

# THE ROLE OF SUSTAINABLE LEADERSHIP IN IMPLEMENTING SDGS:GREEN INNOVATION STRATEGY (GIS) : STRATEGY TRANSFORMATION IN ORGANIZATIONAL SUSTAINABILITY

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## RESEARCH ARTICLE

THE ROLE OF SUSTAINABLE LEADERSHIP IN IMPLEMENTING SDGS: GREEN INNOVATION  
STRATEGY (GIS) : STRATEGY TRANSFORMATION IN ORGANIZATIONAL SUSTAINABILITYMarini Purwanto<sup>1</sup>, Deatri Arumsari Agung<sup>2</sup> and Monica Adjeng Erwita<sup>3</sup>

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## Abstract

This research aims to analyze whether sustainable leadership influences sustainable performance and if so, whether this influence is mediated by green innovation strategy. The design/methodology of this research is quantitative research that uses partial least squares structural equation models (PLS-SEM) to test hypotheses. Using the survey method, data measurement was carried out using an online questionnaire. A total of 56 hospital managers in Surabaya participated in this research. A mediation research framework was developed to investigate the mediating role of green innovation strategy on the relationship between sustainable leadership and sustainable performance. Findings - Research results show that sustainable leadership influences sustainability performance with the full mediation of green innovation strategy. Further analysis reveals that sustainable leadership influences green innovation strategy and green innovation strategy influences sustainability performance. The limitations of this research are that it focuses on the hospital services sector in Surabaya, East Java, Indonesia, it requires care in generalizing the research results and this method uses surveys which are often criticized for being potentially biased. Practical implications - These findings provide implications for a more comprehensive understanding of hospital administrators, especially in Surabaya, the important role of sustainable leadership, green innovation strategy in improving sustainability performance. Social implications - The health sector has an important role in community welfare. This research provides a general model for improving community welfare through increasing sustainability performance, by understanding the role of sustainable performance and green innovation strategy.

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## Introduction:-

Sustainability is an interesting topic in current strategic research, with the issue of global warming, in line with the UN which emphasizes the Sustainable Development Goals (SDGs) that sustainable development in the health sector is the third priority in the SDGs, namely ensuring healthy lives and promoting prosperity for sustainable development (1). The WHO Southeast Asia Advisory Committee for Health Research (SEA-ACHR) supports

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sustainable development in health (United Nations, 2017). The author wants to deepen knowledge in the health sector, so this research wants to examine what health sector organizations can do to advance the SDGs, especially in Indonesia, especially the contribution of Green Innovation Strategy to organizational sustainability.

Direction in 2023 will be focused on strengthening the quality of human resources through health sector policies where the Covid-19 pandemic provides valuable lessons for the health system all countries including Indonesia. The Indonesian government is committed to providing quality health services through various health programs which is aimed at all Indonesian people and covers all stages of life. The health budget in the 2017 – 2021 period grew by an average of 30.97 percent. The realization of the 2020-2022 health budget grew significantly, especially for handling the Covid-19 pandemic. In that period the realization of the health budget was far away exceeds the minimum health budget requirement of 5 percent of the APBN(2) . This policy direction shows the Indonesian government's commitment to supporting sustainable health services so that the issue of sustainability in the health sector in Indonesia becomes an interesting topic to research.

Sustainability research in the healthcare sector has been widely carried out in developed countries, but in the Indonesian context it has not been studied much. This is an important concern that the dynamics of the health industry in Indonesia play a role in providing professional health services in serving the community (PermenKes 30, 2020). Responding to this phenomenon, hospitals need to be managed and require direction from the concept of sustainable strategy through a focus on environmental balance which requires managerial abilities and the role of leaders to achieve sustainable performance. Strategic factors are a concern in the role of sustainable leadership which is called sustainable leadership , namely a sustainable perspective by reframing leadership in organizations within organizations. Leadership is one of the attributes of sustainable assessment towards green hospitals in Indonesia. (3) . Sustainable Leadership is present as a new perspective in the field of management supported by the existence of 952 Scopus indexed research results that explicitly discuss Sustainable Leadership(4) . In achieving organizational performance in research on pharmaceutical companies in Thailand (5) found that sustainable leadership and management factors underlie sustainability and influence sustainable performance.

A new paradigm in leadership where leaders as important drivers in achieving sustainable performance for organizational sustainability goals are able to respond quickly and be tough to competitors and are attractive to all stakeholders (6) .

Sustainable leadership has emerged as new literature in various multidisciplinary fields, where sustainable leadership is a modern leader who leads business strategically to maximize economic goals and drive vision and strategies to achieve environmental performance and social responsibility (7) , (4) .

The social responsibility of leaders and organizations requires capacity innovation, systemic change, stakeholder engagement. (8) Sustainability can be achieved with the role of sustainability leadership which has a perspective on long-term goals in making decisions, encourages systematic innovation aimed at increasing customer value, develops a skilled workforce and is highly involved in offering quality products and services (6) .

The leadership challenge to achieve sustainability lies in organizational leadership capabilities and strategic foresight avoiding a focus on economic performance and maximizing economic performance. It is important for leaders, executives and all individuals at various levels of the organization to carry out a paradigm shift/transformation of sustainability strategy thinking and more strategic actions with a long-term orientation, focus on managing change and prioritizing organizational resilience, especially in developing a Green Innovation Strategy.

Additionally, organizations need to consider taking greater responsibility for improving moral and ethical behavior plus maintaining the involvement of their stakeholders in all integrative systems and activities in the company. Leadership is critical to health-related work environments(9) Leadership roles are critical to creating long-term sustainability within healthcare systems and their constituent organizations(10) . Measuring organizational sustainability in the complex health sector which has complex multi dimensions involving various stakeholders is still very limited from various existing literature references (11) .

The role of sustainable leadership will encourage a green innovation strategy (Green Innovation Strategy) which adds vitality and becomes a driver of economic growth. The importance of research in strategic field studies on environmental issues where governments and business actors in all countries have recognized that environmental

issues are a strategic issue when considering strategic decision making (12) . GIS implementation strengthens organizations to achieve competitive advantage through ethical orientation, influencing suppliers and all stakeholders. Implementing GIS can increase organizational costs due to investments that can be made through resource transfers. Organizations in implementing GIS need to adapt to new habits that prioritize green innovation activities and need to make the agenda a Green Operation Strategy.

Previous research states that Environmental Leadership has a positive impact in two dimensions of environmental and financial performance in the agricultural industry in China (13) . The research results show that Green Innovation Strategy mediates the influence of Environmental Leadership on company performance.

This research analyzes whether sustainable leadership has an effect on sustainability performance ? Does sustainable leadership through the implementation of the Green Innovation Strategy have an effect on sustainability performance ?

The findings of this research contribute to the development of knowledge in the field of strategic management, especially regarding green management theory and strategic management theory . Formulative, confirmative and explanatory findings from this research will strengthen concepts in the realm of strategic management.

This research uses a survey method with a multilevel study approach to analyze Green Innovation Strategy . Thus the research question is whether Sustainable Leadership influence Green Innovation Strategy and then influence Sustainability Performance ? The novelty of this research is that researchers want to analyze the practice of SL in Indonesia. Previous research on SL has been widely studied in developed countries (14) , (6) and has been widely developed in Thailand (15) , (16) , (17) . This research wants to explore the Green Innovation Strategy approach to achieving sustainable competitive advantage in the health services sector in Indonesia, while the best practices of green innovation strategy in the Health Services sector are still rarely researched (18) . Previous research on the concept of Green Innovation Strategy has been successfully applied to the manufacturing industry, but did not analyze the consequences of GIS performance (19) . Health services are considered "silent destroyers of the environment" and receive little attention (20) and research on environmental impacts in health services in Indonesia has not been widely studied. This research wants to provide a new perspective on different indicators and attributes in the Green Innovation Strategy for health service objects in Indonesia.

## Literature Review

### Sustainable Leadership

Sustainable leadership appears in the new literature as a new framing that sustainable leadership focuses on processes current decision-making about the importance of the long-term health, stability and existence of the organization (21) . Sustainable Leadership is present as a reflection of leadership and leadership development into a new paradigm to meet the needs of the current generation without reducing finding new concepts that embrace the concept of sustainable leadership enables companies to achieve excellence competitive and ways to improve performance. Sustainable leadership frames leadership using sustainability as the force behind every new innovation, technology, or business processes and looking for better ways to operate the business (22) . Sustainable leadership is a new paradigm in leadership that is oriented towards long-term goals and prioritizes a balance of economic, environmental and social performance for the purpose of organizational sustainability.

Leadership is central to all organizational goals, as a dynamic, more competitive business environment forces leaders to stimulate innovation with an inspiring vision to contribute to the achievement of the SDGs. These changes have an impact on how companies approach business including environmental sustainability issues due to the lasting effects of climate change and the environmental impact of business processes themselves.

Research on sustainable leadership has developed dynamically, especially in industrial contexts in developed countries, which began in 2007 by Fredig (23) , then in 2020 Fredig wrote twelve keys to generative engagement which starts with each individual challenging assumptions and beliefs about the human position in the life process. the complex and interdependent nature that occurs among the millions of species in our shared ecosystem. (24) Sustainable leadership is of concern to researchers in the field of sustainability , research in Asia has developed a lot (16) , (25) , (26) , (27) , (22) , (28) , (29) .

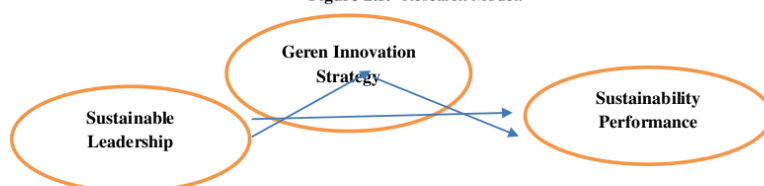
### Green Innovation Strategy

Innovation can be the main driver of a country's economic growth, innovation continues to develop while the ecology is experiencing serious damage, so it is necessary to pay attention to aspects of environmental management at a strategic level (12). Green innovation strategy is a strong driver for organizations to carry out sustainability development for the purpose of sustainable competitive advantage. GIS is one of the important environmental strategies in business operations in carrying out green innovation by involving the practice of reducing resource consumption, preventing pollution and implementing environmental management systems (30).

### Sustainability Performance

Sustainability performance refers to the triple bottom line concept where Elkington says that for a business to be sustainable, an organization must have financial strength, minimize negative environmental impacts and act in accordance with society's expectations (31). Today's business organizations develop by using natural resources and maintaining relationships with employees and society, so that the business focus is not only focused on financial goals in achieving financial performance but also on social performance and environmental performance. The sustainability performance approach integrates the concept of sustainability with performance which is a framework for measuring and reporting organizational results based on financial, social and environmental parameters (29).

Figure 2.1:- Research Model.



### Sustainable Leadership influences Green Innovation Strategy

Efforts to achieve the SDGs are impossible without leadership guidance. The role of leaders in fulfilling organizational goals to support the SDGs requires a leader's role in preserving the environment, a proactive leader, a leader who involves subordinates in establishing a shared vision, and continues to motivate them to achieve organizational goals. Leaders influence what happens in the organization (22).

Organizations can adopt green innovation strategies through sustainable leadership mechanisms. Sustainable leadership can influence environmental identity positively which encourages a sustainable leader to influence his subordinates towards sustainable development. Sustainable leadership will use the values of social responsibility, environmental responsibility and ethical responsibility to encourage subordinates to realize company sustainability.

Efforts to achieve the SDGs are impossible without leadership guidance. The role of leaders in fulfilling organizational goals to support the SDGs requires a leader's role in preserving the environment, a proactive leader, a leader who involves subordinates in establishing a shared vision, and continues to motivate them to achieve organizational goals. Leaders influence what happens in the organization. Efforts to achieve the SDGs are impossible without leader guidance. The role of leaders in fulfilling organizational goals to support the SDGs requires a leader's role in preserving the environment, a proactive leader, a leader who involves subordinates in establishing a shared vision, and continues to motivate them to achieve organizational goals. Leaders influence what happens within the organization. Green innovation strategy is a strategy carried out to implement environmental innovation for sustainability purposes, where organizations adopt GIS through a sustainable leadership role mechanism adopting green innovation. GIS addresses the challenges of environmental management in the face of climate change (32).

The role of sustainable leadership influences the adoption of a green innovation strategy, that sustainable leadership refers to a leader guiding the behavior of his subordinates towards sustainable development (33). In an effort to achieve the SDGs, the role of leaders is in encouraging environmental innovation.

Sustainability Transformation is very important to reach the managerial level and develop Sustainable Leadership, namely managerial actions based on appropriate qualities in making strategic decisions. (34) .

The role of leaders in fulfilling organizational goals to support the SDGs requires a leader's role in preserving the environment, a proactive leader, a leader who involves subordinates in establishing a shared vision, and continues to motivate them to achieve organizational goals. Leaders influence what happens in organizations (22) . Sustainable leadership aims at environmentally based leaders as drivers in implementing green innovation strategies that can help companies gain a good reputation (35) .

H1: Sustainable leadership influences the Green Innovation Strategy

#### **The Influence of Green Innovation Strategy on Sustainability Performance**

Green innovation strategy is the right choice for most companies to face environmental problems (35) . Green Innovation Strategy is a concept of sustainability innovation strategy, ecological innovation strategy and environmental innovation strategy, where these four concepts have the same theme in the adoption of environmentally friendly innovation. Green innovation strategy is an initiative to reduce negative impacts on the environment in business activities and incorporate elements of environmental responsibility into strategic planning (36) .

(37) Previous research on a sample of 337 manufacturing industries in China confirmed that Green Innovation Strategy, namely as measured by the innovation dimensions of green products, green processes and green services, has an effect on firm performance by mediating supply chain risk.

(38) Empirical studies on 138 high-tech industries in Taiwan confirm the research results that green innovation strategy has an effect on economic performance and environmental performance.

Companies that pioneer environmentally friendly innovations may be able to sustain competitive advantage. Eco-friendly innovation strategies encourage the use of materials raw materials efficiently, resulting in reduced material and waste disposal costs (39) .

strategies often require improvements in raw materials or The components used and produce are also environmentally friendly Improving environmental performance requires companies to discover alternatives in running a business without sacrificing economic performance Green innovation is an innovative management capability in an environment that can improve the company's ability to develop environmentally friendly products and process innovation. In turn, this helps improve the company's environmentally friendly image and its environmentally friendly performance.

(40) in research on 475 manufacturing industries in Pakistan confirmed that the knowledge management process and its entire construction (acquisition, dissemination, and application) lead to environmentally friendly innovation; furthermore, green innovation influences sustainable performance. Based on the explanation above, the following hypothesis can be concluded:

H2: Green Innovation Strategy has an effect on Sustainability Performance.

#### **Sustainable leadership influences Sustainability Performance**

Sustainable leadership as a new paradigm in leadership, is found in the definition of sustainable business (6) , then (21) , (41) defines sustainability as about creating current and future profits for a company while improving the lives of all stakeholders. Sustainable is found in the definition of sustainable business which is followed by the Triple Bottom Line perspective which considers the idea of sustainable leadership .

Sustainable leadership has emerged as an effective leadership paradigm in responding to sustainability challenges. Sustainability requires leadership that encourages sustainable practices in organizations that fuel economic growth (42) . Sustainable Leadership perceived as suitable leadership in the era of sustainable development. Sustainability has benefits in achieving competitive advantage, improving governance and responsibility for environmental, social and financial performance. Sustainable leadership considers the interconnection between business, society and the environment and values based on long-term strategic decision making (29) .

Previous research on the perceptions of employees working at the managerial level from 369 SMEs in Malaysia, Indonesia and Brunei Darussalam tested the influence of sustainable leadership on sustainable performance through the mediation of organizational learning (26), the results showed a significant indirect influence of sustainable leadership on sustainable performance through organizational learning.



(29) examined the relationship between Sustainable Leadership and Sustainability Performance in the context of the hotel industry among 192 hotel owners in South Africa with financial, social and environmental indicators showing a significant positive relationship between sustainable leadership and sustainability performance.

(43) examined the relationship between sustainable leadership and sustainability performance mediated by lean manufacturing in 374 SME manufacturing sectors in Thailand, concluding that there was a significant positive effect of sustainable leadership practices on sustainability performance. Therefore, the discussion above concludes that:

H3: Sustainable leadership influences sustainability performance

#### **The mediating role of green innovation strategy on the influence of sustainable leadership on sustainability performance?**

Consumer concern for the environment is getting stronger, so it is important for organizations to realize the importance of environmental management and make environmental awareness part of the organization's goals, practices and strategies. The application of green practices in the development of green innovations related to the environment related to issues of energy saving, pollution prevention, waste recycling and environmentally friendly design is an important strategic tool by which companies can achieve sustainable development (44). Companies can start practicing environmental management by implementing green innovation as an environmental concern in reducing the negative impact of the green environment by implementing a green innovation strategy. Green innovation strategy is a driving force for the organization's sustainable development and creates competitive advantage by adopting green technology or green management in improving and changing operational activities to achieve the goal of reducing environmental pollution.

Innovation can be a driver of economic growth in various countries (12). So far, the implementation of the green innovation strategy has received attention in various countries. Previous studies (22) on SMEs in Asian countries, Pakistan, India and Bangladesh found that sustainable leadership had a significant influence on environmental innovation, and a significant influence of environmental innovation on environmental performance. Sustainable leadership indirectly influences environmental performance through environmental innovation. Green Innovation Strategy refers to the process by which a company adopts green innovation or green management to improve or change its production activities and operations for the purpose of reducing environmental pollution, conserving resources, reducing waste and improving the environment. When a company institutes a green innovation strategy, it needs to actively reduce the negative impact on the environment caused by business activities and incorporate environmental responsibility into business planning.

Sustainable Leadership seeks to find opportunities for Sustainability Development. Sustainable Leadership seeks to gain competitive advantage through the creation of sustainable value, the welfare of the wider community and the environment based on organizational excellence from sustainable performance (43), (45). Previous research confirms that sustainable leadership can be maintained to have an influence on sustainability performance (43), (26), (27) (26) (46). SL can use organizational resource strategies to address environmental and social challenges while generating value for shareholders (29). GIS is an innovation resource used by leaders to achieve sustainability performance. Sustainable leadership chooses a strategy by establishing good relationships between stakeholders, a shared vision and SL as the key to green initiatives (47). SL is oriented towards a green innovation strategy and SL has a vision of increasing innovation in sustainable development (6).

Green innovation strategy is strategies chosen to overcome environmental and social challenges that increase the organization's competitive advantage so that sustainable performance can be achieved. Green Innovation Strategy has contributed to the company's SD. GIS is a strategy to reduce the company's detrimental environmental impacts, ensuring environmental practices in the company's strategic development. Sustainable Leadership promotes environmental leadership can increase green innovation, SL reflects environmental concerns, threats and opportunities that significantly influence a company's GIS choices. The role of Sustainable Leadership in Sustainability Development is to include GIS in long-term strategic planning while also including environmental responsibility in organizational strategy development thereby increasing high investment costs and increasing environmental management risks which encourage companies to implement GIS in the long term so that it has an impact on sustainable performance.

Organizations can improve their performance through the green revolution so that GIS is a green innovation strategy that is useful in preventing environmental pollution, helping to recycle waste, and can also save energy so that it can increase sustainability. SL can improve sustainability performance by developing green innovation strategies.

GIS is a form of strategy in the practice of Environmental Innovation Strategy . GIS is a type of strategy carried out by organizations in order to implement green innovation to achieve competitive advantage in order to meet market needs and meet stakeholder expectations. (19) . Green innovation strategies not only help companies to avoid the social and economic costs of environmental damage, but also help businesses develop new market opportunities and increase their competitive advantage (48) , (32) . GIS Previous research (33) through social identity theory developed environmental identity theory to answer why sustainable leadership influences environmental identity and ultimately adopting Environmental Innovation Strategy. Therefore, from the explanation above, a hypothesis is developed:

H4: Green Innovation Strategy mediates the influence of sustainable leadership on Sustainability Performance .

#### Research Methods:-

This research uses a quantitative research design. Data was collected from respondents through a cross sectional survey . The survey was conducted between August, September and October 2023. The sample population was all hospitals in the city of Surabaya. Before the survey, an FGD was conducted with hospital managers and 1 academic in the field of strategic management also checked the questionnaire. Based on the study results, minor adjustments were made in developing the final version of the questionnaire. The questionnaire is divided into 4 parts, demographic variables, sustainable leadership, green innovation strategy, sustainability performance . The survey was carried out using the online media Google Form and was distributed technically through the collaboration of hospital partners, namely RSI Jemursari, RSI Wonokromo, RSGR, and RS Nation

#### Variable Measurement :

Sustainable leadership was measured using 15 sustainable leadership question items developed by (21) , Green Innovation Strategy used 10 question items (49) , (48)(19) , Sustainability Performance uses 14 question items adopted from (50)(51) according to the hospital context. All constructs in this study were measured using some items, and all items measured via a 5 Likert scale points ranging from "1" (strongly disagree) to "5" (strongly agree).

#### Results:-

##### Response rate and geographic information

Questionnaires were distributed to directors, managers, heads of departments or hospital owners during the data collection process. The data collected is 56 respondents and can be used.

The biographical details of the respondents are as follows: The respondent profile consists of the RS region, namely 90.91% are the East Java region and 9.09% are other regions, the length of time the RS has been established is 70.91%. Rs has been established for more than 25 years, and 14.55 % are more than 50 years old, the age of respondents under 40 years is 43.6% and over the age of 41 years is 56.36%, gender, last education is 45.45% has a bachelor's degree, 50.91% has a doctoral degree and 3.64% have a doctoral degree, length of work more than 20 years 20%, 16-20 years 18.18% and 11-15 years 32.73% less than 10 years 21.82% and less than 5 years 7.27%, positions consist of Director level 10.9%, Manager 12.7%, Head of department 61.81% and others 14.54% and the length of service as a majority leader is less than 12 years as much as 38%.

**Table 1:-** Respondent Demographics.

	Details	Frequency (%)
Region	East Java	90.91
	Non East Java	9.09
Long Standing	Less than 25 years old	70.91
	25-30 years	3.64
	31-40 years old	5.45
	41-50 years old	5.45
	More than 50 years	14.55
Respondent's Age	27-41 ahun	43.63
	>41 years	56.36
Last education	S1	45.45
	S2	50.91
	S3	3.64



Length of working	<5 years	7.27
	6-10 years	21.82
	11-15 years	32.73
	16-20 years old	18.18
	>20 years	20
Position	Director	10.9
	Manager	12.72
	Head of Division	61.81
	Other	14.54
Length of time working as a leader	< 3 years	16.36
	3-7 years	34.55
	8-12 years	38.18
	13-17 years old	5.45
	>17 years	5.45

Source: processed research data

#### Data Analysis Method:-

The analysis of this research was carried out using quantitative research approach. We use techniques Partial Least Squares—Structural Model Equation (PLS-SEM) to estimate the theoretical model of the research. PLS technique SEM is a variance-based approach, which helps produce accurate results in exploratory studies (Hair et al., 2019). PLS-SEM assessment usually consists of two processes steps—structural model measurement and assessment models.

#### Measurement Model

The quality of the measurement model was analyzed based on convergent and discriminant validity. The results of the convergent validity test are shown in Table 2, which includes descriptive statistics, factor loadings, Cronbach's Alpha (CA), Composite Reliability (CR), Average Variance Extracted (AVE). The resulting CA coefficient ranges from 0.864 to 0.921 which exceeds the accepted value of 0.70 recommended by Nunnally and Bernstein (1994). CR values range from 0.892 to 0.914 all higher than 0.7. These results indicate acceptable reliability of the measures. The values of the indicator factor loadings vary between 0.875 to 0.927 which exceeds the recommended threshold of 0.60 (Chin, 1988). However, the AVE value of each construct ranges from 0.431 to 0.496, which is less than the recommended value of 0.5. The results above show that this research model meets convergent validity criteria.

**Table 2:-** Validity and Reliability of Constructs.

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Green Innovation Strategy	0.864	0.875	0.892	0.460
Sustainability Performance	0.921	0.926	0.932	0.496
Sustainable Leadership	0.897	0.927	0.914	0.431

#### Structural Model

To test the proposed hypothesis and analyze the structural path of the research model, this research uses SmartPLS 4.0.8.7 software followed by Hair et al (2019) by looking at the structural path coefficients defined by boot-strap with 56 samples. Table 4 shows the estimation results of the hypothesized research structural equation modeling. Figure 1 also presents the hypothesized research structural model. The research results show that SL has a direct positive and significant effect on GIS which supports H1 (p value 0.001), GIS has a significant positive effect on SP so it supports H2 (p value 0.001), SL has no direct effect on SL so H3 is rejected and GIS does not mediate partially the influence of SL on SP.

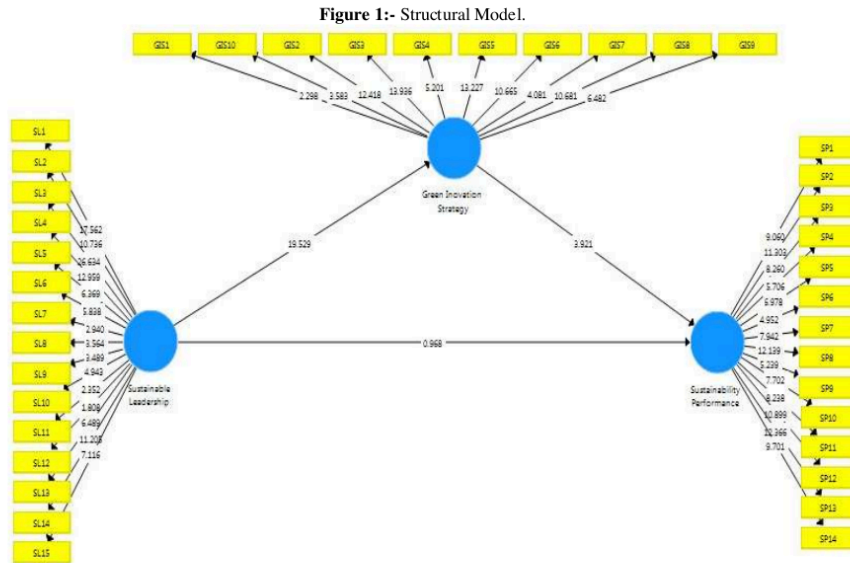


Table 3 presents the discriminant validity values. The results show that all AVE square root values are greater than the correlation between constructs, indicating that these measures are not a reflection of other variables. Therefore the discriminant validity criterion is satisfied.

**Table 3:- Discriminant Validity.**

	Green Innovation Strategy	Sustainability Performance	Sustainable Leadership
Green Innovation Strategy	0.678		
Sustainability Performance	0.834	0.705	
Sustainable Leadership	0.815	0.741	0.657

**Table 4:- Direct Effect Analysis.**

	T Statistics (IO/STDEV)	P Values
Green Innovation Strategy → Sustainability Performance	3.921	<b>0.000</b>
Sustainable Leadership → Green Innovation Strategy	19.529	<b>0.000</b>
Sustainable Leadership → Sustainability Performance	0.968	<b>0.334</b>

#### Mediation Analysis

The results of the mediating effect of GIS are shown in table 5. Furthermore, the empirical results show the positive influence of SL on SP through GIS. The results of this study concluded that there was a significant indirect effect of SL on SP via GIS (p value 0.001) so that H4 was accepted.

**Table 5:-** Analysis of Mediation Effects.

	T Statistics (IO/STDEVI)	P Values
<b>Sustainable Leadership -&gt;Green Innovation Strategy Sustainability Performance</b>	<b>3,212</b>	<b>0,000</b>

**Discussion:-**

Sustainability Performance is an indicator of sustainability performance and the future of sustainability measurement. The importance of sustainability as a performance measurement that maintains a balance between environmental and social performance and financial performance is the development of new innovation strategies that cannot be ignored in developing countries, especially in this research in the hospital services sector.

This research tries to test the influence of sustainable leadership, green innovation strategy on sustainability performance in the context of hospitals in developing countries, represented by a sample of hospitals in Surabaya. This research is the first empirical work that connects the influence of sustainable leadership, green innovation strategy, sustainability performance. Ono's research results contribute to sustainability by using an empirical approach, and lead to managerial policy implications and provide future research directions.

**The following are the results of this research:**

The first hypothesis (H1) is significant which proves the substantial positive impact of sustainable leadership on green innovation strategy. This empirical evidence is the same as (33) that the role of sustainable leadership influences the adoption of an environmental innovation strategy. Organizations can adopt a green innovation strategy through sustainable leadership mechanisms. The role of a sustainability leader can prioritize the values of social responsibility, ethical environmental responsibility to encourage organizational members to carry out green innovation strategies in meeting organizational goals to support the SDGs. Sustainable leaders influence what happens in the organization through strategy implementation (22).

The second hypothesis (H2) is significant which proves that green innovation strategy has a significant positive effect on sustainability performance with a p value of 0.000. This empirical evidence is in line with previous research in 138 technology industries in Taiwan that green innovation strategy influences sustainability performance (38). Green innovation strategy is the concept of sustainable innovation strategy, ecological innovation strategy, environmental innovation strategy where the four themes are the adoption of environmentally friendly innovation which is a GIS initiative in reducing negative impacts on the environment in hospital business activities and incorporating elements of environmental responsibility into strategic planning (36).

The third hypothesis (H3) is not significant, which proves that SL has no partial effect on sustainability performance, meaning that sustainable leadership can influence sustainability performance directly. These results are not in line with research (29) which explains the relationship between SL and economic, social and environmental performance indicators as indicators of sustainability performance in the context of the hotel industry in Asia, South Africa. This research confirms the need for mediating variables as a path analysis of the influence of SL and SP. Previous research on SL and SP has been mediated by other strategic variables, for example frugal innovation, psychological empowerment, organizational learning (27),(46), (26).

The fourth hypothesis (H4) is significant which proves that there is evidence of full mediation that green innovation strategy mediates the influence of SL on SP. This research proves the mediating impact of GIS on the influence of SL and SP. These results prove that organizations that implement GIS tend to support green innovation practices that improve sustainability performance. These results prove the development of identity theory that organizations that implement GIS will depict the organization's identity by proactively carrying out environmentally friendly innovation through implementing a green innovation strategy.

**Conclusion:-**

The aim of this research is to examine the mediating role of green innovation strategy on the influence of Sustainable Leadership on Sustainability Performance. It can be concluded that sustainable leadership contributes to sustainability performance through the implementation of green innovation strategy. This research provides theoretical and practical contributions. Theoretically, this research contributes to the domain of social identity theory

which elaborates on the relationship between sustainable leadership and sustainability performance and the influence of green innovation strategy on sustainability performance. Empirical evidence confirms the explanatory power of identity theory that hospitals that implement a green innovation strategy demonstrate an organizational identity that is pro-green environmental strategy and practically this research contributes to policy recommendations from the government's environmental services based on the results of empirical evidence. This research provides the development of green management theory and strategic management theory where organizations can plan green management and schedule green innovation strategy practices in long-term plans and invest in planning green innovation.

Based on the results of this research, organizational management needs to develop strategies to promote sustainable leadership in encouraging a productive green innovation movement optimal sustainability performance.

The practical implications of this research are that hospital organizations need to develop sustainable green innovation alternatives and the need for a green movement in every organizational operations planning, development of special training and development programs that can help managers to improve better sustainable leadership behavior.

The limitation of this research is that it has a cross sectional design which has the weakness of not being able to show a causal relationship, longitudinal studies can better clarify significant relationships. This study was only conducted on Surabaya city hospitals, future studies should consider different sectors, cultures and team formations to overcome the problem of generalizability. Future research can be conducted in a unique way with qualitative research, experimental analysis.

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