



Leadership Today: An Enabler of Increased Productivity, Wellbeing and Sustainability

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Abstract:

This study focuses on leadership practice as an enabler for increased productivity, wellbeing and sustainability in knowledge organisations. Thus, the research question guiding this study is: ‘How does leadership practice enable increased productivity, wellbeing and sustainability in knowledge organisations?’. A qualitative inductive study was conducted through a systematic literature review (SR) of 10 recent relevant and high-quality peer-reviewed scientific articles and reports. After meeting the explicit criteria for relevance and quality, the selected studies were examined through qualitative content analysis. The results were organised in line with self-determination theory, which is robust, well-supported and multidimensional in connecting motivation and performance and, therefore, productivity and wellbeing in work organisations. This ultimately leads to leadership towards supporting an employee’s competence, relatedness and autonomy at work, which promotes positive work consequences (i.e. performance and wellbeing) and supports high-quality, sustainable motivation. This study identifies two additional categories building upon self-determination theory: (1) strategic leadership and management towards sustainability and (2) leadership towards supporting employees’ purposeful work. These categories form an integral part of the developed framework for the organisational context within the scope of the study’s focus and research question. This study’s results are organised into several themes: sustainable talent management; organisational support for creativity and feedback about one’s performance as well as recognition and follow-up on employees’ creative contributions; providing development and learning opportunities; transformational leadership; sustainable, responsible and ethical leadership; creation and management of organisational culture and climate; interpersonal relations and support; collaboration towards a common goal; flexibility and flexible solutions; trust and clarity; self-managing teams (distributed leadership); autonomy-supportive leadership; inclusive decision-making, employee focus and employee involvement; enabling sustainability through strategy work and leadership; and enabling meaningfulness and purpose at work. Finally, the findings of this study indicate potential sustainability challenges for organisations and avenues for increased sustainability.

Keywords: knowledge organisation, leadership practice, productivity, wellbeing, sustainability, organisational culture

Opinnäyte

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Tiivistelmä:

Tämä tutkimus keskittyy johtamiskäytäntöihin, jotka edistävät tuottavuutta, työhyvinvointia ja kestävää kehitystä asiantuntijaorganisaatioissa. Tutkimusta ohjaa seuraava tutkimuskysymys: Millaiset johtamiskäytännöt mahdollistavat tuottavuuden, työhyvinvoinnin ja kestäväen kehityksen parantumisen asiantuntijaorganisaatioissa? Laadullinen induktiivinen tutkimus toteutettiin systemaattisen kirjallisuuskatsauksen (SR) avulla, jossa tarkasteltiin kymmentä korkealaatuista, relevanttia ja vertaisarvioitua tieteellistä artikkelia ja raporttia. Valitut tutkimukset täyttivät laadun ja tarkoituksenmukaisuuden kriteerit. Tutkimukset analysoitiin laadullisen sisällönanalyysin avulla. Tulokset järjestettiin itseohjautuvuusteorian mukaisesti, joka on vahva, hyvin tuettu ja moniulotteinen viitekehys. Itseohjautuvuusteoria yhdistää motivaation ja suorituksen, ja sitä kautta se luo yhteyden myös työhyvinvoinnin ja tuottavuuden välille organisaatioissa. Pohjana on hyvä johtajuus, joka tukee työntekijän kyvykkyyksien hyödyntämistä, yhteisöllisyyttä ja autonomiaa. Oikeanlaisen johtajuuden kautta saavutetaan positiivisia vaikutuksia suoritukseen ja työhyvinvointiin sekä tuetaan kestävää motivaatiota. Tässä tutkimuksessa tunnistettiin itseohjautuvuusteoriaan kaksi lisäkategoriaa: 1) strateginen johtaminen kestäväen kehityksen varmistamiseksi ja 2) johtajuus, joka tukee työn merkityksellisyyden tunnetta. Nämä kategoriat täydentävät olennaisesti itseohjautuvuusteorian viitekehystä, ja näin päästään organisaatiotasoiseen viitekehykseen, joka vastaa tämän tutkimuksen tutkimuskysymykseen. Tutkimuksen tulokset on järjestetty teemoittain: kestävä osaamisen hallinta; luovuuden tukeminen organisaatioissa, palaute omasta suorituksesta sekä tunnustus innovatiivisesta otteesta; kehitymis- ja oppimismahdollisuuksien tarjoaminen; transformatiivinen johtaminen; kestävä, vastuullinen ja eettinen johtaminen; oikeanlaisen organisaatiokulttuuriin luominen ja ylläpitäminen; ihmisten väliset suhteet ja yhteisöllisyyden tuki; yhteiset päämäärät; joustavuus; luottamus ja selkeys; itseohjautuvat tiimit (hajautettu johtaminen); työntekijöiden autonomiaa tukeva johtajuus; työntekijöiden osallistaminen päätöksentekoon ja sitouttaminen; kestävyiden edistäminen strategiatyön ja johtajuuden kautta; merkityksellisyyden mahdollistaminen työssä. Lopuksi, tämän tutkimuksen tulokset tuovat esiin mahdollisia kestävyysaasteita organisaatioille ja mahdollisuuksia kestävyiden lisäämiseen.

Avainsanat: Asiantuntijaorganisaatio / tietotyön organisaatio, johtamiskäytäntö, tuottavuus, hyvinvointi, kestävyys, organisaatiokulttuuri

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Acronyms

AI	Artificial Intelligence
CISL	Cambridge Institute for Sustainability Leadership
CL	Country Level
CSR	Corporate Social Responsibility
KW	Knowledge Work
ILO	International Labour Organization
OECD	Organisation for Economic Co-operation and Development
ORGL	Organisational Level
SDG	Sustainable Development Goal
SDT	Self-Determination Theory
SR	Systematic Literature Review
UN	United Nations
UN DESA	United Nations Department of Economic and Social Affairs
UNIDO	United Nations Industrial Development Organization
WHO	World Health Organization
WCED	World Commission on Environment and Development

1 Introduction

The idea that leadership practices can enable increased productivity, wellbeing and sustainability is a necessity and a possibility within organisations operating during the rise of the knowledge economy. Leadership practices, which are understood as the verbal communication and interactions between employees or followers and leaders, are not new phenomena, yet the nature of leadership practice has evolved and continues to evolve. These developments involve more collaborative, people-focused approaches.

Recent research has shown that leadership practice impacts both employee performance and wellbeing. Furthermore, employee wellbeing has been linked to higher performance and productivity (Inceoglu et al., 2018).

New multidisciplinary thinking is needed to build better leadership practices in knowledge organisations both today and in the future (Cambridge Institute for Sustainability Leadership [CISL], 2022) while simultaneously advancing the United Nation's (UN's) Sustainable Development Goals (SDGs) (United Nations, 2022). The contextual differences among organisations demand unique solutions; thus, context-specific solutions and best practices for improving wellbeing, productivity and sustainability must be devised for each organisation. However, which skills and knowledge (i.e. practices) are essential for leaders to create these solutions? Moreover, how should leaders make decisions regarding wellbeing, productivity and sustainability in specific organisational contexts? Recently, leadership and management practitioners and researchers have become increasingly interested in the importance of leaders' understanding of sustainable levels of employee performance and wellbeing as well as in the interplay between these two factors.

1.1 Thesis statement, aims and research questions

Some researchers (e.g. Inceoglu et al., 2018) have argued that employers and academics should take employee wellbeing more seriously – this means considering wellbeing at the heart of decision-making in organisations as an ultimate aim instead of simply as a means to achieve higher productivity or performance. While employee wellbeing has been linked to higher productivity or performance, previous research has acknowledged the need for sustainable levels of employee wellbeing, productivity and performance (Inceoglu et al., 2018). It is of interest for researchers to examine leadership practices for increased wellbeing, productivity and sustainability. Consequently, this thesis explores how leadership practice enables increased wellbeing, productivity and sustainability in knowledge organisations and aims to examine how leaders at different organisational levels can influence wellbeing, productivity and sustainability through leadership practices in the context of knowledge organisations.

The main research question of this thesis is as follows:

How does leadership practice enable increased productivity, wellbeing and sustainability in knowledge organisations?

The sub-questions that guide the research work are as follows:

What are the leaders' possibilities of influence throughout the organisation to enable increased productivity, wellbeing and sustainability?

What can leaders do to achieve the goals of increased productivity, wellbeing and sustainability in relation to these aspects?

The UN has identified 17 SDGs that cover social, economic and environmental sustainability (United Nations, 2022), with the objective for action to fulfil these goals (United Nations Department of Economic and Social Affairs [UN DESA], 2022). This thesis focuses more precisely on SDG 8 (Decent Work and Economic Growth) and SDG 3 (Good Health and Wellbeing). It has been proposed by CISL (2022) that leadership solutions can be created to meet UN SDGs; thus, this thesis argues that the way in which leadership can help improve wellbeing, productivity and sustainability should be investigated. This work provides helpful insights for the development of leadership practice in knowledge work (KW) organisations both today and in the future.

1.2 Delimitations

In this thesis, leadership practice is examined at an organisation-wide level. Organisational leadership typically takes place at different hierarchical levels of management, such as at the executive, middle management and operative management levels. This thesis is delimited to these levels of management: 1) operative and middle management (1st and 2nd levels) and 2) executive (3rd level).

Knowledge organisations are defined as organisations that “create, use, and retain knowledge on a day-to-day basis” (Patriotta, 2003, p. 7). The role of knowledge organisations has become increasingly important in the knowledge society. Knowledge work can be divided into 1) higher-level knowledge work, which usually requires creativity and original thoughts or ideas and 2) lower-level knowledge work. In this thesis, we examine knowledge organisations and their leadership practices. Leadership in the higher-level knowledge work context is the focus here, where feasible. We also use the word “organisation” to mean both “company” and “business.” Leadership practice or action is understood in this thesis as verbal or written language, communication and interaction/dialogue. Thus, a leader’s communication can be seen as instrumental for achieving common goals and influencing wellbeing, productivity and sustainability, which are all studied in this thesis.

This qualitative study uses the systematic literature review (SR) method. We examine 10 recent peer-reviewed scientific articles and reports retrieved from Scopus databases and CISL’s academic research publications published from 2020 to 2023.

1.3 Structure of the thesis

This thesis is divided into two main parts: a theoretical framework and qualitative research. Chapter 2 contains the theoretical framework, which provides an overview of the main concepts and situates the research/thesis topic within the wider context of the academic discipline. Chapter 3 presents the methodology, which describes how the qualitative research and the systematic literature review were conducted. Chapter 4 presents the analysis of the study’s findings and contains a discussion of their interpretations and implications. Finally, conclusions and possibilities for future research are provided in Chapter 5.

2 Theoretical Framework

Given this work’s aim of exploring how leadership practice enables increased productivity, wellbeing and sustainability in knowledge organisations, this chapter provides an overview of models for leadership and related leadership practices. This chapter then introduces organisational culture and hybrid workplaces. As the theory unfolds, the chapter discusses leadership in relation to wellbeing, productivity and sustainability. Finally, the relevant theory is synthesised in the chapter’s summary (Section 2.5).

2.1 Leadership in today’s work context

According to Northouse, leadership can be defined as “a process whereby an individual influences a group of individuals to achieve a common goal” (Northouse, 2016, p. 6). Northouse defined leadership as a process that involves interactions between a leader and followers; from this definition, leadership is understood as a phenomenon that can be learned and that occurs between a leader and a follower (Northouse, 2016). Leadership research contains views of leadership as a process and quality/trait. In contrast to the process leadership view, the quality/trait perspective is about the characteristics of leaders, which are often considered innate (Northouse, 2016; Tigerstedt, 2022). This thesis focuses on leadership as a process, and Figure 1 shows the process perspective of leadership. This means that leadership is considered more agile and dynamic – something that evolves with dialogue/interaction. Moreover, the particular organisational context in which leadership is practiced/developed is also highly relevant to the discussion (Tigerstedt, 2022).

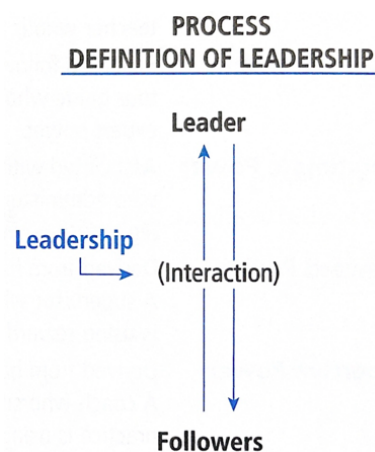


Figure 1. Process leadership (Northouse, 2016, p. 9). Illustration originally from Kotter (1990) and modified in Leadership Theory and Practice by Northouse (2016).

Figure 1 illustrates that the process leadership approach involves interactions between leaders and their followers. Thus, leadership is an interactive – not a one-way – process, since leaders and followers affect each other (Northouse, 2016). Several theories have explained leadership perspectives (Northouse, 2016); in this work, however, we consider selected leadership theories based on today’s organisational context. This is because leadership research today focuses more on contexts and situations – in other words, it concentrates on more agile approaches (Northouse, 2016; Tigerstedt, 2022). In addition, this selection was based on seeing leadership as a process. These conceptualisations of leadership include situational, transformational, adaptive and distributed/team leadership (Northouse, 2016).

2.1.1 Leadership and leadership practice

Agile approaches to leadership are favoured in today’s workplace contexts (Northouse, 2016; Senge, 2006). The situational leadership approach argues that leaders should adapt their leadership style based on the nature of a given set of circumstances and answer the demands of their environment – this includes the people and the tasks involved (Hersey & Blanchard, 1988; Northouse, 2016; Oxford University Press, 2022). According to Northouse (2016), the situational approach to leadership has directive and supportive dimension that must be applied relevantly according to the situation. In each situation, leaders should determine and vary their leadership styles based on followers’ commitment and competence (Hersey & Blanchard, 1988; Northouse, 2016). The adaptive leadership approach focuses on leaders helping followers adapt and adjust to new situations (Northouse, 2016). According to Heifetz et al. (2009), “adaptive leadership is the practice of mobilizing people to tackle tough challenges and thrive” (p. 14). The distributed leadership perspective is about shared and collective leadership practices (Harris & Spillane, 2008; Northouse, 2016; Tigerstedt, 2022). Spillane (2005) offered the following definition of distributed leadership: Leadership practice is a consequence of an interaction among leaders, followers and situations (Spillane, 2005). Distributed leadership or leading practice can be carried out by the official leader, shared by team members or conducted by performing tasks together (Harris & Spillane, 2008; Northouse, 2016; Tigerstedt, 2022).

Regarding hybrid leadership, Hopkins and Figaro (2021) wrote that “the hybrid workforce requires leaders who can effectively lead in face-to-face and remote settings, with a unique ability to bring the two environments into a cohesive unit” (p. 2). Another definition claimed that “hybrid leadership means mixed leadership patterns” (Leithwood et al., 2009, p. 17).

Transformational leadership refers to a proactive leadership practice that strives for continuous improvement and change (Tigerstedt, 2022). Transformational leaders can be described as those who (Tigerstedt, 2022; Yukl, 1996):

- create and articulate a clear and appealing vision,
- lead by example,
- are optimistic and self-confident,
- promote and celebrate success,
- trust employees and
- provide other possibilities for success.

Transformational leadership has varying component behaviours for different theories and measures (Yukl, 1996). This section introduces these theoretical perspectives on leadership to provide a basis for understanding leadership and how it can enable increased productivity, wellbeing and sustainability today in the context of the knowledge organisations investigated in this thesis.

2.1.2 Organisational culture in today’s knowledge organisations

The importance of organisational culture has been emphasised by many researchers (Cameron & Green, 2019). Organisational culture is, according to the definition given by Schein (1984), “the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems” (Schein, 1984, p. 1). Furthermore, organisational culture is a strategy in practice (Bate, 2010). Schein wrote, “Organisational culture is the key to organisational excellence... and the function of leadership is the creation and management of culture” (cited by Cameron & Green, 2019, p. 323). Similarly, Cameron and Green

(2019) argued that leaders play a significant role in supporting cultural change. Importantly, however, organisational culture is important for leaders and managers, and developments in organisational culture can be managed via excellent leadership (Alvesson, 2012). Leadership practices and organisational systems leaders promote shape an organisation's culture, and the former are incorporated into the culture of management practices and organisational systems (Kotter, 1996).

2.1.3 Hybrid workplaces

The word “hybrid” means “a thing made by combining two different elements” (OED, 2022). A hybrid workplace can thus be defined as follows: “Hybrid workplaces consist of blending highly flexible environments, incorporating the traditional in-office, physical face-to-face with remote work settings where workers flex in and out of the office, with a heavy reliance on technology-mediated communication” (cited in Hopkins & Figaro, 2021, p. 2). The evolution of communication systems and technology has facilitated communication and enabled new ways of working, such as hybrid work, within organisations. Hybrid workplaces have become a common form of organising work for many companies around the globe (Choudhury et al., 2022; Gratton, 2021). To ensure that hybrid workplace arrangements operate effectively, it is crucial that leaders build a context of place and time that accentuates wellbeing, productivity and sustainability (Gratton, 2020; Microsoft, 2022). However, in the new hybrid world, organisations need leaders who can work well across two distinct modes (Hooijberg & Watkins, 2021), as hybrid working combines working in an office and working remotely (Teevan et al., 2021). According to Leighton (2021), a hybrid workplace model enables workplace flexibility and consists of teams working in mixed environments both remotely and in the office. A hybrid work design offers flexibility along place and time (Gratton, 2020, 2021). The nature of hybrid work can vary, and companies have identified which tasks are better performed in the office with colleagues and which tasks are better performed through virtual work. A purposeful combination of virtual work and in-office collaboration is likely the future of teamwork in many knowledge work organisations (Choudhury, 2020; Hooijberg & Watkins, 2021). Figure 2 illustrates the hybrid workplace.

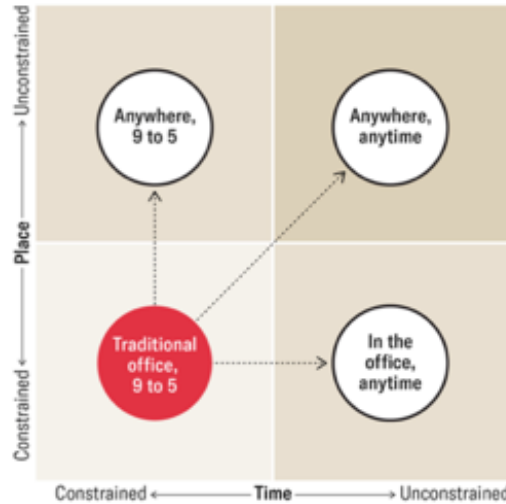


Figure 2. Hybrid work arrangements based on place and time (Gratton, 2021).

Because the aim of this thesis is to examine how leadership today enables increased wellbeing, productivity and sustainability in knowledge organisations, we have discussed leadership and leadership practices in today’s work context. We then elaborate on leadership in relation to wellbeing, productivity and sustainability. In the first section, we discuss wellbeing. Overall, a clear comprehension of how leadership practices in today’s workplaces and organisational culture are associated with improving wellbeing, productivity and sustainability in knowledge organisations is crucial for achieving the aim of this thesis.

2.2 Leadership enables increased wellbeing

The concept of employee wellbeing has received increasing interest from scholars in recent years. The ways in which people work are evolving, and greater flexibility and autonomy in working practices have become a relevant priority (Organisation for Economic Co-operation and Development [OECD], 2022a). The World Health Organization (WHO) defines the components of wellbeing as being physical, mental and social (WHO, 2022). However, the definition of the term “wellbeing” varies. According to the Ministry of Social Affairs and Health in Finland (2022), workplace wellbeing is a unity composed of work and work satisfaction, health, safety and wellbeing. Employee wellbeing, on the other hand, is a multi-dimensional concept (e.g. Grant et al., 2007) that can be explained in three dimensions: psychological wellbeing is “subjective experience and functioning,” physical wellbeing is “bodily health and functioning,” and social wellbeing is “relational experience and functioning” (Grant et al., 2007, p. 53). There is

evidence that employee wellbeing increases with good leadership and a positive organisational atmosphere (Ministry of Social Affairs and Health, 2022). In addition, the Ministry of Social Affairs and Health stated that wellbeing at work increases productivity and work commitment and decreases sick leave incidents. The International Labour Organization (ILO) noted that employees' wellbeing is a significant factor in determining the long-term effectiveness of an organisation (ILO, 1996–2022). Effective wellbeing management results in employees feeling well and happy overall (Finnish Institute for Health and Welfare, 2022; Ministry of Social Affairs and Health, 2022). Therefore, organisations require a positive work culture to increase employees' wellbeing (Seppälä & Cameron, 2015).

The literature has consistently found that leadership and the way employees are managed are key determining factors for employee wellbeing, health and engagement (e.g. Donaldson-Feilder et al., 2013). Studies on leadership and employee wellbeing have shown that good leadership can enhance employee wellbeing (Inceoglu et al., 2018; Kuoppala et al., 2008) through leaders' behaviour, such as their consideration, empowerment and support of employees (Donaldson-Feilder et al., 2013; Skakon et al., 2010). In terms of leadership styles, transformational leadership (Skakon et al., 2010) and fair leadership (Perko et al., 2016) result in increased employee wellbeing. Transformational leaders influence employees psychologically and, as a result, modify employees' work experiences and play a significantly strong role in the management of meaning, which also predicts work engagement (Piccolo & Colquitt, 2006). According to Ghadi et al. (2013), the mediating role of transformational leadership on increased employee wellbeing is caused by the perceived increased meaningfulness of the work. Therefore, transformational leadership behaviours seem to increase employee wellbeing.

Meaningfulness of work and positive emotions related to work enhance employees' intrinsic motivation (Ariely et al., 2008) and heighten their wellbeing, while intrinsic motivation enhances their general wellbeing (Ryan & Deci, 2000). When employees experience joy from work they find meaningful, they are more willing to put effort into their jobs and remain motivated and engaged. Therefore, it is important for leaders to recognise employees' work because it makes the work feel meaningful and can improve employees' wellbeing and intrinsic motivation (Ariely et al., 2008).

Recent research has linked employee wellbeing and productivity. Employees with high wellbeing are more productive within their time at work (Bellet et al., 2019). Similarly, Krekel et al. (2019) found that employee wellbeing has a strong positive correlation with employee productivity and firm performance.

2.3 Leadership enables increased productivity

Productivity is vital for organisations and businesses and can be defined as “a measure of how well resources are combined and used to accomplish specific, desirable results” (Bain, 1982, p. 3). In other words, productivity involves doing more with the same number of labour hours. Increased labour productivity is “measured by the change in output per labour hour over a defined period of time” (Mankins, 2017, p. 2). In addition, productivity is strongly linked to performance (Mankins, 2017). According to Drucker (1999), both the quantity and quality of output are essential for the productivity of knowledge workers. First, for knowledge work to be productive, it must achieve optimal or maximum quality. Second, the productivity of knowledge work must prioritise quantity (Drucker, 1999). Higher productivity is related to employees working fewer working hours (Giattino et al., 2020). As noted, there is evidence that wellbeing is highly related to productivity (e.g. Krekel et al., 2019; Sharpe & Mobasher Fard, 2022). In general, studies have found that work–life balance improves not only productivity but also wellbeing (OECD, 2022c). The OECD Work-Life Balance Index, for example, measures a country’s work–life balance based on the dimensions of working hours, leisure and personal care (OECD, 2022c). Some researchers suggest that a shorter work week – or five- or six-hour working days – leads to improved wellbeing, which in turn results in increased productivity (e.g. Wellbeing Research Centre, 2022). For example, in 2020, companies in Finland discussed whether they should adopt a reduced work week to improve productivity and work–life balance (The Guardian, 2020). As Drucker (1999) stated, the greatest management challenge for organisations (e.g. private businesses and the public sector) is increasing knowledge work productivity. Drucker (1991) observed that working more productively is required, and in knowledge work, the only solution is working smarter. Furthermore, he argued that improving productivity is the first social responsibility of management (managers and executives) in businesses and non-profit organisations in a knowledge society. Research has identified the importance of recovery and psychological detachment from work for employee wellbeing and productivity.

Psychological detachment refers to mentally disengaging from one's work – that is, completely refraining from work-related activities and thoughts during non-work time (e.g. Sonnentag & Fritz, 2015). Recovery, on the other hand, is the process of psychophysiological unwinding after putting in effort at work (Geurts & Sonnentag, 2006). Recovery is essential for protecting employees' wellbeing, motivation and ability to perform (Sonnentag et al., 2022).

Leadership has been well researched and acknowledged to play a part in employees' motivation, productivity and performance (e.g. Donaldson-Feilder et al., 2013). Leadership behaviours can significantly impact employees' productivity (in the form of quality and quantity of output) and vitality (in the form of cohesion, employee engagement and morale) (Kaplan & Kaiser, 2009). Increased employee engagement (i.e. participation) is closely connected to increased levels of employee productivity and greater commitment (Katz & Kahn, 1966). The quality of leadership in an organisation is highly important for its capacity to increase organisational performance or productivity. Thus, leadership may foster or diminish positive impacts on organisational performance or productivity (Likert, 1961).

The transformational leadership approach notably improves employee performance (Wang et al., 2011). Authentic leadership positively affects individuals' performance and wellbeing (Donaldson-Feilder et al., 2013).

Leadership in relation to self-determination theory

Self-determination theory (SDT) shows the connection between motivation to performance and wellbeing in work organisations (Deci et al., 2017). This theory focuses on identifying the factors that support high-quality, sustainable motivation and strengthen employee engagement. According to Deci et al. (2017), self-determination theory proposes three fundamental psychological human needs – autonomy, competence and relatedness – that, when fulfilled, facilitate autonomous motivation, effective performance and wellbeing. Deci et al. (2017) further explained that when employees are more aware and have a greater understanding of the purpose and value of their work, they experience autonomy and ownership in carrying out their tasks and receiving support and clear feedback. Therefore, it follows that these individuals are likely to become more autonomously motivated, perform more reliably and learn and adapt better. Therefore,

leadership towards supporting an employee’s competence, relatedness and autonomy at work promotes two positive work outcomes: performance and wellbeing. Research has shown that leaders who are more transformational in their approach to leadership positively foster employees’ fundamental psychological need fulfilment and autonomous/intrinsic motivation (Deci et al., 2017), thereby increasing employee engagement and improving employee performance and wellbeing.

2.4 Leadership enables increased sustainability

Relevant research has shown how critical sustainability is for humans and the planet. Sustainable development can be defined as “development that meets the needs of the present generation without compromising the ability of future generations to meet their needs” (World Commission on Environment and Development [WCED], 1987, p. 16). Furthermore, sustainability contains economic, social and environmental dimensions (Robinson et al., 2019; United Nations, 1992). Economic sustainability refers to a set of principles and practices aimed at achieving the optimal allocation of resources and capital (i.e. natural, social, human and economic capital) and striving for a responsible and efficient balance over the long term (Goodland, 1995). Environmental sustainability refers to the ability of ecosystems to endure, protect the natural world when making decisions, preserve the capacity of the world to support human life and consider the limits of the environment (Goodland, 1995; Nature, 2022). Finally, social sustainability refers to the capacity of a social organisation to perform at a level of wellbeing that optimises people’s quality of life over time for current and future generations (Collins, 2022; Goodland, 1995). The UN has identified 17 Sustainable Development Goals (SDGs), covering social, economic and environmental sustainability (see Figure 3).



Figure 3. UN Sustainable Development Goals (Ministry for Foreign Affairs of Finland, 2022).

In this work, we focus more precisely on the following:

- Decent Work and Economic Growth (SDG 8), which corresponds to promoting inclusive and sustainable economic growth, total productive employment, and decent work for all (United Nations, 2022), and
- Good Health and Wellbeing (SDG 3), which corresponds to ensuring healthy lives and promoting wellbeing for all ages (United Nations, 2022).

This thesis considers sustainability at the following levels:

- Organisational level (ORGL): Social factors can drive economic performance.
- Country level (CL): Good health and a strong economy are two of the main goals of every country. Understanding sustainable levels of employee productivity and wellbeing and the interplay between the two concepts facilitates the determination of the most efficient ways to foster growth while simultaneously advancing human sustainability. Improvements in health and wellbeing increase human capital, which leads to economic growth.
- International level (OECD, 2022b): Promoting international societal and economic wellbeing.

Notably, sustainability is connected to economic growth as much as it is to health and wellbeing, as discussed in the previous sections.

Realising sustainability and social responsibility by implementing them in leadership practice is essential (Benn et al., 2018), as the need for sustainability and social responsibility in organisations is significant in today's society (Clegg & De Matos, 2017). The management concept of corporate social responsibility (CSR) – whereby companies incorporate social and environmental concerns into their communications and operations with their stakeholders – is valuable in helping a company addressing an adequate balance of social, environmental and economic imperatives while meeting the expectations and needs of shareholders and stakeholders (United Nations Industrial Development Organization [UNIDO], 2022). In the context of CSR, a sustainable, financially secure organisation can minimise its negative effects on the environment and satisfy societal requirements (United Nations Industrial Development Organization, 2022). This idea has also been discussed alongside the concept of “human sustainability” (Benn et al., 2018). Corporate leaders play an important role in formulating and implementing CSR initiatives

into socially responsible leadership practices (Waldman & Siegel, 2008) and shifting organisations' processes of value creation towards sustainability and sustainable value creation, for example, in manufacturing (Evans et al., 2014). CSR is important for both organisations and wider society in terms of, for example, good working conditions for all employees (i.e. social sustainability) and solutions to environmental challenges. Leadership plays a significant role in CSR practices, both in terms of its creation and management as well as in implementing sustainable solutions (Benn et al., 2018). An organisation's decision to engage in social responsibility can be viewed as a strategic choice; while the primary goal of a business organisation is often firm performance, such as profit maximisation, for a responsible leader, firm performance is only one of multiple crucial outcomes (Waldman & Siegel, 2008), such as the firm's social performance.

Sustainability leadership can be defined as follows: "A sustainability leader is someone who inspires and supports action towards a better world" (Visser & Courtice, 2011, p. 3). Leadership for sustainability can be seen as a particular mixture of leadership characteristics applied in a definitive context. In addition, sustainability leadership can be viewed as a process of interaction in which the context – comprising sustainability challenges and aims for a more sustainable future – requires particular kinds of leadership and is manifested in key areas of practice (Visser & Courtice, 2011).

According to Visser and Courtice (2011, pp. 13–14), sustainability leadership has the following key characteristics:

- Systemic understanding
- Emotional intelligence
- Value orientation
- Compelling vision
- Inclusive style
- Innovative approach
- Long-term perspective

As previously mentioned, new multidisciplinary thinking is needed to identify or develop better kinds of leadership for the knowledge organisations of today and the future (CISL, 2022). According to Visser and Courtice (2011), sustainability leadership skills include critical thinking, creative thinking/imagination, problem solving and emotional

intelligence/empathy. Furthermore, the knowledge used in sustainability leadership practice includes multidisciplinary connectedness, organisational impacts and influences, developing and discovering opportunities for value creation, and organisational change dynamics. According to Visser and Courtice (2011), executing sustainability properly in an organisation, whether as an action or practice, is particularly important. Based on the work of Visser and Courtice (2011), several leadership practices for sustainability are shown in Table 1. For example, distributed leadership or intra-organisational dynamics in the form of collaborative organising dynamics can be effective in fostering sustainable practices and developing solutions for organisations. Visser and Courtice (2011) also emphasised the importance of context in sustainability leadership.

Table 1. Sustainability leadership in practice (Visser & Courtice, 2011, p. 12).

Internal action	External action (stakeholders)
<ul style="list-style-type: none"> • Making informed decisions • Providing strategic direction • Crafting management incentives • Ensuring performance accountability • Empowering people • Embedding learning and innovation 	<ul style="list-style-type: none"> • Fostering cross-sector partnerships • Creating sustainable products and services • Promoting sustainability awareness • Context transformation • Ensuring transparency

Research has shown that leaders’ practices impact employee performance and wellbeing and that employee wellbeing is linked to higher performance (Inceoglu et al., 2018).

Leaders’ creation of solutions and best practices for their organisational contexts

Leaders should create solutions and best practices in relation to wellbeing, productivity and sustainability in specific organisational contexts at the organisational level. Given that businesses serve as the engines of an economy, organisations and businesses can be considered central to the delivery of sustainability (CISL, 2022) at the macro level. According to the CISL, “solutions informed by a robust analysis of evidence” are imperative (CISL, 2022) to effectively address challenges including environmental impact, employee wellbeing and overall organisational efficiency. Overall, a clear comprehension of the skills (i.e. practices) that are necessary in a leader in order to create solutions and best practices for wellbeing, productivity and sustainability in the organisation context and, on a similar note, how leaders make decisions in organisational contexts regarding these aspects is vital.

2.5 Summary

Modern leadership, organisational cultures and organisations are discussed in this section. The previously discussed theory indicates that leadership enables increased wellbeing, productivity and sustainability – the core focus of this work. Prior research has shown that there is an interplay between wellbeing and productivity and that they do not operate distinctly (Inceoglu et al., 2018; Krekel et al., 2019; Sharpe & Mobasher Fard, 2022). We identify aspects/elements of leadership that have been shown to enable increased wellbeing, productivity and sustainability in the context of knowledge organisations.

The previous theory shows that leadership enables increased wellbeing in the following ways:

- Leaders can create positive organisational atmospheres (Ministry of Social Affairs and Health, 2022) and positive work cultures (Seppälä & Cameron, 2015) that can enable increased wellbeing.
- Good leadership can enhance employee wellbeing (Inceoglu et al., 2018; Kuoppala et al., 2008) through leadership behaviour, such as through consideration, empowerment and support of employees (Donaldson-Feilder et al., 2013; Skakon et al., 2010).
- Transformational leadership (Skakon et al., 2010) practises include creating and articulating a clear and appealing vision, leading by example, being optimistic and self-confident, promoting and celebrating success, trusting employees, providing other possibilities for success (Tigerstedt, 2022; Yukl, 1996), and fair leadership (Perko et al., 2016), all of which are related to higher employee wellbeing.
- Leaders should mediate or communicate clearly (Ghadi et al., 2013) as doing so is linked with a higher level of employee wellbeing.

The previous theory shows that leadership enables increased productivity in the following ways:

- As an interlinkage between wellbeing and productivity seems to exist, it can be concluded that wellbeing increases productivity (Bellet et al., 2019; Krekel et al., 2019; Sharpe & Mobasher Fard, 2022); therefore, leadership that positively impacts wellbeing also increases productivity.
- Researchers such as Inceoglu et al. (2018), Krekel et al. (2019) and Sharpe and Mobasher Fard (2022), have noted that leadership is important for increased productivity;

thus, leaders who promote and support wellbeing are excellent in terms of improving productivity.

- Drawing upon the science of self-determination theory, when employees' fundamental psychological needs – competence, autonomy and relatedness – are fulfilled, they are more likely to attain optimal performance and wellbeing; therefore, leadership towards supporting an employee's competence, autonomy and relatedness at work promotes positive work-related outcomes: performance and wellbeing.
- A significant factor in an organisation's ability to improve performance or productivity is the quality of leadership (Likert, 1961).
- In terms of leadership styles, transformational leadership (Wang et al., 2011) and authentic leadership positively affect an individual's performance and wellbeing (Donaldson-Feilder et al., 2013).

The previous theory shows that leadership enables increased sustainability in the following ways:

- Leaders who are skilled at formulating, implementing, creating and managing CSR (Benn et al., 2018; Waldman & Siegel, 2008) can increase sustainability.
- Leaders can inspire and support actions towards a better world.
- Sustainability leadership in practise includes several key characteristics: systemic understanding, emotional intelligence, value orientation, compelling vision, inclusive style, innovative approach and long-term perspective (Visser & Courtice, 2011).
- According to Visser and Courtice (2011), executing sustainability properly within an organisation is vital for an organisation's success.
- Leaders enable a form of distributed leadership (i.e. shared and collective leadership practices [Harris & Spillane, 2008; Northouse, 2016; Tigerstedt, 2022]) within organisations to promote sustainability (Visser & Courtice, 2011).

These aspects of leadership provide a valuable starting point for our research on leadership practices in organisations. We move forward to the systematic review (SR) of scientific articles and reports, in which one of the main focuses is leadership practices.

3 Research Methods

This chapter presents the study's empirical research design and methodology and describes the qualitative research approach, data collection, data analysis and the reliability and validity of the results. This study uses an SR of state-of-the-art research studies to investigate how leadership practice can enable increased wellbeing, productivity and sustainability in knowledge organisations.

3.1 Qualitative research

The chosen methodology for this study is a qualitative inductive research approach, which is a well-established research tradition in management and business studies. Bell et al. (2019) explained that qualitative investigation emphasises words in the collection and analysis of data. Qualitative research can be useful in obtaining/generating detailed/relevant insights into and contextual explanations of the challenges encountered in modern leadership practices (Bryman, 2004). We selected a qualitative research approach because of its ability to provide relevant and in-depth insights into the phenomena (leadership practices/actions) investigated.

3.2 Systematic literature review

The SR method involves synthesising evidence from the literature to answer a research question in a transparent, reproducible and scientific manner. In addition, it aims to include published literature (e.g. scientific peer-reviewed articles) on the relevant topic and provide decisions, procedures and conclusions. When conducting the SR process, researchers examine the relevant literature to acquire a collective understanding of existing knowledge on a particular subject by applying research synthesis techniques (Bell et al., 2019). Finally, SR can be viewed as the basis for evidence-based approaches (Bell et al., 2019; Kraus et al., 2020). Figure 4 illustrates the process of conducting an SR.

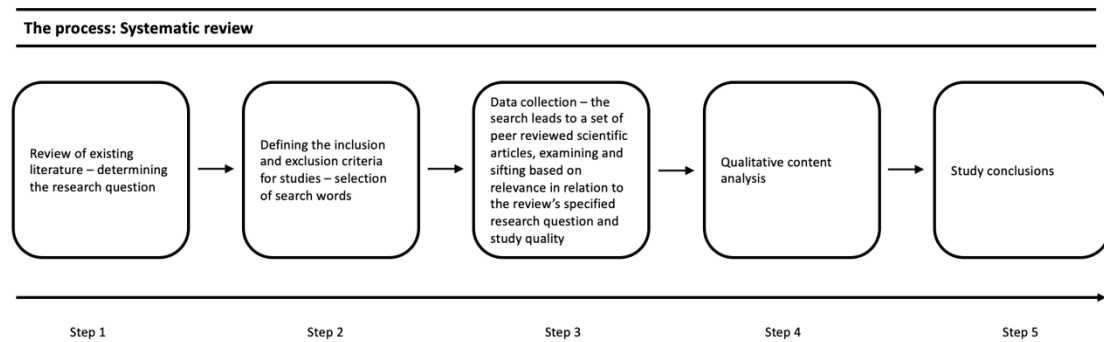


Figure 4. Systematic literature review process based on Bell et al. (2019, pp. 95–96).

In management studies and business research, the SR research method is valuable because it is performed in accordance with certain systematic procedures, such as specifying research questions, defining inclusion criteria, comprehensively searching for studies, selecting studies for inclusion based on pre-defined criteria and analysing and extracting data from the included studies (Bell et al. 2019; Kraus et al., 2020). Furthermore, SR is appropriate for novel and relevant research topics, and an SR of recent relevant research articles can facilitate evidence-based knowledge synthesis (Bell et al., 2019). This study used the SR method to examine recent studies and synthesise relevant knowledge to meet the research goal.

3.3 Data collection

This thesis examined peer-reviewed scientific articles and reports published from 2020 to 2023. For this SR, five information searches were conducted to obtain the most relevant and robust data. We searched for peer-reviewed academic journal articles and scientific reports written in English with full-text availability in relevant online scientific databases, Scopus, Academic Search Complete (EBSCO) and CISL's academic research publications. The search results were limited to the following subject areas: business, management and accounting, psychology, social sciences, medicine, environmental science, arts and humanities and multidisciplinary topics. The final database selection included only Scopus and CISL results. The data collection approach helped us identify 10 scientific articles and reports that were considered relevant and thus constituted the final sample.

SRs involve conducting a thorough, comprehensive and unbiased search using key search terms. Researchers should ideally have some pre-understanding of the field to identify

the language used in the field to explain the topic. Only then can suitable key search terms be identified. For example, synonyms can be useful in identifying suitable key search terms, and it can be helpful to experiment with and amend different key search terms as the research progresses. Finally, these key search terms must be entered into scholarly search engines to obtain suitable references (Bell et al., 2019).

The topic, main research question, aim and theoretical framework were used to identify the following key search terms: 1) leader, leadership, leadership practice, leadership behaviour, leadership action, and manager; 2) employee and co-worker; 3) wellbeing, work wellbeing, and employee wellbeing; 4) productivity, productive, performance, work productivity, and employee productivity; and 5) sustainability, sustainable, and sustainability practice. Based on several initial searches, we selected the following specific key search terms for study selection: 1) leadership, 2) employee, 3) wellbeing, 4) productivity and 5) sustainability. This means that our key search terms were partly driven by theory. Based on our theoretical framework, we identified relevant and strong key search terms and used different combinations of these words to identify articles relevant to our study.

In the next step, the titles and abstracts of the articles found from the search results were read, and appropriate studies were selected. The literature search identified 289 potentially relevant articles on Scopus. In addition, a manual literature search was conducted across CISL's academic research publications. Relevant sources for further analysis were chosen with additional criteria for selection, focusing on studies conducted in developed countries and, where feasible, in higher-level knowledge work organisations. This ensured an exploration of leadership practices in diverse organisational settings. Article selection was based on both relevancy and quality ranking to uphold a high quality threshold. A total of 10 scientific articles and reports were included in the final sample. We included only scientific articles and reports that investigated the relationships between leadership practices, employee wellbeing, and/or productivity/performance and/or sustainability in knowledge organisations. Alternatively, we included scientific articles and reports that investigated the relationships between leadership practices towards supporting employees' competence, relatedness and/or autonomy. Table 2 shows how the data extracted from the databases were initially organised.

Table 2. Initial coding scheme.

Database	Key search terms	Limits	Results	Chosen based on title and abstract	Selected for further research

3.4 Data analysis

Bell et al. (2019) explained that the SR analysis method includes 1) a close reading of selected articles and 2) the identification of relevant information in data/papers (Bell et al., 2019). Properly synthesising literature is very important in SR; this process involves analysing and comparing literature sources rather than simply summarising them. Concentrating on concepts is important for connecting and shedding light on central ideas from different literature sources and for using them analytically to answer research questions (Kraus et al., 2020). Qualitative content analysis, a systematic and objective data analysis method used to search for themes in relevant sources (Bell et al., 2019), was used in this study. To conduct a qualitative content analysis, we needed an advanced coding scheme to support and enable SR. This scheme, shown in Table 3, includes relevant theoretically driven themes to support the analysis. The analytical work involved several readings of selected scientific articles and reports. Each reading focused on specific themes, such as wellbeing and leadership practises, as shown in the Excel spreadsheet located in the Appendices section.

Table 3. Thematic coding scheme.

Lead words/phrase	Explanation of leadership practices	Wellbeing	Productivity	Sustainability

Two steps related to the analysis

In the first step, the most relevant sections were highlighted via colour coding (thematic coding) for distinct themes, with wellbeing corresponding to light green, productivity to light red and sustainability to yellow. During the coding and analysis phase, we added these themes to Excel alongside an explanation of leadership practices and extracts from the relevant sections of the selected scientific articles and reports. In step two, the analysis focused on selecting relevant ones from these into three categories in accordance with

SDT: competence, relatedness and autonomy. The theoretical framework of SDT was utilised as a lens through which the coding scheme was analysed. We obtained clear theoretically driven analysis categories because the framework of SDT supports the idea of leadership practice towards enabling increased performance/productivity, wellbeing, and sustainability in knowledge organisations. Furthermore, additional relevant categories were needed and revealed in the review/analysis process. When competence, relatedness and autonomy were identified in the scientific articles, they were included in the second analysis step. A list of scientific articles and reports on which SR is based can be found in the Appendices section.

3.5 Reliability and validity

In qualitative studies, reliability and validity are considered quality criteria (Bell et al., 2019). According to Golafshani (2003), in qualitative research, validity and reliability are achieved through trustworthiness, rigour and quality. Reliability determines whether the study's results are repeatable and refers to stability and consistency (Bell et al., 2019), while validity is about the integrity of conclusions drawn on the basis of the research (Bell et al., 2019). To ensure the trustworthiness of our study, we diligently applied a set of rigorous criteria for our selection of scientific articles and reports. These criteria emphasised both relevance and high quality. Additionally, our commitment to conducting a comprehensive literature search, limited to reputable databases and peer-reviewed publications, fortified the robustness of the data and contributed to the overall quality and reliability of our research. In this thesis, we systematically included and reviewed rigorous, relevant and high-quality peer-reviewed scientific articles and reports from academic research databases and CISL's academic research publications. We continued our search until we obtained the appropriate empirical data from scientific peer-reviewed articles and reports to strengthen the trustworthiness of our results. We also cross-checked the studies when optimal key search terms (i.e. after testing different key search terms, evaluating results based on their information and making decisions about how to proceed) were identified. Furthermore, trustworthiness was strengthened by including content extracted from the scientific articles and reports in the coding scheme and by the use of a systematic and careful process for data analysis. The collected data were reviewed multiple times and coded systematically, ensuring the consistent use of the same or similar words throughout the empirical data from the written SR's articles and reports.

4 Results and Discussion

In this section, we present and analyse this study’s findings with the help of relevant concepts and theories. This SR was conducted to answer the main research question (RQ) of this thesis: How does leadership practice enable increased productivity, wellbeing and sustainability in knowledge organisations? This chapter synthesises the conducted literature analysis of scientific articles and reports. A full list of these articles and reports can be found in Appendix 1. The results are organised in line with self-determination theory, which shows the connections among motivation and the interrelated issues of wellbeing and performance (and therefore productivity) in work organisations. This analysis is supported by the theoretical framework of self-determination theory as well as by two additional categories relevant to the study focus and to the RQ: strategic leadership and management towards sustainability and leadership towards supporting employees’ purposeful work. In line with self-determination theory, leadership towards supporting an employees’ competence, relatedness and autonomy at work promotes positive work outcomes, performance and wellbeing; furthermore, it encourages high-quality, sustainable motivation. In Figure 5, we illustrate the concept of leadership under the framework of self-determination theory: leadership can support employee’s competence, relatedness and autonomy to positively and sustainably affect wellbeing and performance, and therefore also productivity. The items within the blue-coloured line in Figure 5 correspond to self-determination theory. Below the soft-rounded rectangle (self-determination theory) are additional elements that we divided into two additional categories, categories 4 and 5, as shown in Figure 5. The numerical elements detailed in Figure 5 illustrate these categories.

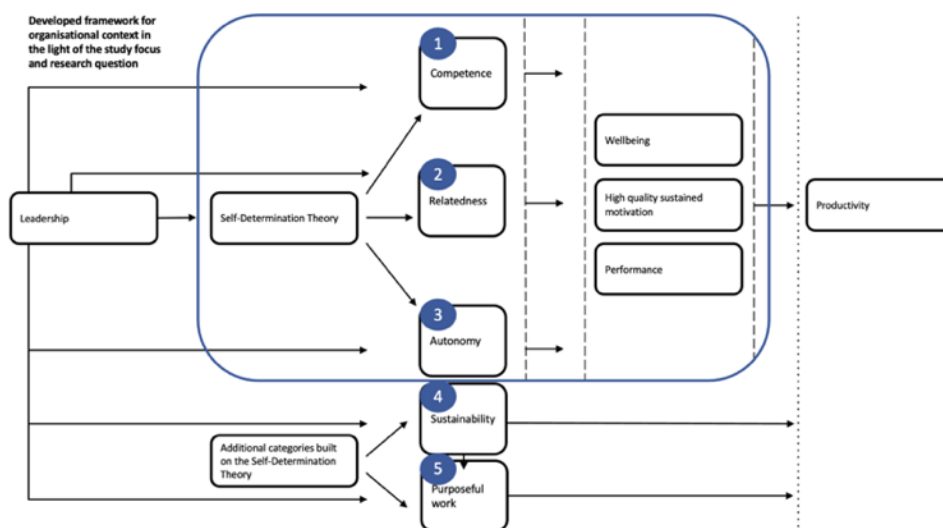


Figure 5. Leadership in accordance with self-determination theory and as an extension of self-determination theory.

Five categories related to organisational leadership practices were identified in the data analysis. The three main categories, which are all in line with self-determination theory, are as follows: 1) leadership towards supporting employees' competence at work, 2) leadership towards supporting employees' relatedness at work and 3) leadership towards supporting employees' autonomy at work. Furthermore, the two additional relevant categories are 4) strategic leadership and management towards sustainability and 5) leadership towards supporting employees' purposeful work. The literature analysis facilitated the association of these five categories with 15 themes.

In this thesis, the social-psychological framework of self-determination theory was applied to the organisational context and leadership in accordance with SDT. This study found insights that align with existing theory and extend the understanding of SDT; therefore, two additional categories identified from the SR for the organisational context through the discovery of supporting evidence from scientific articles and reports were included.

For the purposes of this study, the themes (i.e. concepts or constructs) are defined as follows based on the results.

4.1 Leadership towards supporting employees' competence at work

The findings in this category contextually included the following themes based on the analysis of the literature: sustainable talent management; organisational support for creativity and feedback about one's performance, including recognition and follow-up on employees' creative contributions; and providing development and learning opportunities and transformational leadership.

4.1.1 Sustainable talent management

- Ensuring a sustainable workload (i.e. the level of workload must be sufficient so as to keep employees engaged) so that employees feel that they have a reasonable/realistic chance of completing their workload successfully and feeling a sense of accomplishment within their work as a result; sustainable performance/productivity – prioritising employee wellbeing and engagement along with traditional business metrics and ensuring that employees' competencies fit their

job responsibilities; leaders and employees regularly defining individual requirements and expectations as a foundation for performance assessment to ensure that each employee clearly knows what is expected of them in their roles (i.e. key tasks/responsibilities within the job description). Work tasks/responsibilities within the job description should be dynamic and evolve with time to keep pace with the employee's learning and ability;

- Ensuring that employees have the optimal resources available to fulfil their tasks and responsibilities (e.g. ergonomic measures concerning workplace infrastructure/design; agreeable work conditions and workplace safety; and the appropriate equipment, right information, and systems);
- Enabling employees to use their strengths at work for them to exude competence/capability and
- Attracting new talent to ensure a sustainable workforce.

“As good human resources are difficult to replace, they represent one of the rarest and most valuable resources of an organization [35] and are part of the organization's movement towards sustainability [33,36].” (Koinig & Diehl, 2021 p. 10) Article 1

4.1.2 Organisational support for creativity and feedback about one's performance as well as recognition and follow-up on employees' creative contributions

- Ensuring supportive working conditions;
- Providing meaningful informational support;
- Encouraging an open communication culture (i.e. promoting psychological safety) to ensure that employees feel safe and are able to perform at their best;
- Providing employees with performance feedback on work tasks (i.e. regular positive feedback and constructive feedback, including timely and immediate feedback) as well as career advancement opportunities;
- Being aware of one's own communication style as a leader – the interpersonal approach, which involves the language used by leaders to communicate with their followers, is important for determining whether feedback is received positively and improves employees' experiences at work;
- Communicating feedback in a supportive way by being empathetic, acknowledging followers' feelings and experiences and inviting them to discuss their personal perspectives;
- Recognising and valuing employees' contributions and

- Motivating and encouraging employees to do their work creatively, competently and productively.

“It was also confirmed that organizational support for creativity, as expressed in resources, motivation, and management processes, tends to strengthen employees’ creative actions.” (Esguerra, Jáuregui & Espinosa, 2022, p. 535) Article 3

4.1.3 Providing development and learning opportunities

- Giving employees challenging yet achievable work goals (i.e. ensuring a balance between challenges and skills);
- Providing employees with ownership of increased and varied work responsibilities upon their progression along personal development paths;
- Offering opportunities for training and career advancement and
- Allowing employees to learn and develop by educating them and encouraging them to gain competencies and fulfil and express their full potential at work.

4.1.4 Transformational leadership

- Implementing leadership styles that are transformational, constructive and empowering, which are positively associated with both innovation and creativity;
- Communicating a clear and inspiring vision;
- Celebrating success and the achievement of work goals;
- Encouraging creativity and innovation while providing employees with opportunities to express their ideas via clear and open two-way communication;
- Acknowledging progress toward the vision;
- Letting people be the best they can be and leveraging their strengths through individual consideration and authentic individualised support and
- Driving change by inspiring employees to trust their leaders and follow their example.

Discussion introduction

The main categories are theoretically driven and inspired by self-determination theory. In addition, two additional categories, strategic leadership and management towards sustainability as well as leadership towards supporting employees’ purposeful work, are relevant to the study’s focus and to the RQ. This chapter also discusses the results/findings in relation to self-determination theory. According to Deci et al. (2017), self-determination theory proposes three fundamental psychological human needs –

competence, autonomy and relatedness – that, when fulfilled, facilitate autonomous motivation, effective performance and wellbeing. This theory focuses on identifying the factors that support high-quality, sustainable motivation and strengthen employee engagement. Therefore, leadership towards supporting an employee's competence, autonomy and relatedness at work promotes two positive work outcomes: performance and wellbeing.

Discussion: Leadership towards supporting employees' competence at work

In self-determination theory, competence refers to the psychological drive to capably and effectively attain one's desired results (Deci et al., 2017). Research has shown that leaders who are more transformational in their approach to leadership positively foster employees' fundamental psychological need fulfilment, autonomous/intrinsic motivation, or both (Deci et al., 2017), thereby increasing employee engagement and improving employee performance and wellbeing. Transformational leadership has been found to significantly improve employees' levels of wellbeing and performance/productivity (Deci et al., 2017; Skakon et al., 2010; Wang et al., 2011). When employees receive support and clear feedback, these individuals are likely to become more autonomously motivated, perform more reliably and learn and adapt better than those who do not receive such support and feedback (Deci et al., 2017). Moreover, positive and informational feedback within an autonomy-supportive interpersonal workplace context conveys positive competence information, fulfils the recipient's basic psychological need for competence and enhances intrinsic motivation (Deci et al., 2017). Furthermore, leaders can support employees' competence at work by allowing them to gain skills by further educating them and making their assignments optimally challenging (Deci et al., 2017).

In accordance with our systematic literature analysis, leadership practices that nurture employees' competence, including sustainable talent management, organisational support for creativity and feedback about one's performance, recognition and following up on employees' creative contributions, providing development and learning opportunities, and transformational leadership actively contribute to enabling employees to further gain competencies (i.e. mastery) and feel confident in their work, thus fostering employee competence. Together, these factors drive improvements in both employee performance and wellbeing, leading to increased productivity.

4.2 Leadership towards supporting employees' relatedness at work

The analysis of the literature showed that the second category contextually relates to the following themes: sustainable, responsible and ethical leadership; creation and management of organisational culture and climate; interpersonal relations and support; and collaboration towards a common goal.

4.2.1 Sustainable, responsible and ethical leadership

- Humane leadership practices in which leaders express empathy and compassion towards the people around them;
- Virtuous leadership: leaders promoting a repertoire of core virtues, including humanity, justice, courage, prudence and temperance in their leadership practices; being trustworthy and responsible as moral behaviour is intrinsically motivated, intentional and consistently displayed in context-relevant situations; exemplifying virtuousness and therefore developing a more virtuous organisational climate while also developing a high-trust organisation;
- Engaging in harmonious interpersonal relations, respecting employees' ideas and promoting ethical behaviour;
- Optimising organisational processes, procedures and protocols oriented towards responsibility, sustainability, equity, fairness, dignity and respect for others;
- Encouraging employees to showcase their best creative efforts, guided by ethical principles and values and respect for the rules;
- Strengthening organisational innovation processes by modelling normative conduct and encouraging and establishing appropriate practices that foster creative actions within a framework of moral development;

“This confirms that to the extent that ethical leaders engage in harmonious relations, respect employees' ideas, and promote ethical behavior, there is a positive perception of the organization as a promoter of creativity to which employees will respond consistently (Brown & Treviño, 2006; Mayer et al., 2012).” (Esguerra, Jáuregui & Espinosa, 2022 p. 535) Article 3

4.2.2 Creation and management of organisational culture and climate

- Supporting the development and maintenance of a positive organisational climate and a supportive organisational culture – that is, a climate of respect and an atmosphere of caring and mental wellbeing and

- Designing a sustainable work environment and organisational context (i.e. helping employees maintain a work–life balance that also enables their capacity to recover their energy).

4.2.3 Interpersonal relations and support

- Encouraging social relations through interaction/communication and
- Providing emotional support (psychological support), informational support (advice and guidance), instrumental support (tangible, practical help) and appraisal support (feedback).

4.2.4 Collaboration towards a common goal

- Fostering effective collaboration and teamwork towards a common goal,
- Being intentional and authentic in social interpersonal relationships at work and
- Nurturing positive social relationships among the team in order to create conditions in which employees' underlying wellbeing in the workplace can improve.

Discussion: Leadership towards supporting employees' relatedness at work

In accordance with self-determination theory, relatedness signifies a psychological need for belongingness and enduring social connections (Deci et al., 2017). Leaders can foster relatedness by cultivating an inclusive environment in which individuals are respected and experience a sense of belonging in their interpersonal relationships with leaders and colleagues (Deci et al., 2017). Consequently, this contributes to enhanced performance and improved employee wellbeing. For example, leaders can actively communicate how employees' work serves and benefits others, thereby nurturing a sense of connection, belonging and shared commitment towards creating a positive impact.

In alignment with our study, leadership practices that support relatedness, including sustainable, responsible and ethical leadership, creation and management of organisational culture and climate, interpersonal relations and support and collaboration towards a common goal contribute to fostering a sense of belonging and social connection among employees. These factors actively contribute to the development of a positive workplace environment, fostering employee relatedness and ultimately improving both employee performance and wellbeing, thus leading to increased productivity.

4.3 Leadership towards supporting employees' autonomy at work

The findings of the analysis of the literature for this category contextually included the following themes: flexibility and flexible solutions, trust and clarity, self-managing teams (distributed leadership), autonomy-supportive leadership, inclusive decision-making, employee focus and employee involvement.

4.3.1 Flexibility and flexible solutions

- Encouraging freedom of choice in the workplace in various ways, such as by allowing flexible working arrangements that facilitate remote and hybrid work, job design, task flexibility and variety, job rotation and knowledge sharing, and flexible work in terms of both space and time in the form of activity-based workspaces;
- Management designing workspaces that enable deep concentration in working environments to optimise knowledge work creativity and the creation of new value;
- Workspaces that facilitate effective collaboration, and relaxation spaces such as cafes/sports facilities to improve wellbeing and promote the incubation of new ideas while employees relax and engage in recreational activities that improve both their creativity and productivity.

4.3.2 Trust and clarity

- Building and demonstrating trust between employees and their leaders, instituting a clear vision between the leader and followers in terms of work goals, providing precise instructions in terms of tasks and work goals to be accomplished while allowing for space and freedom in terms of how they can be done, enabling clarity and the concentration of attention on relevant information and tasks and the ability to focus without distractions;
- Creating, maintaining and developing a culture that fosters ethical creativity and responsible sustainable innovation;
- Performance evaluation based on results (i.e. management by results) and
- Guaranteeing that leaders are open and accessible to employees.

4.3.3 Self-managing teams (distributed leadership)

- Hierarchical leadership enabling autonomy for team leadership and leading by example, as well as by setting a common goal for self-managing teams and encouraging collaboration and employees to work towards the achievement of a common goal.

4.3.4 Autonomy-supportive leadership

- Giving choice and rationale and acknowledging an employee at the cognitive and emotional levels.

4.3.5 Inclusive decision-making, employee focus and employee involvement

- Enabling employee involvement in decision-making regarding their own tasks and organisational development (i.e. allowing employees to influence decision-making);
- Giving employees the freedom to express their ideas and realise their viewpoints;
- Truly listening to and understanding employees' ideas and
- Asking for employees' perspectives when designing solutions for specific problems.

“Based on this study’s findings, we offer several suggestions for companies and practitioners who want to promote SE. First, the positive relationships between high-involvement HR practices, inclusive leadership, and SE signify that organizations can enhance their workers’ SE [sustainable employability] by implementing such practices and employing supervisors who demonstrate such leadership behaviors at work. Thus, organizations should design and implement such practices, including work autonomy, task flexibility, knowledge sharing, involvement in decision-making, job rotation, and broad job design [15,31]. Similarly, organizations can invest in developing their current managers by using leadership development programs that aim to improve inclusive leadership qualities (e.g., being aware of subordinates’ needs, being open to new ideas of employees, being easily accessible, and involving subordinates in decision-making) [31].” (Gürbüz, van Woerkom, Kooij, Demerouti, van der Klink & Brouwers, 2022, p. 13) Article 2

Discussion: Leadership towards supporting employees’ autonomy at work

Self-determination theory is centred on the importance of creating an optimal environment in which employees feel supported to express their autonomy and maintain a sense of volition while carrying out their work. This can be evidenced in how, where and when employees fulfil their tasks (Deci et al., 2017). This, in turn, results in enhanced organisational performance and improves employee wellbeing. Research has shown that autonomy-supportive leadership enhances both autonomous motivation and the fulfilment of basic psychological needs; in turn, it yields a range of positive work

outcomes, such as greater engagement, enhanced work performance and higher psychological wellbeing (Deci et al., 2017). Therefore, the leader's role is to support employees' self-management.

In line with our systematic literature analysis, our findings emphasise that leadership practices supporting employees' autonomy across five identified themes – flexibility and flexible solutions, trust and clarity, self-managing teams (distributed leadership), autonomy-supportive leadership and inclusive decision-making, and employee focus and employee involvement – contribute to enhancing employee autonomy. This autonomy consequently drives improvements in both employee performance and wellbeing, ultimately resulting in increased productivity. These results demonstrate the fundamental importance of enabling employees to exercise their autonomy and self-management to promote sustainable employability and foster positive workplace outcomes. The potentiality of integrating distributed leadership into self-managing teams signifies the capability for greater performance, productivity and wellbeing. In addition to creating an organisational environment in which employees feel supported in expressing their autonomy, it is essential for employees to take responsibility for their tasks and roles. This sense of ownership and responsibility, combined with autonomy-supportive leadership, contributes to positive work outcomes, including greater engagement, improved performance and enhanced psychological wellbeing, which result in increased productivity. These combined effects are key factors in enhancing overall workplace sustainability in knowledge organisations.

4.4 Strategic leadership and management towards sustainability

- ◇ Sustainable organisational values;
- ◇ Creating and/or fostering an organisational purpose, vision, target states and strategies for sustainability, wellbeing and performance/productivity;
- ◇ Strategy work – creating solutions and best practices for sustainability, wellbeing, performance/productivity (i.e. the creation of best practices for the organisation and for leadership) and
- ◇ Enabling sustainability innovations/solutions.

4.4.1 Enabling sustainability through strategy work and leadership

- Optimising working conditions and contexts to improve employees' workplace experiences;
- Designing and implementing practices that foster sustainability;
- Involving various levels of the organisation in decision-making and innovating/creating solutions, engaging employees throughout the whole organisation via effective communication and considering employees' ideas and executing viable ones, and carrying out the executive leadership team's own strategic view (i.e. strategic thinking and decision-making) in terms of vision and practice;
- Experimenting and innovating with optimism, curiosity and purpose and
- Being aware of the values that leadership stands for and nurtures the courage, integrity and resilience to pursue societal good.

Discussion: Strategic leadership and management towards sustainability

In the dynamic nexus of business, psychology, leadership and management thinking, strategic leadership and management towards increased sustainability are critical drivers of higher sustainability levels within knowledge organisations. Visser and Courtice (2011) have also investigated the practices of leaders – connecting theory and practice – and proposed a scheme of sustainability leadership in practice. Leaders can actively lead sustainability practices in their organisations (CISL, 2022). Furthermore, sustainability encompasses social, economic and environmental corporate responsibility (CSR) perspectives and thus addresses the three pillars of sustainable growth: economic (profits), environmental (planet) and social (people). It is vital for corporations to earn profits without compromising the future viability of society and the planet. This can be done by embracing innovative sustainability practices and incorporating sustainability issues into corporate decision-making (Benn et al., 2018). However, organisations should acknowledge that the effectiveness of CSR varies across contexts and locations. Recognising these contextual differences is crucial for tailoring CSR strategies to align with the unique needs and challenges of each organisational setting. Organisations need to thoughtfully consider which actions can ensure the ongoing relevance of their CSR activities. Creating innovative and sustainable solutions, fostering an organisational culture deeply rooted in sustainability, integrating strategic foresight and encouraging

innovation all contribute significantly to sustainable practices. Ensuring strategic sustainability, which in turn leads to the sustainability of the organisation, is therefore an essential aspect of leadership practice.

The findings of this research demonstrate the crucial role of sustainability leadership, demonstrating that strategic leadership and management towards sustainability serve as the cores of organisational success that enable sustainability through strategy work and leadership and thereby foster sustainability and social responsibility. This aligns with the objectives of the United Nations' Sustainable Development Goals, specifically SDG 8 (Decent Work and Economic Growth) and SDG 3 (Good Health and Wellbeing), as advocated by CISL (2022), which emphasise the crucial role of leadership in improving wellbeing, productivity and environmental sustainability.

4.5 Leadership towards supporting employees' purposeful work

◇ Strategy as practice: What people (i.e. the employees and leaders at the organisation) do in relation to strategy (i.e. strategy implementation) leads to meaningful work. The results of the analysis of the literature show that the following factors enable meaningfulness and purpose at work:

4.5.1 Enabling meaningfulness and purpose at work

- Encouraging meaningful/positive contributions, that is, encouraging employees to consider what they can do in relation to organisational purpose, vision and strategy; contributing towards the organisation's goals and the organisational purpose advocated by each member of the organisation; and incorporating these goals into their day-to-day work;
- Generating meaningfulness by encouraging employees to use their strengths, as well as enabling employees to carry out tasks that fit their strengths;
- Recognising and valuing employees' contributions;
- Enabling opportunities for employees to perform meaningful tasks;
- Designing and carrying out employee incentive and recognition systems;
- Setting a clear goal (i.e. leaders providing employees direction) and effectively communicating this vision while enabling employees to pursue it with effective self-management (i.e. leaders granting employees creative autonomy). Vision

communication allows employees to specify their goals in alignment with the vision (goal clarity) as well as locate the meaning of their work within the bigger picture of the vision (i.e. at the construal level), embedding it in an organisation's larger purpose;

- Informing employees about the positive impact they create with their work so that they are aware of their contributions to meaningful work with a clear and fulfilling purpose, which enables employees to visualise their greater organisational impact and how their effort contributes to wider organisational impact beyond their individual roles.

CISL's leadership framework begins with an understanding of leadership as follows:

"A dynamic social process within a specific place (context), which maximises the contribution of others towards the achievement of a meaningful purpose." (University of Cambridge Institute for Sustainability Leadership, 2023, p. 8) Report 10

Discussion: Leadership towards supporting employees' purposeful work

The implementation of corporate responsibility through effective leadership (Waldman & Siegel, 2008; Benn et al., 2018; Visser & Courtice, 2011), when partnered with sustainability actions (Benn et al., 2018), can improve employees' experiences and ensure that they are doing meaningful work towards a greater purpose, leading to improved wellbeing, productivity and sustainability within knowledge organisations. This is substantiated by previous research, which suggests that meaningful work and positive emotions enhance employees' intrinsic motivation (Ariely et al., 2008) and contribute to higher wellbeing (Ryan & Deci, 2000). When employees perceive their work as meaningful, they become more willing to invest effort, stay motivated, and remain engaged. Recognising employees' work is of paramount importance as this recognition instils a sense of meaning in their tasks, thereby enhancing their wellbeing and intrinsic motivation (Ariely et al., 2008). In line with the insights of Cameron and Green (2019), organisational culture is determined to have a profound significance in fostering an environment in which employees can find/create purpose and meaning in their work. Therefore, leadership practices, when incorporated into organisational cultures and systems, can increase organisational wellbeing and productivity and thus contribute to the nurturing of purpose-driven work environments. In addition, recent research has reinforced the impact of leadership practices on both employee performance and

wellbeing, identifying a strong correlation between employee wellbeing and higher performance and productivity (Inceoglu et al., 2018).

Based on our systematic literature analysis, leadership practices that diligently foster employees' purposeful work, thus enabling meaningfulness and purpose at work, contribute to increasing employee productivity, wellbeing and sustainability within knowledge organisations. Employees' commitment to purposeful work involves an awareness that their efforts create a positive impact, reflecting their desire to make a positive difference in society and among the organisation's customers and contribute to the improvement of the world beyond financial and organisational outcomes. This is driven by a strong "why" that extends to a wider scope, as exemplified by the pursuit of sustainability. This commitment fosters dedication to the optimal wellbeing of their organisations and establishes a harmonious alignment between the two. Fostering employee understanding of the organisation's meaningful purpose is essential for improving engagement, wellbeing, performance/productivity and sustainability in knowledge organisations.

Summary of the results

Together, these results provide insights into leadership practices that enable increased productivity, wellbeing and sustainability in knowledge organisations.

5 Conclusions and Future Work

Given its purpose of exploring how leadership practices enable increased productivity, wellbeing and sustainability in knowledge organisations, this study aimed to map out enabling factors of leadership practice towards improving these metrics in knowledge organisations. In this work, we focused on the UN SDGs covering social, economic and environmental sustainability; specifically, SDG 8 (Decent Work and Economic Growth) and SDG 3 (Good Health and Wellbeing). In addition, according to the CISL, the development of leadership and solutions for a sustainable economy is highly necessary. This thesis also focused on leadership at the organisational level; however, a wider implementation would have a macro-level impact. The main purpose of this study was successfully achieved through an SR of state-of-the-art research studies that generated insights into the subject by examining recent studies and synthesising relevant knowledge. The study was conducted with a qualitative research method, and the findings indicate support for previous research on the theories of the transformational leadership style and sustainability leadership, which positively impact wellbeing, productivity and sustainability. The science of self-determination theory and motivation reveals the importance of creating workplace environments in which employees feel encouraged to practise their autonomy, which results in higher employee satisfaction and performance and therefore productivity. A transformational leader sets the organisation's "what" and "why" while enabling employees to select the "how." Furthermore, autonomy-supportive leadership gives choice and rationale and acknowledges employees at both the cognitive and emotional levels. The concepts of transformational leadership theory and self-determination theory are closely connected; for example, self-managing teams (a shared leadership model) allow employees autonomy and provide a wide variety of benefits to individuals and teams, thus benefiting the organisation. Research has identified certain practices that enable increased performance/productivity, wellbeing and sustainability. Furthermore, the results highlighted leadership practices that are positively correlated with the following aspects studied within the thesis:

- *Sustainable talent management*
- *Organisational support for creativity and feedback about one's performance as well as recognition and follow-up on employees' creative contributions*
- *Providing development and learning opportunities*
- *Transformational leadership*
- *Sustainable, responsible and ethical leadership*

- *Creation and management of organisational culture and climate*
- *Interpersonal relations and support*
- *Collaboration towards a common goal*
- *Flexibility and flexible solutions*
- *Trust and clarity*
- *Self-managing teams (distributed leadership)*
- *Autonomy-supportive leadership*
- *Inclusive decision-making, employee focus and employee involvement*
- *Enabling sustainability through strategy work and leadership*
- *Enabling meaningfulness and purpose at work*

In addition, it is important to mention that the devised solutions are vital at the organisational level: creating solutions and best practices in the organisational context for wellbeing, performance/productivity and sustainability (including environmental aspects, strategy work for these goals and then strategy implemented in practice throughout the organisation). This is an extremely important step that facilitates optimisation for performance/productivity, wellbeing and sustainability in each organisation. Another important factor in this work is the value of a participative approach to leadership or shared leadership, which effectively leverages the diverse strengths and expertise of each team member. Everyone in an organisation can and should take responsibility and contribute towards the goals and organisation's shared vision. Furthermore, creating a positive and safe climate and culture requires input from all employees.

5.1 Future work

The need for positive change is present in today's world. Technological developments, including artificial intelligence (AI), impact leadership choices. The development of AI is changing how leaders work and think about the future by improving data-driven decision-making, changing team dynamics and helping leaders ask better questions and make bolder decisions. Additionally, AI can encourage learning and forward-thinking organisations to innovate more effectively. How can AI assist in the positive development of leadership and the design of effective solutions along with human thinking for wellbeing, performance/productivity and sustainability within knowledge organisations? Future research on AI's potential and impact on leadership within organisations in the knowledge economy could be positively transformative.

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Appendices

Appendix 1: List of SR Scientific Articles and Reports

This SR is based on the following scientific articles and reports:

- [1] Koinig, I. & Diehl, S. (2021) Healthy Leadership and Workplace Health Promotion as a Pre-Requisite for Organizational Health. *International Journal of Environmental Research and Public Health*. 18 (17), 9260.
- [2] Gürbüz, S., van Woerkom, M., Kooij, D. T. A. M., Demerouti, E., van der Klink, J. J. L. & Brouwers, E. P. M. (2022) Employable until Retirement: How Inclusive Leadership and HR Practices Can Foster Sustainable Employability through Strengths Use. *Sustainability*. 14 (19), 12195.
- [3] Esguerra, G. A., Jáuregui, K. & Espinosa, J. C. (2022) Ethical Leadership and Organizational Support for Creativity at Work. *Creativity Studies*. 15 (2), 526–541.
- [4] Eismann, T. T., Pakos, O., Rücker, M., Meinel, M., Maier, L. & Voigt, K.-I. (2022) Understanding the Mechanisms of Activity-based Workspaces: A Case Study. *Environment and Behavior*. 54 (1), 170–210.
- [5] Forner, V., Jones, M., Berry, Y.J. & Eidenfalk, J. (2020) Motivating Workers: How Leaders Apply Self-Determination Theory in Organizations. *Organization Management Journal*. 18 (2), 76–94.
- [6] Decuypere, A. & Pircher Verdorfer, A. (2022) Leader Attentive Communication: A New Communication Concept, Validation and Scale Development. *Journal of Leadership & Organizational Studies*. 29 (4), 424–442.
- [7] Ardelt, M. & Sharma, B. (2021) Linking Wise Organizations to Wise Leadership, Job Satisfaction, and Well-Being. *Frontiers in Communication: Organizational Psychology*. 6 (235), 1–23.
- [8] Hendriks, M., Burger, M., Rijsenbilt, A., Pleeging, E. & Commandeur, H. (2020) Virtuous Leadership: A Source of Employee Well-Being and Trust. *Management Research Review*. 43 (8), 951–970.
- [9] Maran, T.K., Baldegger, U. & Klösel, K. (2022) Turning Visions Into Results: Unraveling the Distinctive Paths of Leading with Vision and Autonomy to Goal Achievement. *Leadership & Organization Development Journal*. 43 (1), 133–154.
- [10] University of Cambridge Institute for Sustainability Leadership (CISL) (2023) *Leadership for a Sustainable Future*. Cambridge, Cambridge Institute for Sustainability Leadership.

Appendix 2: Coding Scheme

Table A. Example from the coding scheme.

Lead words/phrase	Explanation of leadership practice	Extract
Transformational Leadership		
Autonomy-Supportive Leadership		
Self-Management		
Sustainability Leadership		
Collaborative Leadership		