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The Impact of Transformational Leadership on Resilience and Survival of Family Sports Businesses: A Case Study in Tehran

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Abstract

The purpose of this study was to examine the role of transformational leadership in enhancing resilience and ensuring the continuity of family-owned sports businesses. The study employed a descriptive survey design with a correlational approach. The statistical population consisted of key managers and influential employees working in family-owned sports businesses in Iran, from which 90 participants were selected using a convenience sampling method. Data were collected using the Organizational Resilience Questionnaire developed by Lengnick-Hall et al. (2011), the Transformational Leadership Scale proposed by Rafferty and Griffin (2004), and the Business Survival Questionnaire developed by Kozak (2017). The data were analyzed using Structural Equation Modeling (SEM) with SmartPLS software. The findings revealed that transformational leadership has a direct and significant effect on resilience (path coefficient = 0.811) as well as on the survival of family-owned sports businesses (path coefficient = 0.384). In addition, the results indicated that resilience directly influences business survival (path coefficient = 0.477) and mediates the relationship between transformational leadership and business survival. Overall, the findings show that transformational leadership improves business survival by strengthening organizational resilience. Inspirational motivation and intellectual stimulation play an important role in helping family-owned sports businesses adapt to change and manage crises. Furthermore, resilience was found to partially mediate the relationship between transformational leadership and business survival, as indicated by the Variance Accounted For (VAF = 0.525), demonstrating that both direct and indirect effects were significant. Therefore, managers should focus on motivating employees through a clear vision and encouraging continuous learning to strengthen resilience and support long-term sustainability in difficult economic conditions.

Keywords: Business Survival, Family Sports Businesses, Organizational Resilience, Sports Industry, Transformational Leadership

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Introduction

Today, sport represents a significant component of the global economy, and entrepreneurship plays an important role in its development. Entrepreneurship, innovation, and creativity are vital drivers of change and employment in the sports sector, and sport entrepreneurship has emerged as a growing stream of business research (Hammerschmidt et al., 2024). In this context, family businesses, as key economic pillars and an integral part of entrepreneurship, play a critical role in employment creation and economic growth. Scholarly attention to family businesses has primarily focused on their substantial economic contributions, particularly in terms of value creation and job generation. Numerous studies have demonstrated that family businesses act as a major driving force of the economy, especially in former socialist and emerging economies. In some countries, family businesses account for up to 70% of all enterprises, thereby playing a significant role in employment and economic growth (Astrachan & Shanker, 2006).

Sport-related family businesses are defined as organizations and enterprises that are founded and managed by family members and operate in fields related to sport, fitness, and recreational activities. In the sports, fitness, and lifestyle sectors, family businesses are predominant. These enterprises vary in size from small- to large-scale companies and encompass diverse family dynamics, ranging from married couples jointly managing a fitness center to multigenerational family members investing in lifestyle businesses (Ratten et al., 2021).

While sport-related family businesses include a wide range of activities such as equipment manufacturing, retail, and event management, sports clubs and fitness centers represent a distinct organizational category. Unlike product-based sport enterprises, clubs operate as service-intensive organizations with high customer interaction, fluctuating demand, and dependence on member retention. Their survival depends heavily on relational trust, service quality, and rapid adaptation to economic instability. From a theoretical perspective, such characteristics indicate that survival in this sector depends largely on intangible organizational resources, leadership capabilities, and adaptive routines rather than on physical assets alone. Nevertheless, family businesses face structural challenges, weak risk management practices, and a lower propensity to engage in formal risk governance, all of which may threaten their survival. Running a family-owned sports club is different from running other types of sport businesses. These clubs are very sensitive to changes in customers' spending, especially during inflation, when people may see fitness services as non-essential. They also have high fixed costs, rely heavily on keeping members, and involve close relationships between owners, staff, and clients. When family members manage the business together, personal and business roles can overlap, which makes decisions harder during crises. Because of this, leaders need clear thinking, strong people skills, and the ability to adjust quickly to changing conditions. Consequently, leadership behavior becomes a central organizational mechanism through which environmental threats are interpreted, managed, and transformed into strategic responses. Transformational Leadership Theory (Bass & Riggio, 2006) explains how leaders influence followers by articulating a compelling vision, stimulating innovation, modeling ethical behavior, and providing individualized support. This theory suggests that leaders shape employees' motivation, values, and adaptive capacity, which are critical in unstable environments.

Business survival is defined as the ability of an organization to continue operations, maintain market share, and avoid bankruptcy over the long term. In an organizational context, business survival encompasses not only physical survival (such as the continuation of operations) but also sustainable growth and intergenerational transmission. According to the literature, business survival is described as the ability to remain in the market and continue to exist throughout the observation period (Kozak, 2017). However, achieving survival in family firms is often complex. The overlap between family and managerial roles may limit formal risk assessment practices and structured decision-making processes, making it more difficult to identify and manage strategic threats (Visser & Scheers, 2018). As a result, the capacity of these firms to withstand external shocks becomes a central concern. These characteristics suggest that survival is not merely a financial outcome but a strategic capability shaped by leadership, organizational culture, and family dynamics.

In this context, organizational resilience has emerged as a critical explanatory mechanism. Resilience refers to the ability of an organization to absorb disruptions, adapt to changing conditions, and recover from adversity while maintaining core functions. Recent research suggests that resilience plays a decisive role in the long-term survival of family businesses, particularly in uncertain economic environments (Kabahinda et al., 2025; Yilmaz et al., 2024). Rather than viewing survival as a passive outcome, resilience frames it as an active capability that enables firms to respond strategically to crises and environmental turbulence. From a Resource-Based View (RBV) and dynamic capabilities perspective, resilience represents a higher-order organizational capability that mediates the relationship between leadership and survival outcomes. Resource-Based View (RBV) posits that firms achieve sustainable competitive advantage and survival by developing valuable, rare, inimitable, and non-substitutable internal resources (Lubis, 2022). In sport-related family businesses, leadership competence, organizational trust, employee commitment, and resilience represent strategic intangible resources that enhance survival potential. Transformational leadership contributes to the development and effective utilization of these resources. In addition, Dynamic Capabilities Theory emphasizes firms' ability to integrate, reconfigure, and renew resources in response to environmental change (Teece et al., 2016). In highly volatile economic contexts, such as Iran, dynamic capabilities are essential for continuous adaptation. Transformational leaders facilitate these capabilities by encouraging learning, experimentation, and strategic flexibility, thereby strengthening organizational resilience. Recent research on the sports industry in Iran shows that technology, innovation, planning, and effective communication are central factors in business adaptation and growth, highlighting the importance of strategic organizational responses in sport-related enterprises (Fekrat & Jaberi, 2025).

Given that resilience is not automatic but shaped by managerial behavior, leadership becomes a key factor in determining how organizations respond to adversity. Among various leadership approaches, transformational leadership has received considerable attention for its ability to influence organizational adaptation and change. Transformational leaders articulate a clear vision, encourage innovation, and motivate employees to exceed routine expectations. Through intellectual stimulation, inspirational motivation, individualized consideration, and idealized influence, this leadership style fosters a supportive climate that strengthens adaptive capacity.

Empirical evidence indicates that transformational leadership enhances organizational resilience by promoting learning, flexibility, and collective commitment (Bai et al., 2025; Yu & Xiang, 2024). In family businesses, where leadership often overlaps with ownership and long-term strategic orientation, transformational leadership may play an even more central role in shaping survival outcomes. By aligning family values with organizational goals and encouraging proactive adaptation, transformational leadership can contribute not only to resilience but also to sustained business continuity across generations (Shumbambiri, 2023). In this regard, Family Social Capital Perspective emphasizes the role of trust, shared norms, reciprocal relationships, and network ties within and around family enterprises (Pearson et al., 2008). Family social capital reflects the quality of relationships among family members, employees, and external stakeholders, which facilitates knowledge sharing, cooperation, and collective problem-solving. In sport-related family businesses, strong social capital enhances coordination, employee loyalty, and customer retention, all of which are essential for resilience and survival. Transformational leadership contributes to the development of family social capital by promoting open communication, mutual respect, and a shared organizational vision, thereby strengthening relational resources that support long-term continuity.

Although research on transformational leadership and organizational resilience has grown significantly in recent years, most empirical studies have been conducted in non-sport contexts such as public organizations, SMEs, hospitality firms, and corporate environments. For example, Valero et al. (2015) examined the impact of transformational leadership on perceived organizational resilience in municipalities and nonprofit organizations and found a significant positive relationship. Similarly, Bai, You, and Sun (2025) demonstrated that transformational leadership enhances organizational resilience through intellectual stimulation, individualized consideration, vision motivation, and team-building in corporate settings. Yu and Xiang (2024) further confirmed the mediating role of organizational resilience between transformational leadership and team innovation performance, particularly under environmental uncertainty. In SME contexts, some studies showed that transformational leadership and digital technologies significantly strengthen organizational resilience and business performance (Martín-Rojas et al., 2026). Likewise, a study emphasized the importance of adaptive leadership behaviors for small business survival during crises (Quansah & Hartz, 2021). From a theoretical perspective, a study conceptualized organizational resilience as a dynamic capability involving anticipation, coping, and adaptation, providing a foundation for understanding how leadership contributes to long-term survival (Duchek, 2020). Sabbah (2024) also highlighted the importance of transformational leadership for business continuity through a systematic review of empirical studies.

However, despite this growing body of literature, most of these studies focus on corporate, public, nonprofit, or general SME environments. Empirical investigations integrating transformational leadership, organizational resilience, and business survival specifically within sport-related enterprises—particularly family-owned sport businesses—remain scarce. This study addresses that gap by extending leadership–resilience theory to sport-related family businesses operating in economically unstable conditions. Studies and research within Iran have also scarcely examined the relationship between transformational leadership, resilience, and business continuity in high-inflation economies such as Iran. For example, Fadaei Kyvani et al. (2020) proposed a model of family business sustainability based on grounded theory and concluded that individual characteristics and leadership skills are among the most influential grounded variables. They also identified family dynamics as a causal factor affecting sustainability (Fadaee Keyvani et al., 2020). MohammadKarimi et al. (2021) also emphasized the role of family organizational culture and work-life balance systems in modeling the components that influence human resource sustainability in family businesses in Iran (Mohammadkarimi et al., 2022). Overall, these findings suggest that the sustainability of family businesses is a result of leadership competencies and family-based organizational mechanisms that enhance resilience and support long-term survival.

Transformational leadership is a useful framework for understanding how sport-related family businesses survive in unstable economic conditions. This theory, developed by Bass and Riggio (2006), explains how leaders improve employee motivation and performance by creating a clear vision, encouraging new ideas, acting ethically, and paying attention to individual needs. Unlike leadership styles based mainly on rewards and control, transformational leadership focuses on changing values, attitudes, and shared beliefs within an organization. In unstable economies with high inflation and reduced household income, people often see sport services as non-essential. In such situations, basic management control is not enough. Businesses must change how they create and present value. Transformational leadership helps leaders influence not only daily operations but also how employees understand and interpret their work (Bass & Avolio, 1994).

One important element of this leadership style is intellectual stimulation. This means encouraging employees to question old practices, rethink business models, and develop new ideas (Rafferty & Griffin, 2004). In sport-related family businesses, this can involve redefining sport services as investments in health rather than as luxury activities. Leaders who promote creativity can support flexible pricing, community programs, health-focused marketing, and combined service models. These changes help present sport participation as necessary for physical and mental well-being. Another key element is inspirational motivation. Leaders use this to share a strong vision that highlights the social and health value of sport. By showing how sport organizations support community well-being, leaders can strengthen employee commitment and improve public perception. Studies show that this leadership style increases teamwork and adaptability by creating a shared sense of purpose (Podsakoff et al., 1990). Idealized influence refers to leaders acting as role models. In family businesses, leaders are highly visible and often represent the company's values. Ethical behavior and long-term thinking increase trust and reduce customers' concerns, especially during economic uncertainty (Bass, 1985). Individualized consideration means paying attention to the specific needs of employees and customers. During financial difficulties, this may involve flexible services, personalized communication, and relationship-based management. These practices can make services feel more affordable and strengthen emotional ties with customers. Research shows that transformational leadership improves organizational resilience by supporting innovation, flexibility, and strong organizational culture (Valero et al., 2015; Yu & Xiang, 2024). Leaders with this style help organizations prepare for, adapt to, and recover from economic challenges, which supports long-term survival. For these reasons, transformational leadership is appropriate for this study. It is not only a management approach but also a strategic tool that shapes thinking, encourages innovation, builds trust, and supports resilience. In situations where sport services risk being seen as luxury products, transformational leadership helps reposition them as essential and socially valuable, which improves the chances of business survival. These four leadership dimensions contribute to resilience through complementary mechanisms. Idealized influence builds relational stability, inspirational motivation fosters collective optimism, intellectual stimulation enhances adaptive capacity, and individualized consideration strengthens human recovery potential. Through these interconnected processes, transformational leadership creates a resilient organizational system capable of absorbing shocks, adapting to environmental turbulence, and sustaining long-term survival.

In the Iranian economic context, characterized by structural inflation, currency volatility, and international sanctions, managing sport-related family businesses has become particularly challenging. In such circumstances, sports expenditures are often excluded from households' essential budgets and regarded as non-essential luxury items, which significantly threatens the sustainability and continuity of these businesses. Similar evidence from recent sport business research indicates that financial instability, technological disruption, weak infrastructure, and managerial limitations are among the primary threats to the sustainability of emerging sport enterprises in developing economies (Aghayi et al., 2025). According to Dynamic Capabilities and Family Social Capital perspectives, leaders in this context must simultaneously manage economic uncertainty and family-centered objectives, making leadership effectiveness crucial for survival. In this turbulent environment, resilience and survival are not merely competitive advantages but essential necessities. Recent research on Iranian sports entrepreneurship has further emphasized that sustainable development in sport businesses depends on strategic thinking, innovation, social capital, and the ability to adapt to unstable economic conditions (Nazari & Niazy, 2024). In particular, the development of entrepreneurial capabilities, organizational flexibility, and trust-based relationships has been identified as essential for maintaining continuity and long-term sustainability in the Iranian sport sector. Furthermore, family businesses represent a distinct organizational context in which leadership dynamics, resilience, and survival mechanisms differ markedly from those of non-family firms. These businesses are characterized by overlapping family, ownership, and management systems, which amplify the role of leadership in shaping organizational culture, long-term orientation, and decision-making (Yilmaz et al., 2024).

Although previous research has examined the role of leadership in organizational performance, a significant knowledge gap remains regarding how leaders of sport-related family businesses can effectively navigate recurring economic crises. The literature on transformational leadership has primarily been developed in stable business environments, and its frameworks do not fully address the high-risk and unpredictable conditions of the Iranian economy. Addressing this theoretical gap can elevate transformational leadership from an abstract concept to a practical tool for managing survival under crisis conditions.

Accordingly, investigating the impact of transformational leadership on the resilience and continuity of sport-related family businesses can help identify effective managerial strategies for coping with environmental threats. Therefore, the primary research question guiding this study is: How can transformational leadership enhance resilience and ensure the survival of sport-related family businesses? The findings of this research can assist managers in adopting appropriate leadership styles to not only overcome existing challenges but also facilitate growth and sustainable development within this sector.

This study makes a significant contribution to the literature on sport management, leadership, and family business research. First, it extends transformational leadership theory to the understudied context of sport-related family businesses, a sector characterized by high environmental uncertainty, strong family involvement, and service-oriented operations. Second, by empirically examining organizational resilience as a mediating mechanism, the study advances theoretical understanding of how transformational leadership translates into business survival, thereby elucidating the process through which leadership behaviors influence long-term continuity in family firms. Third, the research makes a contextual contribution by providing empirical evidence from a hyperinflationary economic environment in Iran, addressing a significant gap in the literature. Finally, the findings provide practical insights for owners and managers of family sports businesses, demonstrating how transformational leadership can foster resilience and ensure sustainable survival under adverse economic conditions. Figure 1 presents the conceptual model of the research.

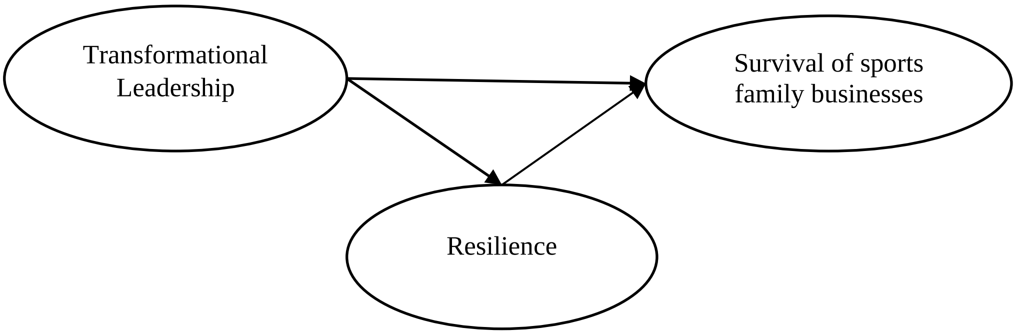

Figure 1. Conceptual research model

Research Methods

The objective of this research was to examine the impact of transformational leadership on the survival of sport-related family businesses, with organizational resilience serving as a mediating factor. In this study, sport-related businesses refer specifically to sports clubs, with a primary focus on fitness clubs and fitness centers. The study employed a descriptive-correlational design of an applied nature and utilized a survey method for data collection.

The statistical population of this study consisted of all owners and senior managers of family-owned sport-related businesses operating in Tehran, specifically including fitness clubs, gyms, and privately owned sports centers that were managed and controlled by at least two members of the same family. To be included in the study, businesses were required to meet three criteria: (1) active operation for at least three years, (2) direct involvement of family members in ownership and management, and (3) provision of sport or fitness-related services. Due to the absence of a comprehensive national database and limitations in accessibility a convenience sampling approach was employed. A total of 90 qualified managers and owners who met the inclusion criteria selected as the final sample.

The methodological framework was based on Structural Equation Modeling (SEM), which enabled the simultaneous examination of multiple relationships among the research variables. The present study employed Partial Least Squares Structural Equation Modeling (PLS-SEM) using SmartPLS software. PLS-SEM was selected over covariance-based SEM (CB-SEM) for several methodological and practical reasons. First, the sample size (N = 90) is relatively small for covariance-based SEM, whereas PLS-SEM is particularly suitable for studies with limited sample sizes and complex models (Sarstedt et al., 2021). Second, the primary objective of this study was prediction-oriented—specifically, examining the impact of transformational leadership on business survival through organizational resilience—rather than strict theory confirmation. PLS-SEM is widely recommended for predictive and exploratory research contexts. Finally, PLS-SEM does not require strict assumptions of multivariate normality, making it appropriate for survey-based data collected from small business contexts. Therefore, PLS-SEM was considered the most suitable analytical approach for the objectives and characteristics of the present study. The study population comprised all managers and owners of family-owned sport-related businesses in Iran. Using convenience sampling—a non-probability method selected due to challenges in accessing a complete list of such businesses amid economic and logistical constraints—90 participants were ultimately included in the final sample. Data were collected from managers or owners of these businesses, who served as key informants due to their comprehensive knowledge of organizational leadership practices, resilience capacity, and business performance. Therefore, the survey responses were obtained at the individual level.

Data were collected between May and July 2025. Questionnaires were distributed face-to-face to managers and owners of family-owned sport-related businesses identified through official sports federation records and professional networks. In total, 125 questionnaires were distributed, of which 98 were returned (response rate = 78.4%). After screening for completeness and response consistency, 90 questionnaires were deemed usable for analysis, resulting in a final usable response rate of 72.0%.

The sample size N=90 sport family businesses was large enough based on statistical power needs using the Kock & Hadaya (2018) inverse square root rule for PLS-SEM (Kock & Hadaya, 2018). The equation is given from Kock & Hadaya's Inverse Square Root Method:

$$N > \left(\frac{2.486}{|\beta_{min}|}\right)^2 \text{ (Kock \& Hadaya, 2018)}$$

$$N > \left(\frac{2.486}{|.30|}\right)^2 = 68.61 \text{ (Thus N=90 is adequate)}$$

Data were collected using standardized questionnaires, including the Transformational Leadership Questionnaire (12 items, α = 0.89), the Organizational Resilience Questionnaire (15 items, α = 0.91), and the Business Survival Questionnaire (7 items, α = 0.85). The internal consistency coefficients for the transformational leadership, organizational resilience, and business survival scales are presented in Table 1. In addition, Informal pre-testing was conducted with a small group of practitioners to evaluate item clarity and cultural relevance.

Table 1- Cronbach's alpha obtained for each of the research components

Component	Structures	Resources	Questions	Cronbach's Alpha
Organizational resilience questionnaire	-	(Lengnick-Hall et al., 2011)	1-15	0.910
Transformational leadership	idealized influence	(Rafferty & Griffin, 2004)	1-3	0.843
	Intellectual stimulation		4-6	0.813
	inspirational motivation		7-9	0.796
	individualized consideration		10-12	0.783
Business survival	-	(Kozak, 2017)	1-7	0.815

Data analysis was performed at two levels: descriptive statistics (frequency, percentage, mean, standard deviation) and inferential statistics. The SEM results indicated satisfactory model fit indices and statistically significant relationships between variables.

Findings

Among the respondents, 67.8% were male and 32.2% were female. The largest proportion of participants belonged to the age group of 30–45 years (46.7%), followed by 38.9% under 30 years of age. Additionally, 13.3% were between 46 and 60 years old, and 1.1% were above 60 years. Regarding educational level, 38.9% of respondents held a high school diploma, 7.8% had an associate degree, 36.7% possessed a bachelor’s degree, 13.3% held a master’s degree, and 3.3% had a doctoral degree (shown in Table 2).

Table 2- Demographic characteristics of research samples

Variable	Classification	Frequency	Percentage
Sex	female	61	67.8
	male	29	32.2
Age	Less than 30 years	35	38.9
	30 to 45 years	42	46.7
	46-60 years	12	13.3
	More than 60 years	1	1.1
Educational Level	Diploma	35	38.9
	Associate Degree	7	7.8
	Bachelor	33	36.7
	Master	12	13.3
	PhD	3	3.3

In terms of business experience, the highest frequency was observed among businesses operating for 11–20 years, accounting for 33.3% of respondents. This was followed by 32.2% of respondents with less than 5 years of experience, 17.8% with 5–10 years, and 16.7% with more than 20 years of activity. Regarding the type of business activities, 42.2% of respondents were involved in family-run sports clubs. Additionally, 14.4% operated in the manufacturing and retail of sports equipment, and another 14.4% were engaged specifically in the sale of sports products and equipment. Moreover, 28.9% of respondents reported involvement in more than one business sector.

In the model assessment, factor loadings were obtained, as presented in Table 3. Items with factor loadings below 0.4 were removed. All remaining factor loadings were statistically significant at the 0.01 level. Table 4 also provides a summary of the qualitative evaluation criteria.

Table 3- Factor loadings of research constructs

Concepts	Questions	Factor loading	p-value
Organizational resilience	q1	0.858	**
	q2	0.903	**
	q3	0.814	**
	q4	0.862	**
	q5	0.792	**
	q6	0.728	**
	q7	0.874	**
	q8	0.742	**
	q9	0.802	**
	q10	0.705	**
	q11	0.745	**
	q12	0.779	**
	q13	0.731	**
	q15	0.804	**
Business survival	P1	0.660	**
	P2	0.771	**
	P3	0.809	**
	P4	0.767	**
	P5	0.837	**
	P6	0.788	**
	P7	0.236	1.677
Idealized influence	L1	0.928	**
	L2	0.933	**
	L3	0.312	1.009
Intellectual stimulation	L4	0.892	**
	L5	0.826	**
	L6	0.839	**
Inspirational motivation	L7	0.879	**
	L8	0.836	**
	L9	0.812	**
Individualized consideration	L10	0.706	**
	L11	0893	**
	L12	0.892	**

Table 4- The qualitative evaluation criteria in summary

Variable	Cronbach's alpha	Composite reliability	AVE	Discriminant validity
Business survival	0.865	0.871	0.899	Yes
Organizational resilience	0.957	0.962	0.962	Yes
Inspirational motivation	0.813	0.819	0.889	Yes
Intellectual stimulation	0.796	0.805	0.880	Yes
Individualized consideration	0.780	0.813	0.873	Yes
Transformational leadership	0.858	0.901	0.892	Yes
Idealized influence	0.845	0.845	0.928	Yes

The composite reliability of all constructs was adequate, and the average variance extracted (AVE) exceeded the recommended minimum of 0.5, indicating satisfactory convergent validity. As shown in Table 5, the heterotrait-monotrait ratio (HTMT) for all variables was below 0.85, consistent with the criteria proposed by Henseler et al. (2015). These results indicate that the research constructs demonstrate appropriate discriminant validity.

Table 5- Discriminant validity -Heterotrait-monotrait ratio (HTMT) – Matrix

	1	2	3	4	5	6
1- Business survival	1					
2- Organizational resilience	0.820	1				
3- Inspirational motivation	0.806	0.841	1			
4- Intellectual stimulation	0.764	0.813	0.853	1		
5- Individualized consideration	0.662	0.700	0.707	0.762	1	
6- Idealized influence	0.573	0.457	0.492	0.619	0.447	1

All path coefficients in the model were significant at the 0.001 level, indicating significant relationships among transformational leadership, organizational resilience, and business survival.

R^2 values of 0.19, 0.33, and 0.67 are considered weak, moderate, and substantial, respectively (Latan et al., 2023). The obtained R^2 value is deemed good. The path coefficients and significance of the modified model are presented in Figure 2. The R^2 value for business survival was 0.622, which exceeds the threshold of 0.33 for moderate explanatory power and approaches the 0.67 threshold for substantial explanatory power (Sarstedt et al., 2021). Therefore, the model demonstrates strong predictive capability.

The R-squared value and its adjusted version are presented in Table 6.

Table 6- R2 and adjusted R2

	R^2	R^2 adjusted
Business survival	0.622	0.613
Organizational resilience	0.667	0.663
Inspirational motivation	0.750	0.747
Intellectual stimulation	0.793	0.790
Individualized consideration	0.637	0.633
Idealized influence	0.414	0.407

The structural model assessment indicated satisfactory explanatory power. The R^2 value for business survival was 0.622, exceeding the moderate threshold of 0.33 and approaching the substantial level of 0.67 (Hair et al., 2021). Composite reliability values ranged from 0.80 to 0.96, all above the recommended threshold of 0.70, indicating strong internal consistency. Additionally, all AVE values exceeded 0.50, confirming convergent validity. Discriminant validity was established as HTMT ratios were below 0.85 (Henseler et al., 2015). These findings demonstrate that the measurement and structural models meet established PLS-SEM evaluation criteria.

The effects of the variables, based on the final model results, are presented in Table 7. Path analysis revealed that transformational leadership has a significant direct effect on both organizational resilience (β = 0.811, t = 17.420, p < 0.01) and business survival (β = 0.348, t = 3.120, p < 0.01). Additionally, organizational resilience directly influences business survival (β = 0.477, t = 4.223, p < 0.01).

Table 7- Path analysis

Variables Effect	Direct effect	t-value	p-value	Result
Transformational leadership---> business survival	0.348	3.120	0.0001	Confirm
Transformational leadership---> Organizational resilience	0.811	17.420	0.0001	Confirm
Organizational resilience ---> business survival	0.477	4.223	0.001	Confirm

To examine the effect of transformational leadership on business survival through resilience, the Variance Accounted For (VAF) index was used (shown in Table 8).

$$VAF = \frac{a * b}{(a * b) + c}$$

Table 8- Effect of mediating hypotheses

Research Mediating Hypotheses	a	b	c	VAF	Result
Transformational leadership---> Organizational resilience---> Business survival	0.811	0.477	0.348	0.525	Confirm

This finding indicates that over 50% of the effect of transformational leadership on the survival of sport-related businesses is transmitted indirectly through the mediating variable of organizational resilience.

Figure 2 and 3 present the tested conceptual model, with path coefficients (β) obtained from regression analysis and statistic value displayed on the connecting lines.

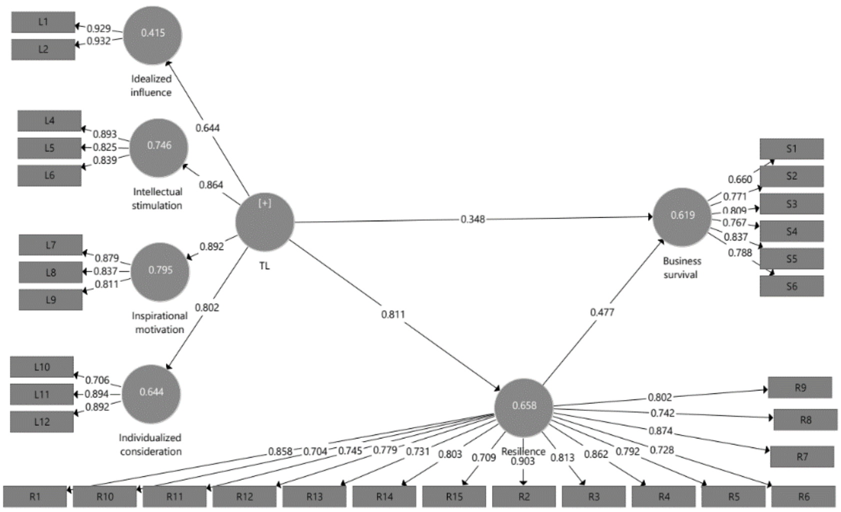

Figure 2. Path Coefficients and Factor Loadings of Variables

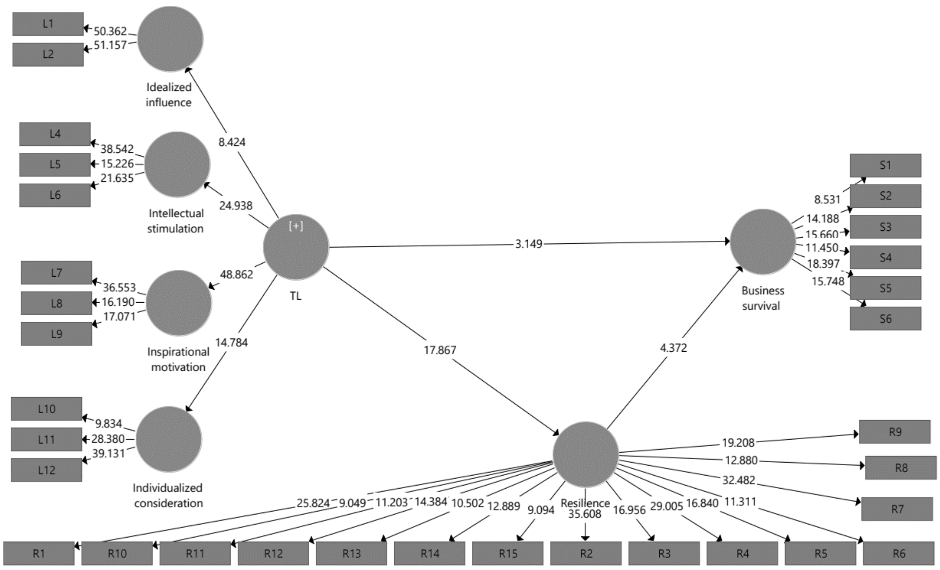

Figure 3. Statistic Values for Examining the Significance of Path Coefficients and Factor Loadings

Discussion

The aim of this research was to examine how transformational leadership influences the resilience and long-term survival of sport-related family businesses, with organizational resilience serving as a mediating factor. This objective is particularly important given the growing recognition of sport as a key economic sector, in which family businesses play a dominant role but often face challenges related to risk management, crisis adaptation, and intergenerational continuity. By focusing on the relatively understudied context of sport-related family businesses in a high-inflation economy such as Iran, this study addresses a significant gap in the literature, which has predominantly examined transformational leadership in stable, non-sport contexts. In doing so, the study makes a theoretical contribution by contextualizing transformational leadership within a critical sports entrepreneurship environment and provides empirical evidence of its relationship with organizational resilience and business survival. However, this study advances the literature in three important ways. First, it empirically tests transformational leadership within sport-related family businesses, a sector that has received limited scholarly attention compared to corporate or public organizations. Second, it identifies organizational resilience as a partial mediating mechanism explaining how leadership behaviors translate into business survival, thereby clarifying the underlying process rather than merely establishing a direct association. Third, it provides evidence from a hyperinflationary and sanction-affected economic environment, demonstrating how leadership operates under extreme economic instability.

The findings of the study indicate that transformational leadership has a direct, positive, and highly significant effect on organizational resilience, with a path coefficient of 0.811. This result is consistent with prior research examining the relationship between transformational leadership and organizational resilience (Bai et al., 2025; Madi Odeh et al., 2023; Tvedt et al., 2023; Valero et al., 2015; Zadok et al., 2024). Specifically, evidence suggests that transformational leadership enhances organizational adaptability and the capacity to respond effectively to change and adversity, thereby strengthening resilience. For example, empirical research in the service sector has demonstrated that transformational leadership is significantly associated with increased organizational resilience, in part by fostering an adaptive culture and organizational flexibility, which in turn supports business survival under crisis conditions (Madi Odeh et al., 2023). Other studies have reported similar findings, indicating that transformational leadership enhances resilience by empowering employees, facilitating resource allocation, and promoting organizational responsiveness to environmental challenges (Transformational leadership enhances organizational resilience and innovation performance) (Yu & Xiang, 2024). From a dynamic capabilities' perspective, transformational leadership enables organizations to sense environmental threats, seize opportunities through collective action, and reconfigure internal resources to respond effectively to crises (Teece et al, 2016). This mechanism is particularly salient in sport-related family businesses, where leaders often assume multiple roles as owners, managers, and family representatives, thereby amplifying their influence on organizational behavior and strategic decision-making. While prior studies have examined transformational leadership and resilience primarily in stable service or corporate environments, the present study extends these findings to family-owned sport enterprises operating in a structurally unstable economy. In doing so, it demonstrates that leadership-driven resilience is not only a performance-enhancing mechanism but a survival-enabling capability in contexts characterized by persistent inflation and declining consumer purchasing power. This contextual extension strengthens the external validity of transformational leadership theory in high-risk entrepreneurial environments.

The results indicate that transformational leadership significantly influences business survival. This finding is consistent with prior research examining the relationship between transformational leadership and business survival (Ndebele & Okharedia, 2025; Sabbah, 2024). Specifically, transformational leadership fosters innovation and strategic adaptability, enabling organizations to navigate economic uncertainties and competitive pressures more effectively. Empirical evidence demonstrates that transformational leadership exerts a stronger positive effect on business survival compared to transactional leadership, primarily by enhancing employee commitment and organizational resilience during market disruptions. Overall, these findings underscore the critical role of transformational leadership in not only ensuring organizational survival but also promoting long-term success, with broader implications for strategic management practices across industries. Importantly, unlike many previous studies that treat survival as a general outcome variable, this study conceptualizes survival within a family-business framework that includes intergenerational continuity and relational stability. This distinction contributes to the literature by integrating survival theory with family business dynamics, thereby refining the conceptual understanding of long-term continuity beyond short-term financial sustainability.

The findings of the study indicate that although organizational resilience significantly mediates the relationship between transformational leadership and business survival (VAF = 0.525), the mediation is partial. This indicates that approximately 52.5% of the total effect of transformational leadership on survival operates indirectly through resilience-building mechanisms, while 47.5% of the effect remains direct and independent of resilience. In other words, transformational leadership influences survival both by strengthening organizational resilience and by exerting additional direct strategic and relational effects that are not fully captured by resilience alone. Research investigating transformational leadership, organizational resilience, and innovation performance has shown that resilience can act as a mediating mechanism in the pathway from transformational leadership to positive organizational outcomes, especially in uncertain and dynamic environments (Transformational Leadership, Organizational Resilience, and Team Innovation Performance) (Yu & Xiang, 2024). The identification of resilience as a partial mediator represents a key theoretical contribution. Rather than assuming a direct causal link between leadership and survival, this study empirically demonstrates that over half of the leadership effect operates through resilience-building mechanisms. This finding advances transformational leadership theory by positioning resilience as a dynamic capability that translates motivational influence into structural survival outcomes.

The findings provide important guidance for owners and managers of family sport businesses operating in economically unstable environments. First, the results suggest that leadership development programs should prioritize transformational behaviors such as intellectual stimulation, inspirational motivation, and individualized consideration. These behaviors strengthen organizational resilience by fostering innovation, adaptability, and collective commitment.

Second, managers should recognize that resilience is not merely an emergency response mechanism but a strategic capability that must be systematically developed. Investing in employee engagement, adaptive planning, and flexible operational structures can enhance long-term survival prospects.

Third, in contexts where sport participation may be perceived as a discretionary household expense, transformational leaders can play a critical role in reframing value propositions, innovating service offerings, and strengthening customer relationships. By emphasizing sport as a health and community investment rather than a luxury good, leaders can mitigate demand fluctuations during economic downturns.

Finally, policymakers and sport industry associations may consider leadership training initiatives as part of broader support programs aimed at strengthening the sustainability of family-owned sport enterprises.

Conclusion

In conclusion, the findings of this study demonstrate that transformational leadership plays a decisive role in strengthening organizational resilience and, through this mechanism, enhancing the survival of sport-related family businesses in Iran's inflationary economic environment. The empirical results indicate that the four dimensions of transformational leadership—idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration—contribute significantly to organizations' capacity to absorb economic shocks, adapt to market instability, and recover from financial and operational disruptions.

Importantly, this study confirms that organizational resilience functions as a central mediating mechanism through which leadership behaviors translate into business continuity. Transformational leaders foster resilience by building employee commitment, encouraging flexible problem-solving, sustaining motivation during financial pressure, and maintaining stable relationships with members and clients. Through these processes, resilient organizations are better able to cope with declining purchasing power, rising operational costs, and fluctuating customer demand, thereby reducing the risk of business collapse.

In the specific context of family-owned sport enterprises in Iran, where financial uncertainty and limited consumer spending threaten organizational stability, leadership-driven resilience emerges as a critical survival resource. Leaders who communicate transparently during crises, adjust service packages to match customers' economic conditions, retain loyal members through personalized engagement, and support employees during periods of financial stress are more likely to preserve organizational continuity.

From a practical perspective, the results suggest that owners and managers of sport-related family businesses should prioritize resilience-oriented leadership practices. These include developing contingency plans, promoting continuous learning, encouraging innovation in service delivery, strengthening internal communication, and investing in employee well-being. Such strategies enable organizations to respond proactively to economic turbulence rather than reacting defensively to external shocks.

Theoretically, this study contributes to the literature by demonstrating how transformational leadership influences business survival through the mediating role of organizational resilience in a high-risk economic environment. By integrating leadership theory with resilience research in the context of family-owned sport enterprises, the study advances understanding of survival mechanisms in service-oriented businesses operating under persistent economic pressure.

Overall, this research highlights that in inflationary and unstable economies, transformational leadership is not merely a managerial style but a strategic instrument for building resilience and safeguarding long-term organizational survival.

Research Limitations and Suggestions for Future Research

Several limitations of this study should be considered when interpreting the findings. First, the research was restricted to sport-related family businesses operating in Tehran, and the sample was selected using a convenience sampling method; therefore, the generalizability of the results to all family sports businesses across Iran is limited. Second, data were collected through self-reported questionnaires and the use of single-source cross-sectional data, which may be subject to respondent bias and social desirability effects. Third, the study was conducted within an inflationary and sanction-affected environment, where financial instability, limited access to credit, rising operational costs, and regulatory constraints may have influenced managerial behavior and organizational resilience.

Given these limitations, future research should more explicitly examine how specific environmental constraints in the Iranian sports industry shape leadership practices and survival strategies. For example, future studies may investigate the effects of restricted financing, high facility maintenance costs, fluctuating membership demand, and limited governmental support on the resilience of family-owned sport enterprises.

Moreover, future research should focus more closely on family-specific managerial challenges that influence long-term continuity. Succession planning, intergenerational leadership transfer, role conflicts among family members, and the professionalization of management structures represent critical issues that remain underexplored in sport-related family businesses. Examining how transformational leadership contributes to effective succession processes and leadership development across generations would provide valuable insights into sustainable continuity.

In addition, longitudinal and qualitative research designs are recommended to capture how family business leaders adapt to prolonged economic uncertainty over time. In-depth interviews and case studies could reveal how owners manage succession, retain skilled employees, maintain customer loyalty, and restructure services under persistent financial pressure. Such approaches would enhance contextual understanding and support the development of more targeted managerial guidelines for strengthening resilience in family-owned sport enterprises.

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Conflicts of Interest

There is no conflict of interest.

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Statement on the Use of AI

Gemini AI was used for grammatical improvement of this article.

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