ORIGINAL ARTICLE

Corporate Culture and Transformational Leadership on Corporate Sustainable Performance Meadiated of Digital Transformation

Andy Ihza Mahendra[1*], Muhammad Imam Muttaqijn[1], Dudung Hadiwijaya[1]

[1]Universitas Muhammadiyah Tangerang

Jl. Perintis Independen 1 Cikokol Tangerang, Banten, Indonesia

*Email: ihzandi@gmail.com

ABSTRACT

Purpose – This study aims to examine and analyze the influence of corporate culture and transformational leadership on sustainable corporate performance mediated by digital transformation.

Methodology — This research is quantitative in nature, with exogenous variables of corporate culture and transformational leadership, intervening variables of digital transformation, and endogenous variables of corporate sustainable performance. The unit of analysis is 80 samples of employee respondents who work in airport service support companies. Data analysis in this study used Partial Least Square-Structural Equation Modeling (PLS-SEM) with SmartPLS software.

Findings — The company's digital transformation process can mediate the influence of corporate culture and transformational leadership in building sustainable company performance in the context of managing airport support services companies.

Originality/Novelty –The new finding from this research is that digital transformation can mediate the influence of corporate culture and transformational leadership in building sustainable company performance. Testing the role of digital transformation in airport service support companies is considered new and has never been done before.

Implications – The results of this research provide theoretical and practical benefits in building sustainable company performance mediated by digital transformation processes in the strategic domain.

Keywords: corporate culture, transformational leadership, digital transformation, sustainable performance.

Cite this article as:

Mahendra, A. I., Muttaqijn, M. I., & Hadiwijaya, D. (2024). Corporate Culture and Transformational Leadership on Corporate Sustainable Performance Meadiated of Digital Transformation. *International Journal of Business Economics (IJBE), 5*(2), 50-64.

INTRODUCTION

Digital Transformation has changed business management patterns from manual to automatic using digital-based system tools. These changes in business management patterns invite curiosity from researchers and practitioners to examine the influence of digitalization on company sustainability more deeply.. Due to restrictions on physical interaction, several services at the airport require digitalisation, thereby reducing physical contact between service providers at the airport. However, these organisations face obstacles in the technology adaptation process related to the scale and depth of change required, company culture and the CEO's leadership style in the transformation process. To date, systematic reviews of digital transformation, with a focus on corporate culture and leadership have been limited, especially in the air transport sector. The influence of the digital transformation process on the company's sustainable performance is important for deeper study.

According to (Loviscek, 2021)there are three main concepts in sustainable company management, namely the triple bottom line 3P, namely Profit, People and Planet. Companies are not only required to focus on profit, but companies are also obliged to care for the community and the surrounding environment. Sustainable is defined by (Loviscek, 2021) as a review of the present and future which is linked to the economy, social and environment. Meanwhile (Dyllick & Hockerts, 2002), states that short-term corporate sustainability can be achieved by only paying attention to the economic side, while long-term sustainability can be achieved by paying attention to the economy, social and environment. This opinion is supported by (Haugh & Talwar, 2010), who states that sustainability is composed of three pillars, namely economic, social and environmental. Economic sustainability is important for companies to be able to survive, by ensuring that income is greater than expenses.

Moreover, (Kuzma et al., 2020) assert that digital innovation is regarded as an essential instrument for accomplishing sustainable company performance, which encompasses economic, environmental, and social aspects. Financial performance of businesses, such as yearly revenue, profit, market share, and economic growth, is related to economic performance. In order to maintain a sustainable and healthy environment, organizations also make sure that natural resources are used to their fullest potential and that pollutant emissions are minimized. The last area of concern is social performance, which is the effects of innovation adoption on diversity in organizations, employment, health and safety, and skill development. Together, these elements are known as the Triple "P" Bottom Line and are acknowledged as the cornerstones of the company's sustainability (Bai et al., 2020; Elkington, 1998; Loviscek, 2021). For sustainable development, the majority of organizations these days heavily rely on pursuing the adoption of digital innovation. profitable enterprise

According to research, strategy for sustainable development should prioritize technical innovation (Barbieri et al., 2010). Many organizations propagate the notion that they ignore sustainability (social and environmental factors) in order to maintain their extended continuity indefinitely. To be more precise, they take solely financial factors into account, which frequently serves to reinforce the absence of innovations in processes, goods and services, management, and business models (Barbieri et al., 2010; Nill & Kemp, 2009). However, innovations will have a bigger impact on the creation of our more

sustainable production cycles, goods, and services, as well as on new company management, if business sustainability is seen as an effective contribution to sustainable development. Based on the Regulation of the Minister of State-Owned Enterprises (BUMN) of the Republic of Indonesia No. PER-05/MBU/04/2021 concerning Social and Environmental Responsibility of State-Owned Enterprises states that BUMN is obliged to implement the BUMN TJSL (Social and Environmental Responsibility) Program, thus PT Angkasa Pura Solusi as a subsidiary of BUMN is also obliged to carry out the program TJSL. In this way, BUMN and its BUMN subsidiaries do not only focus on profit alone but have an obligation to preserve the environment and sustain social responsibility to society.

Perhaps the most significant managerial challenge facing established businesses in the last and upcoming decades is digital transformation, which is defined as transformation "concerning with the changes digital technologies can bring about in a company's business model,... products or organizational structures" (Hess et al., 2016; Nadkarni & Prügl, 2021). However, in order to fully realize its disruptive potential, digital possibilities must unite with executives and experienced workers. Thus, people and technology are equally necessary for digital transformation. The number of articles addressing various organizational and technological aspects of digital transformation has significantly increased in the last few years due to a constant increase in scholarly interest, particularly in the information systems (IS) literature (Guo & Xu, 2021).

The problem of digital transformation is not limited to technology alone; it also calls for significant cultural shift. Every employee in the company needs to be equipped with a flexible skill set and digital literacy. The literature that has already been written contains two key observations. First, a data-driven and data-sharing company culture is necessary for digital transformation (Dremel et al., 2017). In order to become a digital organization, data as a whole needs to be acknowledged far more as a significant resource and facilitator. This will call for increased operational transparency in day-to-day operations and work procedures, as well as a data-sharing mentality among staff members. According to (Gonzalez et al., 2013), incumbents must transform their informatic culture into an informational culture. An informational culture, as opposed to an informatic one, recognizes the financial and revolutionary potential of digital technologies and regards information technology as a fundamental component of strategic and tactical choices. Second, cultural tensions between younger, relatively inexperienced digital workers and older, more seasoned pre-digitization workers may arise as a result of digital transformation (Kohli & Melville, 2019). It is advisable for management to prevent the emergence of two distinct cultures inside the same organization: those with a long history in traditional business but behind in technology, and those with an understanding of digital technologies. Effectively mitigating a potential cultural split can be achieved by openly affirming support and trust at the executive level and facilitating a learning-friendly culture (Kohli & Melville, 2019).

Comprehending how digital transformation affects management and leadership behavior is a highly active and important area of research. Our study includes 23 papers that address this topic in total. The conventional understanding of IT strategy as being subservient to business strategy must first and foremost be changed, according to research (El Sawy et al., 2016). Over the last twenty years, information technology have transcended from their secondary function as administrative "back office" resources to become a crucial component of developing business strategy. Accordingly, incumbents ought to combine their business and IT goals into a single "digital business strategy" (Bharadwaj et al., 2013). The way that digital transformation is altering leadership itself is

also emphasized. Such modifications could include new communication guidelines (Granados & Gupta, 2013), adjustments to leadership education (Rêgo et al., 2021), or quick optimization of top management decision-making processes made possible by instant access to information and large data sets (Mazzei et al., 2016). Furthermore, it is widely acknowledged that in order for senior management to lead their organization through digital transformation, they need to adopt a new digital mentality. As a result, incumbents ought to reconsider how they teach leadership. Traditionally, the focus of leadership programs has been on communication and leadership abilities. However, leaders need to improve their transformative powers and become "tech visionaries" in this era of digital transformation. Based on (Rêgo et al., 2021), for instance, studied a case study of an Asian bank that teaches its senior management through hackathons. Additional education may be necessary for senior managers to effectively navigate the key problems of digitization, including media transparency and exposure. The prevalence of information and the rapidity with which it may be disseminated online (via social media, mobile devices, and other means) mean that modern leaders are considerably more exposed to the public than their analogue counterparts. So, in the words of (Bennis, 1989), learning to lead in the digital age requires adopting transparency and adaptive capability—more especially, resilience, or the power to bounce back from setbacks and crises. Lastly, the Chief Digital Officer is a new role at the top management level that has emerged as a result of the enormous scope and complexity of digital transformation (Dremel et al., 2017). CEOs or even CIOs might not be the best candidates given the enormous obstacles of digital transformation and the need for a new mentality and different capabilities (Singh et al., 2020). Especially especially when they are supposed to spearhead digital change on top of their initial responsibilities.

Corporate Sustainable Performance or the company's sustainability performance is of course greatly influenced by Corporate Culture and the application of a company's leadership style. In the Industrial Era 4.0, companies are currently faced with demands to be able to adapt quickly to changes that occur. Implementing Digital Transformation is an answer. to respond to the challenges of these changes so that by utilizing Digital Transformation efforts can be carried out effectively and efficiently so that Corporate Sustainable Performance can also be influenced by Digital Transformation as well as Digital Transformation can also be influenced by the style of leadership in a Company so that Digital Transformation becomes a mediation of the influence of Corporate Culture and Transformational Leadership on Corporate Sustainable Performance.

Based on the results of the literature review and analysis of problem phenomena, it was found that there was no empirical study of the mediating effect of digital transformation on airport service support service companies. So this research fills the research gap on the influence of corporate culture and transformational leadership on sustainable performance in airport service supporting companies.

The conceptual framework for this study model that emerged from the examination of the literature review is as follows:
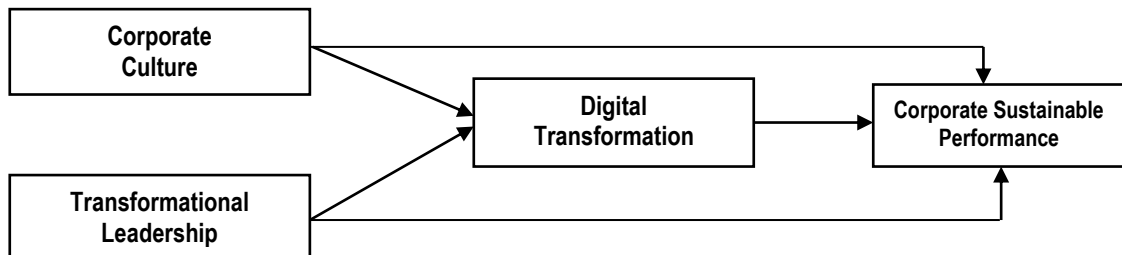
Figure 1. Conceptual Framework

In accordance with the conceptual framework in Figure 1, there are seven hypotheses to be tested consisting of H1: corporate culture has a significant impact on digital transformation, H2: transformational leadership has a significant impact on digital transformation, H3: digital transformation has a significant impact on corporate sustainable performance, H4: corporate culture has a significant impact on corporate sustainable performance, H5: transformational leadership has a significant impact on corporate sustainable performance, H6: digital transformation mediates the association between corporate culture and corporate sustainable performance, and H7: digital transformation mediates the association between transformational leadership and corporate sustainable performance.

METHOD
This research design is a quantitative analysis with two exogenous variables, namely company image and transformational leadership, one intervening variable, namely digital transformation, and one endogenous variable, namely sustainable company performance. This research uses explanatory research methodology to establish causal relationships between research variables and test hypotheses. The population in this study were employees of the head office of airport services company, totaling 100 people with a sample of 80 respondents. The sampling technique used is probability sampling with sampling carried out using simple random sampling.

Data collection was carried out using a questionnaire instrument with an ordinal Likert scale of 1 - 5 and validity and reliability tests had been carried out first. This research uses the Structural Equation Model Partial Least Squares (SEM-PLS) approach to test the influence of exogenous variables on endogenous ones through intervening variables.

Data processing was carried out using SmartPLS software version 3.0 which is recommended when the sample size is minimal and normality of the data is excluded (J. F. Hair et al., 2019; Kwong & Wong, 2019; Ramayah et al., 2018).

RESULTS AND DISCUSSION
Responden Characteristic
Based on table 1, the number of respondents according to gender characteristics is 66.2% consisting of a sample of male respondents and 33.7% consisting of a sample of

female respondents. The characteristics of the sample of respondents based on education level consisted of 6% senior high school, 7% diploma, 60% graduate and 7% postgraduate. The sample of respondents based on age group consisted of 21% aged 21-30 years, 39% from the age group >31-40 years, and 20% from the age group >41 years. In accordance with the length of time they have worked at the company, consisting of 4% working less than 1 year, 21% working >1-5 years, 19% working >5-10 years, and 36% working more than 10 years. Overall, the characteristics of the sample of respondents are evenly distributed so that they can represent the sample as a whole population.

Table 1. Characteristic of Respondent

No	Characteristics	Description	Freq	Percent
1	Gender	Male	53	66.25%
		Female	27	33.75%
2	Education	Senior high school	6	7.50%
		D3	7	8.75%
		S1	60	75.00%
		S2	7	8.75%
3	Age	21-30	21	26.25%
		>31-40	39	48.75%
		>41	20	25.00%
4	Period of work	<1 years	4	5.00%
		>1 – 5 years	21	26.25%
		>5 – 10 years	19	23.75%
		>10 years	36	45.00%

Outer Model Analysis

The statistical measure used to assess composite or construct reliability is Cronbach's alpha. The acceptable Cronbach Alpha value according to (J. Hair et al., 2017) is more than equal to ≥0.70. Based on the results of the analysis using SmartPLS, the results obtained for the corporate culture variable have a Cronbach's alpha value of 0.966, this value is more than >0.70 so the indicator for this construct is reliable. The transformational leadership variable has a Cronbach's alpha value of 0.930, this value is more than >0.70 so the indicator for this construct is reliable. The digital transformation variable has a Cronbach's alpha value of 0.935, this value is more than >0.70 so the indicator for this construct is reliable, while the corporate sustainable performance variable has a Cronbach's alpha value of 0.943, this value is more than >0.70 so the indicator for this construct is reliable. Overall the value of Cronbach's alpha for all variables has a value of more than 0.70 so that all items are declared to meet the reliability test requirements, the results of the reliability test can be seen in Table 2.

Table 2. Composite Reliability

Construct	Cronbach's Alpha
Corporate Culture	0.966
Corporate Sustainable Performance	0.943
Digital Transformation	0.935
Transformational Leadership	0.930

Apart from construct reliability testing using the cronbach alpha value indicator, another convergent validity test was carried out by analyzing the Average Variance

Extracted (AVE) value. The AVE threshold value according to (J. F. Hair et al., 2019) is more than equal to ≥0.50. Based on the analysis results, the AVE value for the corporate culture variable is 0.764 or greater than >0.50 so that the construct for the corporate culture variable meets the requirements for convergent validity and reliability. The corporate sustainable performance variable has an AVE value of 0.664, this value is greater than >0.50 so that the construct for the corporate sustainable performance variable meets the requirements for convergent validity and reliability. The AVE value for digital transformation is 0.633, more than >0.50, so that the digital transformation variable meets the requirements for convergent validity and reliability. Lastly, the AVE value for transformation leadership is 0.615, this value is more than 0.50 so it is valid and reliable. The AVE value for all variables is above 0.50 so that the items are declared to meet the rules of convergent validity and reliability. The results of calculating the AVE value can be seen in Table 3.

Table 3. Average Variance Extracted

Construct	Average Variance Extracted (AVE)
Corporate Culture	0.764
Corporate Sustainable Performance	0.664
Digital Transformation	0.633
Transformational Leadership	0.615

To ensure that all items from the construct are valid, the cross loading value can be seen. Aims to evaluate the discriminant validity of the reflective measurement model through cross loading analysis and comparing the average variance extraction (AVE) value with the squared correlation between constructs. Cross loading assessment tests the relationship between indicators and their constructs as well as other block constructs. Strong discriminant validity is characterized by its ability to account for a greater proportion of variance in indicator variables compared to its ability to explain variance in other construct indicators. The loading factor value in the column for each variable (bold) is the highest value compared to the cross loading values of other variables. So that the indicators for each variable corporate culture, corporate sustainable performance, digital transformation, and transformational leadership have met the discriminant validity test. The results of calculating the cross loading output value from SmartPLS can be seen in Table 4.

Table 4. Discriminant Validity (Cross Loading)

	Corporate Culture	Corporate Sustainable Performance	Digital Transformation	Transformational Leadership
CC1	**0.856**	0.625	0.653	0.660
CC2	**0.820**	0.549	0.569	0.609
CC3	**0.906**	0.568	0.626	0.640
CC4	**0.910**	0.645	0.673	0.681
CC5	**0.888**	0.600	0.640	0.685
CC6	**0.871**	0.583	0.628	0.605
CC7	**0.901**	0.637	0.637	0.683
CC8	**0.892**	0.634	0.621	0.605

	Corporate Culture	Corporate Sustainable Performance	Digital Transformation	Transformational Leadership
CC9	**0.858**	0.554	0.591	0.552
CC10	**0.836**	0.572	0.608	0.655
CSP1	0.606	**0.803**	0.789	0.725
CSP2	0.599	**0.835**	0.800	0.681
CSP3	0.600	**0.804**	0.746	0.741
CSP4	0.623	**0.800**	0.770	0.769
CSP5	0.498	**0.842**	0.716	0.694
CSP6	0.534	**0.880**	0.764	0.670
CSP7	0.544	**0.884**	0.722	0.610
CSP8	0.492	**0.829**	0.697	0.555
CSP9	0.529	**0.738**	0.598	0.475
CSP10	0.528	**0.717**	0.601	0.445
DT1	0.451	0.556	**0.714**	0.537
DT2	0.548	0.728	**0.830**	0.686
DT3	0.510	0.649	**0.775**	0.673
DT4	0.631	0.694	**0.816**	0.643
DT5	0.556	0.669	**0.800**	0.522
DT6	0.646	0.763	**0.836**	0.683
DT7	0.653	0.795	**0.793**	0.848
DT8	0.561	0.769	**0.851**	0.712
DT9	0.515	0.737	**0.763**	0.547
DT10	0.584	0.681	**0.770**	0.641
TL2	0.516	0.489	0.578	**0.782**
TL3	0.553	0.596	0.643	**0.727**
TL4	0.616	0.616	0.629	**0.839**
TL5	0.614	0.625	0.680	**0.848**
TL6	0.554	0.586	0.652	**0.771**
TL7	0.637	0.652	0.661	**0.848**
TL8	0.622	0.633	0.655	**0.823**
TL9	0.591	0.724	0.701	**0.803**
TL10	0.539	0.726	0.708	**0.749**

To ensure discriminant validity, an alternative test was carried out using the HTMT ratio criterion. The HTMT calculation was carried out as an alternative to the Fornell-Larcker criterion, due to the failure to identify discriminant validity in most cases (Henseler et al., 2015, 2016). The HTMT method uses a multitrait-multimethod matrix as the basis for measurement. The HTMT value should be less than <0.9 to ensure discriminant validity between two reflective constructs (Henseler et al., 2015). The HTMT value for all variables is below 0.9, this shows that all constructs can be said to be valid because they have met the HTMT discriminant validity criteria. Test results using HTMT criteria can be seen in Table 5.

Table 5. HTMT Ratio

	Corporate Culture	Corporate Sustainable Performance	Digital Transformation
Corporate Culture			
Corporate Sustainable Performance	0.714		
Digital Transformation	0.748	0.813	
Transformational Leadership	0.769	0.828	0.872

In Table 6 it can be seen that the discriminant validity value measured by the Fornell-Larcker criteria shows a stronger correlation with each variable when compared to the correlation observed between other variables. Based on the results of data processing using SmartPLS, the results obtained were that all AVE square root values when compared with the correlations of other constructs were greater in value. So it can be concluded that all constructs meet Fornel Larcker's criteria which are said to meet discriminant validity.

Table 6. Fornell-Larcker Criteria

	Corporate Culture	Corporate Sustainable Performance	Digital Transformation	Transformational Leadership
Corporate Culture	0.874			
Corporate Sustainable Performance	0.684	0.815		
Digital Transformation	0.715	0.891	0.796	
Transformational Leadership	0.730	0.792	0.825	0.800

Inner Model Analysis

Goodness Of Fit (GoF)

Goodness of Fit (GoF) assessment validates the comprehensive structural model. The GoF index serves as a single metric to assess the efficacy of both the integrated measurement model and the structural model. The GoF value is calculated by taking the square root of the average communality index (AVE) and multiplying it by the R^2 value of the model. GoF range The value ranges from 0 to 1, and the value can be interpreted as follows: 0.1 indicates weak GoF, 0.25 indicates moderate GoF, and 0.36 indicates strong GoF (Hair et al., 2016). The GoF value for the CSP variable is 0.53 and DT is 0.45 so the model is said to be strong or fit. The higher the GoF value, the better or better the model fits the data. The results of calculating the GoF value can be seen in Table 7.

Table 7. Average Communalities Index

Variable	AVE	R-Square	GoF
Corporate Sustainable Performance	0.664	0.805	0.53
Digital Transformation	0.633	0.708	0.45
Corporate Culture	0.764		
Transformational Leadership	0.640		

The aim of structural model evaluation is to determine the relationship between the latent variables being tested. To assess the structural model, the R-square value (R2) criterion is used. The R-square value criteria are 0.75 for a strong model (substantial), 0.50 for a moderate model, and 0.25 for a weak model (J. F. Hair et al., 2019). Based on the results of data processing using Smart-PLS, the R-square (R^2) value for corporate sustainable performance is 0.799, indicating that this variable can be explained by the digital transformation variable of 79.9%, while the difference is explained by other variables not examined in this research. The R-square value for the digital transformation variable is 0.702, this shows that this variable can be explained by corporate culture and transformational leadership by 70.2%, the difference is explained by other variables not examined in this research. The results of calculating the R-square value can be seen in Table 8.

Table 8. R-Square

	R Square	R Square Adjusted
Corporate Sustainable Performance	0.805	0.799
Digital Transformation	0.708	0.702

Hypothesis Test

Based on the results of statistical tests on the direct influence of exogenous variables on intervening and endogenous variables, the results showed that Hypothesis 1 was accepted, Hypothesis 2 was accepted, Hypothesis 3 was accepted, Hypothesis 4 was rejected, and Hypothesis 5 was accepted. Meanwhile, the results of hypothesis testing through intervening variables, Hypothesis 6 is accepted and Hypothesis 7 is accepted. Overall, it shows that the statistical test results only have one hypothesis rejected, namely the influence of corporate culture on corporate sustainable performance. Statistical test results can be seen in Table 9.

Table 9. Path Coefficient Direct and Specific Indirect Effect

Hypotesis	Coef	Standard Deviation	T - Statistics	P - Values	Conclussion
Direct Hypothesis					
H1: Corporate Culture → Digital Transformation	0.242	0.105	2.312	0.011	Accepted
H2: Transformational Leadership → Digital Transformation	0.648	0.098	6.613	0.000	Accepted
H3: Digital Transformation → Corporate Sustainable Performance	0.725	0.100	7.248	0.000	Accepted
H4: Corporate Culture → Corporate Sustainable Performance	0.051	0.084	0.604	0.273	Rejected
H5: Transformational Leadership → Corporate Sustainable Performance	0.157	0.091	1.732	0.042	Accepted
Indirect Hypothesis					
H6: Corporate Culture → Digital Transformation → Corporate	0.176	0.074	2.384	0.009	Accepted

Hypotesis	Coef	Standard Deviation	T - Statistics	P - Values	Conclussion
Sustainable Performance					
H7: Transformational Leadership → Digital Transformation → Corporate Sustainable Performance	0.470	0.103	4.557	0.000	Accepted

DISCUSSION

Based on the results (Table 9) of statistical tests on the influence of corporate culture on digital transformation (H1), the path coefficient value was 0.242, the t-statistic was 2.312, more than 1.96 and the p-value was 0.011, less than 0.05, so the hypothesis was accepted. This shows that corporate culture has a moderate influence on the digital transformation process in the company. The findings of this research are in line with (Dremel et al., 2017; El Sawy et al., 2016; McLaughlin et al., 2008; Sia et al., 2016) which states that corporate culture can encourage radical innovation in companies, including digitalization. In this case, PT APS was declared successful in building its corporate culture so that it was able to implement digitalization through ERP implementation, digital-based attendance, sending paper-less office-based official notes, risk management information systems, and other digitalization to speed up the company's business process flow.

Hypothesis 2 (H2) is to test the influence of transformational leadership on digital transformation. The path coefficient value is 0.648, the t-statistic is 6.613, more than 1.96 and the p-value is 0.000, less than 0.05, so the hypothesis is accepted. This shows that transformational leadership has a huge influence on the digital transformation process in the company. These findings are in line with the idea of transformational leadership (Caldwell et al., 2012) which states that transformative leadership is an ethics-based leadership model that integrates commitment to values and results by optimizing the long-term interests of stakeholders and society and respecting the moral obligations that the organization has to its stakeholders. Meanwhile (Schiuma et al., 2021) explains that there are six core competencies of transformative leadership compass integrates which consist of: Grasping the essence of the digital transformation, envisioning digital wealth creation goodness, shaping a knowledge-creating context for digital transformation, communicating the essence of digital transformation, engaging people to act with digital transformation, and making digital transformation everyone's job. A company CEO who has the competence and drive to promote change in all aspects of business at PT APS is able to encourage the implementation of digitalization of business processes well. This can be seen from the realization of several digital applications that support more effective and efficient work processes.

The results of the H3 statistical test on the influence of digital transformation on corporate sustainable performance showed a path coefficient value of 0.725, a t-statistic of 7.248 which was greater than 1.96 and a p-value of 0.000 which was smaller than 0.05 so that this hypothesis was accepted. The influence of digital transformation on corporate sustainable performance is very large with a path coefficient value of 0.725. This finding is in line with research results from (Vial, 2019; Wang et al., 2020) which states that digital transformation carried out by companies is able to encourage increased financial performance in both the short and long term. In the context of this research, digital

transformation is also able to encourage improvements in company financial performance which can be seen from net income.

The statistical test results for hypothesis 4 (H4) regarding the influence of corporate culture on corporate sustainable performance obtained a path coefficient value of 0.051, t-statistic 0.604 less than 1.96 and p-value 0.273 more than 0.05, this indicates that the hypothesis is rejected. It can be explained that corporate culture has no real influence on company performance directly with a path coefficient value of 0.051. This finding is in line with research results from (Zhao et al., 2018) that corporate culture does not have a direct influence on company performance, but research results from (Idris et al., 2015; Weber & Drori, 2015) state that corporate culture is able to encourage increased company performance. In the context of this research, these findings are in line with the fact that corporate culture is still in the process of being formed so it is not yet fully capable of driving overall company performance.

For hypothesis 5 (H5), based on the results of statistical tests, the path coefficient value was 0.157, the t-statistic was 1.732, it was greater than 1.96, and the p-value was 0.042, it was smaller than 0.05, meaning that this hypothesis was accepted. Transformational leadership has quite a big influence on corporate sustainable performance with a path coefficient value of 0.157. These results are in line with the findings of (Ardi et al., 2020; García-Morales et al., 2008, 2012; Ogbonna & Harris, 2000) that transformational leadership has a positive effect on organizational performance. It can be explained in the context of the analysis unit of airport support services companies, that the transformational leadership of a CEO is able to encourage employees to work more diligently so that they can improve company performance.

The statistical test results for hypothesis 6 (H6) with a path coefficient value of 0.176, t-statistic 2.384 greater than 1.96 and p-value 0.009 less than 0.05 prove that corporate culture influences corporate sustainable development through the digital transformation process. The influence of corporate culture on corporate sustainable performance through digital transformation is quite large with a path coefficient value of 0.176. This shows that company culture is able to encourage the digital transformation process carried out by the company so that it has an impact on sustainable company performance. Digital transformation through the implementation of ERP, paper less office, risk management information systems, and several other applications is able to speed up business processes and thus influence company performance in terms of revenue. The results of this research are in line with findings from (Idris et al., 2015; Weber & Drori, 2015; Zhao et al., 2018) that corporate culture is able to encourage a company's business performance.

For hypothesis 7 (H7), based on the results of statistical tests, the path coefficient value was 0.470, the t-statistic was 4.557, more than 1.96 and the p-value was 0.000, less than 0.05, it was proven that transformational leadership had an effect on the company's sustainable performance through the digital transformation process. The influence of transformational leadership on the company's continued performance through digital transformation is very large with a path coefficient value of 0.470. This shows that the commitment and strong encouragement from the company's CEO in the company's digital transformation process can have an impact on the company's sustainable performance. The futuristic commitment of CEOs and leaders who are able to capture external changes into the internal organization through digital implementation that supports more effective and efficient business processes is the main capital in building the company's sustainable performance. This finding is in line with research results from Zhao, Gowen, Giovanni and

Erhan which explain that a company's sustainable performance can be driven through digital innovation with the support of transformational leaders.

CONCLUSION

The results of this research can be concluded that company culture and transformational leadership are important assets in the digital transformation process. Then digital transformation has a strategic role in driving the company's sustainable performance. A company culture that is attached to all individuals in the company and implemented at work has a positive effect in encouraging smooth digital innovation and company performance. Leaders who have a transformational spirit become a whip for all parties involved so that they are able to carry out the digital transformation process more quickly and efficiently to encourage sustainable company performance. It was concluded that to build sustainable performance, companies in the context of airport service support companies need to carry out digital transformation so that the airport service process is faster, more effective and efficient. Future research that needs to be carried out by the next researcher is to examine aspects of government regulation as a control variable in the digital transformation process considering that operational activities at airports require complex and complicated regulations.

Overall the results of this research contribute both theoretically and practically. Theoretically, the research results support a strategic framework for digital transformation driven by corporate culture and transformational leadership. These results show that digital transformation is an important strategic issue discussed in various studies such as those conducted by (Besson & Rowe, 2012; Li, 2020; Seifried et al., 2017). In the context of airport service support companies, digital innovation is a strategic issue where the airport service process must be faster, more effective and efficient while still prioritizing safety and security aspects. So theoretically the results of this research provide implications regarding the importance of three aspects of transformation driven by corporate culture and transformational leadership in order to build sustainable company performance.

Practically, the research results contribute to airport operators in carrying out sustainable company management based on digital transformation. The digital transformation process will be successful if it is driven by strong corporate culture management and transformational leadership. Building culture is not just jargon but internalizing company culture to all stakeholders, including from top management to the lowest employees. It is important for all parties to understand the culture as individual values which are then applied in daily work so as to produce good individual performance. Apart from that, leaders who are visionary, committed, have integrity and have a high work ethic are key aspects in encouraging all employees to be involved in the digital transformation process so that they can encourage sustainable company performance.

REFERENCES

Ardi, Djati, S. P., Bernarto, I., Sudibjo, N., Yulianeu, A., Nanda, H. A., & Nanda, K. A. (2020). The relationship between digital transformational leadership styles and knowledge-based empowering interaction for increasing organisational innovativeness. *International Journal of Innovation, Creativity and Change*, *3*, 259–277.

Bai, C., Dallasega, P., Orzes, G., & Sarkis, J. (2020). Industry 4.0 technologies assessment: A sustainability perspective. *International Journal of Production Economics*, *229*, 107776. https://doi.org/10.1016/j.ijpe.2020.107776

Barbieri, J. C., Vasconcelos, I. F. G. de, Andreassi, T., & Vasconcelos, F. C. de. (2010). Innovation and sustainability: New models and propositions. *RAE Revista de Administracao de Empresas*, *50*(2), 146–154. https://doi.org/10.1590/S0034-75902010000200002

Bennis, W. G. (1989). Managing the Dream: Leadership in the 21st Century. *Journal of Organizational Change Management*, *2*(1), 6–10. https://doi.org/10.1108/09534818910134040

Besson, P., & Rowe, F. (2012). Strategizing information systems-enabled organizational transformation: A transdisciplinary review and new directions. *Journal of Strategic Information Systems*, *21*(2), 103–124. https://doi.org/10.1016/j.jsis.2012.05.001

Bharadwaj, A., Sawy, O. A. El, Pavlou, P. A., & Venkatraman, N. (2013). Digital Business Strategy: Toward A Next Generation Of Insights. *MIS Quarterly*, *37*(2), 471–482. https://doi.org/10.1615/TelecomRadEng.v76.i10.20

Caldwell, C., Dixon, R. D., Floyd, L. A., Chaudoin, J., Post, J., & Cheokas, G. (2012). Transformative Leadership: Achieving Unparalleled Excellence. *Journal of Business Ethics*, *109*(2), 175–187. https://doi.org/10.1007/s10551-011-1116-2

Dremel, C., Herterich, M. M., Waizmann, J.-C., Wulf, J., & Brenner, W. (2017). How AUDI AG Established Big Data Analytics in its Digital Transformation Please quote as : Dremel , C ., Herterich , M ., Wulf , J ., Waizmann , J . -C ., and Brenner , W . 2017 . " How AUDI AG Established Big Data Analytics in Its Digital Transformation. *MIS Quarterly Executive*, *June*.

Dyllick, T., & Hockerts, K. (2002). Beyond the business case for corporate sustainability. *Business Strategy and the Environment*, *11*(2), 130–141. https://doi.org/10.1108/sbr-11-2016-0065

El Sawy, O., Kræmmergaard, P., Henrik Amsinck, & Anders Lerbech Vinther. (2016). How LEGO Built the Foundations and Enterprise Capabilities for Digital Leadership. *MIS Quarterly Executive*, *15*(2), 141–166.

Elkington, J. (1998). Accounting for the Triple Bottom Line. *Measuring Business Excellence*, *2*(3), 18–22.

García-Morales, V. J., Jiménez-Barrionuevo, M. M., & Gutiérrez-Gutiérrez, L. (2012). Transformational leadership influence on organizational performance through organizational learning and innovation. *Journal of Business Research*, *65*(7), 1040–1050. https://doi.org/10.1016/j.jbusres.2011.03.005

García-Morales, V. J., Lloréns-Montes, F. J., & Verdú-Jover, A. J. (2008). The effects of transformational leadership on organizational performance through knowledge and innovation. *British Journal of Management*, *19*(4), 299–319. https://doi.org/10.1111/j.1467-8551.2007.00547.x

Gonzalez, R., Llopis, J., & Gasco, J. (2013). Innovation in public services: The case of Spanish local government. *Journal of Business Research*, *66*(10), 2024–2033. https://doi.org/https://doi.org/10.1016/j.jbusres.2013.02.028

Granados, N., & Gupta, A. (2013). Transparency strategy: Competing with information in a digital world. *MIS Quarterly: Management Information Systems*, *37*(2), 637–641.

Guo, L., & Xu, L. (2021). The effects of digital transformation on firm performance: evidence from China's manufacturing sector. *Sustainability (Switzerland)*, *13*(22), 1–18. https://doi.org/10.3390/su132212844

Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, *31*(1), 2–24. https://doi.org/10.1108/EBR-11-2018-0203

Hair, J., Hollingsworth, C. L., Randolph, A. B., & Chong, A. Y. L. (2017). An updated and expanded assessment of PLS-SEM in information systems research. *Industrial Management and Data Systems*, *117*(3), 442–458. https://doi.org/10.1108/IMDS-04-2016-0130

Haugh, H. M., & Talwar, A. (2010). How do corporations embed sustainability across the organization? *Academy of Management Learning and Education*, *9*(3), 384–396. https://doi.org/10.5465/AMLE.2010.53791822

Henseler, J., Hubona, G., & Ray, P. A. (2016). Using PLS path modeling in new technology research: Updated guidelines. *Industrial Management and Data Systems*, *116*(1), 2–20. https://doi.org/10.1108/IMDS-09-2015-0382

Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, *43*(1), 115–135. https://doi.org/10.1007/s11747-014-0403-8

Hess, T., Benlian, A., Matt, C., & Wiesböck, F. (2016). Options for Formulating a Digital Transformation Strategy. *MIS Quarterly Executive*, *15*(2), 103–119.

Idris, S. A. M., Wahab, R. A., & Jaapar, A. (2015). Corporate Cultures Integration and Organizational Performance: A Conceptual Model on the Performance of Acquiring Companies. *Procedia - Social and Behavioral Sciences*, *172*, 591–595. https://doi.org/10.1016/j.sbspro.2015.01.407

Kohli, R., & Melville, N. P. (2019). Digital innovation: A review and synthesis. *Information Systems Journal*, *29*(1), 200–223. https://doi.org/10.1111/isj.12193

Kuzma, E., Padilha, L. S., Sehnem, S., Julkovski, D. J., & Roman, D. J. (2020). The relationship between innovation and sustainability: A meta-analytic study. *Journal of Cleaner Production*, *259*. https://doi.org/10.1016/j.jclepro.2020.120745

Kwong, K., & Wong, K. (2019). *Mastering Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS in 38 Hours*. iUniverse. https://www.ptonline.com/articles/how-to-get-better-mfi-results

Li, F. (2020). The digital transformation of business models in the creative industries: A holistic framework and emerging trends. *Technovation*, *92–93*(December), 1–10. https://doi.org/10.1016/j.technovation.2017.12.004

Loviscek, V. (2021). Triple Bottom Line toward a Holistic Framework for Sustainability: A Systematic Review. *Journal of Contemporary Administration*, *25*(3), 1–12.

Mazzei, M. J., Flynn, C. B., & Haynie, J. J. (2016). Moving beyond initial success: Promoting innovation in small businesses through high-performance work practices. *Business Horizons*, *59*(1), 51–60. https://doi.org/https://doi.org/10.1016/j.bushor.2015.08.004

McLaughlin, P., Bessant, J., & Smart, P. (2008). Developing an organisation culture to facilitate radical innovation. *International Journal of Technology Management*, *44*(3–4), 298–323. https://doi.org/10.1504/IJTM.2008.021041

Nadkarni, S., & Prügl, R. (2021). Digital transformation: a review, synthesis and opportunities for future research. In *Management Review Quarterly* (Vol. 71, Issue 2). Springer International Publishing. https://doi.org/10.1007/s11301-020-00185-7

Nill, J., & Kemp, R. (2009). Evolutionary approaches for sustainable innovation policies: From niche to paradigm? *Research Policy*, *38*(4), 668–680. https://doi.org/10.1016/j.respol.2009.01.011

Ogbonna, E., & Harris, L. C. (2000). Leadership style, organizational culture and performance: Empirical evidence from UK companies. *International Journal of*

Human Resource Management, *11*(4), 766–788. https://doi.org/10.1080/09585190050075114

Ramayah, T., Cheah, J., Chuah, F., Ting, H., & Mumtaz Ali Memon. (2018). Partial least squares structural equation modeling (PLS-SEM) using SmartPLS 3.0: An updated guide and practical guide to statistical analysis (2nd ed.). In *Practical Assessment, Research and Evaluation* (2nd ed).

Rêgo, B. S., Jayantilal, S., Ferreira, J. J., & Carayannis, E. G. (2021). Digital Transformation and Strategic Management: a Systematic Review of the Literature. *Journal of the Knowledge Economy*, *November*. https://doi.org/10.1007/s13132-021-00853-3

Schiuma, G., Schettini, E., Santarsiero, F., & Carlucci, D. (2021). The transformative leadership compass: six competencies for digital transformation entrepreneurship. *International Journal of Entrepreneurial Behaviour and Research*, DOI 10.1108/IJEBR-01-2021-0087. https://doi.org/10.1108/IJEBR-01-2021-0087

Seifried, C., Katz, M., & Tutka, P. (2017). A conceptual model on the process of innovation diffusion through a historical review of the United States Armed Forces and their bowl games. *Sport Management Review*, *20*(4), 379–394. https://doi.org/https://doi.org/10.1016/j.smr.2016.10.009

Sia, S. K., Soh, C., & Weill, P. (2016). How DBS bank pursued a digital business strategy. *MIS Quarterly Executive*, *15*(2), 105–121.

Singh, A., Klarner, P., & Hess, T. (2020). How do chief digital officers pursue digital transformation activities? The role of organization design parameters. *Long Range Planning*, *53*(3). https://doi.org/10.1016/j.lrp.2019.07.001

Vial, G. (2019). Understanding digital transformation: A review and a research agenda. *Journal of Strategic Information Systems*, *28*(2), 118–144. https://doi.org/10.1016/j.jsis.2019.01.003

Wang, H., Feng, J., Zhang, H., & Li, X. (2020). The effect of digital transformation strategy on performance: The moderating role of cognitive conflict. *International Journal of Conflict Management*, *31*(3), 441–462. https://doi.org/10.1108/IJCMA-09-2019-0166

Weber, Y., & Drori, I. (2015). The linkages between cultural differences, psychological states, and performance in international mergers and acquisitions. *In Advances in Mergers and Acquisitions*, *7*(03), 119–142.

Zhao, H., Teng, H., & Wu, Q. (2018). The effect of corporate culture on firm performance: Evidence from China. *China Journal of Accounting Research*, *11*(1), 1–19. https://doi.org/10.1016/j.cjar.2018.01.003