

STRATEGIC LEADERSHIP AND ORGANISATIONAL TRANSFORMATION: DRIVING PERFORMANCE, INNOVATION, AND SUSTAINABLE GROWTH ACROSS INDUSTRIES

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Abstract

The contemporary business landscape, marked by digital disruption, climate imperatives, and accelerating AI adoption, has placed strategic leadership at the centre of organisational transformation across industries. This study examines how strategic leadership practices drive organisational performance, foster innovation, and enable sustainable growth in cross-sectoral contexts, with a particular lens on Indian and global firms during 2020–2025. The objectives are to assess the influence of strategic leadership on transformation outcomes and to identify enablers of innovation-led sustainable growth. The methodology adopts a descriptive-analytical research design, integrating secondary data from PwC Global CEO Surveys, McKinsey Global Surveys, the WIPO Global Innovation Index, and peer-reviewed studies, supplemented by a structured review of 27 empirical articles. The hypothesis posits a significant positive association between strategic leadership and transformation performance. Results indicate that 63% of CEOs globally have repositioned value-creation; firms led by digitally savvy executives are 50% more likely to meet transformation targets; and India's GII rank rose from 81 (2015) to 39 (2024). The discussion situates these findings within dynamic capability and upper-echelon perspectives, concluding that strategic leadership is an indispensable lever for sustainable, innovation-driven competitiveness.

Keywords: Strategic Leadership¹, Organisational Transformation², Innovation³, Sustainable Growth⁴, Performance⁵.

1. Introduction

Organisations across industries are operating in an era of "permanent upheaval", where strategic leadership has emerged as the decisive factor distinguishing firms that thrive from those that stagnate. PwC's 28th Annual Global CEO Survey, drawing on responses from 4,701 CEOs across 109 countries, reports that 42% of leaders believe their company will not be economically viable within ten years if it continues on its current path, while 63% have already taken meaningful action to reinvent how they create, deliver, and capture value (PwC, 2025). This widespread reinvention imperative is fundamentally a leadership challenge: it demands executives who can simultaneously envision long-horizon trajectories, orchestrate scarce resources, and align stakeholders around contested priorities (Hadi, 2025). Strategic leadership, as conceptualised by Boal and Hooijberg (2001), is

distinct from operational leadership in its concern with the organisation as a whole its purpose, posture, and adaptive capacity rather than with the supervision of tasks. The salience of strategic leadership has intensified as three converging forces reshape industry structures. First, generative AI has moved from experimental to integrated use; a global survey reports that 71% of consumer-goods leaders use AI in at least one business function and 56% regularly use generative AI (WalkMe, 2025). Second, climate imperatives are reordering capital allocation, with nearly one-third of CEOs expecting climate change to materially transform value creation within three years (Sustainability Magazine, 2024). Third, organisational transformations remain stubbornly difficult: McKinsey research consistently finds that fewer than one-third of transformations succeed in improving and sustaining performance (De Smet, Pachod, Relyea, & Sternfels, 2021).

In India specifically, the strategic-leadership agenda is shaped by both an extraordinary innovation surge the country climbed from 81st in 2015 to 39th in the WIPO Global Innovation Index 2024 (WIPO, 2024) and the persistent need to upgrade managerial practices in SMEs and family-owned firms (Singh, 2024). Sectors such as IT, manufacturing, agri-food, and financial services are simultaneously digitalising, decarbonising, and globalising, placing extraordinary demands on Indian executives. Despite a growing body of empirical work, three gaps persist. The literature remains fragmented across leadership styles (transformational, ethical, sustainability-oriented); cross-industry comparative evidence on sustainable growth outcomes is thin; and emerging-economy contexts are under-represented (Mukonza, Hooi, & Singh, 2024). Addressing these gaps, the present study integrates verified secondary data spanning 2020–2025 to evaluate how strategic leadership shapes transformation performance, innovation capability, and sustainable growth across industries, yielding implications for both practice and policy.

2. Literature Review

The intellectual foundation of strategic leadership rests on upper-echelon theory, which asserts that organisational outcomes are partially predicted by the values, cognitions, and experiences of top management (Hambrick & Mason, 1984). Building on this, Boal and Hooijberg (2001) reframed strategic leadership as the synthesis of absorptive capacity, adaptive capacity, and managerial wisdom the capabilities required to learn, change, and exercise discernment under uncertainty. Bass (1985) earlier introduced transformational leadership, arguing that visionary, inspirational, and intellectually stimulating behaviours generate effort and performance beyond contractual exchange. Empirical studies have steadily linked strategic and transformational leadership to organisational performance. Singh (2024) found, in 197 SMEs in Manipur, that transformational leadership exhibited significant positive associations with sales growth, ROI, and employment expansion. In the Indian IT sector, Kushwaha and colleagues (2024) demonstrated that transformational leadership positively shapes innovative performance, with organisational culture moderating the relationship through idealised influence and inspirational motivation. Madi Odeh, Obeidat, Jaradat, Masa'deh, and Alshurideh (2023) showed that transformational leadership enhances organisational resilience through adaptive cultures in Dubai's service sector, illustrating the leadership–resilience–performance pathway.

The transformation literature has increasingly converged on digital leadership. Yao, Tang, Liu, and Boadu (2024) reported that digital leadership produces a "penetration effect" on digital transformation, mediated by digital strategy consensus. Hadi (2025), through a comprehensive review, argued that strategic leadership orchestrates digital transformation via vision articulation, resource allocation, culture transformation, and capability building. Braojos, Weritz, and Matute (2024) extended this by showing that digital transformation, guided by effective digital leadership, significantly boosts organisational commitment and pride. Sustainability leadership has emerged as a related stream. Sajjad, Eweje, and Raziq (2024) integrated empirical evidence linking sustainability leadership to financial performance, organisational learning, stakeholder satisfaction, and environmental innovation. Iqbal, Ahmad, and Halim (2021) demonstrated that sustainability leadership

influences environmental performance through environmental innovation. Maguate, Kilag, Alegre, Rubin, and Ortiz (2024) reviewed sustainable leadership and underscored the long-horizon orientation that distinguishes it from short-cycle managerial leadership. Innovation as a transformation outcome has been theorised by Teece (2007), whose dynamic-capabilities framework foregrounds sensing, seizing, and reconfiguring as the leadership work that sustains competitive advantage. Zhang, Sun, and colleagues (2024) extended this empirically, showing that transformational leadership enhances team innovation performance through organisational resilience, with environmental uncertainty as a moderator. Recent reviews (Mukonza, Hooi, & Singh, 2024) highlight transformational and ethical leadership as central to cultivating trust-based inter-organisational relationships and sustainable innovation across macro, meso, and micro levels. Despite this richness, comparative cross-industry evidence is limited, particularly in emerging economies (Anos, 2024). The triadic linkage of leadership, transformation, and sustainable growth has been theorised more often than empirically tested at the sectoral level a gap this study addresses by synthesising verified secondary data across industries and integrating them with the upper-echelon and dynamic-capabilities perspectives.

3. Objectives

1. To examine the influence of strategic leadership on organisational transformation, performance, and innovation across industries during 2020–2025.
2. To identify the leadership-driven enablers of sustainable growth, particularly in the Indian and global cross-sectoral context.

4. Methodology

This study adopts a descriptive-analytical research design that integrates a structured secondary-data analysis with a thematic synthesis of empirical literature. The design is appropriate because the research question concerns industry-wide patterns spanning 2020–2025 a scope where primary data collection across multiple sectors and geographies would be impractical, and where credible secondary datasets are abundant, comparable, and recent. The sample comprises two strands. The first is documentary: 27 peer-reviewed empirical articles drawn from databases including Scopus, ScienceDirect, Emerald, MDPI, and Taylor & Francis, screened against three inclusion criteria publication between 2020 and 2025, an explicit focus on strategic, transformational, digital, or sustainability leadership, and reported empirical or systematic findings. The second strand is statistical: verified industry datasets from the PwC 28th Annual Global CEO Survey (n = 4,701 CEOs across 109 countries), McKinsey Global Surveys on digital and organisational transformation, the WIPO Global Innovation Index 2024, the J.P. Morgan India Business Leaders Outlook 2024, and Government of India press releases.

The tools used include structured content analysis for the article sample, descriptive statistics for the industry datasets, and a thematic-synthesis matrix mapping leadership constructs against transformation, performance, innovation, and sustainability outcomes. Frequencies, percentages, and comparative ratios were computed; cross-tabulations were used where sectoral or geographic disaggregation was available. Triangulation was applied across data sources to mitigate single-source bias, with each headline figure verified against at least two independent publications. The techniques rely on aggregation and pattern recognition rather than inferential modelling, given the heterogeneity of the underlying datasets. Ethical considerations were limited to the proper attribution and citation of all secondary sources. Limitations include the restriction to publicly available data and the absence of primary survey instruments. The hypothesis guiding interpretation is that strategic leadership is significantly and positively associated with organisational transformation outcomes performance, innovation, and sustainable growth across industries and geographies during the study period.

5. Results

Table 1: Global CEO Reinvention Actions and Viability Concerns (2024)

Indicator	Percentage	Region/Scope
CEOs taking reinvention action in past 5 years	63%	Global
CEOs entering at least one new sector	38%	Global
CEOs believing company won't survive a decade without change	42%	Global
Asia Pacific CEOs uncertain about company viability	63%	Asia Pacific
CEE CEOs taking significant reinvention action	72%	Central & Eastern Europe

Source: PwC's 28th Annual Global CEO Survey (PwC, 2025).

Table 1 reveals that strategic reinvention is now a near-universal executive priority. The 63% global action rate indicates broad-based transformation activity, while the 42% viability concern signals continued urgency. The Asia Pacific figure (63%) is markedly higher than the global average, suggesting greater strategic vulnerability and a stronger leadership mandate for transformation in this region, including India (Sigwan, 2025).

Table 2: Success Rates of Organisational and Digital Transformations

Transformation Type	Success Rate	Source Period
General organisational transformations	<30%	2018–2024
Digital transformations (fully successful)	~30%	2024
Transformations with engaged Chief Digital Officer	6× higher likelihood	2020
Companies with digitally savvy leadership meeting goals	50% more likely	2023
Change initiatives that fail	70%	2015–2024

Source: McKinsey Global Survey on Digital Transformations (De Smet et al., 2021); WalkMe (2025).

Table 2 demonstrates that despite enormous investment, fewer than one in three transformations succeed. Yet leadership composition produces dramatic shifts: a six-fold uplift with an engaged CDO and a 50% advantage for digitally savvy teams. These multipliers confirm that strategic leadership quality, not capital intensity alone, predicts transformation success (Mukonza, Hooi, & Singh, 2024).

Table 3: Leadership Style Effects on Indian SME Performance (Manipur, n = 197)

Leadership Style	Sales Growth	ROI	Employment Growth
Transformational	Strong positive (significant)	Strong positive (significant)	Strong positive (significant)
Transactional	Moderate positive	Moderate positive	Weak positive
Passive-Avoidant	Negative	Negative	Negative

Source: Singh (2024), *International Journal of Management, Public Policy and Research*, 3(1).

Table 3 quantifies leadership-style effects in an Indian SME context. Transformational leadership produced the strongest, statistically significant associations across all three performance dimensions, while passive-avoidant leadership consistently undermined performance. This pattern aligns with global meta-analytic evidence and reinforces the case for strategic, vision-driven leadership in resource-constrained Indian firms (Singh, 2024).

Table 4: India's Global Innovation Index Trajectory (2015–2024)

Year	GII Rank	Total Economies Ranked	Notable Position
2015	81	141	Lower-middle tier
2019	52	129	Rising performer
2022	40	132	Top among lower-middle income
2023	40	132	Top in Central & South Asia
2024	39	133	1st in Central & South Asia

Source: WIPO Global Innovation Index (WIPO, 2024); Press Information Bureau, Government of India (2024).

Table 4 shows India's 42-position improvement over a decade, the largest sustained climb among major economies. The 2024 ranking (39 of 133) reflects strengthened innovation outputs (rank 33) and intangible-asset intensity (rank 7). This trajectory is closely tied to strategic-leadership initiatives at the national and corporate levels, including Atal Innovation Mission and private R&D expansion (PIB, 2024).

Table 5: Indian Business Leaders' Technology and Growth Outlook (2024)

Indicator	Percentage
Confidence in national economy	76%
Confidence in industry performance	77%
Companies using/considering AI tools	93%
Leaders expecting profit/revenue increase	>90%
Leaders citing AI adoption as top concern	>25%
Leaders facing rising input costs	83%

Source: J.P. Morgan 2024 India Business Leaders Outlook (J.P. Morgan, 2024).

Table 5 shows Indian leaders combining strong sectoral optimism (77%) with near-universal AI engagement (93%). The juxtaposition of high growth expectation (>90%) and cost pressure (83%) underscores why strategic leadership capable of simultaneously prioritising innovation and operational discipline is decisive in the current Indian context (Hadi, 2025).

Table 6: Cross-Sector Transformation Drivers and Innovation Outcomes (Global, 2024)

Sector	Leading Transformation Driver	Reported Outcome
Manufacturing	Industry 4.0 / WEF Lighthouse adoption	Sustained productivity gains
Financial Services	Generative AI integration	25%+ profitability uplift
Consumer Goods (FMCG)	Innovation velocity (4× category avg.)	2× distribution at launch
Healthcare	Digital health platforms (US\$172bn market)	Projected US\$258bn by 2029
Information Technology	Transformational + digital leadership	Significant innovation gains

Source: NielsenIQ BASES (2024); McKinsey & Company (2024); Statista Digital Health Market Report (2024); Kushwaha et al. (2024).

Table 6 highlights sectoral heterogeneity in transformation drivers but a common dependence on strategic leadership to translate technology into outcomes. FMCG innovators achieve 4× the launch-year velocity of category averages, and financial-services AI adopters report 25%+ profitability gains both evidence that leadership-led innovation produces measurable sustainable-growth advantages (NielsenIQ, 2024).

6. Discussion

The findings collectively affirm the study's hypothesis: strategic leadership is significantly and positively associated with organisational transformation, performance, innovation, and sustainable growth across industries. Three integrated arguments emerge, each aligning directly with the stated objectives. The first argument speaks to Objective 1 the influence of strategic leadership on transformation, performance, and innovation. The PwC data in Table 1 establishes that reinvention has become normative rather than exceptional, with 63% of global CEOs initiating major value-creation changes (PwC, 2025). However, Table 2 reveals that intent does not equal achievement; fewer than 30% of transformations fully succeed. The decisive variable is leadership composition: engaged Chief Digital Officers raise success likelihood six-fold, and digitally savvy leadership teams are 50% more likely to meet transformation goals.

This pattern operationalises Boal and Hooijberg's (2001) argument that adaptive capacity and managerial wisdom not technology budgets distinguish high-performing firms. It further validates Hadi's (2025) framework, in which strategic leaders orchestrate transformation through vision articulation, resource allocation, culture change, and capability building. The Indian SME findings in Table 3 sharpen this picture. Singh's (2024) regression evidence that transformational leadership outperforms transactional and passive-avoidant styles across sales growth, ROI, and employment generation reinforces the cross-cultural robustness of Bass's (1985) theory and aligns with Kushwaha and colleagues' (2024) IT-sector evidence. Crucially, these effects materialise in resource-constrained settings, suggesting that strategic leadership is a low-cost, high-leverage organisational asset particularly valuable in emerging-economy SMEs. The second argument addresses Objective 2 leadership-driven enablers of sustainable growth. India's GII trajectory in Table 4 climbing from rank 81 (2015) to rank 39 (2024) is not a technology story alone; it is a strategic-leadership story enacted at multiple levels (PIB, 2024). National policy entrepreneurship, corporate R&D leadership at firms such as Tata, Reliance, and Infosys, and ecosystem leadership at Atal Tinkering Labs and Atal Incubation Centres collectively illustrate Sajjad, Eweje, and Raziq's (2024) "sustainability leadership" construct in action. Table 5 corroborates this within firms: 93% AI engagement among Indian business leaders signals sensing-and-seizing behaviours consistent with Teece's (2007) dynamic-capabilities theory.

The third argument concerns industry heterogeneity (Table 6). Manufacturing's WEF Lighthouse adoption, financial services' generative-AI profitability gains of over 25%, and FMCG innovators' four-fold launch velocity each rest on different technological substrates — yet all require leaders capable of long-horizon vision, resource orchestration, and cultural reinvention (NielsenIQ, 2024; McKinsey & Company, 2024). This convergence supports Mukonza, Hooi, and Singh's (2024) integrative finding that transformational and ethical leadership are pivotal across systemic, organisational, and individual levels. Three actionable implications follow. First, board-level investment in leadership-development pipelines what Sternfels and colleagues (2024) call "leadership factories" should be treated as a transformation prerequisite, not a cost centre. Second, sustainability and digital agendas should be integrated into a single strategic-leadership mandate, not pursued in silos, given that climate disruption and AI rank as the top long-term concerns for over 45% of CEOs (PwC, 2025). Third, in the Indian context, SME promoters and family-business NextGen leaders should be deliberately exposed to transformational-leadership development, given the empirically demonstrated performance differential (Singh, 2024). The discussion thus directly supports both objectives and the overarching hypothesis: strategic leadership is the single most consequential lever for cross-industry sustainable competitive advantage in the 2020–2025 period.

7. Conclusion

This study demonstrates that strategic leadership is the central determinant of successful organisational transformation, sustained performance, innovation capability, and long-term sustainable growth across industries. Verified evidence from PwC, McKinsey, WIPO, J.P. Morgan, and peer-reviewed empirical studies converges on a clear pattern: while transformation intent is now near-universal, only firms with vision-driven, digitally fluent, and sustainability-oriented strategic leaders achieve durable outcomes. India's decade-long GII ascent and the strong leadership–performance association in Indian SMEs further validate the cross-contextual relevance of strategic leadership. Boards, policymakers, and executive-development institutions should therefore prioritise the deliberate cultivation of strategic leaders combining absorptive capacity, adaptive flexibility, ethical grounding, and digital fluency as the foundational strategy for thriving amid permanent organisational upheaval.

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