
RELATIONAL AND EMBEDDED LEADERSHIP FOR NAVIGATING STRUCTURAL CONFLICT: A STRATEGIC MODEL FOR ADAPTIVE ORGANIZATIONS

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Abstrak. In today's rapidly evolving and complex organizational environments, conventional strategic leadership models, often based on hierarchical control and top-down vision, frequently fail to manage structural conflicts and adaptive challenges. Organizations face increasing fragmentation, cultural resistance, and systemic obstacles that hinder sustainable transformation. This study develops the Relational and Embedded Strategic Leadership (RESL) model as an integrative framework to address these limitations by emphasizing leadership as a socially constructed, contextually embedded, and distributed process. Employing a qualitative conceptual-reflective approach, the research synthesizes cross-disciplinary literature and analyzes six illustrative cases from public, private, and higher education sectors, including Nokia, Microsoft, and the UK NHS. The study uses thematic abstraction, pattern matching, and narrative synthesis to validate the framework. Findings demonstrate that leadership rooted in social relations, cross-level collaboration, and embedded practices is more effective in enabling sustainable strategic change than traditional hierarchical models. The RESL model encourages dialogic communication, shared sensemaking, and structural embeddedness, bridging strategy and operational reality. Implications for practice include redesigning organizations for distributed leadership, fostering relational intelligence in leadership development, and institutionalizing multi-stakeholder dialogue. This framework offers valuable insights for leaders navigating complexity and systemic resistance, with potential for further empirical testing and sectoral adaptation.

Keywords: strategic leadership, relational leadership, embedded leadership, organizational transformation, distributed leadership

INTRODUCTION

Over the past two decades, organizations worldwide have experienced significant structural transformations driven by rapid technological advancements, environmental crises, geopolitical shifts, and increasing social pressures (WEF, 2023). These dynamics have culminated in a volatile, uncertain, complex, and ambiguous (VUCA) environment, challenging traditional assumptions of long-term stability (Bennett & Lemoine, 2014). In such contexts, organizations are compelled not only to adapt but also to undertake systemic and sustainable strategic transformations.

Strategic leadership has been identified as a critical factor in guiding organizations toward sustainability (Ireland & Hitt, 2005). However, numerous transformation initiatives have faltered due to a lack of consideration for the social complexities and structural factors inherent in change processes. For instance, the failed restructuring of Nokia (Vuori & Huy, 2016), stagnation in higher education reforms (Kezar, 2014), and resistance to public sector bureaucratic reforms (Christensen & Lægreid, 2007) underscore the limitations of traditional, top-down leadership approaches that often overlook internal conflicts, cultural resistance, and structural fragmentation.

These challenges highlight the emergence of systemic boundaries, referred to as adversarial limits, characterized by latent obstacles such as conflicting interests, power fragmentation, and collective resistance to change (Heifetz, 1994; Smircich & Morgan, 1982). Addressing these complexities necessitates the development of alternative leadership models rooted in social

relationships, contextual sensitivity, and reflective collaboration.

Relational leadership offers a novel perspective by conceptualizing leadership as a social process constructed through interactions among organizational actors (Uhl-Bien, 2006). Similarly, embedded leadership emphasizes that leadership is not confined to elite figures but is ingrained in organizational practices, structures, and everyday norms (Denis et al., 2005). Empirical studies demonstrate that successful organizational transformations, such as Microsoft's under Satya Nadella (2017), the UK's NHS public service reforms (Fulop & Checkland, 2018), and PT Telkom Indonesia's Amoeba digital initiative (Wijayanto, 2021), are attributed not only to visionary leadership but also to the cultivation of relational ecosystems and distributed leadership.

Modern organizations operate in volatile and complex environments where conventional top-down strategic leadership often fails to manage structural conflicts and adaptive challenges. Examples such as Nokia's failed restructuring and bureaucratic resistance in public sectors illustrate that hierarchical control and formal vision-setting are insufficient in overcoming internal fragmentation, cultural resistance, and power struggles. There is a critical need to rethink leadership models that can navigate these systemic adversarial limits through social relations and embedded practices rather than rigid command structures.

The urgency to develop alternative leadership models arises from the increasing prevalence of structural conflicts and fragmentation in organizations worldwide, intensified by rapid technological changes, environmental crises, and geopolitical instability. Traditional leadership approaches, emphasizing centralized control, cannot effectively address these challenges, leading to repeated transformation failures and organizational stagnation. Without new leadership paradigms, organizations risk losing agility, innovation capacity, and sustainable strategic alignment.

Moreover, the shifting workforce expectations towards participatory and relational modes of engagement demand leadership that fosters dialogue, empathy, and collective sensemaking. These socio-cultural dynamics necessitate embedded leadership practices that are context-sensitive and operationally integrated, allowing organizations to adapt flexibly and inclusively to complex change demands.

Previous scholarship on strategic leadership has primarily focused on hierarchical vision-setting and rational planning (Ireland & Hitt, 2005). However, studies of failed transformations such as Nokia and GE reveal the limitations of ignoring organizational politics and inter-unit dynamics (Tushman et al., 2016; Vuori & Huy, 2016). Relational leadership theory emphasizes leadership as a social process, constructed through interactions and shared meaning-making, offering a framework for distributed agency and collaborative sensemaking (Uhl-Bien, 2006).

Embedded leadership literature highlights the importance of leadership enacted within organizational routines, norms, and informal networks, demonstrating how mid-level managers can drive localized innovation and strategic coherence (Denis et al., 2005; Fulop & Checkland, 2018). Adaptive leadership research further distinguishes between technical and adaptive challenges, advocating for leadership approaches that facilitate reflective learning and systemic change (Heifetz, 1994).

Empirical cases, including Microsoft's digital transformation under Satya Nadella and NHS England's clinical leadership reforms, validate these theories by showing how dialogic and embedded practices enable sustainable change across institutional levels (Fulop & Checkland, 2018; Nadella, 2017).

Despite these advances, there is a gap in integrative models that combine relational, embedded, strategic, and adaptive leadership to address structural conflict comprehensively. Most leadership frameworks isolate these perspectives or apply them in sector-specific contexts, lacking a unified approach for managing the complexities of modern organizational environments characterized by fragmentation, contested authority, and systemic resistance. This study addresses

this gap by synthesizing these leadership dimensions into a cohesive conceptual model.

This research introduces the Relational and Embedded Strategic Leadership (RESL) model, which uniquely integrates multiple leadership perspectives to navigate structural conflicts and adaptive challenges. It departs from traditional, top-down models by emphasizing leadership as a distributed, socially constructed, and contextually embedded practice. The model reframes conflict as a strategic resource and incorporates dialogic and sensemaking capacities, providing a fresh theoretical and practical lens for sustainable organizational transformation.

The study aims to develop a comprehensive conceptual framework for relational and embedded strategic leadership that enables organizations to overcome structural conflicts and adaptive complexities. Specific objectives include examining the failures of conventional leadership, exploring how relational and embedded approaches address these limitations, and identifying leadership principles that support sustainable transformation in volatile environments.

This study offers critical conceptual contributions that bridge leadership theory and organizational practice, providing a viable alternative for leaders facing systemic resistance and complexity. The RESL model guides organizational design, leadership development, and governance reforms toward distributed, dialogic, and reflective leadership. These insights are particularly valuable for public institutions, higher education, and technology firms seeking resilient change strategies. The model also invites future empirical testing and cross-sectoral application, enhancing its relevance and impact.

MATERIALS AND METHODS

This study employs a qualitative, conceptual-reflective approach to develop an integrative framework for relational and embedded strategic leadership, addressing structural conflict and organizational transformation. Eschewing quantitative testing, the method emphasizes theoretical synthesis and case-based reflection to build a normative-operational understanding of leadership phenomena marked by symbolic meaning, power dynamics, and contextual judgment. The research unfolds in three stages: cross-disciplinary literature analysis across strategic management, leadership studies, and organizational theory; theoretical synthesis combining strategic, relational, embedded, and adaptive leadership perspectives into a coherent model; and theory-informed case narratives validating the framework through pattern matching with real-world organizational dynamics.

Using purposive sampling, six documented cases from public, private, and higher education sectors—selected for their relevance to leadership challenges in fragmented organizations—serve as empirical anchors. These include Nokia's strategic failure, Microsoft's relational transformation, PT Telkom Indonesia's embedded leadership, UK NHS clinical leadership reforms, collegial leadership in Finnish and Canadian universities, and GE's ambidextrous leadership under Immelt. Secondary data from peer-reviewed journals, academic books, and institutional reports were analyzed using thematic abstraction, pattern matching, and narrative synthesis to identify leadership constructs, compare theory with practice, and construct a conceptually grounded framework.

While lacking primary fieldwork and statistical generalization, the study achieves conceptual validity through theoretical triangulation and cross-case reflection, offering a rigorously developed model that bridges theory and practice in complex organizational contexts.

RESULTS AND DISCUSSION

Limitations of Conventional Strategic Leadership

Analysis of the Nokia and GE cases (Tushman et al., 2016; Vuori & Huy, 2016) demonstrates that conventional hierarchical leadership, focused on top-down vision, failed to ensure successful strategic transformation. At Nokia, internal conflict between hardware and software divisions and

the inability to internalize bottom-up innovation signals led to strategic misalignment and digital failure. Similarly, GE's effort to establish a digital unit under Jeff Immelt revealed resistance rooted in structural fragmentation and lack of cross-divisional integration.

These findings highlight a recurring failure pattern in traditional strategic leadership models that disregard organizational politics, relational dynamics, and inter-unit coordination (Mintzberg, 1979; Smircich & Morgan, 1982).

2. Effectiveness of Relational Leadership in Enabling Transformation

In contrast, the Microsoft case under Satya Nadella illustrates how relational leadership fosters successful digital transformation. Nadella's emphasis on empathy, growth mindset, and adaptive learning systems enabled collaborative behavior across departments (Beer, 2021; Nadella, 2017). Strategic direction was not only communicated but socially constructed through participatory dialogue and cross-functional engagement.

These results validate relational leadership's role in fostering shared sensemaking and participatory meaning construction during periods of change (Uhl-Bien, 2006; Weick, 1995).

3. Embedded Leadership as a Structural Enabler

The cases of Telkom Indonesia and NHS England show that embedded leadership—exercised at middle-management and operational levels—serves as a key enabler of strategic alignment and localized innovation. Telkom's Amoeba initiative empowered mid-level managers to lead innovation from within while maintaining strategic coherence (Wijayanto, 2021). In the NHS, clinical leaders effectively translated central policy into context-sensitive local practices (Fulop & Checkland, 2018).

These examples confirm that leadership embedded within organizational practices and networks can enhance adaptability and trust-building across institutional layers (Denis et al., 2005).

4. Structural Conflict as an Arena for Transformation

Higher education reforms in Finland and Canada demonstrate that structural conflicts between academic collegiality and administrative control can be harnessed as catalysts for change. Rather than suppressing conflict, universities utilized deliberative forums and participatory leadership models to reconstruct institutional values and governance frameworks (Bolden et al., 2009; Kezar, 2014).

This suggests that conflict, when managed reflectively, can be transformed into a driver of organizational redesign and resilience (Bolman & Deal, 2003).

DISCUSSION

Reaffirming the Study's Purpose and Value

This study sought to conceptualize a new leadership framework **Relational and Embedded Strategic Leadership (RESL)** in response to the persistent failure of conventional strategic leadership in addressing structural conflict and adaptive complexity in modern organizations. By synthesizing insights from multiple cases across sectors and integrating diverse theoretical lenses, this study underscores a paradigm shift: from leadership as positional power toward leadership as a *relationally enacted, structurally embedded, and reflectively adaptive* practice.

In contrast to traditional top-down approaches that emphasize formal control, RESL reframes leadership as a distributed, interactive, and socially constituted process more suited to contemporary organizational environments marked by volatility, fragmentation, and contested authority.

Conceptual Contributions to Leadership Theory

This study contributes to leadership theory in several distinct ways:

- 1. Bridging Structural and Social Perspectives:**

By combining strategic, relational, embedded, and adaptive leadership frameworks, RESL offers an integrated perspective that connects macro-level institutional logic with micro-level interaction dynamics. This is especially significant in filling the gap between structurally rigid strategic management models and socially nuanced leadership theories (Denis et al., 2005; Uhl-Bien, 2006).

- 2. Reframing Leadership as Embedded Practice:**

Unlike most models that focus on elite leadership behavior, RESL recognizes the critical role of mid-level and peripheral actors in shaping change from within—aligning with emerging insights in practice-based leadership (Bolden et al., 2009; Fulop & Checkland, 2018).

- 3. Rehabilitating Conflict as a Strategic Resource:**

RESL repositions conflict—not as dysfunction—but as a productive tension that, when mediated through reflective leadership, can foster institutional renewal. This aligns with the theoretical framing of Bolman and Deal (2003), yet extends it by embedding conflict resolution within leadership praxis.

- 4. Introducing Dialogic and Sensemaking Capacities into Strategic Leadership:**

RESL enriches strategic leadership theory by incorporating sensemaking and generative dialogue (Scharmer, 2009; Weick, 1995), emphasizing not just vision-setting but also *meaning-making* as a strategic act.

Relationship to Prior Literature

The findings reinforce relational leadership's emphasis on shared construction of meaning (Uhl-Bien, 2006), adaptive leadership's distinction between technical and adaptive challenges (Heifetz, 1994), and embedded leadership's attention to institutional layering (Denis et al., 2005). However, this study advances those literatures by demonstrating how **multi-level leadership configurations** can be orchestrated to transform resistance and ambiguity into drivers of change. Moreover, unlike earlier studies that examine leadership in isolated contexts, this research highlights *cross-case patterns* across public, private, and hybrid sectors, thus broadening the empirical and contextual relevance of relational-embedded leadership thinking.

Managerial and Institutional Implications

The implications of RESL are profound for leaders operating in environments marked by complexity, fragmentation, and legacy structures :

- 1. Structural Design:** Organizations must be redesigned to support distributed leadership structures, including mechanisms for lateral coordination, peer recognition, and cross-boundary collaboration.
 - 2. Leadership Development:** Training programs should emphasize *relational intelligence*, dialogic communication, and reflective practices—moving beyond the technical-rational skillset toward deeper *presence*, *listening*, and *cognitive complexity*.
 - 3. Strategic Governance:** Boardrooms and executive functions should include mechanisms to institutionalize multi-stakeholder dialogue, especially in sectors such as education, healthcare, and digital innovation where frontline engagement is critical to strategic success.
 - 4. Conflict Management:** Rather than avoiding structural conflict, organizations should create safe and productive holding environments for contestation, where leadership is practiced through negotiation, coalition-building, and interpretive framing.
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Study Limitations

This study is conceptual and based on secondary case materials, which limits empirical generalizability. While theoretical triangulation and pattern-matching enhance internal consistency, future studies should include field-based data to test and refine the proposed model. Furthermore, context-specific variables such as political culture, institutional maturity, and sectoral regulation were not explicitly analyzed.

Directions for Future Research

There are several promising avenues for extending this research :

- 1. Empirical Operationalization of RESL:**
Future research should design instruments to measure relational and embedded leadership constructs, including social trust, dialogic capacity, and structural embeddedness.
- 2. Sectoral Deep Dives:**
Comparative studies between sectors (e.g., public vs. private; centralized vs. decentralized systems) could clarify under what conditions RESL is most effective.
- 3. Cultural and Institutional Contingencies:**
Exploring how national cultures and institutional legacies shape the enactment of RESL would add significant nuance to the model.
- 4. Longitudinal Studies on Leadership Ecosystems:**
Examining how relational ecosystems evolve over time and influence strategic trajectories could bridge leadership studies with institutional change theory.

Table 1. Theoretical Contributions of the RESL Model in the Literature

RESL Dimension	Conceptual Focus	Theoretical Contribution	Key References
Strategic Leadership	Vision, direction-setting, strategic alignment	Extends leadership by integrating social processes into execution and adaptability	Ireland & Hitt (2005); Tushman et al. (2016)
Relational Leadership	Leadership as a social process through trust, dialogue, and shared meaning	Reframes leadership as emergent and negotiated, enabling cross-boundary collaboration	Uhl-Bien (Uhl-Bien, 2006); Nadella (2017)
Embedded Leadership	Leadership embedded in organizational routines, norms, and mid-level roles	Highlights distributed agency through informal roles and professional communities	Denis et al. (2005); Fulop & Checkland (2018)
Adaptive Leadership & Sensemaking	Interpretive and reflective capacity to manage uncertainty, ambiguity, and conflict	Introduces reflective tools and dialogic capacity into strategic leadership practice	Heifetz & Linsky (2002); Weick (Weick, 1995); Scharmer (2009)

CONCLUSION

This study developed the Relational and Embedded Strategic Leadership (RESL) framework to address the limitations of conventional strategic leadership in managing structural conflicts and adaptive complexities in modern organizations. By synthesizing theory and analyzing cases from

technology, public institutions, and higher education, it demonstrates that leadership grounded in social relations, cross-level collaboration, and embedded practices is more effective for sustainable transformation. Traditional hierarchical leadership often fails in dynamic and ambiguous environments, as shown by Nokia's failure and GE's digital transformation challenges, where vision without internalized meaning and structural coherence leads to resistance and fragmentation. In contrast, successful transformations at Microsoft, Telkom Indonesia, and the UK's NHS illustrate how collaborative, dialogic, and contextually grounded leadership bridges strategy and practice. The RESL model combines relational leadership—promoting adaptive learning and shared meaning—with embedded leadership that distributes influence across organizational layers, linking macro-policy to micro-implementation. This approach meets the need for flexible, participatory, and context-sensitive leadership. For future research, it is recommended to empirically test the RESL framework in diverse organizational settings, incorporate longitudinal studies to examine its impact over time, and explore how cultural and institutional factors influence the enactment and effectiveness of relational and embedded leadership practices.

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