THE INFLUENCE OF SUSTAINABLE LEADERSHIP AND BUSINESS RISK MANAGEMENT ON BUSINESS PERFORMANCE MEDIATED BY BUSINESS RESILIENCE IN RESTAURANT BUSINESSES IN MEDAN

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Abstract

Various risks can affect its performance. Restaurant owners and managers face increasingly complex challenges due to changes in the business environment, such as intense competition, market fluctuations, evolving consumer trends, and changing regulations. The purpose of this study is to determine whether sustainable leadership and business risk management impact business performance by enhancing business resilience in restaurant businesses in the city of Medan. The research method used is descriptive quantitative, with a sample size of 50. Data analysis was conducted using Partial Least Square (PLS). The results of the study indicate that sustainable leadership has a positive and significant influence on business resilience. Similarly, risk management also has a positive and significant influence on business resilience. While sustainable leadership positively influences business performance, this effect is not statistically significant. However, risk management has a positive and significant influence on business performance. Business resilience positively and significantly influences business performance, and both sustainable leadership and risk management positively and significantly influence business performance through business resilience as a mediator.

Keywords: Sustainable Leadership, Business Risk Management, Business Resilience, Restaurant

INTRODUCTION

The restaurant industry in Medan City, like in many other cities, continues to experience rapid growth. However, restaurant owners and managers face increasingly complex challenges due to changes in the business environment, such as intensified competition, market fluctuations, evolving consumer trends, and changing regulations. Additionally, awareness of the importance of sustainability and social responsibility is increasing among consumers and other stakeholders (Sjioen et al., 2023).

In an industry experiencing such rapid growth, capturing as many market opportunities as possible is the greatest desire of every company. Competition in acquiring and retaining customers leads to intense rivalry among companies in the same industry (Andriawan & Setyawan, 2020). This fierce competition results in a market saturated with numerous products vying for consumer attention. Each company employs various strategies to win the competition in the market (Felicia & Handoyo, 2023). Creating new products or innovating existing ones is one of the ways companies strive to remain relevant in a rapidly growing market (Yuliawan & Ginting, 2016).

Increasing awareness of sustainability has become a major focus in the business world, including the food and restaurant industry. Consumers are increasingly aware of the environmental and social impacts of business activities, thus encouraging companies to adopt sustainable business practices in response (Gusagis Khomanur Ngaziz & Herlin Tundjung Setijaningsih, 2022). In the context of the food and restaurant industry, sustainability covers various aspects such as material sourcing, waste management, energy efficiency, and social responsibility (Adang & Wijoyo, 2023). Sustainable leadership plays an important role in advocating the principles of sustainability in business. Leaders who embrace sustainable leadership not only focus on short-term profits but also consider the long-term impact of business decisions on the environment and society (Setyawan et al., 2022). Sustainable leadership involves a proactive approach to integrating sustainability into core strategies and business operations. One of the key aspects of sustainable leadership is the ability to inspire and motivate employees toward sustainable practices. Leaders who prioritize sustainability set clear visions and goals regarding environmental and social responsibility, encouraging their teams to align their actions with those goals (Irawan et al., 2021). By fostering open

communication channels, sustainable leaders can build trust and credibility both internally and externally, thereby enhancing the organization's reputation as a responsible corporate citizen (Rudianto et al., 2023).

The restaurant industry is a business sector that has unique characteristics that make it vulnerable to various risks that can affect its business performance. Some of the risks often faced by the restaurant industry include market fluctuations, changing consumer trends, and intense competition. Business risk management becomes an important key in managing these risks to minimize their negative impact on restaurant business performance (Oktavian & Handoyo, 2023). Market fluctuation is a significant risk in the restaurant industry. Changes in the price of raw materials such as meat, vegetables, and other food ingredients can directly impact a restaurant's production costs. In addition, changes in currency exchange rates can also affect the cost of importing raw materials. Risk management related to market fluctuations can be addressed by adopting a flexible pricing strategy, entering into long-term contracts with suppliers, and diversifying raw material sources (Setijaningsih et al., 2021). Changes in consumer trends are also a risk that needs to be considered by the restaurant industry. Shifts in consumer preferences for certain types of food, healthy lifestyles, or food trends can affect the demand and popularity of restaurants (Yanuar et al., 2023). Risk management related to changing consumer trends can be done by conducting regular market research, collaborating with chefs or nutritionists to develop menus that align with trends, and paying attention to customer feedback. Additionally, intense competition is a significant risk in the restaurant industry. Intense competition can result in price reductions, decreased profit margins, or even loss of market share (Indra et al., 2022). Risk management related to competition can be done by understanding competitors' strengths and weaknesses, developing unique marketing strategies, and improving service and product quality (Hisham & Yuwono, 2023). By understanding the risks faced by the restaurant industry and implementing effective risk management practices, restaurants can better manage their business and minimize the negative impacts on their business performance.

The studies of Hilmawati & Kusumaningtias, (2021) on financial inclusion and financial literacy, Melshaf & Tunjungsari, (2023) on charismatic leadership, organizational culture, and strategic flexibility, and Aulia, (2020) on entrepreneurial competence during the

Covid-19 pandemic provide valuable insights into the factors that influence business performance. Additionally, research by (Sarmawa et al., 2021) on corporate social responsibility (CSR) and (Nugraha et al., 2021) on business resilience highlights the importance of factors such as CSR, customer trust, loyalty, government policies, and stress management in ensuring business sustainability. Furthermore, studies by (Dewi et al., 2023) on leadership capability, job satisfaction, and core competencies, and (Maulana & Yuliani, 2023) on business sustainability through business performance underscore the importance of leadership quality, core competencies, and business growth in improving business sustainability. These findings align with the need to understand the role of leadership, competencies, and growth strategies in enhancing business performance and resilience.

Concepts such as sustainable leadership and risk management are increasingly in the spotlight. Sustainable leadership promotes decision-making that considers the long-term impact on the environment and society, while risk management aims to identify, evaluate, and manage the risks that a business may face. Understanding the influence of sustainable leadership and risk management on business performance in the context of the restaurant industry in Medan City is crucial. With rapid growth and complex challenges, restaurant owners and managers need to comprehend how sustainable leadership and risk management practices can affect their business performance. Additionally, amidst changing uncertainties, the need for business resilience is increasingly urgent to ensure operational continuity and business growth (Rustyawati & Siswoyo, 2023).

Research on the influence of sustainable leadership and risk management on business performance, with business resilience as a mediator, in restaurant businesses in Medan City will make a significant contribution to the literature and business practice. The novelty of this research lies in the holistic approach to understanding how sustainable leadership and risk management practices can affect business performance, as well as the role of business resilience in connecting these two concepts. This research will provide valuable insights for restaurant owners and managers to improve their business performance and face complex challenges in a changing business environment.

REVIEW OF LITERATURE

Sustainable Leadership

Leadership for sustainability is characterized by responsible management of individuals, groups, and organizations, assessing ecological, social, and economic principles. It promotes the mastery of sustainable ideas, cooperation with the environment, and learning based on sustainability principles, fostering community self-expression (Santoso & Raharjo, 2022). A leader effectively manages time, behaves ethically, fosters innovation and trust among employees manages change, handles uncertainty, develops human resources, and builds engagement and commitment (Anggraini et al., 2023). Cooperation to achieve common goals is crucial for an innovation strategy. When facing complex situations, leaders use innovation to address diverse ideas, while ensuring accountability and attention to customer interests.

Indicators to evaluate the success or characteristics of sustainable leadership include:

1) Sustainable Vision and Mission: Sustainable leaders have a clear vision and mission that integrate sustainability principles into the company's business strategy.

2) Environmental Awareness: Leaders who care about the environment and understand the impact of business activities on the natural environment and local communities.

3) Ethics and Social Responsibility: Commitment to ethical and socially responsible business practices, including workforce sustainability and societal contributions.

4) Stakeholder Engagement: The ability to involve all stakeholders in decision-making to achieve agreements beneficial to all parties.

5) Sustainable Innovation: Encouraging the innovation and development of environmentally friendly products or services that consider the full life cycle of the product.

6) Transparency and Accountability: Openness in reporting the company's environmental and social performance, and readiness to be accountable for actions and decisions.

7) Adaptability and Learning: The ability to adapt to environmental changes and learn from challenges to continuously improve sustainability performance.

8) Organizational Culture Drivers: Building an organizational culture that prioritizes sustainability and social responsibility, encouraging participation and collaboration from all members of the organization.

Risk Management Business

Risk management is a critical component of business success and competitiveness. It involves identifying potential risks, developing strategies to mitigate those risks, and capitalizing on growth opportunities (Lim et al., 2022). Effective risk management significantly enhances the competitiveness of companies in a dynamic business environment (Yuniarwati & Yusianto, 2023). Risk management approaches, whether internal, external, or enterprise-wide, impact the overall performance of micro, small, and medium enterprises (Hudakova et al., 2018). By adopting a structured approach to controlling uncertainty and potential hazards, businesses can minimize or mitigate risks, resulting in improved financial status, increased profits, and reduced costs. In the context of small and medium-sized enterprises (SMEs), risk management is essential for enhancing security through various processes and activities (Sira et al., 2016). The implementation of enterprise risk management (ERM) can provide a long-term competitive advantage by managing risks throughout the organization. Proper identification of hazards and safety risks is an essential skill for small business management, emphasizing the importance of occupational health and safety management (Esterhuyzen & Louw, 2019). The benefits of implementing risk management practices include reducing revenue volatility, lowering costs, increasing profitability, improving decision-making processes, and aligning risk management with business objectives (Widoatmodjo & Setyawan, 2023). Moreover, risk management strategies, such as creating business-specific savings, can help SMEs finance their operations during unforeseen circumstances like the COVID-19 pandemic (Prajawati, 2022). In conclusion, risk management is a fundamental aspect of business operations that not only protects against potential threats but also creates opportunities for growth and sustainability. By adopting a structured risk management approach, businesses can address uncertainty, increase competitiveness, and improve overall performance.

Risk Management Indicators in Company Operations (CRMS Indonesia):

Percentage Increase in Raw Material Cost, Percentage Increase in Cost of Goods Sold, Percentage Increase in Wages of Factory Workers, Percentage of Idle Production Capacity, Percentage of Idle Capacity Investment Value.

Business Performance

According to (Inayati, 2018), performance can be defined as the ability of an object to achieve results about its goals. Performance may refer to the actual results or outputs of specific activities, how an activity is performed, or the ability to obtain desired outcomes (Saunila, 2017). Business process management (BPM) is the process of creating and sustaining competitive advantage in contemporary organizations (Marti-nez & Tadeu, 2018). Furthermore, performance management is a fundamental part of BPM, encompassing translating strategy into operational results, organizational diagnosis, creation of action plans, monitoring, providing feedback, communicating, and motivating people through performance-based rewards (Marti-nez & Tadeu, 2018).

Based on previous research, perceived performance can be measured using an approach adopted by (Terziovski & Guerrero, 2014) which includes the following metrics: successful launch of new products, waste reduction, increased market opportunities, improved product innovation, improved work methods and processes, and improved quality.

Business Resilience

Organizational resilience has been defined as the ability to withstand threats and crises and thrive through effective planning and adaptive capabilities by developing innovative solutions (Tibay et al., 2018). For example, in New Zealand, events such as the 1998 Auckland Central Business District (CBD) power outage and the more recent 2011 Christchurch earthquake have highlighted the importance of business resilience. The unpredictable nature of disasters makes it challenging to define and measure resilience accurately. Resilient Organizations (ResOrgs) is a research and consulting group that offers a resilience benchmarking tool, emphasizing the critical importance of sustaining a business after the Christchurch earthquake. Business resilience begins with the understanding that workflows must be maintained so that organizations and companies can continue to operate despite critical events. One aspect often overlooked in business resilience planning is the

human element, where individuals in chaotic situations must be able to respond to and manage various problems that arise in an organization.

(Reeve et al., 2020) identified several indicators of business resilience:

Redundancy

The ability of a business to have access to a fluctuating supply chain to fulfill production capacity by finding additional suppliers, and designing redundancy (forecasting).

Diversity

The ability for a business to have a cognitively diverse crisis management team that has multiple approaches or diverse ideas that are more flexible and resilient as potential solutions, as well as a corporate culture that encourages expression and respect for diverse perspectives.

Modularity

The ability of a business to refine modular systems as conditions dictate so that they remain efficient, such as swapping production between suppliers, even using very different components in both the short and long term.

Evolvability

The ability of a business to consistently highlight new opportunities, issues, and information for learning and updating obsolete solutions.

Prudence

The ability for a business to have worst-case scenarios and develop contingency strategies against each.

Embeddedness

The ability of a business to remain ethical in behavior, and provide support to customers, partners, healthcare, and social systems.

Conceptual Framework
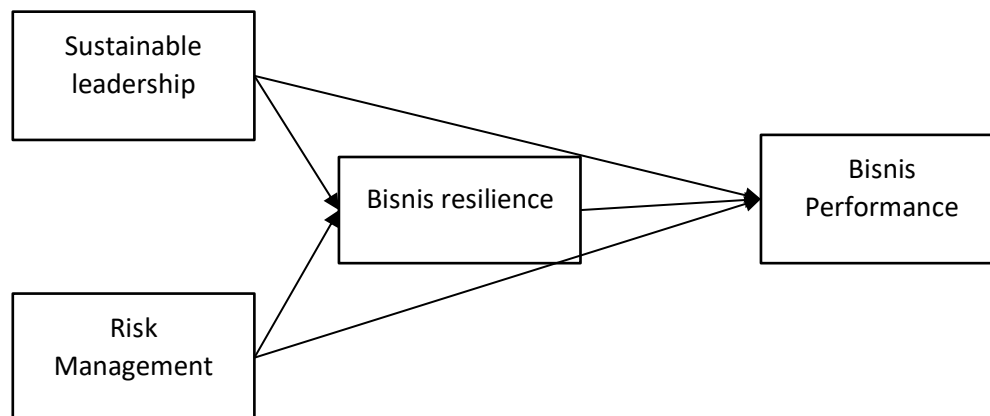
Figure 1
Conceptual Framework

RESEARCH METHOD

This research is categorized as descriptive quantitative research. According to (Sugiyono, 2017), research methods are essentially scientific techniques used to obtain data for specific purposes and applications. This study employs a quantitative approach. As stated by (Sarstedt et al., 2020) descriptive research involves using observations, interviews, or questionnaires to examine the current situation of the subject being studied. Through methods such as questionnaires, data is collected to test hypotheses or answer questions. This descriptive research aims to describe the actual circumstances of the current situation under investigation. The study targets restaurant business owners or managers in Medan City. A purposive sampling technique was used, resulting in a research sample of 50 respondents. Data analysis was conducted using Partial Least Square (PLS), a Structural Equation Modeling (SEM) technique with a variance-based or component-based approach. According to (Sarstedt et al., 2020), the objective of PLS-SEM is to develop or build a theory with a prediction orientation. PLS is used to determine the existence of relationships between latent variables and is a robust analysis method, as it does not require data to adhere to specific scale measurements or large sample sizes (Hair et al., 2018).

Validity and Reliability Test

Validity and reliability tests are conducted to ensure that the measurements used are accurate and dependable. Validity and reliability testing can be assessed as follows: First, convergent validity is evaluated by examining the correlation between item/component scores and construct scores. This is reflected in the standard loading factor, which indicates the strength of the correlation between each measured item and its construct. Individual reflex measurements are considered high if the correlation is greater than 0.7.

Second, discriminant validity is evaluated using a measurement model with a reflection index, based on cross-loading measures and constructs. Discriminant validity is assessed by comparing the square root of the average variance extracted (AVE). A tool is considered valid if its AVE value is greater than 0.5. Third, composite reliability measures the reliability of a construct through latent variable coefficients. If a value greater than 0.70 is achieved, the construct is deemed to have high reliability. Fourth, Cronbach's Alpha is a reliability test designed to support composite reliability results. A variable is considered reliable if the Cronbach's alpha value is greater than 0.7.

Instrument Testing

Uji Instrumen	Uji yang digunakan
Uji Validitas	Convergent Validity
	AVE
Uji Reliabilitas	Cronbach Alpha
	Composite Relibility

R Square Test

The R-square of the dependent construct is used to analyze the effect of specific independent variables on the dependent latent variable, indicating the magnitude of the effect.

Inner Model Analysis

Inner Model Analysis, also known as Structural Modeling, is a technique for predicting causal relationships between model variables. Hypotheses are tested during inner model analysis in Smart PLS testing. The t-statistic values and probability values are used to evaluate the hypotheses. The t-statistic used to test the hypothesis has a statistical value of 1.96 for a 5 percent alpha level, while the beta score is used to determine the direction of the

relationship between variables. The criteria for acceptance or rejection of hypotheses are as follows:

Ha: t-statistic > 1.96 with p-values < 0.05
H0: t-statistic < 1.96 with p-values > 0.05

RESULTS AND DISCUSSION

Evaluation of Measurement Model (Outer Model)

Evaluation of the outer model in research is carried out by considering four measurement criteria: convergent validity, discriminant validity, composite reliability, and Cronbach's alpha. The research model is illustrated in the following figure:
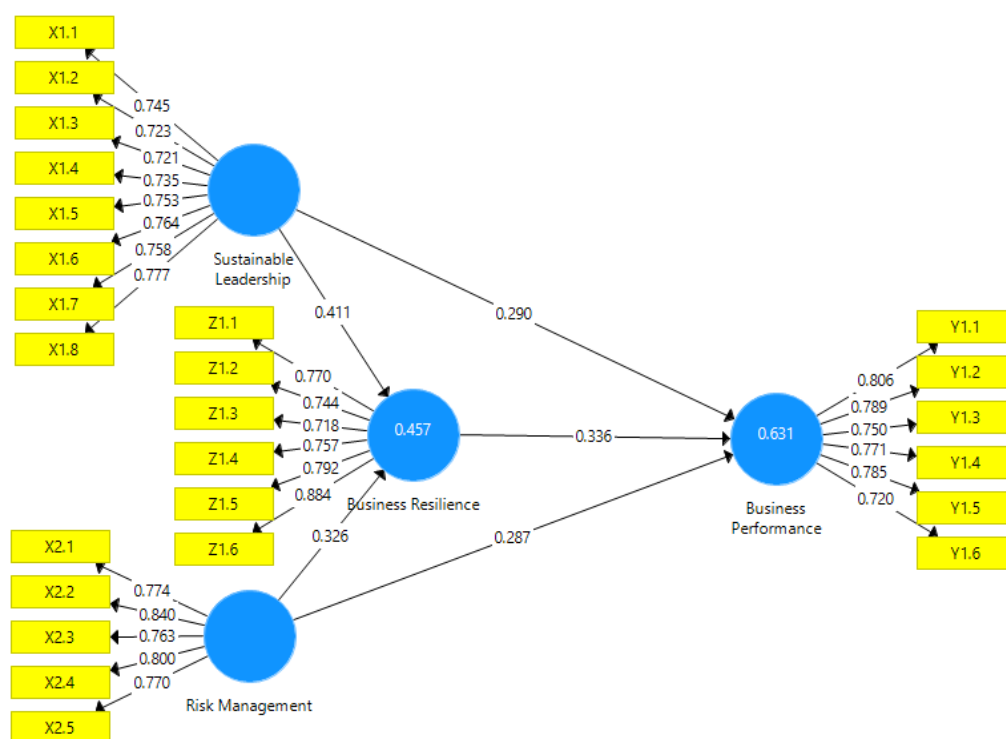
Figure 2
Outer Model

Convergent Validity

To test convergent validity, the outer loading value or loading factor is utilized. An indicator is considered to achieve convergent validity satisfactorily if the outer loading value exceeds 0.7. Below are the outer loading values for each indicator on the research variables:

Table 1
Outer Loading Test Results

	Business Performance	Business Resilience	Risk Management	Sustainable Leadership
X1.1				0.745
X1.2				0.723
X1.3				0.721
X1.4				0.735
X1.5				0.753
X1.6				0.764
X1.7				0.758
X1.8				0.777
X2.1			0.774	
X2.2			0.840	
X2.3			0.763	
X2.4			0.800	
X2.5			0.770	
Y1.1	0.806			
Y1.2	0.789			
Y1.3	0.750			
Y1.4	0.771			
Y1.5	0.785			
Y1.6	0.720			
Z1.1		0.770		
Z1.2		0.744		
Z1.3		0.718		
Z1.4		0.757		
Z1.5		0.792		
Z1.6		0.884		

Source: Primary data processed (2024)

Based on the results of the outer loading measurements in Table 1, it is evident that all research indicators meet the criteria for use as variable measurement indicators, as their outer loading values exceed 0.7 (outer loading > 0.7). The data indicate that none of the variable indicators have an outer loading value below 0.7, thus all indicators are deemed suitable and valid for research purposes and can be used for further analysis.

Discriminant Validity

Discriminant validity ensures that each latent variable or construct is distinct from others. A widely accepted measure for this purpose is the Heterotrait-Monotrait Ratio

(HTMT) value. A construct is considered to have good discriminant validity if its HTMT value is < 0.90 (Hair Jr et al., 2021). The results of the discriminant validity test are presented in the table below:

Table 2
Heterotrait-Monotrait Ratio (HTMT) Test Results

	Business Performance	Business Resilience	Risk Management	Sustainable Leadership
Business Performance				
Business Resilience	0.791			
Risk Management	0.797	0.697		
Sustainable Leadership	0.786	0.706	0.773	

Source: Primary data processed (2024)

Based on Table 2, it is observed that the HTMT ratio for all variables has a value less than 0.9 (HTMT < 0.9), indicating that all variable constructs exhibit good discriminant validity.

Another approach to assess discriminant validity is by examining the square root of the average variance extracted (AVE). The suggested threshold is above 0.5 (Memon et al., 2021). The AVE values obtained in the research are presented in Table 3.

Table 3
Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)
Business Performance	0.594
Business Resilience	0.607
Risk Management	0.624
Sustainable Leadership	0.558

Source: Primary data processed (2024)

Based on Table 3, it is evident that all research variables meet the standard AVE value criterion of above 0.5 (AVE > 0.5). The sustainable leadership variable (X1) has an AVE value of 0.558, the risk management variable (X2) has an AVE value of 0.624, the business resilience variable (Z) has an AVE value of 0.607, and the business performance variable (Y) has an AVE value of 0.594. Considering the AVE values for each variable, it can be concluded that all variables meet the criterion for discriminant validity as they have an AVE value greater than 0.5. Thus, each variable demonstrates good discriminant validity.

Composite Reliability

The next assessment is the composite reliability of the indicator block measuring each construct. A construct is deemed reliable if its composite reliability value exceeds 0.70 (Tugiman et al., 2022). The following outer model results display the composite reliability of each construct:

Table 4
Composite Reliability

	Composite Reliability
Business Performance	0.898
Business Resilience	0.902
Risk Management	0.892
Sustainable Leadership	0.910

Source: Primary data processed (2024)

Based on Table 4, satisfactory results for composite reliability are evident: sustainable leadership (X1) has a composite reliability value of 0.910, risk management (X2) has a composite reliability value of 0.892, business resilience (Z) has a composite reliability value of 0.902, and business performance (Y) has a composite reliability value of 0.898. All constructs exhibit composite reliability values greater than 0.70. These findings indicate that each variable has achieved the criterion for composite reliability, confirming a high level of reliability overall.

Cronbach's Alpha

To further validate reliability, Cronbach's alpha value is used in addition to composite reliability. A variable is considered reliable if its Cronbach's alpha value exceeds 0.70 (Tugiman et al., 2022). The Cronbach's alpha values for each variable are provided below:

Table 5
Cronbach's Alpha

	Cronbach's Alpha
Business Performance	0.863
Business Resilience	0.870
Risk Management	0.849
Sustainable Leadership	0.887

Source: Primary data processed (2024)

Based on the data presented in Table 5, it is observed that the Cronbach's alpha value for each research variable exceeds 0.7. These results indicate that each research variable meets Cronbach's alpha reliability criterion, affirming their high reliability.

Evaluation of the Structural Model (Inner Model)

Evaluating the structural model involves assessing the relationships between latent constructs as hypothesized in this study. The evaluation of the inner model is described as follows:
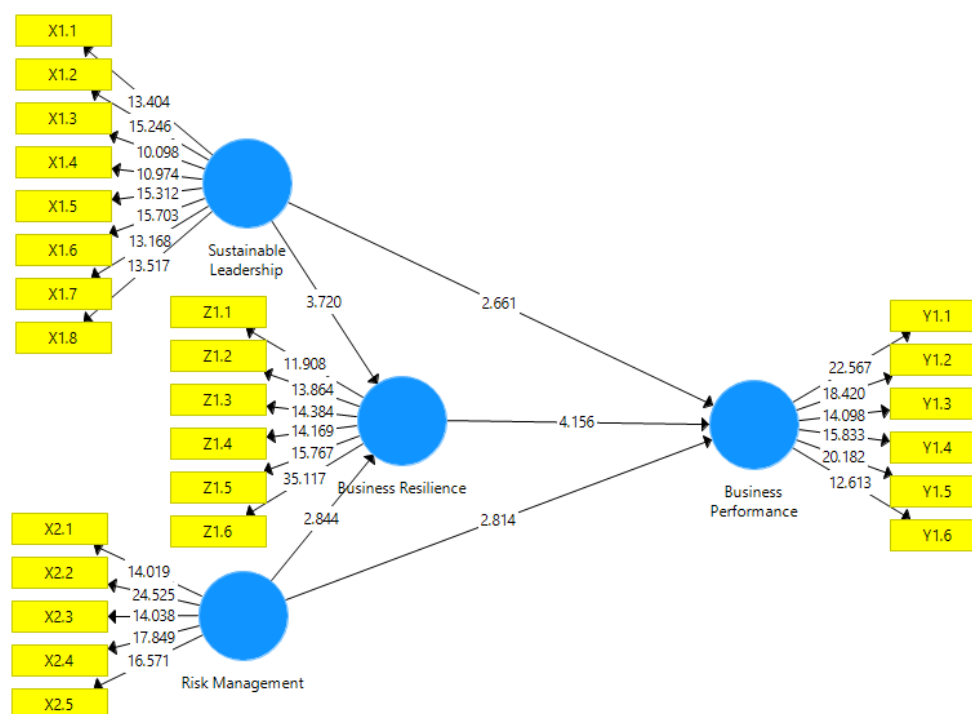
Figure 3
Inner Model

Path Coefficient Test

The path coefficient test demonstrates the strength of the effect or influence of independent variables on dependent variables. Additionally, the coefficient of determination (R-Square) measures the extent to which endogenous variables are influenced by other variables. An R2 result of 0.67 or higher for endogenous latent variables in the structural model indicates a strong influence of exogenous variables (those exerting influence) on endogenous variables (those being influenced). Results between 0.33 and 0.67 are considered moderate, while results between 0.19 and 0.33 are categorized as weak.

According to the inner model framework, the largest path coefficient value is observed for the effect of business resilience on business performance, which is 4.156. The second largest influence is the impact of sustainable leadership on business resilience, with a coefficient of 3.720, while the smallest influence is attributed to sustainable leadership on business performance, with a coefficient of 2.661.

Based on these findings, it is evident that all variables in this model exhibit positive path coefficients. This indicates that a higher path coefficient value for an independent variable corresponds to a stronger influence of that variable on the dependent variable.

Coefficient of Determination (R2)

After fulfilling the outer model testing, the next step is to test the structural model (inner model). The inner model is evaluated by examining the R-square of the dependent construct and the t-statistic value from the path coefficient test. A higher R-square value indicates a better predictive model for the proposed research. The path coefficient values indicate the significance level in hypothesis testing and variance analysis (R2), which assesses the impact of independent variables on the dependent variable. One fundamental limitation of the coefficient of determination is its susceptibility to bias based on the number of independent variables included in the model. Therefore, it is recommended to use adjusted R-square (R2) when evaluating the optimal model (Edeh et al., 2023). The coefficient of determination values is presented in Table 6:

Table 6
Coefficient of Determination (R2)

	R Square	R Square Adjusted
Business Performance	0.631	0.620
Business Resilience	0.457	0.445

Source: Primary data processed (2024)

Based on the R-square value for business performance, it is 0.631. These results indicate that the sustainable leadership and risk management variables, through business resilience, explain 63.1% of the variance in the business performance variable, while the remaining 36.9% is explained by variables not included in the research model.

Regarding the R-square value in the business resilience model, it is 0.457. These results indicate that the sustainable leadership and risk management variables explain 45.7% of the variance in the business resilience variable, while the remaining 54.3% is explained by variables not included in the research model.

Hypothesis Testing

Based on the data processing conducted, the results are used to test the hypotheses in this study. Hypothesis testing in this study was performed by analyzing the T-statistic and P-values. A research hypothesis is considered accepted if the P-values are less than 0.05. The following are the results of hypothesis testing obtained in this study through the inner model:

Table 7
Test of Research Hypothesis

	Original Sample (O)	T Statistics (|O/STDEV|)	P Values
Business Resilience -> Business Performance	0.336	4.156	**0.000**
Risk Management -> Business Performance	0.287	2.814	**0.005**
Risk Management -> Business Resilience	0.326	2.844	**0.005**
Sustainable Leadership -> Business Performance	0.290	2.661	**0.008**
Sustainable Leadership -> Business Resilience	0.411	3.720	**0.000**

Source: Primary data processed (2024)

Table 8
Indirect Effect

	Original Sample (O)	T Statistics (|O/STDEV|)	P Values
Risk Management -> Business Resilience -> Business Performance	0.110	2.366	**0.018**
Sustainable Leadership -> Business Resilience -> Business Performance	0.138	2.467	**0.014**

Source: Primary data processed (2024)

Effect of Sustainable Leadership on Business Resilience

The hypothesis testing results indicate that the effect of sustainable leadership (X1) on business resilience (Z) yields a T-statistic value of 3.720 and a P-value of 0.000. The T-statistic value exceeds the critical value (2.669 > 1.96), and the P-value of 0.000 is less than

the 5% alpha threshold (0.05), indicating a significant effect of sustainable leadership on business resilience. Therefore, it can be concluded that sustainable leadership exerts a positive and significant influence on business resilience.

These findings align with research conducted by (Fridayani et al., 2023) which explores the impact of sustainable leadership on business resilience in the workplace. The analysis results consistently show a significant correlation between sustainable leadership and business resilience.

Effect of Risk Management on Business Resilience

The results of hypothesis testing indicate that the effect of risk management (X2) on business resilience (Z) shows a T-statistic value of 2.844 and a P-value of 0.005. The T-statistic value exceeds the critical value (2.844 > 1.96), and the P-value of 0.005 is less than the 5% alpha threshold (0.05), indicating a significant effect of risk management on business resilience. Therefore, it can be concluded that risk management has a positive and significant influence on business resilience.

These findings are consistent with research conducted by (Affini et al., 2022) which explores the relationship between risk management and business resilience. This study contributes to a deeper understanding of the positive correlation between effective risk management practices and enhanced business resilience.

The Influence of Sustainable Leadership on Business Performance

The hypothesis testing results indicate that the influence of sustainable leadership (X1) on business performance (Y) has a T-statistic value of 2.661 and a P-value of 0.008. The T-statistic value is less than the critical T-table value (2.661 < 1.96), and the P-value of 0.008 is smaller than the 5% alpha standard (0.05), demonstrating a significant effect of sustainable leadership on business performance. Thus, it can be concluded that sustainable leadership has a significant influence on business performance.

These findings are consistent with research conducted by (Fridayani et al., 2023) which examines the impact of sustainable leadership on business performance. The analysis results indicate a significant positive correlation between sustainable leadership and business performance.

Effect of Risk Management on Business Performance

The results of hypothesis testing indicate that the effect of risk management (X2) on business performance (Y) yields a T-statistic value of 2.814 and a P-value of 0.005, with an original sample value of 0.287. The T-statistic value exceeds the critical T-table value (2.814 > 1.96), and the P-value of 0.005 is less than the 5% alpha threshold (0.05), indicating a significant effect of risk management on business performance. Therefore, it can be concluded that there is a positive and significant influence of risk management on business performance.

Research conducted by (Mardiana et al., 2018) examined the correlation between risk management and business performance. The study found that effective risk management practices contributed to improving business performance. Furthermore, the findings suggest that greater implementation of risk management practices by companies correlates with increased business performance.

Effect of Business Resilience on Business Performance

The results of hypothesis testing indicate that the effect of business resilience (Z) on business performance (Y) yields a T-statistic value of 4.156 and a P-value of 0.000. The T-statistic value exceeds the critical T-table value (4.156 > 1.96), and the P-value of 0.000 is less than the 5% alpha threshold (0.05), indicating a significant effect of business resilience on business performance. Therefore, it can be concluded that there is a positive and significant influence of business resilience on business performance.

These findings align with research conducted by (Salamzadeh et al., 2023) which examines the impact of business resilience on business performance. The analysis results demonstrate that strong business resilience positively and significantly contributes to the enhancement of business performance.

Effect of Sustainable Leadership on Business Performance through Business Resilience

The results of hypothesis testing indicate that the effect of sustainable leadership (X1) on business performance (Y) through business resilience (Z) yields a T-statistic value of 2.467 and a P-value of 0.014. The T-statistic value exceeds the critical T-table value (2.467 > 1.96), and the P-value of 0.014 is less than the 5% alpha threshold (0.05), indicating a significant effect of sustainable leadership on business performance through business resilience. Therefore, it can be concluded that there is a positive and significant influence of

sustainable leadership on business performance through business resilience. Thus, it can be inferred that business resilience serves as an intervening variable for sustainable leadership.

Effect of Risk Management on Business Performance through Business Resilience

The results of hypothesis testing indicate that the effect of risk management (X2) on business performance (Y) through business resilience (Z) yields a T-statistic value of 2.366 and a P-value of 0.018. The T-statistic value exceeds the critical T-table value (2.366 > 1.96), and the P-value of 0.018 is less than the 5% alpha threshold (0.05), indicating a significant effect of risk management on business performance through business resilience. Therefore, it can be concluded that there is a positive and significant influence of risk management on business performance through business resilience. Thus, it can be inferred that business resilience acts as an intervening variable for risk management.

CONCLUSION

The influence of Sustainable Leadership on Business Resilience: It has been observed that sustainable leadership positively and significantly influences business resilience. This indicates that implementing sustainable leadership practices can enhance the company's capacity to navigate challenges and adapt to changes in the business environment.

Effect of Risk Management on Business Resilience: It has been demonstrated that risk management also has a positive and significant impact on business resilience. This underscores the critical role of effective risk management in preparing companies to mitigate risks and manage crises. Effect of Sustainable Leadership on Business Performance: Sustainable leadership shows a positive influence on business performance, albeit not statistically significant. This suggests that sustainable leadership practices may contribute to overall business performance, albeit through more complex and indirect pathways. Effect of Risk Management on Business Performance: The results indicate that risk management has a positive and significant effect on business performance. This reinforces the importance of robust risk management strategies in achieving favorable business outcomes.

Effect of Business Resilience on Business Performance: It has been found that business resilience positively and significantly influences business performance. This highlights how a company's ability to endure and adapt to challenges can contribute to

enhancing overall business performance. The Effect of Sustainable Leadership and Risk Management on Business Performance Through Business Resilience: It is evident that both sustainable leadership and risk management exert a positive and significant influence on business performance through the mediating role of business resilience. This suggests that business resilience acts as an intermediary in the relationship between sustainable leadership, risk management practices, and business performance.

Implementation of sustainable leadership and risk management: Companies should prioritize the implementation of sustainable leadership and risk management practices to enhance business resilience and overall business performance. Development of business resilience: Focus should be placed on developing strategies and capabilities that enhance business resilience, thereby better equipping the company to confront challenges and adapt to changes in the business environment.

Integration of sustainable leadership and risk management with business resilience: Companies need to comprehend the intricate relationships among sustainable leadership, risk management, business resilience, and business performance. They should integrate these practices comprehensively into their business strategy. Further Research: Additional research is necessary to comprehend the mechanisms and other factors that influence business performance effectively.

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