

GREEN LEADERSHIP: AUTHENTIC SUSTAINABILITY OR GREENWASHING?

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Abstract: Nowadays, environmental protection is in greater focus, as consumers are more aware of the impact that industry has on it. For this reason, organizations are increasingly striving for sustainability. However, what the world is facing is misleading marketing, with which organizations only present themselves as environmentally responsible, but in fact they are not. This is greenwashing. In order for organizations to truly achieve authentic sustainability and avoid greenwashing, it is necessary to implement green leadership in the organization. A green leader must effectively lead and understand people, have developed a strong impact of environmental responsibility, and create success that meets both commercial and sustainability goals. This paper will present an overview of the literature related to the concept and dimensions of green leadership, explain the concept of greenwashing and its negative consequences, and present a comparison of authentic sustainability and greenwashing.

Key words: *green leadership, sustainability, greenwashing*

INTRODUCTION

In the last decade, sustainability has moved from the status of "wishful thinking" to a strategic necessity - markets are changing, regulations are tightening, and consumer and investor expectations are becoming more concrete. In this context, the question is no longer whether to deal with environmental protection, but how to do it in a way that simultaneously increases competitiveness, resilience and business sense. This is exactly where green leadership comes in as a modern approach to leadership that combines leadership skills with environmental literacy, systemic thinking and ethical responsibility [1]. Against this stands the appearance of greenwashing - a communication shortcut that promises "green" without changing the essence of the business model. It is most often recognized by general messages without metrics, highlighting minor improvements while leaving the main sources of impact intact, over-reliance on emissions offsets and selective data disclosure [2].

Sustainability is not a goal "next to" work; it is the way the business is planned, financed and executed. Green leadership thereby redefines the purpose of the organization - not only to generate profit, but also to leave a positive mark on the ecosystems in which it operates. Such a redefinition attracts talent looking for meaningful work, strengthens relationships with customers and partners, facilitates access to capital and increases resilience to changes brought about by climate, resource crises and new technologies [3].

GREEN LEADERSHIP

The concept of green leadership

Leadership is the ability to direct a team towards achieving common goals. The task of a leader is to motivate, inspire and lead people by example. Given that modern business is increasingly turning towards environmental protection, the need for leaders who "think green" is also emerging. Green leadership is a leadership style that strategically integrates environmental protection, climate responsibility and sustainable development into business processes and decisions, as well as into the relationship with stakeholders. The essence of green leadership is a clear vision and consistent implementation of sustainability expectations through all levels of the organization. Green leadership combines traditional leadership skills with a forward-looking proactive mindset. Competencies of a green leader include: systems thinking,

knowledge of regulations, environmental literacy, measurable initiatives. Ethical consistency and transparency are also necessary characteristics [1].

An important element of green leadership is organizational culture. In order for green leadership to work, the entire collective needs to be involved. Leaders are the ones who motivate and encourage their employees to "think and work green", by organizing trainings, motivating and rewarding employees. Green leaders inspire other employees by their example: from the way they use resources, making decisions to leading meetings. Such leaders empower experts from different functions to work together towards sustainability goals [1, 4]. Transparency and communication within the organization must be at a high level. Communication to the outside is equally important. Green leadership implies an honest dialogue with customers, regulators, investors and local communities. This includes the publication of accurate results concerning the area of environmental pollution, but also the involvement of interested parties, who can improve sustainable solutions with their proposals [5].

At the strategic level, the concept of green leadership means redefining the purpose of the organization: not only to generate profit, but also to positively influence the environment in which it operates. This attracts talented employees for quality and meaningful work, builds a positive reputation and attracts investors who value long-term sustainability. A business strategy built by green leadership implies: a clear climate strategy, an investment plan in energy efficiency, renewable energy sources and circular flows, as well as change management that ensures that people, processes and technologies move in that direction [6]. Therefore, green leadership is not only a campaign, but also a way of leadership that combines ethics, economics and ecology into a coherent whole of business decision-making.

Dimensions of green leadership

Increasing environmental pollution, climate change and growing market demands have made green leadership imperative in business. It implies that sustainability is understood as a source of innovation, efficiency and resilience of organizations. To do this systematically, it is useful to look at green leadership through four key dimensions, which include: strategy, operations, people and management. Each dimension brings its own practices and measurable indicators, and their integration ensures that sustainability does not remain a declarative goal, but becomes a way of leading, deciding and creating value for the organization [7, 8].

The first dimension refers to a clearly defined strategy and vision of sustainability. This strategy is fully included in the core business, in market decisions, innovation priorities and criteria for acquisitions. The green leader sets ambitious, but clear and realistic goals, such as switching to renewable energy sources, reducing resource consumption, recycling, introducing circular flows, etc. The key is to see sustainability as a generator of competitiveness: entry into new markets of low-carbon solutions, differentiation through eco-design, cost reduction through energy efficiency.

The second dimension is turning strategy into concrete operations and processes. Therefore, everything that was defined in the previous step through the strategy, is now put into practice. Installing solar panels to use the energy of the sun, as a renewable energy source, in product design, material minimization and substitution of critical raw materials, the ability to repair products and recycle parts, etc.

The third dimension is about people. Green leadership is sustainable only if it becomes part of the organizational culture: values, beliefs, habits, customs must be oriented towards environmental protection. Reward system, training, daily routines, informal rules must support sustainability. Leaders empower teams through targeted education (climate literacy, eco-design, circular models), setting the roles of "green champions" by function and mechanisms for collecting proposals from the "front line". The role of human resources management is to include sustainability competencies in job descriptions and development plans, and communication to constantly show progress and learn from failures without stigma.

The fourth dimension binds all previous ones through a solid system of management and measurement. A green leader introduces a clear ownership structure for sustainability goals: the board and executive team have defined responsibilities, and goals are linked to managers' bonuses and departmental budgets. Standardization of reporting and data quality control are key. Transparency means periodic, publicly available reports with clear progress, deviations and corrective measures.

THE TERM OF GREENWASHING

One of the characteristics of modern business is consumers, who have become more aware of the impact industry has on the environment and thereby influence its preservation. Good information, but also a critical attitude, as well as modern technologies, influence the fact that their voice is heard far away, but also influences changes. In response, organizations try to present themselves as environmentally responsible or sustainable, which is not always true. This leads to the concept of greenwashing. Greenwashing is a form of deceptive marketing, by which organizations try to present their practices as environmentally responsible or sustainable, while not actually implementing meaningful or genuine environmental initiatives. The essence of greenwashing is in communication manipulation: instead of investing effort in the actual reduction of emissions, waste or resource consumption, the focus is mainly on marketing, visual symbols and carefully chosen messages that should convince consumers, investors and regulators that the company is "green" [9, 10].

Greenwashing manifests itself through different patterns. Some of these forms relate to [11]:

- vague and general advertising - using terms such as "natural" product, without clear details and explanations;
- highlighting minor improvements as revolutionary - eg. the packaging has been changed, so the product is now "green", but the main problem has not actually been fixed;
- selective and incomplete publication of data - only positive indicators are shown, while key figures are kept silent;
- "hidden substitutes" - highlighting one green feature, while the entire product as a whole brings significant damage.

Motives for greenwashing are mainly commercial and reputational. Organizations want to meet the growing expectations of consumers and investors, stand out in the market and avoid reputational risks. Greenwashing creates the appearance of progress, without real costs and efforts [12].

Greenwashing has broader negative consequences for the market and society. It distorts fair competition, because organizations that invest in real changes may appear less "green" on paper than those that invest in marketing. Consumers are getting tired of and losing trust in environmental messages in general, making it difficult to change behavior and adopt sustainable solutions. Investors and banks can misjudge risks and opportunities, directing capital into projects that have no real impact on sustainability and environmental protection. At the level of public policy, greenwashing obscures the real picture of progress and can slow down the adoption and enforcement of effective regulations [13].

Greenwashing does not always have to be intentional; it often stems from the fragmentation of reporting systems, lack of capacity and short-term pressure on financial results. However, the consequences are the same: erosion of trust, regulatory and legal risks, missed opportunities for innovation and degradation of natural capital [12].

AUTHENTIC SUSTAINABILITY VS GREENWASHING

The difference between authentic sustainability and greenwashing is not only in the quality of marketing services, but also in the way of management, organizational architecture and financial discipline. Authentic sustainability relies on green leadership, which integrates environmental goals into strategy, processes, culture and management. In contrast,

greenwashing uses the language and aesthetics of sustainability to make business appear "greener" than it actually is [11, 14].

Authentic sustainability starts from materiality: identifying those impacts on the environment and society that are truly crucial for the company's activity and its stakeholders. In this context, Green leadership builds a clear path with goals by year, connected to budgets, investment decisions and the system of rewarding managers. Greenwashing avoids materiality and replaces it with general messages like "natural", "eco", "safe for the planet", without concrete evidence [15]. Operationally and technologically, authentic sustainability is measured by changes in "hard" metrics: energy and water audits, transition to renewable sources, replacement of high-emission technologies with low-carbon solutions, optimization of logistics and fuel, eco-design of products, and active waste management. Green leadership fosters pilot projects, tests hypotheses and scales what brings measurable benefits. In greenwashing, the focus is on "easy wins": green packaging without life cycle analysis, symbolic planting of trees that do not change the emissions profile [13, 16]. Communication is also very different. Authentic sustainability speaks to numbers, baselines and milestones. It states how the data was collected, what the assumptions are, where the results were achieved and where there are delays. Green leadership encourages honesty: publicly admits limitations and plans for corrective measures. Greenwashing avoids details, uses metaphors and images of nature, and selectively publishes data - eg. emphasizes the reduction of emissions in offices, while keeping silent about emissions from the supply chain or the product use phase [9, 10, 17]. In the relationship with customers and the community, authentic sustainability opens channels for feedback flows: repair, return, recycling programs, "product as a service" that extends life and reduces waste. Green leadership designs the user experience so that the sustainable option is easier and more profitable, not just "morally correct". Greenwashing focuses on aesthetics - green packaging, natural color palette - without changes in the function, durability and recoverability of the product [18].

Authentic sustainability is an operational, financial and cultural project that guides green leadership through: setting measurable goals, investing in technologies, integration through supply chains, transparent reporting and involving people. Greenwashing remains at the narrative level without changing the decision structure.

CONCLUSION

Authentic sustainability is a strategic and operational framework that embeds environmental goals into business decisions, processes and culture — not as a PR layer, but as a source of innovation, efficiency and long-term value. At the center is green leadership, which clearly defines the vision, sets a path with goals, directs sustainability capital. In contrast, greenwashing is a communication shortcut, which relies on highlighting general claims ("eco", "natural"), minor improvements and aesthetic changes without addressing the main sources of impact, often with an over-reliance on offsets and selective reporting. The risk to organizations is twofold: erosion of consumer and investor confidence, as well as regulatory and reputational costs when the gap between narrative and actual performance is exposed. That's why measurement, transparency and independent verification of data are a necessary condition of authenticity, not an "add-on" to communication.

In order to avoid greenwashing and ensure sustainable competitiveness, the organization should act through four dimensions of green leadership: sustainability strategy and vision, operations and processes, involving people in those processes and through stable management.

Interest in sustainability is growing in Serbia, but practice often stops at marketing messages, while essential impact measurement and transparent reporting are still in their infancy. As the country gradually aligns with European regulations, the difference between authentic sustainability and greenwashing is quickly becoming business critical. The solution in Serbia is to organize green leadership "end-to-end": from measurements and investments in clean energy and efficiency, through contractual requirements towards suppliers and clear financial

discipline, to transparent reporting and the active role of the state in setting the rules of the game and suppressing greenwashing.

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