes the positive effects that inspirational and motivating leaders may have on the work environment and productivity of their teams. It also stresses how significant it is to integrate ideas of empowerment and transformational leadership with sustainability frameworks. By incorporating sustainability as a central element of conventional leadership theories, the results enhance the thoughtfulness of how leadership impacts long-term organizational performance. Furthermore, the study highlights how moral leadership is requisite to changing these associations, suggesting that moral behavior reinforces the benefits of transformational leadership, empowerment, and organizational learning. This shared approach provides a more detailed framework for researching organizational sustainability and facilitates further theoretical research into how numerous progressions can be coordinated to enhance resilience and flexibility in businesses.

The results indicate that policies must prioritize moral and transformative business leadership to advance sustainable development. Funding initiatives for leadership development that emphasize moral, stirring, and inspiring behavior must be given top priority by policymakers. To enhance job performance and the overall business culture, policies must facilitate ongoing education and employee empowerment. Endorsing openness, cooperation, and moral behavior can help to improve a positive work environment.

Organizations can achieve long-term sustainability, flexibility, and a competitive advantage by incorporating these components into their policy frameworks, thereby adapting to changing market environments.

The paper provides practical advice for encouraging firms' sustainable growth. Businesses should implement transformational leadership approaches that encourage and support staff members to increase productivity and foster a happy workplace. Offering workers more autonomy and resources can increase their level of engagement and innovation. Establishing methods for continuous education could help organizations stay knowledgeable and maintain their competitive advantage. To sustain these beneficial outcomes, ethical leadership must be given top priority. Through the mixing of these techniques into their ongoing business operations and strategic planning, organizations can enhance their efficacy, create a salubrious workplace, and achieve durability.

This study has some limitations. First, the majority of the data came from Chinese businesses, which limits the applicability of the conclusions in other cultural situations. Moreover, the cross-sectional design limits the ability to establish a causal relationship between the variables. Response biases could potentially originate from self-reported metrics. Longitudinal studies should be considered in future research to better control for causal links and display changes over time. The inclusion of diverse cultural contexts will increase the perspective and foster an international comprehension of leadership dynamics. It is also suggested to examine how job performance and organizational climate are influenced by self-important, remote, and digital leadership in the context of sustainable development.

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## CONCLUSION

This study aimed to investigate the impact of leadership dynamics, encompassing transformational and ethical leadership, employee empowerment, and organizational learning, on job performance within Chinese firms, with a focus on the importance of organizational climate. The results demonstrate that transformational leadership, employee empowerment, and organizational learning substantially improve job performance and foster a pleasant organizational environment. Moreover, ethical leadership enhances the impact of these elements by fostering a supportive and integrity-oriented work environment. The results suggest that firms seeking to enhance long-term sustainability, employee engagement, and competitive advantage should prioritize leadership practices that promote empowerment, ethical con-

duct, and ongoing learning. An effectively cultivated organizational climate is essential for optimizing the advantages of various leadership strategies. Subsequent research should investigate these linkages over extended periods to evaluate their lasting impacts and corroborate findings across various cultural and industrial contexts. Analyzing supplementary variables, including digital transformation and remote work patterns, may yield profound insights into the changing leadership dynamics within contemporary businesses.

This study's conceptual framework and findings have larger implications that may be applicable to other emerging economies with similar organizational, cultural, and economic dynamics. These implications may be applied to other emerging economies. Even though this study is primarily concerned with Chinese companies, the implications of this study are not restricted to the domestic market in China. The generalizability of these findings may be influenced by a wide range of contextual factors, including the country's culture, regulatory environment, and business-specific norms. To confirm the consistency and adaptability of the observed relationships across a variety of organizational environments, future research may duplicate this model across a wide range of cultural and geographical contexts, including both developed and developing countries. The study, which included 500 people from various Chinese industries, found that contextual variation in leadership techniques, organizational climates, and job performance outcomes can be challenging to interpret. The current research methodology does not disaggregate data, potentially burying contextual nuances. Future studies should employ multi-group analysis or industry-specific subsamples to examine these dynamics across diverse contexts. The conceptual model can be adjusted and confirmed in other emerging economies to test its generalizability across cultures.

Furthermore, the connections between leadership dynamics, organizational climate, and job performance may be influenced by factors unique to the sector, the organization's size, and structural differences. The current model does not effectively capture the contextual nuances that may arise due to the variety that exists between different sectors. Further research could employ multi-group analysis or stratified sampling to compare these dimensions across a wide range of companies. It would be beneficial to have a more in-depth understanding of how the industry's characteristics influence the stated links. Having this knowledge would make it possible to have a more in-depth and specialized understanding of the effectiveness and sustainability of leadership within the context of various organizational settings.

## AUTHOR CONTRIBUTIONS

Conceptualization: Ran Xu, Rozaini Rosli.

Data curation: Ran Xu.

Formal analysis: Ran Xu, Rozaini Rosli.

Investigation: Ran Xu, Rozaini Rosli.

Methodology: Ran Xu, Rozaini Rosli.

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