



Leading in the Spotlight: CEO Experiences of Corporate Governance Crises in the Digital Era

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Article Info

Article history:

Received 30-04-2025

Revised 06-06-2025

Accepted 17-06-2025

Keyword:

Corporate Governance Crisis;
CEO Leadership; Strategic
Decision-Making; Digital
Reputation; Executive
Experience; Interpretative
Analysis

ABSTRACT

Strategic leadership within corporate governance has become increasingly complex due to the rise of digital transparency and reputational vulnerability. While prior studies have addressed governance structures and outcomes, limited attention has been given to how chief executive officers (CEOs) personally experience and interpret governance crises in real-time. Despite growing awareness of leadership under pressure, little is known about how CEOs construct meaning during moments of ethical ambiguity and digital exposure—raising the question: How do CEOs make sense of corporate governance breakdowns in the digital era?

This study applies an interpretative phenomenological approach to examine the lived experiences of six CEOs who navigated governance crises amplified by digital disruption. Through in-depth semi-structured interviews and thematic analysis, the research reveals four major themes: reputational pressure, ethical ambiguity, strategic isolation, and adaptive meaning-making. These findings demonstrate that CEOs do not follow linear decision protocols but instead engage in deeply personal, reflective processes shaped by emotional and contextual realities. The analysis uncovers the existential weight of executive leadership and how subjective interpretation influences crisis responses.

This study contributes to a more nuanced understanding of corporate governance by highlighting the internal, human-centered dynamics of leadership during disruption and invites future research to explore executive experiences across broader institutional and cultural contexts.



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INTRODUCTION

In today's complex business environment, corporate governance has evolved beyond regulatory compliance into a dynamic process shaped by ethical responsibility, strategic vision, and public accountability (Barclay dkk., 2022). This evolution is amplified by digital disruption, which subjects leadership decisions to real-time scrutiny from a broad and vocal public. CEOs, in particular, are now required to navigate governance crises across both traditional boardroom contexts and rapidly evolving digital platforms.

Recent high-profile reputational failures have highlighted the importance of leadership under conditions of transparency and uncertainty. While much of the literature has emphasized structural reforms and procedural mechanisms, the internal, human-centered dimensions of leadership—such as emotional resilience, ethical conflict, and meaning-making—remain underexplored.

This gap points to the need for research focused on the lived experiences of CEOs during governance disruptions (Batat, 2022). How leaders construct meaning, adapt to crisis, and reflect on their actions is critical to understanding governance in practice.

Phenomenological inquiry, which emphasizes subjective interpretation and lived experience, provides a valuable lens for exploring these internal dynamics. Unlike quantitative approaches that

often overlook emotional and ethical complexity, phenomenology seeks to understand how leaders internalize and respond to reputational volatility and digital exposure.

Despite growing interest in leadership during crisis, few studies have applied interpretative phenomenological analysis (IPA) to corporate governance. Existing frameworks tend to focus on observable behavior and decision-making outcomes, often neglecting how CEOs make sense of uncertainty, reputational risk, and moral dilemmas in the moment. This methodological gap limits our understanding of leadership as an interpretive and existential process (Grobelna, 2019; Cucino dkk., 2024).

Prescriptive models in governance studies, while operationally useful, often assume a rational and objective leader, disregarding the nuanced psychological and emotional realities of executive decision-making. In contrast, phenomenology captures these experiential depths, allowing for a richer understanding of leadership behavior in times of disruption (Li dkk., 2022; Hauff dkk., 2020).

This study, therefore, adopts an interpretative phenomenological approach to investigate how CEOs experience governance crises under conditions of heightened digital visibility and stakeholder pressure. Through in-depth interviews and thematic analysis, it aims to uncover how leaders construct meaning and exercise judgment during episodes of strategic and ethical turbulence.

By shifting focus from procedural models to the personal narratives of decision-makers, this research contributes to the broader discourse on strategic leadership and governance. It emphasizes the importance of interpretive processes in shaping executive responses and aims to deepen our understanding of leadership amid reputational crises in the digital age.

The remainder of this article is structured as follows: the next section details the methodological framework, including participant selection and data collection. The results section outlines key themes that emerged from the CEOs' narratives. The final sections discuss these themes in light of existing scholarship and conclude with implications for theory and practice.

RESEARCH METHODS

Study Design

This study employed an interpretative phenomenological approach to explore the lived experiences of chief executive officers (CEOs) during corporate governance crises in the digital era. Phenomenology, as a qualitative research design, emphasizes the detailed understanding of individuals' subjective experiences and the meanings they attribute to specific phenomena. The interpretative orientation, grounded in the philosophy of Heidegger, acknowledges the researcher's engagement in interpreting participants' reflections rather than merely describing them.

This approach was selected due to its suitability in examining complex, context-bound experiences where cognitive, emotional, and ethical dimensions intersect. It enabled a nuanced exploration of how CEOs construct meaning under conditions of strategic uncertainty and reputational risk triggered by digital disruptions (Mahadevan & Schmitz, 2020). The method aligns with the research question's objective to uncover not only what participants experienced but how they made sense of those experiences within evolving governance landscapes.

Participants

Participants consisted of six CEOs from publicly listed corporations operating in technology, finance, and manufacturing sectors. All participants had direct involvement in navigating a corporate governance crisis related to digital challenges (e.g., data breach, misinformation, social media backlash) within the past three years.

Purposive sampling was employed to select individuals who possessed firsthand experience relevant to the phenomenon under investigation. Inclusion criteria required participants to have served as the acting CEO during the time of the governance crisis and to demonstrate willingness to share their reflections in depth (Malik dkk., 2023). Exclusion criteria included individuals in interim leadership roles or those without decision-making authority during the crisis period.

Demographic characteristics included both male and female participants, aged between 45 and 60 years, with an average tenure as CEO of 8.5 years. Participants came from organizations with varying market capitalizations, ensuring a diverse contextual backdrop for the analysis.

Data Collection

Data were collected through in-depth, semi-structured interviews conducted in a private and comfortable setting, either in person or via secure video conferencing platforms. Each interview was guided by an open-ended protocol designed to elicit narratives about leadership, ethical dilemmas, and sense-making processes during the crisis.

Interviews ranged from 60 to 90 minutes in length and were audio-recorded with participants' consent. Field notes were taken to capture contextual nuances and non-verbal cues. The interview guide was adapted from established phenomenological protocols and refined to align with the digital governance context. All interviews were transcribed verbatim to ensure data accuracy.

Data Analysis

Data were analyzed using Interpretative Phenomenological Analysis (IPA), following a systematic process to identify emergent themes and interpret their significance. Transcripts were read repeatedly to achieve immersion, followed by initial coding that identified meaningful units of experience. To ensure procedural transparency and rigor, two independent coders initially reviewed a subset of transcripts to establish preliminary codes. Inter-rater reliability was assessed using Cohen's kappa, which yielded a strong agreement ($\kappa = 0.82$), indicating consistency in thematic identification. Discrepancies were discussed until consensus was reached, enhancing credibility of the coding framework.

Themes were clustered based on conceptual similarities and refined iteratively to reflect the essence of participants' experiences (A. Malik dkk., 2022). The process included idiographic analysis before cross-case synthesis to maintain the richness of individual narratives while identifying shared patterns. NVivo 12 was used to facilitate the organization and retrieval of coded data but did not substitute the interpretive engagement central to IPA.

The analysis produced layered thematic structures that illustrated the psychological, ethical, and strategic dimensions of CEOs' responses to governance crises in digitally exposed environments.

Ethical Considerations

Ethical approval was obtained from the relevant institutional research ethics committee prior to data collection. Written informed consent was secured from all participants after providing detailed information about the study's purpose, procedures, and confidentiality measures.

Anonymity was ensured through the use of pseudonyms, and identifiable organizational information was omitted (N. Malik dkk., 2022). All data were stored securely, and the study adhered to internationally recognized ethical standards, including those outlined in the Declaration of Helsinki.

RESULTS

Bearing the Weight of Digital Governance Crisis

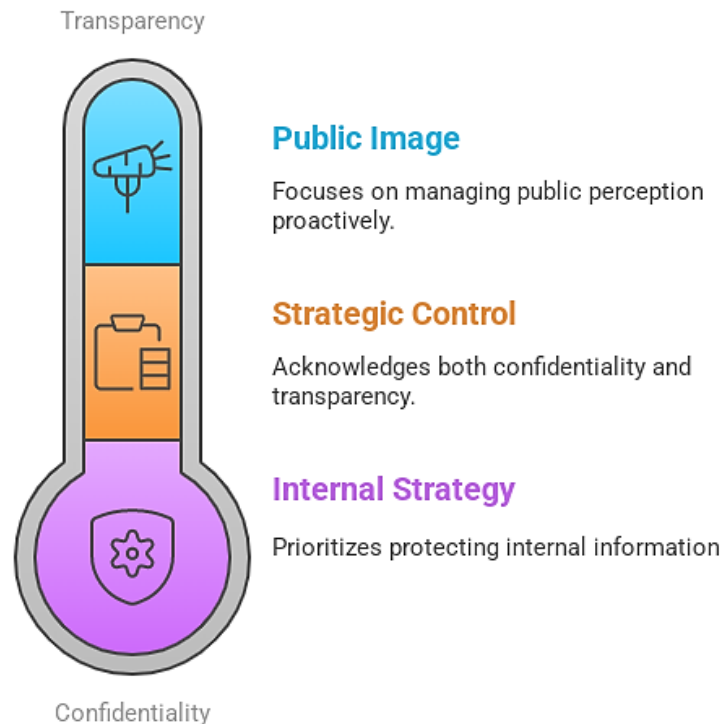
Participants revealed a profound sense of responsibility when navigating corporate governance crises in the digital age. CEOs described a heightened awareness of reputational risk, amplified by the omnipresence of social media and instant digital scrutiny. The immediacy of information circulation was frequently perceived as a double-edged sword—both a platform for transparency and a threat to strategic control.

“I wasn't just answering to the board or shareholders—I felt like I was answering to the entire internet. Every move was dissected in real-time. One wrong phrase could trigger a public backlash,” (Participant 3).

This digital exposure reshaped the nature of leadership, where CEOs no longer operated solely within internal governance structures but had to account for a broader, rapidly reacting online audience. The experience was often described as isolating and mentally taxing.

“I had to decide between taking a hit publicly or protecting internal confidentiality. There were no easy decisions, only consequences,” (Participant 1).

Navigating digital governance crises: Balancing confidentiality and public image



Navigating Ethical Ambiguity Under Pressure

A dominant theme among participants was the tension between ethical governance and the need for expedient decision-making during crisis. CEOs expressed that digital crises often presented ambiguous situations where established policies lacked clear guidance, compelling them to rely on personal values and intuition.

“The handbook didn’t help. When a data leak happened, there was no protocol for the reputational fallout on social media. I had to make ethical decisions on the spot,” (Participant 5).

This lack of precedent often led to internal conflicts, as leaders were forced to weigh moral obligations against strategic survival. Participants described these moments as the most defining in their leadership journey.

“Those nights, I questioned if I was compromising too much. But in the end, I had to choose what I believed was right—not just what was safest,” (Participant 4).

The Loneliness of Strategic Accountability

Several CEOs recounted experiencing profound solitude in decision-making. Despite being surrounded by teams and advisors, the ultimate burden of responsibility was felt as deeply personal. The fear of reputational failure was often not shared equally within the leadership structure, reinforcing the perception of isolation.

“People advised me, but the headlines would carry my name alone. That was the reality I had to live with,” (Participant 2).

The narratives revealed an emotional cost tied to strategic leadership during governance crises. The isolation was not simply physical, but existential—rooted in the singularity of the CEO role during moments of public scrutiny.

Adaptive Meaning-Making in Unstructured Situations

Participants demonstrated a process of adaptive sense-making where previous experiences offered limited guidance. Instead, CEOs engaged in reflective learning as the crisis unfolded, constructing new frameworks for leadership in real time. This sense-making was described as dynamic and deeply tied to personal growth.

“No one teaches you how to lead in digital chaos. I had to figure it out while trying not to break everything else,” (Participant 6).

The crisis moments became transformative episodes where leadership identity was redefined—not as a static position of control but as a fluid process of making meaning under uncertainty.

Across all interviews, the essence of the CEOs’ lived experiences was marked by four intersecting realities: the burden of visibility in digital governance, ethical decision-making under ambiguity, the emotional isolation of ultimate accountability, and the construction of adaptive strategies through emergent reflection. These findings illuminate the nuanced and human-centered processes underlying corporate governance in an era dominated by digital immediacy.

DISCUSSION

The findings of this study reveal a complex interplay of emotional burden, ethical ambiguity, and strategic isolation in the experiences of CEOs navigating corporate governance crises in the digital era. These dimensions reflect more than just managerial responses; they unveil the existential pressures inherent in executive leadership when public scrutiny intensifies.

Rather than merely confirming that CEOs are emotionally taxed or ethically conflicted, this study illustrates how their interpretations of crises evolve in dynamic digital contexts. The themes identified—digital exposure, ethical tension, isolation in decision-making, and adaptive meaning-making—represent interconnected processes rather than discrete phenomena. Each theme contributes to a broader framework of sense-making in which leaders continuously renegotiate their identity and responsibility amid volatile stakeholder landscapes (Meijerink dkk., 2021).

This interpretative process contrasts with traditional governance models that emphasize linear problem-solving. Instead, participants engaged in cyclical reflection, where ethical dilemmas, reputational threats, and personal values intersected in unpredictable ways. These insights deepen the understanding of governance not as a compliance mechanism, but as a deeply human enterprise shaped by perception, introspection, and emotional labor.

In relation to prior research, this study extends the literature on executive ethical dilemmas (e.g., Nguyen & Pham, 2020) by situating these dilemmas within the interpretive and affective realm of digital leadership. It challenges the dominant paradigms that reduce leadership to observable decisions or performance outcomes. The phenomenological lens employed here exposes latent layers of meaning that would remain invisible under positivist approaches, reinforcing the importance of subjective inquiry in leadership studies.

Theoretically, these findings push governance scholarship to consider the phenomenology of power—how leaders internalize and embody institutional breakdowns. Practically, they suggest that organizations must support not only decision efficacy but also the emotional and ethical resilience of their leaders. Executive development programs should incorporate guided reflection, identity work, and moral scenario analysis to prepare leaders for the psychological complexities of visibility in digital crises (Todisco dkk., 2023).

Notably, the study's contributions are tempered by its limitations. The small, purposively selected sample constrains generalizability, while the interpretative phenomenological approach prioritizes depth over breadth. These are not methodological flaws but intentional delimitations, appropriate to the aim of uncovering experiential nuance rather than establishing general trends (Oosthuizen dkk., 2019). Furthermore, the fast-evolving nature of digital platforms may reshape the governance landscape in ways that exceed the temporal scope of this study.

Future research should explore the sense-making experiences of other governance actors—such as board members, ethics officers, or PR advisors—to build a more systemic picture of interpretive leadership. Comparative studies could uncover how institutional logics or cultural expectations shape meaning-making in different settings (Stankevičiūtė & Savanevičienė, 2019). Additionally, longitudinal research could trace how leaders' interpretations shift over time, especially in response to repeated crises, offering valuable insight into the durability and transformation of ethical reasoning in executive roles.

CONCLUSION

This study explored how chief executive officers experience and make sense of corporate governance crises in the digital era. Using an interpretative phenomenological approach, the research uncovered key themes of ethical ambiguity, emotional isolation, reputational pressure, and adaptive sense-making. These findings reveal that CEOs do not simply apply procedural fixes but instead undergo deeply personal, reflective processes shaped by heightened public visibility and the moral weight of strategic accountability.

Beyond reinforcing existing critiques of rationalist leadership models, this study introduces a human-centered perspective that repositions crisis leadership as an existential and interpretive act. Such a reframing challenges organizations to rethink how they define and support effective governance. Leadership is not only a matter of skill or compliance, but of internal resilience, ethical clarity, and narrative construction under duress.

Practically, this calls for the integration of reflective capacity, ethical discourse, and emotional intelligence into executive training, mentoring, and performance evaluation. Institutions must move beyond metrics to develop support systems that address the psychological and ethical demands of digital-era leadership.

Future research should not only expand to diverse industries and geographies but also adopt longitudinal and interdisciplinary designs to trace how leadership meaning-making evolves over time. Insights from fields such as moral psychology, digital ethics, and organizational storytelling can further enrich our understanding of governance under pressure.

Ultimately, this study affirms the urgent need to humanize leadership research and practice—recognizing that in the face of complexity, what sustains decision-makers is not just strategy, but meaning.

CONFLICT OF INTEREST

The authors declare that there is no conflict of interest regarding the publication of this article. All procedures followed ethical guidelines, and the study was conducted independently without any undue influence from the funding organization. The sponsor had no involvement in the design, execution, interpretation, or writing of this research.

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