

Rosidah Wulan Ningrum

University of Aberdeen Business School  
Robert Gordon University, United Kingdom

\*Corresponding author:  
Email: [r.ningrum@rgu.ac.uk](mailto:r.ningrum@rgu.ac.uk)

## Abstract

Effective leadership is critical for success and sustainability for the startups, particularly in dynamic and uncertain business environments. While various leadership styles have been studied in corporate settings, their influence on startup ecosystems remains less explored. This study examines the suitable leadership styles for startups founders, focusing their role in fostering innovation, adaptability, and long-term growth. This literature review study reveal three most fitting leadership styles for startups business founders and underscores the significance of integrating those leadership styles. A balanced leadership approach that blends transformational, sustainable, and resilient leadership appears most effective in driving startups success. This study recommends further empirical research to test the proposed model and explore the adaptive leadership strategies where leadership styles can be shifted based on certain conditions.

**Keywords:** Leadership; Startups' founder; Sustainable Leadership; Transformational Leadership; Resilient Leadership;

## Introduction

The role of leadership in the success and sustainability of a startup business is paramount, particularly in the formative stages of an organisation. Founders are often tasked with navigating the complexities of launching a new business while balancing the demands of decision-making, team management, and strategic decision (Ausat et al., 2022; Schoemaker et al., 2018). In this context, the leadership style adopted by the founder plays a crucial role in shaping the startup's culture, operations, and overall trajectory. However, the diversity of the leadership approaches and the unique challenges faced by startup founders necessitate carefully examining the most suitable leadership styles for fostering innovation, growth, and resilience in the early stages of business development (Morris et al., 2012).

Research on leadership within startup businesses has gained significant attention in recent years, yet there remains a gap in understanding how specific leadership styles align with the distinct needs of early-stage ventures. While traditional leadership models, such as transformational and transactional leadership, have been widely studied in larger, more established organisations, their applicability to startups is less clear. Startups are often

characterised by dynamic, fast-paced environment, limited resources, and the constant need for adaptability (Zhao & Ren, 2022). Thus, leadership styles that work in larger organisations may not always translate effectively into startup context, where leaders must be more flexible, hands-on, and capable of rapid decision-making (Zaech & Baldegger, 2017; Zahari et al., 2022).

This article aims to review the existing literature on leadership styles for startup founders, focusing on identifying and analysing the most effective leadership approaches and agility for navigating the complexities of new business ventures. By exploring different leadership theories and examining case studies of successful startup founders, the review seeks to provide a comprehensive understanding of how leadership can be tailored to meet the challenges of the startup environment. In doing so, the article contributes to the broader discourse on entrepreneurship by offering insights into leadership styles that enhance the chances of startup success and long-term sustainability (Batool et al., 2022).

Ultimately, the aim of this review is to provide both academic researchers and aspiring entrepreneurs with a nuanced understanding of the leadership strategies most suitable for startup founders. The findings will be able to assist founders in recognising and developing the leadership skills required to guide their ventures through the critical early years and position them for growth and success in an increasingly competitive market.

## Methodology

The methodology section of this study is designed to provide a thorough understanding of the factors that contribute to leadership style and agility of startups founder. Figure 1 below presents the Preferred Reporting Items for Systematic Review and Meta-Analyses (PRISMA) flow diagram, which outlines the study selection and inclusion process for this research. the entire procedure is detailed below:

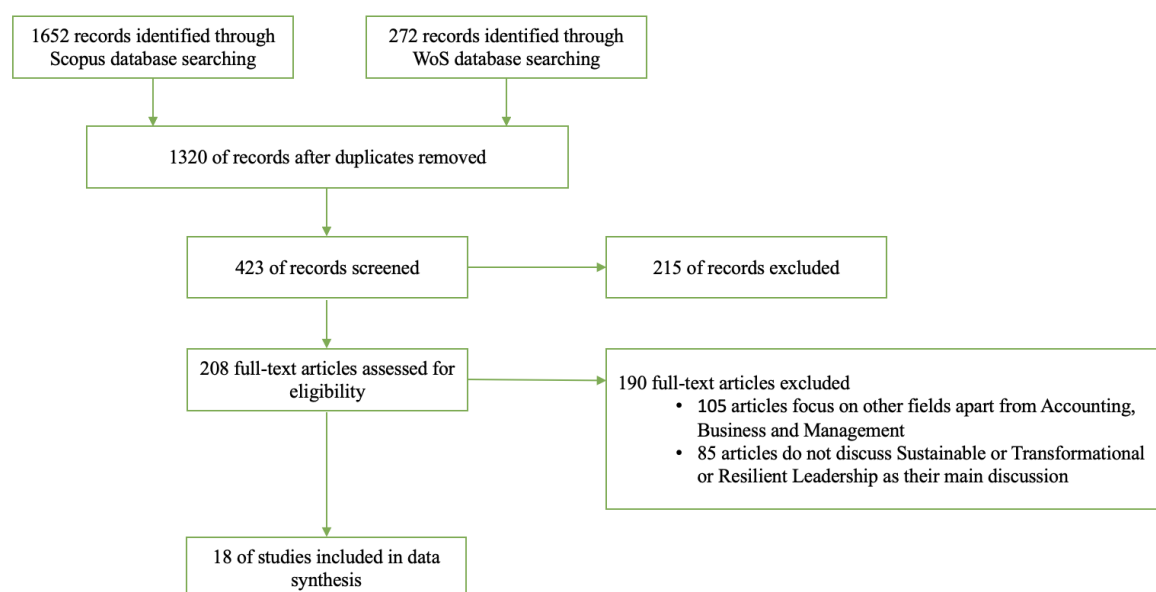


Figure 1. PRISMA Diagram

## Key Concepts

### *Leadership Practice in Theory*

Viguerie et al (2021) presented an insightful graph that highlights a concerning trend in the longevity of business in the market. The graph shows a dramatic reduction on the lifespan of the

companies over recent decades. In the 1960s, it was typical for business to survive and thrive for 50–60 years, benefiting from stable market conditions, longer-term strategies, and fewer disruptive technology advancements. However, as the global market became increasingly competitive and technology rapidly evolved, the average lifespan of companies dramatically shortened.

By the 2000s, this lifespan had been reduced to roughly 20 years, a stark contrast to the longer lifespans seen in earlier decades. This reduction can be attributed to several factors, including the fast pace of innovation, the rise of disruptive technologies, and the increasing pressure on companies to adapt to shifting market demands. In this millennium, businesses are constantly under the threat of being outpaced by newer, more agile competitors or evolving customers expectations, which significantly reduces their ability to maintain long-term success. The data presented by Viguerie et al (2021) underscore the need of companies to continuously innovate and remain flexible to survive in today's volatile business environment. The lifespan of a business gets shorten radically as pointed in Figure 2 below:

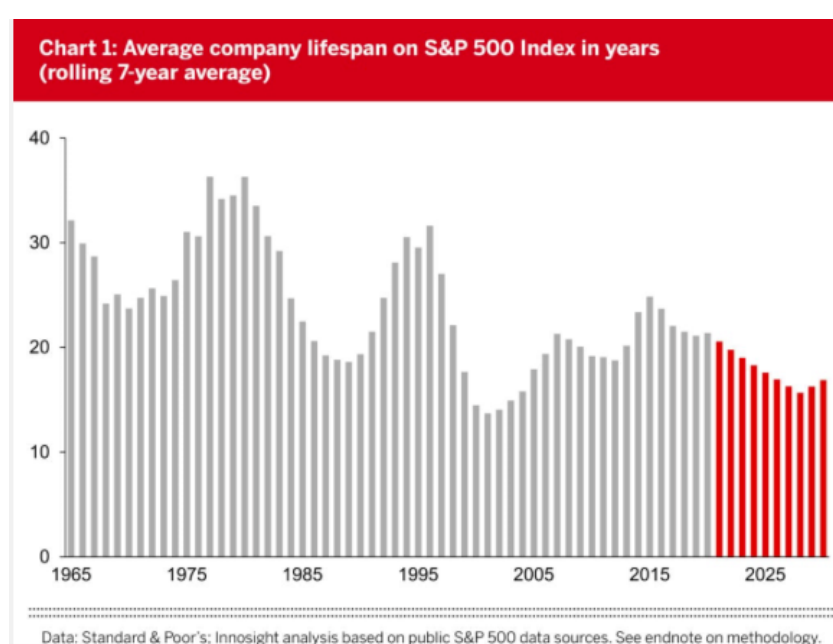


Figure 2. Average Company Lifespan (Viguerie et al., 2021)

The data presented above highlights a growing awareness among key management and entrepreneurs regarding the numerous challenges they will face in the future to ensure the continued survival and success of their companies. These challenges are largely driven by technological advancement and globalization, which have drastically transformed traditional business operations. The rise of digital technologies, automation, and global interconnectedness means that businesses must adapt to new tools, systems, and market more rapidly than ever before. As a result, organizations are now navigating an environment where the pace of change is accelerating, creating both opportunities and risks that must be managed effectively to sustain long-term success.

In response to these increasing challenges, the literature underscores the crucial role of entrepreneurial leadership in guiding companies through uncertain and rapidly evolving landscape. Schoemaker et al (2018) emphasize the strong entrepreneurial leadership is essential for organizations to thrive in the face of disruption. Such leadership involves the ability to make strategic decisions, foster innovation, and adapt to market changes while maintaining a clear vision for company's future. As businesses continue to face pressures from both technological advancement and global competition, entrepreneurial leaders who can embrace change, take

calculated risks and drive continuous innovation will be key to ensuring their company's resilience and ability to survive in an increasingly complex world.

Previous research has shown the development of the leadership literature along with the more increasing adversity and challenges. Table 1 below shows the development of leadership definition over time:

**Table 1. Definition of Leadership Across Literature**

Authors	Leadership Development	Definitions
(Avery & Bergsteiner, 2011)	Sustainable Leadership	A management approach aimed at delivering better and more sustainable returns, reducing unwanted employee turnover and accelerating innovation
(Madi Odeh et al., 2023)	Transformational Leadership	Leadership style that emphasizes the symbolic behavior of a leader like inspirational, visionary messages and values
(Caniëls & Curseu, 2024)	Resilience Leadership	Demonstrating desirable and acceptable behaviours to emulate the appropriate way to react to and deal with a setback at work.

### *Sustainable leadership*

Sustainable leadership emphasizes the integration of long-term environmental, social, and economic goals to ensure that organizations are not only successful in the present but also contribute positively to society and the environment for future generations. This approach requires leaders to consider not only financial performance but also how their decisions affect the broader community and ecosystem (Scheepers & Bogie, 2020). Leaders in industries such as renewable energy or green technology have adopted sustainable leadership in the renewable energy sector often involves balancing innovation with environmental stewardship, fostering partnerships to reduce carbon footprints, and ensuring that products are ethically sourced (Kerr, 2006).

However, despite its many advantages, sustainable leadership faces significant challenges. One of the key difficulties is the tension between short-term financial goals and long-term sustainability objectives. Many organizations, especially the profit-driven sectors, are more focused on quarterly profits, often at the expense of environmental or social consideration. This creates a paradox where leaders may feel pressured to compromise their sustainability goals in favor of more immediate returns. Furthermore, implementing sustainable leadership often requires a cultural shift within organizations, and resistance to change can be substantial. Previous literature declares that leader must navigate this resistance by fostering a culture that values sustainability as a long-term investment rather than a short-term cost (Mahdi & Nassar, 2021). Moreover, measuring the true impact of sustainability efforts can be complex, and leaders may struggle to demonstrate the return on investment for environmental or social initiatives, which can hinder future adoption (Strielkowski et al., 2022).

### *Transformative leadership*

Transformational leadership is characterised by the ability to inspire and motivate followers to exceed their expectations, thereby fostering innovation, change, and high performance (Zhao & Ren, 2022). This leadership style is particularly effective in dynamic, fast-changing environments where organizations need to constantly adapt to new challenges, just similar to startup's daily operation. Transformational leaders are known for their visionary thinking, enthusiasm, and ability to communicate an inspiring future that motivated employees to work toward achieving organizational goals (Zaech & Baldegger, 2017). For example, in the healthcare sector, transformational leadership has been shown to improve nurse performance and reduce burnt out by creating a supportive environment that encourages professional growth and collaboration (Yuguero et al., 2021).

While transformational leadership offers numerous benefit, it is not without its challenges. One significant issue is the sustainability of the transformational leader's influence. Over time, leaders who rely too heavily on charisma and vision may find it difficult to maintain the same level

of engagement and enthusiasm from their employees (Klaic et al., 2020). Additionally, place significant demands on the leader. In organizations with large, diverse teams, maintaining personalized attention to each individual's needs can become impractical, and the leader may inadvertently alienate certain groups or overlook important organizational dynamics. Furthermore, transformational leaders may face resistance if their vision is too radical or misaligned with the core values of the organization, particularly in organizations with deeply entrenched cultures or hierarchies (Ausat et al., 2022).

Implementing transformational leadership requires leaders to strike a delicate balance between inspiring innovation and ensuring that employees have the resources and support needed to carry out new initiatives (Okanga & Drotskie, 2019). Leaders must foster an inclusive culture where ideas are welcomed from all levels of the organizations, and they must be prepared to provide the necessary mentorship and development opportunities for employees to grow into their roles. While transformational leadership is undoubtedly powerful, it is essential for leaders to avoid over-promising and under-delivering, as failure to follow through on their vision can lead to discouragement and mistrust among their followers. Furthermore, transformational leaders should ensure that their vision is not just aspirational but also actionable, with clear steps for achieving the desired future state.

### *Resilient leadership*

Resilient leadership focuses on the ability of leaders to recover from setback, adapt to adversity and maintain performance under pressure (Caniëls & Curseu, 2024). Resilient leaders are essential in high stakes environments where challenges are frequent and unpredictable. This leadership style emphasizes emotional strength, the ability to lead by example in difficult times, and the promotion of growth mindset within teams (Suryaningtyas et al., 2019). Resilient leadership has been particularly valuable in healthcare settings, where leaders must guide organizations through crises, such as the Covid-19 pandemic. For example, studies have shown that resilient leadership can enhance psychological resilience among healthcare professionals, improving patient care and job satisfaction (Bughin, 2023).

However, resilient leadership also comes with its own challenges. The pressure to constantly "bounce back" from adversity can lead to burnout, especially if resilience is expected to be a continuous and unquestioned response to challenges (Pirotti & Venzin, 2016). Furthermore, leaders who focus too much on their personal resilience may neglect the emotional needs of their teams, causing disconnection or creating an atmosphere where employees feel pressured to display resilience without adequate support. Another challenge is the risk of overemphasizing resilience as a way of "toughing it out" in the face of adversity, without addressing the root causes of stress and burnout within organizations (Grote, 2019). Leaders who are overly focused on resilience may fail to recognize systemic issues that require deeper organizational change, leading to a short-term focus that ignores long-term structural improvements.

Implementing resilient leadership requires leaders to model resilience through open communication, transparency, and by providing the necessary resources for their teams to manage stress effectively, it also involves fostering a culture of psychological safety, where team members feel supported in expressing concerns and seeking help when needed (Sánchez, 2020). Resilient leaders must ensure that their teams are not just expected to "bounce back" from adversity but are provided with the tools to manage setback in a healthy and productive manner. Building resilience in teams requires continuous development, stress management programs, and a focus on long-term organizational well-being, rather than pushing through difficult times (Vargas-Sánchez, 2021).

## Discussion

### *Interconnection and Synergy of Leadership Style for startup business' founder*

Each of these leadership styles—sustainable, transformational, and resilient—offers distinct strategies for managing organizational challenges, driving change, and ensuring long-term success. However, they all face significant difficulties when it comes to implementation. Sustainable leadership requires balancing short-term financial goals with long-term environmental and social responsibility, which can be difficult in profit-driven environments. Transformational leadership, while powerful in fostering innovation and change, requires high emotional intelligence and the ability to maintain motivation over time, which can be challenging in large, diverse organizations. Resilient leadership, while essential for managing adversity, must avoid placing undue pressure on individuals to constantly “bounce back” without addressing the deeper causes of stress.

In practice, these leadership styles should not be viewed in isolation. Successful leaders often integrate elements from each style, adapting their approach to meet the unique challenges they face (Balderas-Cejudo et al., 2023). Leaders who can combine sustainability, transformation, and resilience are best equipped to navigate the complexities of modern business environments, ensuring that their organizations remain adaptable, innovative, and prepared for the future.

These leadership styles offer complementary attributes that can strengthen a startup's overall leadership approach. Mahdi & Nassar (2021) pointed out sustainable leadership that emphasizes long-term thinking, ethical decision-making, and a commitment to environmental and social responsibility. Leaders who embody sustainable leadership ensure that their startups are positioned to succeed over the long haul by integrating these principles into the core of the business. Other literature highlighted that sustainable leadership encouraged resource conservation, employee well-being, and social equity, all of which are critical for startups aiming to build lasting brands that complement with modern consumers (Scheepers & Bogie, 2020)..

In contrast, transformational leadership drives innovation and change, key elements in startup success. Transformational leaders inspire their teams by creating a compelling vision, fostering creativity, and motivating employees to exceed their own expectations (Zaech & Baldegger, 2017). This style is particularly effective in fast-paced environments like startups, where innovation and the ability to pivot quickly are crucial (Ausat et al., 2022).. By complementing sustainable leadership, transformational leaders help to drive the organization toward bold new directions without losing sight of long-term sustainability goals.

Resilient leadership, on the other hand, ensures that startups can navigate adversity, manage crises, and remain adaptable in the face of unexpected challenges (Suryaningtyas et al., 2019). Resilient leaders build emotional strength, provide support during difficult times, and ensure that teams maintain a focus on the future, even when setbacks occur. This leadership style is especially critical in startups, where failure or challenges can be common (Zhao & Ren, 2022). The integration of resilient leadership with suitable and transformational leadership enables leaders to recover quickly from setbacks, learn from mistakes, and remain committed to the startups' long-term vision.

From analysing the literature, we can conclude that these three leadership styles basically complement each other and shape a fit leadership style for startups' business founders. Figure 3 below is our proposed leadership model for startup founders:

### *Mitigation of Startups business Founders' Leadership Style*

This conceptual paper argues that one leadership style is not enough for startup founders. In fact, they have to be able to shift their leadership style depending on the condition or situation they encounter. We propose three major leadership styles that are appropriate for startup founders,

they are: sustainable leadership, transformational leadership, and resilient leadership. Each of these leadership styles aims differently and can be applied in different situations as seen in figure 3 below:

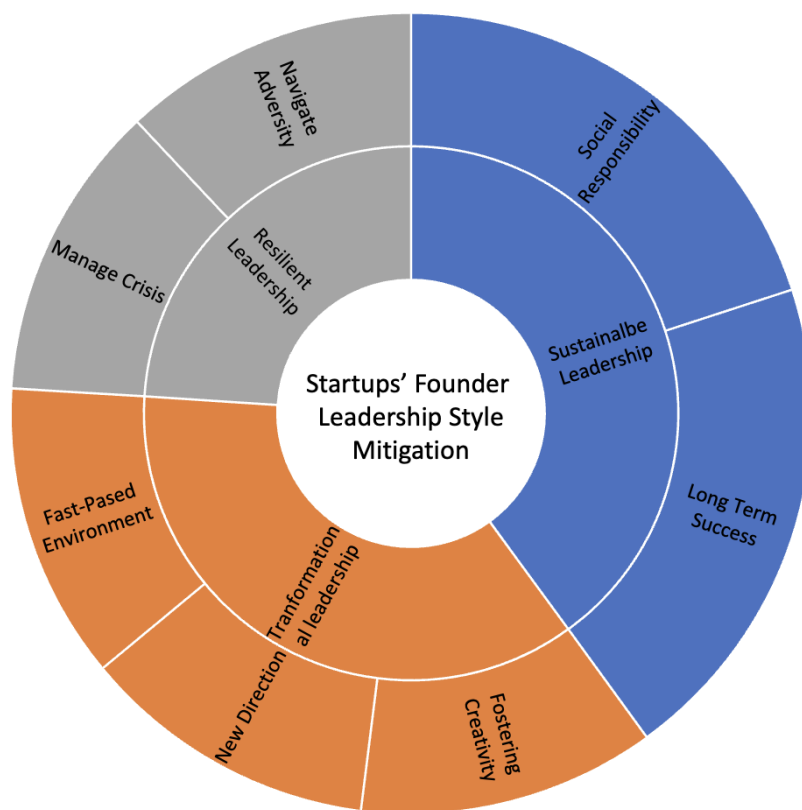


Figure 3. Mitigation of Startups Founders' Leadership Style

Figure 3 above represents a conceptual model illustrating the startup founders' leadership styles and the aims of each of the styles. This diagram is divided into different sections to highlight the key styles and their aims or which situations the style is appropriate to be applied. First, sustainable leadership is properly adopted when the leader focuses on ensuring long-term success by incorporating suitable practices and social responsibility into the startup's mission. This leadership style promotes the idea that business growth should be achieved while balancing economic, social, and environmental factors. Hence, it fits the aim of delivering social responsibility.

Second, transformational leadership style is applied to encourage innovation, creativity, and the ability to lead in fast-paced environment, it is relevant at fostering creativity and driving the startup in new directions, ensuring that the business remains adaptable and forward-thinking. Finally, resilient leadership style aims to help startup founders navigate adversity and manage crisis effectively. Resilient leaders can bounce back from setbacks, maintaining a steady course during challenging times.

Following that, the above figure also explains which leadership style is appropriate for certain conditions. For fast-paced environment, the above model suggests the founders to thrive in an environment where rapid decision-making and innovation and creativity to allow startups finding novel solutions to problems are crucial, hence, transformational leadership style fits this situation. For a navigating adversity and managing crisis conditions where crisis is raising and startups need to adapt and recover from unexpected disruptions, resilient leadership is appropriate. Finally, for aiming for a long-term success condition, sustainable leadership promotes long-term growth by focusing on practices that ensure the business can thrive over-time, factoring in environmental, social, and governance considerations.

## Conclusion

This study has examined the significance of leadership styles in the context of startups businesses' founders, emphasizing the necessity for founders to adopt a multifaceted approach to leadership. Sustainable, transformational, and resilient leadership styles have been identified as crucial leadership styles that contribute to startups' success. Sustainable leadership ensures long-term stability by integrating ethical and social responsibility into business practices, while transformational leadership fosters innovation and adaptability in a fast-paced entrepreneurial environment. Resilient leadership, on the other hand, equips founders with the ability to navigate uncertainties and recover from setbacks, which are common in the volatile startups ecosystem. The interplay of these leadership styles is fundamental in shaping startups that are both innovative and enduring.

Through an extensive review literature, this study underscores the challenges associated with implementing each leadership style. Sustainable leadership faces obstacles in balancing financial performance with long-term sustainability goals, transformational leadership demands continuous motivation and engagement, and resilient leadership must prevent burnout by fostering supportive organizational cultures. However, integrating these leadership approaches allows startups founders to be adaptable and proactive in addressing business challenges. The combination of sustainability, transformation, and resilient leadership styles provide a comprehensive leadership framework that enhanced a startup's ability to scale and remain competitive.

Moreover, the study presents a conceptual model illustrating how startup founders can strategically apply different leadership styles based on situational demands. This model serves as a guide for entrepreneurs in selecting the most effective leadership approach depending on the market dynamics, business growth phases, and crisis management needs. By leveraging these leadership styles in tandem, startup founders can create a strong foundation for long-term success while maintaining agility in their decision-making process.

Ultimately, this research contributes to the broader discourse on leadership study within startups by offering a structured approach to leadership adaptability. This findings provide valuable insights for both academics and practitioners, reinforcing the importance of dynamic leadership in fostering business resilience and innovation. Future research could explore empirical applications of these leadership styles in different startups ecosystems, further validating their impact on entrepreneurial success.

## Limitation

While this study offers valuable insights into leadership styles for startups founders, several limitations must be acknowledged. First, the research relied primarily on a theoretical framework derived from existing literature, which may not fully capture the nuanced experiences of startup founders in diverse industries. The conceptual nature of this study means that real-world applicability remains to be tested through empirical research, such as case studies or longitudinal analyses.

Second, the study focuses on the primary leadership styles—sustainable, transformational, and resilient leadership—without considering hybrid or emerging leadership styles that may also be effective for startups. Given the rapid evolution of business environments, future studies could explore additional leadership paradigms that contribute to startups success. Furthermore, the research does not account for industry-specific variations, which could influence the effectiveness of different leadership styles. Startups operating in highly regulated sectors may require different leadership strategies compared to those in more flexible and innovative industries. Addressing these limitations in future research will enhance the applicability and relevance of the proposed leadership model for startups founders.



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