

dinastipub.org/DIJEMSS/

Dinasti Publisher (Home) Register Login

DIJEMSS:
Dinasti International Journal of Education
Management and Social Science

<https://dinastipub.org/DIJEMSS/> dinasti.info@gmail.com +62 811 7404 455

CURRENT ARCHIVES ABOUT

Q SEARCH

About the Journal

Dinasti International Journal of Education Management and Social Science (DIJEMSS) from Volume 2 Number 4 of 2021 to Volume 7 Number 3 of 2026 Accredited Sinta Rank 3 according to Accreditation Sinta number: 152/E/KPT/2023, 25 September 2023

Dinasti International Journal of Education Management and Social Science (DIJEMSS) is the scientific journal of educational and social science research published since 2019 by Dinasti Publisher under the auspices of Yayasan Dharma Indonesia Tercinta (DINASTI) and Universitas Winaya Mukti (UNWIM) Bandung. Dinasti International Journal of Education Management and Social Science (DIJEMSS) articles which contribute to the understanding, theoretical development, theoretical con

Accreditation SINTA 3

SERTIFIKAT

Talking:

You are screen sharing Stop share

SERTIFIKAT

Direktorat Jendral Pendidikan Tinggi, Riset dan Teknologi
Kementerian Pendidikan, Kebudayaan, Riset dan Teknologi Republik Indonesia

Kutipan dari Keputusan Direktorat Jendral Pendidikan Tinggi, Riset, dan Teknologi
Kementerian Pendidikan, Kebudayaan, Riset dan Teknologi Republik Indonesia

Nomor: 152/E/KPT/2023
Peringkat Akreditasi Jurnal Ilmiah Periode II Tahun 2023
Nama Jurnal Ilmiah:
**Dinasti International Journal of Education
Management and Social Science**
E-ISSN: 26866331
Dinasti Publisher
Ditetapkan Sebagai Jurnal Ilmiah:

TERAKREDITASI PERINGKAT 3

Akreditasi Berlaku selama 5 (lima) Tahun, yaitu:
Volume 2 Nomor 4 Tahun 2021 sampai Volume 7 Nomor 3 Tahun 2026
Jakarta, 25 September 2023
Plt. Direktur Jendral Pendidikan Tinggi, Riset, dan Teknologi

Prof. Ir. Nizam, M.Sc., DIC, Ph.D., IPU, ASEAN Eng
NIP. 196107061987101001

TERAKREDITASI

QR Code

Dewan Redaksi

HOME / EDITORIAL TEAM

Editorial Team

Editor-In-Chief



[Dr. Yosi Elfisa](#) ([Scopus ID](#)) Fakultas Ilmu Pendidikan, Universitas Merangin, Jambi Indonesia, GF2-277.

Managing Editor

- [Dr. Michal Wasserbauer](#) ([Scopus ID: 57203411414](#)) Faculty of Engineering, Czech University of Life Sciences Prague (Alumni), Praha Czech Republic, GF2-199
- [Dr. Mardalena](#) ([Scopus ID](#)) Fakultas Ilmu Pendidikan, Universitas Merangin, Jambi Indonesia, GF2-185.
- [Dr. \(C\). Rachmat Pramukty](#) ([Scopus ID](#)) Fakultas Ekonomi dan Bisnis, Universitas Bhayangkara Jakarta Raya, Jakarta Selatan Indonesia, GF2-146.

Associate Editor

- [Thalita Syifa Fatimah](#) ([Scopus ID](#)) Fakultas Ilmu Pendidikan, Universitas Pendidikan Indonesia, Bandung Indonesia GF2-154.
- [Anya Nathania Kani Putri](#) ([Scopus ID](#)) Fakultas Ilmu Pendidikan, Universitas Jambi, Jambi Indonesia, GF2-392.

International Editors

- [Aygul Zufarovna Ibatova](#) ([Scopus ID](#)) Industrial University of Tyumen, Russia, GF2-169
- [Sohayle M. Hadji Abdul Racman](#) ([Scopus ID](#)) Mindanao State University, Marawi City Filipina, GF2-171
- [Prof. Ts Dr. Hj. Ishamuddin Mustapha](#) ([Scopus ID](#)) Universiti Kuala Lumpur, Malaysia, GF1-24
- [Michal Wasserbauer, Ph.D](#) ([Scopus ID](#)) Czech University of Life Sciences Prague, Praha, Czech Republic, GF2-199
- [Prof. Jovenil Bacatan](#) ([Scopus ID](#)) UM Peñaplata College, Philippines, GF1-50
- [Dr. Masoud Lajevardi](#), ([Scopus ID](#)), Islamic Azad University, Semnan Branch, Semnan, Iran, GF2-441
- [Dr. Efeeloo Nangah](#) ([Scopus ID](#)) Kenele Beeson Sarawitwa Polytechnic, Bori Nigeria, GF1-53
- [Cynthia Skief](#) ([Scopus ID](#)) Grand Canyon University, USA, GF1-65
- [Taurayi Stephen Nyagope](#) ([Scopus ID](#)) Nelson Mandela University, South Africa, GF1-75
- [Gul Bahar Chachar](#) ([Scopus ID](#)) Sukkur IBA University, Pakistan, GF1-132
- [Lloyd Chingware](#) ([Scopus ID](#)) Zimbabwe Open University, Zimbabwe, GF1-147
- [Hajjah Mas Nooraini binti Haji Mohiddin](#) ([Orcid ID](#)) Universiti Islam Sultan Sharif Ali, Brunei Darussalam
- [Sharmili Mohamed Rafi](#) ([Scopus ID](#)) School of komuniti Bentong, Ministry of Pengajian Tinggi, Malaysia

Editorial Board

- [Prof. Dr. Drs. Syahmardi Yacob](#) ([Scopus ID](#)) Universitas Jambi, Jambi Indonesia
- [Prof. Dr. Muhammad Yusuf](#) ([Scopus ID](#)) Universitas Paramadina, Jakarta Selatan Indonesia, GF2-220.
- [Prof. Dr. Ngadino Surip Diposumarto](#) ([Scopus ID](#)) Universitas Mercu Buana, Jakarta Barat Indonesia, GF1-29.
- [Prof. Dr. Sucherly](#) ([Scopus ID](#)) Universitas Padjadjaran, Sumedang Indonesia, GF1-30.
- [Prof. Dr. Suharno Pawirosumarto](#) ([Scopus ID](#)) Universitas Putra Indonesia YPTK, Padang Indonesia, GF2-137.
- [Prof. Dr. Willy Arafah](#) ([Scopus ID](#)) Universitas Trisakti, Jakarta Barat Indonesia, GF1-31.
- [Prof. Dede Rahmat Hidayat](#) ([Scopus ID](#)) Universitas Negeri Jakarta, Jakarta Timur Indonesia, GF2-191.
- [Prof. Dr. Ekanarna](#) ([Scopus ID](#)) Universitas Jambi, Jambi Indonesia, GF1-9.

Accreditation SINTA 3



CALL FOR REVIEWER

ISSN



E-ISSN: 2686-6331



P-ISSN: 2686-6358

DIJEMSS MENU



Peer Reviewers

Peer Review Process

Focus and Scope

Publication Ethics

Daftar Isi

 PDF	
Analysis of The Relationship Between Work-Family Conflict, Workload, Work Environment, and Job Satisfaction On Turnover Intention Among Healthcare Workers At X Hospital In Central Sulawesi	
Sausan Maulida, Innocentius Bernarto	1877-1885
 PDF	
The Influence of Product Quality, Event Marketing, and Word-of-Mouth On Repurchase Intention Mediated by Purchase Decslon	
Timothy Jason Lianto, Eric Harianto	1886-1897
 PDF	
Consumer Behavior in the Age of AI: The Role of Personalized Marketing and Data Analytics in Shaping Purchase Decslons	
Izharuddin Pagala, Muhammad Asir, Klemens Mere, Utami Puji Lestari, Heidi Siddiga	1898-1907
 PDF	
The Role of Digital Innovation In Mediating the Influence of Digital Leadership and Digital Capability on Business Performance in the Event/ MICE Industry in Indonesia	
Rachmar Ramadhan, Aekram Faisal, Willy Arifah	1908-1917
 PDF	
The Development of Listening Teaching Materials For Indonesian Language For Foreign Speakers (BIPA) Based On Miliealab Virtual Reality At The Indonesian Embassy In Paris	
Iqbal Ifada, Liliana Mullastuti, Mifahulkhairah Anwar	1927-1942
 PDF	
The Relationship Between Environmental Knowledge and Environmental Hyglene Particlpation in Housewlvcs In Sukatani Village, Tapos District, Depok City	
Kawita Iga Aberlla, Moh. Balya Ali Syaban, Fadjarman Fadjarman	1943-1949
 PDF	
Human Resource Management in the Digital Era: Case Study of Recruitment and Career Development in the Indonesian Banking Sector	
Ce Mulya Rizki Anugrah, Fithri Sucati, Wawan Ruswandi, Heri Potandung	1950-1955
 PDF	
Agile Leadership and Knowledge Sharing In Improving Lecturer Performance	
Wawan Ruswandi, Rosanna Wulandari, Dewi Resmanasari, Riki Riswandi, Ce Mulya Rizki Anugrah	1956-1965
 PDF	

DOI: <https://doi.org/10.38035/dijemss.v5i6>

Received: 30 June 2024, Revised: 8 August 2024, Publish: 9 August 2024

<https://creativecommons.org/licenses/by/4.0/>

The Role of Digital Innovation in Mediating the Influence of Digital Leadership and Digital Capability on Business Performance in the Event/ MICE Industry in Indonesia

Rachmat Ramadhan¹, Aekram Faisal², Willy Arafah³¹ University of Trisakti, Jakarta, Indonesia, rachmatramadhan84@gmail.com² University of Trisakti, Jakarta, Indonesia, aekramfaisal@gmail.com³ University of Trisakti, Jakarta, Indonesia, willy.arafah@gmail.com* Corresponding Author: rachmatramadhan84@gmail.com

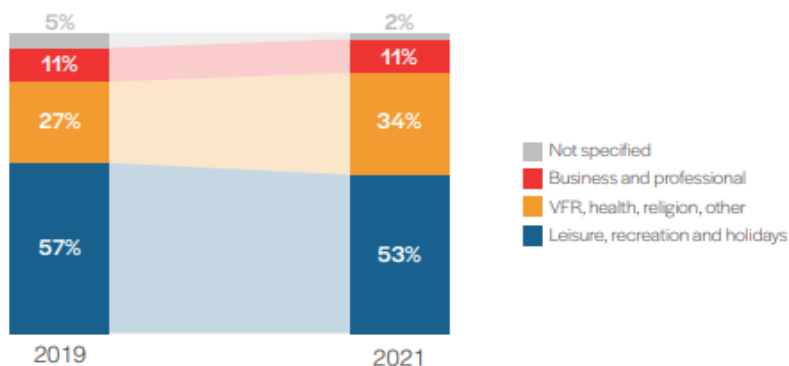
Abstract: The objective of this research is to analyze the influence of digital leadership and digital capability on business performance that was mediated by digital innovation in the event/MICE industry in Indonesia. The research utilized technical analysis of structural equation model (SEM), and bootstrapping method to analyze the mediation role. The population for the research is the owner or company leader of Event/ MICE organizers that has been operating for a minimum of 3 (three) years. The sample consisted of 236 respondents, selected by using the method of purposive sampling. The result of the research exhibited that the digital leadership and digital capabilities do not have direct positive influences on business performance. However, digital leadership and digital capabilities positively influence on business performance, after being mediated by digital innovation, and of the two, the digital capabilities have a greater influence on business performance. The study shows that digital leadership and digital capabilities have a positive influence on digital innovation and that business performance is positively impacted by digital innovation. The practical implication of this research is the importance for management to enhance the role of digital leadership, digital capability and digital innovation to achieve better business performance.

Keyword: Digital Leadership, Digital Capability, Digital Innovation, Business Performance.

INTRODUCTION

The development of the global tourism industry shows positive growth and trend, as evidenced by the data issued by UNWTO (United Nation of World Tourism Organization). There were 963 millions traveling worldwide in 2022 or represent growth rate of twice the 456 millions traveling in 2021, which was impacted by COVID-19. The total income was \$ 1.25 trillions in 2022 (from tourism) or reflecting 52% growth rate since 2021, although it is still 34% below from the year of 2019.

There are several motivations or purposes of tourist travel, inter alia 53% for recreation or holiday reasons, 11% for business and professional, and other reasons. Tourist who travelled because of business and professional are categorized as MICE (meeting, incentive, convention and exhibition) tourists, also known as meeting industry.



Source: World Tourism Organization, June 2023

Figure 1: The purposes of global travel in 2019-2021

Based on the Figure 1, the potential of meeting industry (MICE) is significant, comprising 11% of the total global travel, or approximately 105.93 million visits, with a total income of \$ 143 million.

Furthermore, according to data issued by ICCA, (2023), there were 9,042 meeting events conducted throughout the year of 2022. However, Indonesia's position was relatively low, ranking 45th with only 43 events/ meetings in 2022.

The rapid development of technology has brought significant changes to the business world. One of the important stages in this technology development is the emergence of the 4th wave of the industrial revolution, also known as Industrial Revolution 4.0, Bertola & Teunissen, (2018). The tourism industry, particularly the meetings industry, is the one that has been significantly impacted by technological and digitalization developments.

The performers of meeting industry must adapt to the technological development to enhance the competitiveness. One of the efforts to increase business performance is digital leadership, which involves competence, knowledge, skills, communication methods, and attitudes in using technology. Digital leadership is essential for businesses to survive in the new digital era, because it can adapt and alter company strategies. In the several studies, show that digital leadership has a positive influence on business performance (Shin et al.,2023; Hanandeh et al., 2023).

Besides, another important factors that needed in enhancing business performance is digital capability, which involves utilizing technology and digital data to produce more valuable products and services for customers and companies (Korhonen & Gill, 2018). Several studies shown that between digital capability and business performance have positive relationship.

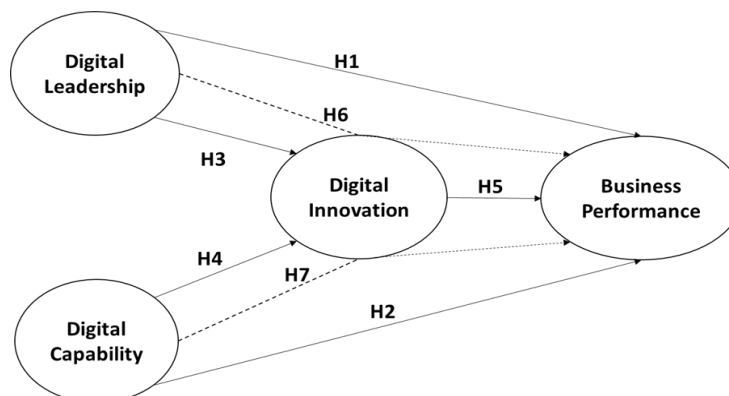
However, in the various studies have also discovered inconsistencies in the relation between digital leadership and digital capability on business performance Gunawan et al., (2023); Yopan et al., (2022), leading some researchers proposed to develop mediation variables in this relationship (Chae et al., 2018).

This research involved the role of digital innovation as mediation variable. Digital innovation has been identified as an importance mediation variable in several studies (Khin & Ho, (2019); Yasa et al., (2019). So that the existence of Digital Innovation able to increase the influences between digital leadership and digital capability (independents variable) on business performance (dependent variable).

METHOD

Conceptual Framework

The conceptual framework in this study describes the influence of independent variables on dependent variables mediated by digital innovation in the Event/MICE Industry, the research framework is as follows:



Source: research results

Figure 2: Conceptual Framework

Development of hypothesis

Based on a conceptual framework that refers to previous studies in the Event/MICE companies, the following hypotheses are deduced (correlation and causality):

H1: There is a positive influence of digital leadership on business performance

H2: There is a positive influence of digital capability on business performance

H3: There is a positive influence of digital innovation on business Performance

H4: There is a positive influence of digital leadership on digital innovation

H5: There is a positive influence of digital capability on digital innovation

H6: Digital innovation mediates the positive influence of digital leadership on business performance

H7: Digital innovation mediates the positive influence of digital capability on business performance

Research Design

The research used hypothesis testing. Hypothesis testing was applied to analyse temporary relationships (hypotheses) based on certain statements through the analysis of observation results that have been conducted, Sekaran & Bougie (2016). The time dimension of the research is cross-sectional research, concerning research on many objects at the same time, Sekaran & Bougie (2016). Collection of the data used Google Forms, which were filled out directly by potential respondents.

Population and sample

The population in the study consists of the heads of company at the General Manager (GM) level and/or the owners. The characteristics of the companies are those operating in the field of event implementation, both commercial and business (MICE), domiciled throughout Indonesia, and having been operating for at least 3 years since this research was conducted. This research used the Slovin sampling technique. Data collection was carried out by distributing questionnaires via the google form platform directly to respondents. A total of 261 questionnaires were filled out, and 236 questionnaires met the requirements and could be processed.

Table 1 : The Characteristics of respondents

CHARACTERISTIC	FREQUENCY	PRESENTAGE
GENDER		
Male	165	69,92%
Female	71	30,09%
Total	236	100%
AGE		
21 - 30 years old (yo)	31	13,14%
31 - 40 yo	102	43,22%
41 - 50 yo	72	30,51%
51 - 60 yo	30	12,71%
> 60 yo	1	0,42%
Total	236	100%
OCCUPATION		
Director (or equivalent)	40	16,95%
General Manager (or equivalent)	51	21,61%
Owner	145	61,44%
Total	236	100%
WORK EXPERIENCE DURATION		
1 – 3 years	71	30,09%
4 – 6 years	63	26,70%
7 – 9 years	24	10,17%
< 1 year	8	3,39%
≥ 10 years	70	29,66%
Total	236	100%
EDUCATION		
Diploma	43	18,22%
Bachelor	132	55,93%
Master	39	16,53%
Doctorate	3	1,27%
Senior High School	19	8,05%
Total	236	100%

Source: JASP version 0.18.1.0 data processing results

Measurement scale

To measure respondents' attitudes toward the submitted statements, 5 Likert scales were used to measure the ordinal data types, Sugiyono (2017). Each answer is given a score as follows: Strongly Agree = 5, Agree = 4, Quite Agree = 3, Disagree = 2, and Strongly Disagree = 1.

Data analysis techniques

Validity testing

Validity testing in this research was carried out to determine whether the prepared measurement tool instruments could truly measure the data required in the research. To assess the validity of each statement item in the questionnaire, factor analysis was performed by comparing the factor loading value to the factor loading standard Hair et al., (2018). A variable is deemed valid if the value of each dimension or indicator of the research variable has a factor loading of ≥ 0.50 , and invalid if it has a factor loading of < 0.50 . The result of the validity test found that all indicators are valid.

Reliability testing

The reliability test was conducted to perceive whether the research instrument demonstrates the level of precision, accuracy, stability and consistency in revealing certain symptoms, although when carried out at different times with the same measuring instrument.

The coefficient of the measuring instrument or the level of reliability of the measuring instrument is derived from Cornbach's Alpha coefficient. The minimum acceptable coefficient is 0.60 (Sekaran & Bougie, 2016). The basis for making decisions on reliability testing is as follows: If the Cronbach's Alpha value of reliability is ≥ 0.60 , the statements in the questionnaire are feasible to use (reliable), If the Cronbach's Alpha value of reliability is < 0.60 , the statements in the questionnaire are not suitable for use (not reliable), It can be concluded that all the research variables are reliable.

The goodness of fit test

The goodness of fit test aims to determine whether a model proposed by the data researcher is accepted or not (Hair et al., 2018). The goodness of fit test is conducted by following several measurement criteria, namely: 1) Absolute fit measures (chi-square, probabilities, goodness of fit index (GFI) dan root mean square error of approximation (RMSEA)), 2) Incremental fit measures (normed fit index (NFI), Tucker-Lewis index (TLI), comparative fit index (CFI) and incremental fix index (IFI)), 3) Parsimony fit measures (normed chi-square (CMIN)).

Table 2: The results of the goodness of fit test

Type of measurement	Measurement	Recommended acceptance limit/ threshold (Hair et al., 2018)	Value	Conclusion
Absolute fit measures	X ² /df	≤ 3	2.8131	Good Fit
	GFI	≥ 0.90 or approaching 1	0.971	Good Fit
	RMSEA	≤ 0.08	0.088	Marginal Fit
	SRMR	≤ 0.08	0.058	Good Fit
Incremental fit measures	CFI	≥ 0.90 or approaching 1	0.878	Marginal Fit
	TLI	≥ 0.90 or approaching 1	0.864	Marginal Fit
	NFI	≥ 0.90 or approaching 1	0.825	Marginal Fit
	RFI	≥ 0.90 or approaching 1	0.804	Marginal Fit
	IFI	≥ 0.90 or approaching 1	0.879	Marginal Fit
	RNI	≥ 0.90 or approaching 1	0.878	Marginal Fit
Parsimonius fit measure	PNFI	$>0,60$	0.739	Good Fit

Source: JASP version 0.18.1.0 data processing results

From the table above, it exhibits that the results of the goodness of fit test indicate that the values of X²/df, GFI, SRMR and PNFI are above the acceptance limit/ threshold recommended by Hair et al. (2018). If 3-4 of the goodness of fit criteria are fulfilled, so that the research model can provide adequate evidences regarding the goodness of fit test model and feasible for the next testing process (Hair et al., 2018).

Hypothesis testing

Hypothesis testing aims to determine whether the proposed hypothesis is accepted or rejected. Testing this hypothesis used Structural Equation Modeling (SEM) and JASP version 0.18.1.0 and presented in two parts, namely the model section with direct relationship analysis and the model section with indirect relationship analysis.

Hypothesis testing with direct influence was carried out by comparing the P-value with the level of significance. In the study, if the magnitude of P-value ≤ 0.05 , then Ho is rejected, and the hypothesis is supported. However, if the magnitude of P-value > 0.05 , then Ho is accepted, and the hypothesis is not supported (Hair et al., 2018; Sekaran & Bougie, 2016).

The role mediation was applied to conduct indirect hypothesis testing. The research used the bootstrapping method developed by Hayes (2013). Based on the results of 5,000

samples and refers to confidence interval, if the Boot LLCI and BoothULCI ranges do not cover zero value (0), it can be concluded that there is a mediation effect and significant estimation. However, if the Boot LLCI and BoothULCI ranges cover zero value (0), then there is no mediation effect and the estimation is not significant.

RESULTS AND DISCUSSION

Descriptive data

The description of descriptive statistical results of the research variables are as follows:

Table 3: Descriptive Data

Variable	Mean	Std. Deviation
Digital Leadership	4,403	0.779
Digital Capability	4,220	0.768
Digital Innovation	4,166	0.846
Business Performance	3,889	0.851

Source: JASP version 0.18.1.0 data processing results

Based on table 2 above, the results of the descriptive statistical calculations show that the mean (average) value of the digital leadership variable is 4,403, which means respondents believe that digital leadership skills are essential and functioned well. The mean (average) value of the digital capability variable is 4,220, indicating that respondents believe their company has good digital capability because it produces products and services by utilizing developments in digital technology. The mean (average) value of the digital innovation variable is 4,166, meaning that respondents believe their company is capable of responding to and implementing digital innovation effectively. Furthermore, the mean (average) value of the business performance variable result is 3,889, showing that the company has better business performance than its competitors.

Analysis and research results

Table 4: The result of direct hypothesis testing

HYPOTHESIS		Estimation	P-Value	Conclusion
H1	DL → BP	-0.117	0.092	Not supported
H2	DC → BP	0.082	0.296	Not supported
H3	DI → BP	1.297	0.000	Supported
H4	DL → DI	0.086	0.033	Supported
H5	DC → DI	0.598	0.000	Supported

Source: JASP version 0.18.1.0 data processing results

Based on Table 3, the results of the hypothesis testing of direct influence using JASP software version 0.18.1.0 show there are 2 hypotheses, namely H1 and H2, that are not supported because the P-value is $\leq 0,05$, and there are 3 hypotheses, namely H3, H4 and H5 that are supported because the P-value is $> 0,05$.

Table 5: The results of indirect hypothesis testing

HYPOTHESIS		Estimation	P-Value	LLCI	ULCI	Conclusion
H6	DL → DI → BP	0.102	0.003	0.029	0.213	Supported
H7	DC → DI → BP	0.399	0.000	0.275	0.576	Supported

Source: JASP version 0.18.1.0 data processing results

Table 4 shows that based on direct hypothesis testing using JASP software version 0.8.1.0, both hypothesis results, H6 and H7, are supported, because the Boot LLCI and BoothULCI values range do not include the zero value (0).

Discussion of The Research Results

In accordance to the assessment analysis of the research results through hypothesis testing as described above, the detail of the hypothesis testing results both directly and indirectly mediated by digital innovation in Event/MICE companies, is as follows:

The influence of digital leadership on business performance, this hypothesis result is not supported because there is no positive influence of digital leadership on business performance. This is different from the previous research result conducted by Hanandeh et al. (2023), which stated that there was a positive and significant relationship between digital leadership and business performance processes in the public services sector in Jordan. In this study, most of the event/MICE companies have proper digital leadership, but the digital leadership factor has no impact on business performance for the event/MICE companies.

The influence of digital capability on business performance, based on the results of hypothesis testing, there is no influence between digital capability and business performance. The results of this study are not in line with previous study on the impact of digital capability on SMEs' business performance, a case study in Batu Pahat District, Malaysia, which stated that digital capability variable had a positive relationship on business performance in the SMEs sector (Zhe & Hamid, 2021). In this study, the average respondents convinced that their companies have decent digital capabilities. However, this factor is not directly capable of enhancing business performance for event/ MICE organizer companies.

The influence of digital innovation on business performance, there is a positive influence of digital innovation on business performances. This research is similar with the previous research conducted by yasa et al. (2019), which stated that digital innovation has a positive and significant effect on business performance in the SMEs IT sector in Denpasar, Indonesia. In this study, the averages respondents' evaluations exhibited that the implementation of digital innovation positively impacts on the enhancement of business performance for event/MICE companies.

The influence of digital leadership on digital innovation, The results of the hypothesis test between digital leadership on digital innovations are supported. The result of this study is similar with the previous research, which revealed that digital leadership has a significant and direct influence on market orientation and innovation management in Indonesian telecommunication firms (Sasmoko et al., 2019). In this study, most of the respondents assured that their companies have leaders with decent digital leadership characteristics, and are capable directly of influencing to the business performance enhancement positively.

The influence of digital capability on digital innovation, Based on the results of the hypothesis testing, there is a positive influence of digital capability on digital innovation, similar to the previous research conducted by Khin & Ho (2019), which stated that digital capability has a direct positive impact on digital innovation in small to medium-sized IT firms in Malaysia. In this study, the average respondents were convinced that improving digital capabilities in their company would have a positive impact on increasing digital innovation for events/MICE companies.

The influence of digital leadership on business performance mediated by digital innovation, there is a positive effect of digital leadership on business performance mediated by digital innovation for event/MICE company organizers. The results of this study are new findings (novelty) because, in the previous research, there was no digital innovation mediation variable between digital leadership and business performance for event/MICE companies. In this study, the digital innovation variable fully mediates the influence of digital leadership on business performance in events/MICE companies.

The influence of digital capability on business performance mediated by digital innovation, The result of hypothesis testing show that there is an influence between digital capability and business performance mediated by digital innovation. The results of this study

are also new findings (novelty) because in the previous studies did not involve digital innovation mediation variable between digital capability and business performance in event/MICE companies. The result is that the digital innovation fully mediates the influence of digital capability on business performance in event/MICE companies.

CONCLUSION

Based on the statistical test results of the 7 analysed hypotheses on direct effect analysis, the following conclusions can be drawn: 1) Digital leadership has no positive influence on business performance, 2) Digital capability also has no positive effect on business performance, 3) Digital innovation positively impacts business performance, 4) Digital leadership have positive effect on digital innovation, 5) Digital capability positively influences digital innovation. In addition, the analysis of indirect influences concludes that: 6) There is a positive influence of digital leadership on business performance mediated by digital innovation, 7) There is a positive effect of digital capability on business performance mediated by digital innovation. This research provides a new understanding of the relationship between digital leadership, digital capability and digital innovation variables on business performance and shows that the digital innovation variable functions very positively in fully mediating the relationship between digital leadership, digital capability and business performance, especially for meeting industry.

REFERENCE

- Afandi, P. (2018). *Manajemen Sumber Daya Manusia (Teori, Konsep Dan Indikator)*. Riau: Zanaf Publishing.
- Ala-mutka, K. (2011). Mapping Digital Competence : Author : Kirsti Ala-Mutka. *JRC European Commission, January 2011*, 1–60. <https://doi.org/10.13140/RG.2.2.18046.00322>
- Anh, N. T. P., Ghi, T. N., Thu, N. T. A., & N., & L, H. (2020). *The effect of business model innovation on start-up performance: the case in Vietnam. International Journal of Innovative Science and Research Technology*, 5(6), 686–692. <https://doi.org/https://doi.org/10.38124/IJISRT20JUN113>
- Annarelli, A., Battistella, C., Nonino, F., Parida, V., & Pessot, E. (2021). Literature review on digitalization capabilities: Co-citation analysis of antecedents, conceptualization and consequences. *Technological Forecasting and Social Change*, 166(February 2020), 120635. <https://doi.org/10.1016/j.techfore.2021.120635>
- Bendig, D., Wagner, R., Jung, C., & Nüesch, S. (2022). *When and why technology leadership enters the C-suite: An antecedents perspective on CIO presence. Journal of Strategic Information Systems*, 101705. <https://doi.org/https://doi.org/10.1016/j.jsis.2022.101705>
- Chae, H. C., Koh, C. E., & Park, K. O. (2018). Information technology capability and firm performance: Role of industry. *Information and Management*, 55(5), 525–546. <https://doi.org/10.1016/j.im.2017.10.001>
- Dessyana, A., & Riyanti, B. P. D. (2017). The influence of innovation and entrepreneurial self-efficacy to digital startup success. *International Research Journal of Business Studies*, 10(1), 57–68. <https://doi.org/https://doi.org/10.21632/irjbs>
- Gunawan, A., Yuniarsih, T., Sobandi, A., & Muhidin, S. A. (2023a). Digital Leadership towards Performance Through Mediation of Organizational Commitment to E-commerce in Indonesia. *APTISI Transactions on Technopreneurship*, 5(1SP), 68–76. <https://doi.org/10.34306/att.v5i1Sp.325>
- Gunday, G., Ulusoy, G., Kilic, K., & Alpkan, L. (2011). Effects of innovation types on firm performance. *International Journal of Production Economics*, 662-676. <https://doi.org/https://doi.org/10.1016/j.ijpe.2011.05.014>

- Hair, J. F. J., Black, W. C., Babin, B. J., & Anderson, R. E. (2018). Multivariate Data Analysis. In *Multivariate Data Analysis*.
- Hanandeh, A., Altaher, A. M., Halim, M., Rezk, W., Mahfoudh, N., Hammouri, Q., & Darawsheh, S. R. (2023). The effects of digital transformation, digital leadership, and entrepreneurial motivation on business decision making and business process performance: Evidence from greater Amman municipality. *International Journal of Data and Network Science*, 7(2), 575–582. <https://doi.org/10.5267/j.ijdns.2023.3.014>
- Hinings, B., Gegenhuber, T., & Greenwood, R. (2018). Digital innovation and transformation: An institutional perspective. *Information and Organization*, 28(1), 52–61. <https://doi.org/10.1016/j.infoandorg.2018.02.004>
- Hogan, S.J.; Coote, L.V. Organizational culture, innovation, and performance: A test of schain's model. *J. Bus. Res.* 2014, 67, 1609–1621. [CrossRef]
- Horne, J., Wachowicz, J. (2012). Prinsip-Prinsip Manajemen Keuangan (Edisi 13). Jakarta: Salemba Empat.
- ICCA. 2022. ICCA Statistical Report 2022 – 2022 ICCA Business Alaytics World and City Rankings. https://iccadata.iccaworld.org/statstoolReports/IC_CA_Rankings-22_ICCA-Rankings_170523b.pdf
- J. J. Korhonen and A. Q. Gill, “Digital capability dissected,” in ACIS 2018 - 29th Australasian Conference on Information Systems, 2018.
- Johnson, E. N., Reckers, P. M. J., Bartlett, G., & D. (2014). Influences of timeline and perceived strategy effectiveness on balanced scorecard performance evaluation judgements. *Journal of Management Accounting Research*, 26(1), 165-184. <https://doi.org/https://doi.org/10.2308/jmar-50639>
- Khan, H., Wisner, J. D. (. (2019). Supply Chain Integration, Learning, and Agility: Effects on Performance. *Journal of Operations and Supply Chain Management*, 12(1), 14–23. <https://doi.org/https://doi.org/10.31387/oscm0360218>
- Khin, S., & Ho, T. C. F. (2018). Digital technology, digital capability and organizational performance: A mediating role of digital innovation. *International Journal of Innovation Science*, 11(2), 177–195. <https://doi.org/10.1108/IJIS-08-2018-0083>
- 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>
- Mihardjo, L. W. W., Sasmoko, Alamsyah, F., & Elidjen. (2019). The influence of digital leadership on innovation management based on dynamic capability: Market orientation as a moderator. *Management Science Letters*, 9(7), 1059–1070. <https://doi.org/10.5267/j.msl.2019.3.018>
- Mollah, M. A., Choi, J. H., Hwang, S. J., & Shin, J. K. (2023). Exploring a Pathway to Sustainable Organizational Performance of South Korea in the Digital Age: The Effect of Digital Leadership on IT Capabilities and Organizational Learning. *Sustainability (Switzerland)*, 15(10). <https://doi.org/10.3390/su15107875>
- Nambisan, S., Wright, M., & Feldman, M. (2019). The digital transformation of innovation and entrepreneurship: Progress, challenges and key themes. *Research Policy*, 48(8), 103773. <https://doi.org/10.1016/j.respol.2019.03.018>
- Ong, B., Zhe, M., & Hamid, N. A. (2021). The Impact of Digital Technology, Digital Capability and Digital Innovation on Small Business Performance. *Research in Management of Technology and Business*, 2(1), 499–509. <https://publisher.uthm.edu.my/periodicals/index.php/rmtb/article/view/1932>
- Raut, R. D., Mangla, S. K., Narwane, V. S., Gardas, B. B., Priyadarshinee, P., & Narkhede, B. E. (2019). Linking big data analytics and operational sustainability practices for sustainable business management. *Journal of Cleaner Production*, 224, 10–24. <https://doi.org/https://doi.org/10.1016/j.jclepro.2019.03.181>

- Refmasari, V. A., & Supriyono, R. A. (2019). The effect of non-financial performance on financial performance moderated by information disclosure. *Journal of Economics, Business, and Accountancy Ventura*, 248–263. <https://doi.org/https://doi.org/10.14414/jebav.v22i2.1694>
- Reyes, P.M., Li, S., & Visich, J. K. (2016). Determinants of RFID adoption stage and perceived benefits. *European Journal Operational Research*, 254(3), 801–812. <https://doi.org/https://doi.org/10.1016/j.ejor.2016.03.051>
- Rudito, P., & Sinaga, M. F. N. (2017). Digital mastery, Membangun kepemimpinan digital untuk memenangkan era disrupsi. Gramedia Pustaka Utama
- Sağbaşı, M., & Erdoğan, F. A. (2022). Digital Leadership: a Systematic Conceptual Literature Review. *İstanbul Kent Üniversitesi İnsan Ve Toplum Bilimleri Dergisi*, 3(1), 17–35
- Sekaran, U., & Bougie, R. (2016). Research Methods for Business. In Wiley (Vol. 53, Issue 9).
- Škrinjar, R., Bosilj-Vukšić, V., & IndiharŠtemberger, M. (2008). The impact of business process orientation on financial and non-financial performance. *Business Process Management Journal*, 14 (5), 738–754. <https://doi.org/https://doi.org/10.1108/14637150810903084>
- Sousa-Zomer, T. T., & Andy, N. (2020). Digital transforming capability and performance: a microfoundational perspective. *International Journal of Operations & Production Management*, 40(7/8), 1095–1128. <https://doi.org/https://doi.org/10.1108/IJOPM-06-2019-0444>
- Stephen P. Robbins. (1996). Fundamentals of Management: Essential Concepts and Applications. Prentice Hall PTR.
- Ulutaş, M.; Arslan, H. Bilişim Liderliği Ölçeği: Bir Ölçek Geliştirme Çalışması. *Marmara Üniversitesi Atatürk Eğitim Fakültesi Eğitim Bilim. Dergisi*. 2018, 47, 105–124.
- UNWTO. (2023a). International Tourism Highlights, 2023 Edition – The Impact of COVID-19 on Tourism (2020–2022). In International Tourism Highlights, 2023 Edition – The Impact of COVID-19 on Tourism (2020–2022). World Tourism Organization (UNWTO). <https://doi.org/10.18111/9789284424504>
- Van Wart, M., Roman, A., Wang, X. H., & Liu, C. (2019). Operationalizing the definition of e-leadership: identifying the elements of e-leadership. *International Review of Administrative Sciences*, 85(1), 80–97. <https://doi.org/10.1177/0020852316681446>
- Yasa, N. N., Ekawati, N. W., & Rahmayanti, P. (2019). The Role of Digital Innovation in Mediating Digital Capability on Business Performance. *European Journal of Management and Marketing Studies*, 4(2), 111–128. <https://doi.org/10.5281/zenodo.3483780>
- Yopan, M., Kasali, R., Balqiah, T. E., & Pasaribu, M. (2022). The Role of Digital Leadership, Customer Orientation and Business Model Innovation for IoT Companies. *International Journal of Business*, 27(2), 1–22. [https://doi.org/10.55802/IJB.027\(2\).007](https://doi.org/10.55802/IJB.027(2).007)
- Zhou, K.Z. and Wu, F. (2010), “Technology capability, strategic flexibility and product innovation”, *Strategic Management Journal*, Vol. 31 No. 5-6, pp. 547-561.

The Role of Digital Innovation in Mediating the Influence of Digital Leadership and Digital Capability on Business Performance in the Event/ MICE Industry in Indonesia

by Aekram Faisal

Submission date: 12-Oct-2025 09:35PM (UTC+0700)

Submission ID: 2322434687

File name: 2950-Article_Text-13128-1-10-20240809_1.pdf (377.32K)

Word count: 4787

Character count: 26462



The Role of Digital Innovation in Mediating the Influence of Digital Leadership and Digital Capability on Business Performance in the Event/ MICE Industry in Indonesia

Rachmat Ramadhan¹, Aekram Faisal², Willy Arafah³

¹ University of Trisakti, Jakarta, Indonesia, rachmatramadhan84@gmail.com

² University of Trisakti, Jakarta, Indonesia, aekramfaisal@gmail.com

³ University of Trisakti, Jakarta, Indonesia, willy.arafah@gmail.com

*Corresponding Author: rachmatramadhan84@gmail.com

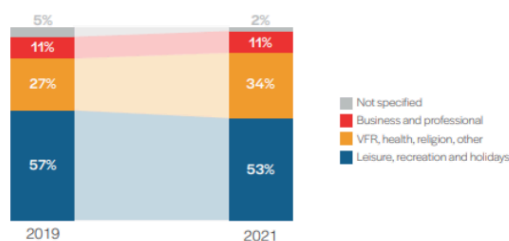
²
Abstract: The objective of this research is to analyze the influence of digital leadership and digital capability on business performance that was mediated by digital innovation in the event/MICE industry in Indonesia. The research utilized technical analysis of structural equation model (SEM), and bootstrapping method to analyze the mediation role. The population for the research is the owner or company leader of Event/ MICE organizers that has been operating for a minimum of 3 (three) years. The sample consisted of 236 respondents, selected by using the method of purposive sampling. The result of the research exhibited that the digital leadership and digital capabilities do not have direct positive influences on business performance. However, digital leadership and digital capabilities positively influence on business performance, after being mediated by digital innovation, and of the two, digital capabilities have a greater influence on business performance. The study shows that digital leadership and digital capabilities have a positive influence on digital innovation and that business performance is positively impacted by digital innovation. The practical implication of this research is the importance for management to enhance the role of digital leadership, digital capability and digital innovation to achieve better business performance.

Keyword: Digital Leadership, Digital Capability, Digital Innovation, Business Performance.

INTRODUCTION

The development of the global tourism industry shows positive growth and trend, as evidenced by the data issued by UNWTO (United Nation of World Tourism Organization). There were 963 millions traveling worldwide in 2022 or represent growth rate of twice the 456 millions traveling in 2021, which was impacted by COVID-19. The total income was \$ 1.25 trillions in 2022 (from tourism) or reflecting 52% growth rate since 2021, although it is still 34% below from the year of 2019.

There are several motivations or purposes of tourist travel, inter alia 53% for recreation or holiday reasons, 11% for business and professional, and other reasons. Tourist who travelled because of business and professional are categorized as MICE (meeting, incentive, convention and exhibition) tourists, also known as meeting industry.



Source: World Tourism Organization, June 2023
Figure 1: The purposes of global travel in 2019-2021

Based on the Figure 1, the potential of meeting industry (MICE) is significant, comprising 11% of the total global travel, or approximately 105.93 million visits, with a total income of \$ 143 million.

Furthermore, according to data issued by ICCA, (2023), there were 9,042 meeting events conducted throughout the year of 2022. However, Indonesia's position was relatively low, ranking 45th with only 43 events/ meetings in 2022.

The rapid development of technology has brought significant changes to the business world. One of the important stages in this technology development is the emergence of the 4th wave of the industrial revolution, also known as Industrial Revolution 4.0, Bertola & Teunissen, (2018). The tourism industry, particularly the meetings industry, is the one that has been significantly impacted by technological and digitalization developments.

The performers of meeting industry must adapt to the technological development to enhance the competitiveness. One of the efforts to increase business performance is digital leadership, which involves competence, knowledge, skills, communication methods, and attitudes in using technology. Digital leadership is essential for businesses to survive in the new digital era, because it can adapt and alter company strategies. In the several studies, show that digital leadership has a positive influence on business performance (Shin et al., 2023; Hanandeh et al., 2023).

Besides, another important factors that needed in enhancing business performance is digital capability, which involves utilizing technology and digital data to produce more valuable products and services for customers and companies (Korhonen & Gill, 2018). Several studies shown that between digital capability and business performance have positive relationship.

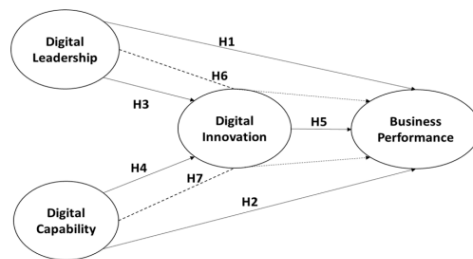
However, in the various studies have also discovered inconsistencies in the relation between digital leadership and digital capability on business performance Gunawan et al., (2023); Yopan et al., (2022), leading some researchers proposed to develop mediation variable in this relationship (Chae et al., 2018).

This research involved the role of digital innovation as mediation variable. Digital innovation has been identified as an importance mediation variable in several studies (Khin & Ho, (2019); Yasa et al., (2019)). So that the existence of Digital Innovation able to increase the influences between digital leadership and digital capability (independents variable) on business performance (dependent variable).

METHOD

Conceptual Framework

The conceptual framework in this study describes the influence of independent variables on dependent variables mediated by digital innovation in the Event/MICE Industry, the research framework is as follows:



Source: research results

Figure 2: Conceptual Framework

Development of hypothesis

Based on a conceptual framework that refers to previous studies in the Event/MICE companies, the following hypotheses are deduced (correlation and causality):

H1: There is a positive influence of digital leadership on business performance

H2: There is a positive influence of digital capability on business performance

H3: There is a positive influence of digital innovation on business Performance

H4: There is a positive influence of digital leadership on digital innovation

H5: There is a positive influence of digital capability on digital innovation

H6: Digital innovation mediates the positive influence of digital leadership on business performance

H7: Digital innovation mediates the positive influence of digital capability on business performance

Research Design

The research used hypothesis testing. Hypothesis testing was applied to analyse temporary relationships (hypotheses) based on certain statements through the analysis of observation results that have been conducted, Sekaran & Bougie (2016). The time dimension of the research is cross-sectional research, concerning research on many objects at the same time, Sekaran & Bougie (2016). Collection of the data used Google Forms, which were filled out directly by potential respondents.

Population and sample

The population in the study consists of the heads of company at the General Manager (GM) level and/or the owners. The characteristics of the companies are those operating in the field of event implementation, both commercial and business (MICE), domiciled throughout Indonesia, and having been operating for at least 3 years since this research was conducted. This research used the Slovin sampling technique. Data collection was carried out by distributing questionnaires via the google form platform directly to respondents. A total of 261 questionnaires were filled out, and 236 questionnaires met the requirements and could be processed.

Table 1 : The Characteristics of respondents

CHARACTERISTIC	FREQUENCY	PERCENTAGE
GENDER		
Male	165	69,92%
Female	71	30,09%
Total	236	100%
AGE		
21 - 30 years old (yo)	31	13,14%
31 - 40 yo	102	43,22%
41 - 50 yo	72	30,51%
51 - 60 yo	30	12,71%
> 60 yo	1	0,42%
Total	236	100%
OCCUPATION		
Director (or equivalent)	40	16,95%
General Manager (or equivalent)	51	21,61%
Owner	145	61,44%
Total	236	100%
WORK EXPERIENCE DURATION		
1 - 3 years	71	30,09%
4 - 6 years	63	26,70%
7 - 9 years	24	10,17%
< 1 year	8	3,39%
≥ 10 years	70	29,66%
Total	236	100%
EDUCATION		
Diploma	43	18,22%
Bachelor	132	55,93%
Master	39	16,53%
Doctorate	3	1,27%
Senior High School	19	8,05%
Total	236	100%

Source: JASP version 0.18.1.0 data processing results

Measurement scale

To measure respondents' attitudes toward the submitted statements, 5 Likert scales were used to measure the ordinal data types, Sugiyono (2017). Each answer is given a score as follows: Strongly Agree = 5, Agree = 4, Quite Agree = 3, Disagree = 2, and Strongly Disagree = 1.

Data analysis techniques**Validity testing**

Validity testing in this research was carried out to determine whether the prepared measurement tool instruments could truly measure the data required in the research. To assess the validity of each statement item in the questionnaire, factor analysis was performed by comparing the factor loading value to the factor loading standard Hair et al., (2018). A variable is deemed valid if the value of each dimension or indicator of the research variable has a factor loading of ≥ 0.50 , and invalid if it has a factor loading of < 0.50 . The result of the validity test found that all indicators are valid.

Reliability testing

The reliability test was conducted to perceive whether the research instrument demonstrates the level of precision, accuracy, stability and consistency in revealing certain symptoms, although when carried out at different times with the same measuring instrument.

The coefficient of the measuring instrument or the level of reliability of the measuring instrument is derived from Cronbach's Alpha coefficient. The minimum acceptable coefficient is 0.60 (Sekaran & Bougie, 2016). The basis for making decisions on reliability testing is as follows: If the Cronbach's Alpha value of reliability is ≥ 0.60 , the statements in the questionnaire are feasible to use (reliable), If the Cronbach's Alpha value of reliability is < 0.60 , the statements in the questionnaire are not suitable for use (not reliable), It can be concluded that all the research variables are reliable.

The goodness of fit test

The goodness of fit test aims to determine whether a model proposed by the data researcher is accepted or not (Hair et al., 2018). The goodness of fit test is conducted by following several measurement criteria, namely: 1) Absolute fit measures (chi-square, probabilities, goodness of fit index (GFI) dan root mean square error of approximation (RMSEA)), 2) Incremental fit measures (normed fit index (NFI), Tucker-Lewis index (TLI), comparative fit index (CFI) and incremental fit index (IFI)), 3) Parsimony fit measures (normed chi-square (CMIN)).

Table 2: The results of the goodness of fit test

Type of measurement	Measurement	Recommended acceptance limit/ threshold (Hair et al., 2018)	Value	Conclusion
Absolute fit measures	X ² /df	≤ 3	2.8131	Good Fit
	GFI	≥ 0.90 or approaching 1	0.971	Good Fit
	RMSEA	≤ 0.08	0.088	Marginal Fit
	SRMR	≤ 0.08	0.058	Good Fit
Incremental fit measures	CFI	≥ 0.90 or approaching 1	0.878	Marginal Fit
	TLI	≥ 0.90 or approaching 1	0.864	Marginal Fit
	NFI	≥ 0.90 or approaching 1	0.825	Marginal Fit
	RFI	≥ 0.90 or approaching 1	0.804	Marginal Fit
	IFI	≥ 0.90 or approaching 1	0.879	Marginal Fit
Parsimony fit measure	RNI	≥ 0.90 or approaching 1	0.878	Marginal Fit
	PNFI	> 0.60	0.739	Good Fit

Source: JASP version 0.18.1.0 data processing results

From the table above, it exhibits that the results of the goodness of fit test indicate that the values of X²/df, GFI, SRMR and PNFI are above the acceptance limit/ threshold recommended by Hair et al. (2018). If 3-4 of the goodness of fit criteria are fulfilled, so that the research model can provide adequate evidences regarding the goodness of fit test model and feasible for the next testing process (Hair et al., 2018).

Hypothesis testing

Hypothesis testing aims to determine whether the proposed hypothesis is accepted or rejected. Testing this hypothesis used Structural Equation Modeling (SEM) and JASP version 0.18.1.0 and presented in two parts, namely the model section with direct relationship analysis and the model section with indirect relationship analysis.

Hypothesis testing with direct influence was carried out by comparing the P-value with the level of significance. In the study, if the magnitude of P-value ≤ 0.05 , then H₀ is rejected, and the hypothesis is supported. However, if the magnitude of P-value > 0.05 , then H₀ is accepted, and the hypothesis is not supported (Hair et al., 2018; Sekaran & Bougie, 2016).

The role mediation was applied to conduct indirect hypothesis testing. The research used the bootstrapping method developed by Hayes (2013). Based on the results of 5,000

samples and refers to confidence interval, if the Boot LLCI and BoothULCI ranges do not cover zero value (0), it can be concluded that there is a mediation effect and significant estimation. However, if the Boot LLCI and BoothULCI ranges cover zero value (0), then there is no mediation effect and the estimation is not significant.

RESULTS AND DISCUSSION

Descriptive data

The description of descriptive statistical results of the research variables are as follows:

Table 3: Descriptive Data

Variable	Mean	Std. Deviation
Digital Leadership	4,403	0.779
Digital Capability	4,220	0.768
Digital Innovation	4,166	0.846
Business Performance	3,889	0.851

Source: JASP version 0.18.1.0 data processing results

Based on table 2 above, the results of the descriptive statistical calculations show that the mean (average) value of the digital leadership variable is 4,403, which means respondents believe that digital leadership skills are essential and functioned well. The mean (average) value of the digital capability variable is 4,220, indicating that respondents believe their company has good digital capability because it produces products and services by utilizing developments in digital technology. The mean (average) value of the digital innovation variable is 4,166, meaning that respondents believe their company is capable of responding to and implementing digital innovation effectively. Furthermore, the mean (average) value of the business performance variable result is 3,889, showing that the company has better business performance than its competitors.

Analysis and research results

Table 4: The result of direct hypothesis testing

HYPOTHESIS		Estimation	P-Value	Conclusion
H1	DL → BP	-0.117	0.092	Not supported
H2	DC → BP	0.082	0.296	Not supported
H3	DI → BP	1.297	0.000	Supported
H4	DL → DI	0.086	0.033	Supported
H5	DC → DI	0.598	0.000	Supported

Source: JASP version 0.18.1.0 data processing results

Based on Table 3, the results of the hypothesis testing of direct influence using JASP software version 0.18.1.0 show there are 2 hypotheses, namely H1 and H2, that are not supported because the P-value is $\leq 0,05$, and there are 3 hypotheses, namely H3, H4 and H5 that are supported because the P-value is $> 0,05$.

Table 5: The results of indirect hypothesis testing

HYPOTHESIS		Estimation	P-Value	LLCI	ULCI	Conclusion
H6	DL → DI → BP	0.102	0.003	0.029	0.213	Supported
H7	DC → DI → BP	0.399	0.000	0.275	0.576	Supported

Source: JASP version 0.18.1.0 data processing results

Table 4 shows that based on direct hypothesis testing using JASP software version 0.8.1.0, both hypothesis results, H6 and H7, are supported, because the Boot LLCI and BoothULCI values range do not include the zero value (0).

Discussion of The Research Results

In accordance to the assessment analysis of the research results through hypothesis testing as described above, the detail of the hypothesis testing results both directly and indirectly mediated by digital innovation in Event/MICE companies, is as follows:

The influence of digital leadership on business performance, this hypothesis result is not supported because there is no positive influence of digital leadership on business performance. This is different from the previous research result conducted by Hanandeh et al. (2023), which stated that there was a positive and significant relationship between digital leadership and business performance processes in the public services sector in Jordan. In this study, most of the event/MICE companies have proper digital leadership, but the digital leadership factor has no impact on business performance for the event/MICE companies.

The influence of digital capability on business performance, based on the results of hypothesis testing, there is no influence between digital capability and business performance. The results of this study are not in line with previous study on the impact of digital capability on SMEs' business performance, a case study in Batu Pahat District, Malaysia, which stated that digital capability variable had a positive relationship on business performance in the SMEs sector (Zhe & Hamid, 2021). In this study, the average respondents convinced that their companies have decent digital capabilities. However, this factor is not directly capable of enhancing business performance for event/ MICE organizer companies.

The influence of digital innovation on business performance, there is a positive influence of digital innovation on business performances. This research is similar with the previous research conducted by yasa et al. (2019), which stated that digital innovation has a positive and significant effect on business performance in the SMEs IT sector in Denpasar, Indonesia. In this study, the averages respondents' evaluations exhibited that the implementation of digital innovation positively impacts on the enhancement of business performance for event/MICE companies.

The influence of digital leadership on digital innovation, The results of the hypothesis test between digital leadership on digital innovations are supported. The result of this study is similar with the previous research, which revealed that digital leadership has a significant and direct influence on market orientation and innovation management in Indonesian telecommunication firms (Sasmoko et al., 2019). In this study, most of the respondents assured that their companies have leaders with decent digital leadership characteristics, and are capable directly of influencing to the business performance enhancement positively.

The influence of digital capability on digital innovation, Based on the results of the hypothesis testing, there is a positive influence of digital capability on digital innovation, similar to the previous research conducted by Khin & Ho (2019) which stated that digital capability has a direct positive impact on digital innovation in small to medium-sized IT firms in Malaysia. In this study, the average respondents were convinced that improving digital capabilities in their company would have a positive impact on increasing digital innovation for events/MICE companies.

The influence of digital leadership on business performance mediated by digital innovation, there is a positive effect of digital leadership on business performance mediated by digital innovation for event/MICE company organizers. The results of this study are new findings (novelty) because, in the previous research, there was no digital innovation mediation variable between digital leadership and business performance for event/MICE companies. In this study, the digital innovation variable fully mediates the influence of digital leadership on business performance in events/MICE companies.

The influence of digital capability on business performance mediated by digital innovation, The result of hypothesis testing show that there is an influence between digital capability and business performance mediated by digital innovation. The results of this study

are also new findings (novelty) because in the previous studies did not involve digital innovation mediation variable between digital capability and business performance in event/MICE companies. The result is that the digital innovation fully mediates the influence of digital capability on business performance in event/MICE companies.

CONCLUSION

Based on the statistical test results of the 7 analyzed hypotheses on direct effect analysis, the following conclusions can be drawn: 1) Digital leadership has no positive influence on business performance, 2) Digital capability also has no positive effect on business performance, 3) Digital innovation positively impacts business performance, 4) Digital leadership have positive effect on digital innovation, 5) Digital capability positively influences digital innovation. In addition, the analysis of indirect influences concludes that: 6) There is a positive influence of digital leadership on business performance mediated by digital innovation, 7) There is a positive effect of digital capability on business performance mediated by digital innovation. This research provides a new understanding of the relationship between digital leadership, digital capability and digital innovation variables on business performance and shows that the digital innovation variable functions very positively in fully mediating the relationship between digital leadership, digital capability and business performance, especially for meeting industry.

REFERENCE

- Afandi, P. (2018). *Manajemen Sumber Daya Manusia (Teori, Konsep Dan Indikator)*. Riau: Zanafa Publishing.
- Ala-mutka, K. (2011). Mapping Digital Competence: Author: Kirsti Ala-Mutka. *JRC European Commission, January 2011*, 1–60. <https://doi.org/10.13140/RG.2.2.18046.00322>
- Anh, N. T. P., Ghi, T. N., Thu, N. T. A., & N., & L, H. (2020). *The effect of business model innovation on start-up performance: the case in Vietnam*. *International Journal of Innovative Science and Research Technology*, 5(6), 686–692. https://doi.org/https://doi.org/10.38124/IJSRT20JUN1_13
- Annarelli, A., Battistella, C., Nonino, F., Parida, V., & Pessot, E. (2021). Literature review on digitalization capabilities: Co-citation analysis of antecedents, conceptualization and consequences. *Technological Forecasting and Social Change*, 166(February 2020), 120635. <https://doi.org/10.1016/j.techfore.2021.120635>
- Bendig, D., Wagner, R., Jung, C., & Nüesch, S. (2022). *When and why technology leadership enters the C-suite: An antecedents perspective on CIO presence*. *Journal of Strategic Information Systems*, 101705. <https://doi.org/https://doi.org/10.1016/j.jsis.2022.101705>
- Chae, H. C., Koh, C. E., & Park, K. O. (2018). Information technology capability and firm performance: Role of industry. *Information and Management*, 55(5), 525–546. <https://doi.org/10.1016/j.im.2017.10.001>
- Dessyana, A., & Riyanti, B. P. D. (2017). The influence of innovation and entrepreneurial self-efficacy to digital startup success. *International Research Journal of Business Studies*, 10(1), 57–68. <https://doi.org/https://doi.org/10.21632/irjbs>
- Gunawan, A., Yuniarsih, T., Sobandi, A., & Muhidin, S. A. (2023a). Digital Leadership towards Performance Through Mediation of Organizational Commitment to E-commerce in Indonesia. *APTISI Transactions on Technopreneurship*, 5(1SP), 68–76. <https://doi.org/10.34306/att.v5i1Sp.325>
- Gunday, G., Ulusoy, G., Kilic, K., & Alpkan, L. (2011). Effects of innovation types on firm performance. *International Journal of Production Economics*, 662-676. <https://doi.org/https://doi.org/10.1016/j.ijpe.2011.05.014>

- Hair, J. F. J., Black, W. C., Babin, B. J., & Anderson, R. E. (2018). Multivariate Data Analysis. In *Multivariate Data Analysis*.
- Hanandeh, A., Altaher, A. M., Halim, M., Rezk, W., Mahfoudh, N., Hammouri, Q., & Darawsheh, S. R. (2023). The effects of digital transformation, digital leadership, and entrepreneurial motivation on business decision making and business process performance: Evidence from greater Amman municipality. *International Journal of Data and Network Science*, 7(2), 575–582. <https://doi.org/10.5267/j.ijdns.2023.3.014>
- Hinings, B., Gegenhuber, T., & Greenwood, R. (2018). Digital innovation and transformation: An institutional perspective. *Information and Organization*, 28(1), 52–61. <https://doi.org/10.1016/j.infoandorg.2018.02.004>
- Hogan, S.J.; Coote, L.V. Organizational culture, innovation, and performance: A test of schain's model. *J. Bus. Res.* 2014, 67, 1609–1621. [CrossRef]
- Horne, J., Wachowicz, J. (2012). Prinsip-Prinsip Manajemen Keuangan (Edisi 13). Jakarta: Salemba Empat.
- ICCA. 2022. ICCA Statistical Report 2022 – 2022 ICCA Business Alaytics World and City Rankings. https://iccadata.iccaworld.org/statstoolReports/IC_CA_Rankings-22_ICCA-Rankings_170523b.pdf
- J. J. Korhonen and A. Q. Gill, “Digital capability dissected,” in ACIS 2018 - 29th Australasian Conference on Information Systems, 2018.
- Johnson, E. N., Reckers, P. M. J., Bartlett, G., & D. (2014). Influences of timeline and perceived strategy effectiveness on balanced scorecard performance evaluation judgements. *Journal of Management Accounting Research*, 26(1), 165-184. <https://doi.org/https://doi.org/10.2308/jmar-50639>
- Khan, H., Wisner, J. D. (. (2019). Supply Chain Integration, Learning, and Agility: Effects on Performance. *Journal of Operations and Supply Chain Management*, 12(1), 14–23. <https://doi.org/https://doi.org/10.31387/oscm0360218>
- Khin, S., & Ho, T. C. F. (2018). Digital technology, digital capability and organizational performance: A mediating role of digital innovation. *International Journal of Innovation Science*, 11(2), 177–195. <https://doi.org/10.1108/IJIS-08-2018-0083>
- 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>
- Mihardjo, L. W. W., Sasmoko, Alamsyah, F., & Elidjen. (2019). The influence of digital leadership on innovation management based on dynamic capability: Market orientation as a moderator. *Management Science Letters*, 9(7), 1059–1070. <https://doi.org/10.5267/j.msl.2019.3.018>
- Mollah, M. A., Choi, J. H., Hwang, S. J., & Shin, J. K. (2023). Exploring a Pathway to Sustainable Organizational Performance of South Korea in the Digital Age: The Effect of Digital Leadership on IT Capabilities and Organizational Learning. *Sustainability (Switzerland)*, 15(10). <https://doi.org/10.3390/su15107875>
- Nambisan, S., Wright, M., & Feldman, M. (2019). The digital transformation of innovation and entrepreneurship: Progress, challenges and key themes. *Research Policy*, 48(8), 103773. <https://doi.org/10.1016/j.respol.2019.03.018>
- Ong, B., Zhe, M., & Hamid, N. A. (2021). The Impact of Digital Technology, Digital Capability and Digital Innovation on Small Business Performance. *Research in Management of Technology and Business*, 2(1), 499–509. <https://publisher.uthm.edu.my/periodicals/index.php/rmtb/article/view/1932>
- Raut, R. D., Mangla, S. K., Narwane, V. S., Gardas, B. B., Priyadarshinee, P., & Narkhede, B. E. (2019). Linking big data analytics and operational sustainability practices for sustainable business management. *Journal of Cleaner Production*, 224, 10–24. <https://doi.org/https://doi.org/10.1016/j.jclepro.2019.03.181>

- Refmasari, V. A., & Supriyono, R. A. (2019). The effect of non-financial performance on financial performance moderated by information disclosure. *Journal of Economics, Business, and Accountancy Ventura*, 248–263. <https://doi.org/https://doi.org/10.14414/jebav.v22i2.1694>
- Reyes, P.M., Li, S., & Visich, J. K. (2016). Determinants of RFID adoption stage and perceived benefits. *European Journal Operational Research*, 254(3), 801–812. <https://doi.org/https://doi.org/10.1016/j.ejor.2016.03.051>
- Rudito, P., & Sinaga, M. F. N. (2017). Digital mastery, Membangun kepemimpinan digital untuk memenangkan era disrupsi. Gramedia Pustaka Utama
- Sagbaş, M., & Erdoğan, F. A. (2022). Digital Leadership: a Systematic Conceptual Literature Review. *İstanbul Kent Üniversitesi İnsan Ve Toplum Bilimleri Dergisi*, 3(1), 17–35
- Sekaran, U., & Bougie, R. (2016). Research Methods for Business. In Wiley (Vol. 53, Issue 9).
- Škrinjar, R., Bosilj-Vukšić, V., & IndiharŠtemberger, M. (2008). The impact of business process orientation on financial and non-financial performance. *Business Process Management Journal*, 14 (5), 738–754. <https://doi.org/https://doi.org/10.1108/14637150810903084>
- Sousa-Zomer, T. T., & Andy, N. (2020). Digital transforming capability and performance: a microfoundational perspective. *International Journal of Operations & Production Management*, 40(7/8), 1095–1128. <https://doi.org/https://doi.org/10.1108/IJOPM-06-2019-0444>
- Stephen P. Robbins. (1996). Fundamentals of Management: Essential Concepts and Applications. Prentice Hall PTR.
- Ulutaş, M.; Arslan, H. Bilişim Liderliği Ölçeği: Bir Ölçek Geliştirme Çalışması. *Marmara Üniversitesi Atatürk Eğitim Fakültesi Eğitim Bilim. Dergisi*. 2018, 47, 105–124.
- UNWTO. (2023a). International Tourism Highlights, 2023 Edition – The Impact of COVID-19 on Tourism (2020–2022). In International Tourism Highlights, 2023 Edition – The Impact of COVID-19 on Tourism (2020–2022). World Tourism Organization (UNWTO). <https://doi.org/10.18111/9789284424504>
- Van Wart, M., Roman, A., Wang, X. H., & Liu, C. (2019). Operationalizing the definition of e-leadership: identifying the elements of e-leadership. *International Review of Administrative Sciences*, 85(1), 80–97. <https://doi.org/10.1177/0020852316681446>
- Yasa, N. N., Ekawati, N. W., & Rahmayanti, P. (2019). The Role of Digital Innovation in Mediating Digital Capability on Business Performance. *European Journal of Management and Marketing Studies*, 4(2), 111–128. <https://doi.org/10.5281/zenodo.3483780>
- Yopan, M., Kasali, R., Balqiah, T. E., & Pasaribu, M. (2022). The Role of Digital Leadership, Customer Orientation and Business Model Innovation for IoT Companies. *International Journal of Business*, 27(2), 1–22. [https://doi.org/10.55802/IJB.027\(2\).007](https://doi.org/10.55802/IJB.027(2).007)
- Zhou, K.Z. and Wu, F. (2010), “Technology capability, strategic flexibility and product innovation”, *Strategic Management Journal*, Vol. 31 No. 5-6, pp. 547-561.

The Role of Digital Innovation in Mediating the Influence of Digital Leadership and Digital Capability on Business Performance in the Event/ MICE Industry in Indonesia

ORIGINALITY REPORT

22%

SIMILARITY INDEX

21%

INTERNET SOURCES

17%

PUBLICATIONS

16%

STUDENT PAPERS

PRIMARY SOURCES

1

Submitted to Sriwijaya University

Student Paper

3%

2

submissions.ijoqm.org

Internet Source

2%

3

ojs.journalsdg.org

Internet Source

1%

4

www.scitepress.org

Internet Source

1%

5

jsss.co.id

Internet Source

1%

6

docslib.org

Internet Source

1%

7

journal.ipb.ac.id

Internet Source

1%

8

Submitted to Ho Chi Minh University of Technology and Education

Student Paper

1%

9

wseas.com

Internet Source

1%

10

Zian Cheng, Xiu Jin, Won Jun Kwak. "Using the new positive aspect of digital leadership to improve organizational sustainability: Testing moderated mediation model", Acta Psychologica, 2025

Publication

1%

11	repository.uinsu.ac.id Internet Source	1 %
12	www.businessperspectives.org Internet Source	1 %
13	Cristina Bota-Avram. "Science Mapping of Digital Transformation in Business", Springer Science and Business Media LLC, 2023 Publication	1 %
14	www-emerald-com-443.webvpn.sxu.edu.cn Internet Source	1 %
15	Submitted to University of Teesside Student Paper	1 %
16	ojs.unm.ac.id Internet Source	1 %
17	Rajesh B. Pansare, Madhukar R. Nagare, Vaibhav S. Narwane. "Exploring the significant factors of reconfigurable manufacturing system adoption in manufacturing industries", Journal of Modelling in Management, 2023 Publication	1 %
18	www.ijstr.org Internet Source	1 %
19	Tang My Sang. "Digital transformation toward sustainable development in Vietnamese small and medium enterprises", Management & Marketing, 2023 Publication	1 %
20	Submitted to Universitas Katolik Widya Mandala Student Paper	1 %
21	e-journal.president.ac.id Internet Source	1 %

22	www.emerald.com Internet Source	1 %
23	Ramona Rupeika-Apoga, Kristine Petrovska, Larisa Bule. "The Effect of Digital Orientation and Digital Capability on Digital Transformation of SMEs during the COVID-19 Pandemic", Journal of Theoretical and Applied Electronic Commerce Research, 2022 Publication	1 %
24	ejournals.umn.ac.id Internet Source	1 %
25	jurnal.feb-umi.id Internet Source	1 %
26	www.mdpi.com Internet Source	1 %

Exclude quotes Off
Exclude bibliography On

Exclude matches < 1 %

The Role of Digital Innovation in Mediating the Influence of Digital Leadership and Digital Capability on Business Performance in the Event/ MICE Industry in Indonesia

GRADEMARK REPORT

FINAL GRADE

GENERAL COMMENTS

/0

PAGE 1

PAGE 2

PAGE 3

PAGE 4

PAGE 5

PAGE 6

PAGE 7

PAGE 8

PAGE 9

PAGE 10