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LETTER OF ACCEPTANCE

November 12th, 2025

Dear Yuliana Sri Purbiyati, Richard Andrew

International Journal of Applied Business and International Management (IJABIM) editorial team is happy to inform you that the paper entitled **'The Moderating Role of Digital Transformational on The Influence of Workplace Spirituality and Sustainable Leadership toward School Organizational Perfomance'** has been accepted for publication in International Journal of Applied Business and International Management (IJABIM) Vol. 10 No. 3. On December 20th, 2025.

On behalf of editor and reviewer board members, we would like to congratulate you for having passed the review stage in term of scope and the paper need to be revised and adjust with the journal requirement. The articles will be processed accordingly and only be published after all the revision will be done correctly and on time.

If you have any questions about the publication, please send email to aibpm.publisher@gmail.com or message via WhatsApp: +6289686791980.

Best Regards,

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The Moderating Role of Digital Transformation on the Influence of Workplace Spirituality and Sustainable Leadership Toward School Organizational Performance

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ABSTRACT

This study examines the moderating role of Digital Transformation (TD) on the This Study examines the moderating role of Digital Transformational (TD) on influence of Workplace Spirituality (STK) and Sustainable Leadership (KK) toward School Organizational Performance (KO). Using Partial Least Squares–Structural Equation Modeling (PLS-SEM), data were obtained from school leaders and unit heads at educational institutions in Indonesia. Results show that STK significantly and positively affects OS, while KK has no direct significant influence. TD has a positive direct effect on OS but does not moderate the relationship between STK and KK toward OS. These findings highlight that spiritual and leadership values enhance performance, yet digital transformation functions as a strategic driver rather than a moderating force.

Keywords: Digital Transformation; Education; Sustainable Leadership; Organizational Performance; Workplace Spirituality.

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INTRODUCTION

The rapid development of digital technology has transformed organizational management in nearly every sector, including education. In today's environment, schools are not only expected to deliver quality education but also to operate with efficiency, adaptability, and innovation through digital platforms. The integration of digital tools into administrative and pedagogical processes has become inevitable for maintaining competitiveness and service excellence. However, technological progress alone cannot ensure organizational effectiveness; it must coexist with strong human and ethical values that guide how leaders and members interact. This coexistence of human spirituality and digital transformation forms the foundation of sustainable performance in modern educational institutions.

Workplace Spirituality (STK) is an emerging concept that emphasizes meaning, purpose, community, and connectedness in the workplace (Milliman et al., 2003). In educational organizations, spirituality in work practices helps teachers, administrators, and staff connect their personal values with institutional missions. It encourages intrinsic motivation, emotional well-being, and collective harmony, factors that are critical for achieving long-term performance. Prior research suggests that organizations embracing workplace spirituality tend to experience higher employee engagement, reduced turnover, and improved service outcomes (Rego & Cunha, 2008). However, limited empirical studies have explored how spirituality affects organizational performance specifically within schools in Indonesia, where cultural and spiritual dimensions strongly influence institutional behavior.

Sustainable Leadership (KK), on the other hand, reflects leadership behavior that promotes balance between short-term results and long-term development. According to Hargreaves and Fink (2006), sustainable leaders focus on developing people, maintaining institutional resilience, and preserving resources for future generations. In educational contexts, sustainable leadership involves visionary direction, ethical guidance, and empowerment of teachers and staff. It ensures continuity of performance even amid challenges such as digital disruption or shifting educational standards. However, empirical evidence on the direct impact of sustainable leadership on school organizational performance remains mixed. Some studies find significant relationships, while others suggest that sustainability-driven leadership only produces indirect effects mediated through organizational culture and employee engagement.

Amid the growing influence of digitalization, Digital Transformation (TD) has emerged as a dominant strategic force in shaping institutional performance. TD encompasses the adoption of technologies such as data-driven management systems, e-learning platforms, and automation tools to improve organizational efficiency (Hess et al., 2020). For schools, digital transformation enables more flexible learning environments, better data management, and improved stakeholder communication. However, TD also creates tension with traditional human-centric values such as collaboration, compassion, and personal meaning. While technology accelerates performance metrics, it may also reduce interpersonal connections or erode the shared sense of purpose that defines a spiritually grounded workplace.

Given these dynamics, the intersection of STK, KK, and TD becomes crucial in understanding modern organizational performance within educational settings. Although many studies have independently examined the roles of spirituality, leadership, and technology, few have analyzed how these three variables interact simultaneously. Specifically, it remains unclear whether digital transformation strengthens (moderates)

or weakens the positive effects of workplace spirituality and sustainable leadership on school organizational performance. In other words, does digitalization serve as a bridge that enhances human values through efficiency, or does it act as a barrier that dilutes them? Addressing this gap is essential for designing leadership strategies that align technological progress with human development in educational institutions.

This research aims to analyze (1) the influence of Workplace Spirituality (STK) and Sustainable Leadership (KK) on School Organizational Performance (OS), (2) the direct effect of Digital Transformation (TD) on OS, and (3) the moderating role of TD on the relationship between STK and KK toward OS. The study adopts a quantitative approach using Partial Least Squares–Structural Equation Modeling (PLS-SEM) to test the hypothesized relationships. The research was conducted in several Indonesian schools involving principals and unit leaders as respondents.

The contribution of this study is threefold. First, it extends theoretical understanding by integrating spirituality, sustainability, and digitalization perspectives into one comprehensive framework of school performance. Second, it offers practical insights for school leaders seeking to manage digital change without compromising human and ethical values. Third, it provides empirical evidence from Indonesia, contributing to the limited body of literature on leadership and spirituality in developing-country educational contexts. Ultimately, this research underscores that the pursuit of digital excellence in education must remain grounded in purpose, empathy, and sustainability to achieve lasting organizational success.

LITERATURE REVIEW

Workplace Spirituality (STK)

Workplace Spirituality (STK) is increasingly recognized as a key dimension of organizational success that goes beyond traditional performance metrics. It represents an organizational culture in which employees experience meaning, purpose, and a sense of community at work (Milliman et al., 2003). Spirituality in the workplace is not associated with religion but rather with human values such as compassion, integrity, and mindfulness (Ashmos & Duchon, 2000). When employees find purpose in their tasks and align their personal values with organizational goals, they tend to be more motivated, creative, and committed (Rego & Cunha, 2008).

In the educational context, spirituality becomes even more crucial because schools operate as moral and social institutions. Teachers and administrators are not merely performers of technical duties but are also mentors, role models, and community builders. A spiritually enriched work environment enables educators to cultivate emotional resilience, empathy, and ethical behavior, all of which contribute to sustainable school performance. Empirical studies have found that workplace spirituality improves job satisfaction, organizational citizenship behavior, and overall effectiveness (Petchsawang & Duchon, 2012).

STK is typically measured through three dimensions: meaningful work, sense of community, *and* alignment with organizational values. Meaningful work refers to the perception that one's job contributes to a larger purpose. A sense of community emphasizes interpersonal trust and belonging. Alignment reflects how individual goals resonate with organizational missions. These dimensions collectively foster a sense of wholeness, reducing burnout and enhancing performance even under stressful conditions.

Sustainable Leadership (KK)
Sustainable Leadership (KK) has emerged as a response to the volatility and uncertainty of modern organizations. Hargreaves and Fink (2006) define sustainable leadership as leadership that preserves and develops human and material resources, promotes social justice, and ensures institutional continuity. Sustainable leaders are those who invest in people, build collaborative networks, and maintain long-term perspectives rather than short-term achievements (Avery & Bergsteiner, 2011).

In educational institutions, sustainable leadership translates into creating cultures of learning, innovation, and accountability (Davies, 2007). Principals who practice sustainable leadership encourage shared decision-making, empower teachers, and integrate ethical considerations into strategic planning. As a result, schools become more adaptive and resilient in facing environmental and technological changes.

Empirical evidence suggests that sustainable leadership positively affects organizational commitment, trust, and stakeholder satisfaction (How & Ishak, 2021). However, its direct impact on organizational performance is often moderated by other variables, such as organizational culture or transformational leadership (Nguyen & Malik, 2020). This indicates that sustainability-oriented leadership may require supportive contexts, such as spirituality or digital systems, to fully manifest its potential outcomes.

Digital Transformation (TD)
Digital Transformation (TD) refers to the strategic adoption of digital technologies to improve organizational processes, business models, and stakeholder experiences (Hess et al., 2020). In education, TD encompasses innovations such as e-learning platforms, digital administration, big data analytics, and cloud-based management systems. These tools enable more efficient resource allocation, real-time decision-making, and enhanced communication among stakeholders (Bai et al., 2023).

However, TD is not merely a technological upgrade it also represents a deep cultural shift. Implementing digital transformation requires new mindsets, leadership competencies, and organizational learning mechanisms (Vial, 2021). Schools often face challenges related to digital literacy gaps, resistance to change, and limited infrastructure. Therefore, the success of TD depends not only on technological readiness but also on the human and cultural aspects that support digital adoption.

In this study, TD is positioned as both an independent and moderating variable. As an independent variable, it directly influences school performance through efficiency and innovation. As a moderator, TD may strengthen or weaken the effects of STK and KK on OS, depending on how well digital tools are integrated with human values and leadership styles.

School Organizational Performance (OS)
Organizational Performance (OS) in schools is a multidimensional construct that reflects the effectiveness, efficiency, and sustainability of educational operations. It includes academic achievements, stakeholder satisfaction, internal process efficiency, and adaptability to change (Hristov & Chirico, 2019). In management studies, performance is often measured through both financial and non-financial indicators, but in educational settings, qualitative outcomes such as learning quality, teamwork, and social impact are equally important (Cheng, 2016).

Several studies highlight that OS is strongly influenced by leadership, organizational culture, and technological capability (Amran & Nisa, 2021). Sustainable leaders create

the vision and infrastructure for long-term excellence, while workplace spirituality ensures ethical grounding and purpose. Digital transformation provides the tools and systems to execute strategies efficiently. Therefore, OS represents the cumulative outcome of strategic, human, and technological integration.

Theoretical Model and Hypotheses Development

This study is grounded in the Resource-Based View (RBV) theory, which posits that organizations achieve competitive advantage through unique internal resources and capabilities (Barney, 1991). In this context, STK and KK represent intangible human resources, while TD serves as a dynamic capability enabling resource optimization.

Based on the literature, the following hypotheses are formulated:

H1: Sustainable Leadership (KK) positively affects School Organizational Performance (KO).
H2: Workplace Spirituality (STK) positively affects School Organizational Performance (KO).
H3: Digital Transformation (TD) positively affects School Organizational Performance (KO).
H4: Digital Transformation (TD) moderates the relationship between Sustainable Leadership (KK) and School Organizational Performance (KO)
H5: Digital Transformation (TD) moderates the relationship between Workplace Spirituality (STK) and School Organizational Performance (KO).

This theoretical model integrates leadership, spirituality, and technology under a unified framework, offering a contemporary understanding of performance in education. It assumes that technology and human values are not opposing forces but complementary drivers of sustainable excellence.

Hypotheses Development (if any)

Provide a comprehensive theoretical review and previous studies that are relevant to the hypothesis formulation of the research in the form of coherent paragraphs, then write the hypothesis formulation below the paragraphs.

H1: ….

Example:

Good Corporate Governance and Earnings Management

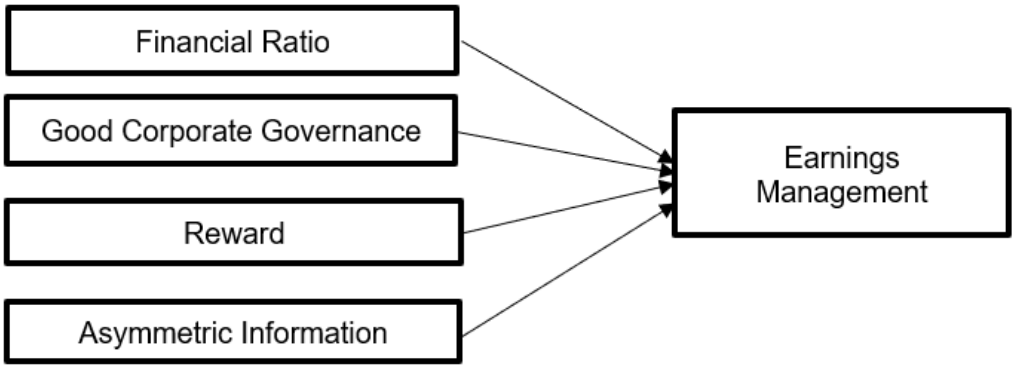
Effective corporate governance is essential for promoting financial transparency, accountability, and ethical business conduct, thereby reducing the risk of earnings management (Beasley, 1996; Klein, 2002). Firms with strong governance frameworks, such as independent boards, audit committees, and robust internal controls, are more likely to prevent managers from manipulating earnings (Xie, Davidson, & DaDalt, 2003). Research indicates that companies with well-established governance structures are less prone to earnings management, as these mechanisms enhance oversight and restrict managerial flexibility in financial reporting (Dechow, Sloan, & Sweeney, 1996). Consequently, good corporate governance is expected to negatively impact earnings management by strengthening supervision and minimizing opportunities for financial misrepresentation.

H1: Good corporate governance negatively affects earnings management.

Conceptual Framework

The study framework model is depicted in Figure 1.

Figure 1. Research Framework



RESEARCH METHOD

Research Design

This study employed a quantitative research design using Structural Equation Modeling with Partial Least Squares (SEM-PLS) to analyze the causal relationships between sustainable leadership (STK), human resource competence (KSDM), role breadth self-efficacy (RBSE), digital transformation (TD), and organizational sustainability (OS). SEM-PLS was selected because it allows simultaneous testing of complex models involving multiple independent, mediating, and moderating variables and is robust even with relatively small samples or non-normal data distributions.

Population and Sample

The population of this study comprised schools operating under the same educational foundation network. The school organization served as the unit of analysis, while the principals, unit leaders, and teachers or staff members constituted the units of observation. A purposive sampling approach was used to ensure the inclusion of schools that had adopted sustainability-oriented leadership practices and initiated digital transformation efforts. Respondents were required to have worked for at least six months and to be sufficiently familiar with their school's management processes and digital systems. Data were gathered through online Google Forms distributed to each participating school, with one response collected from each principal, two from each unit leader, and one from each teacher or staff member. This multi-level sampling ensured representation of both leadership and operational perspectives within each school.

Research Instruments

Data collection used structured questionnaires adapted from established measurement scales with five-point Likert scales (1 = strongly disagree to 5 = strongly agree). The instruments were distributed in three forms according to respondent type:

Data Analysis Technique

Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0. The analytical procedure was carried out in two sequential stages, beginning with the evaluation of the measurement (outer) model to assess indicator reliability and construct validity, followed by the assessment of the structural (inner) model to examine the hypothesized relationships among variables.

RESULTS

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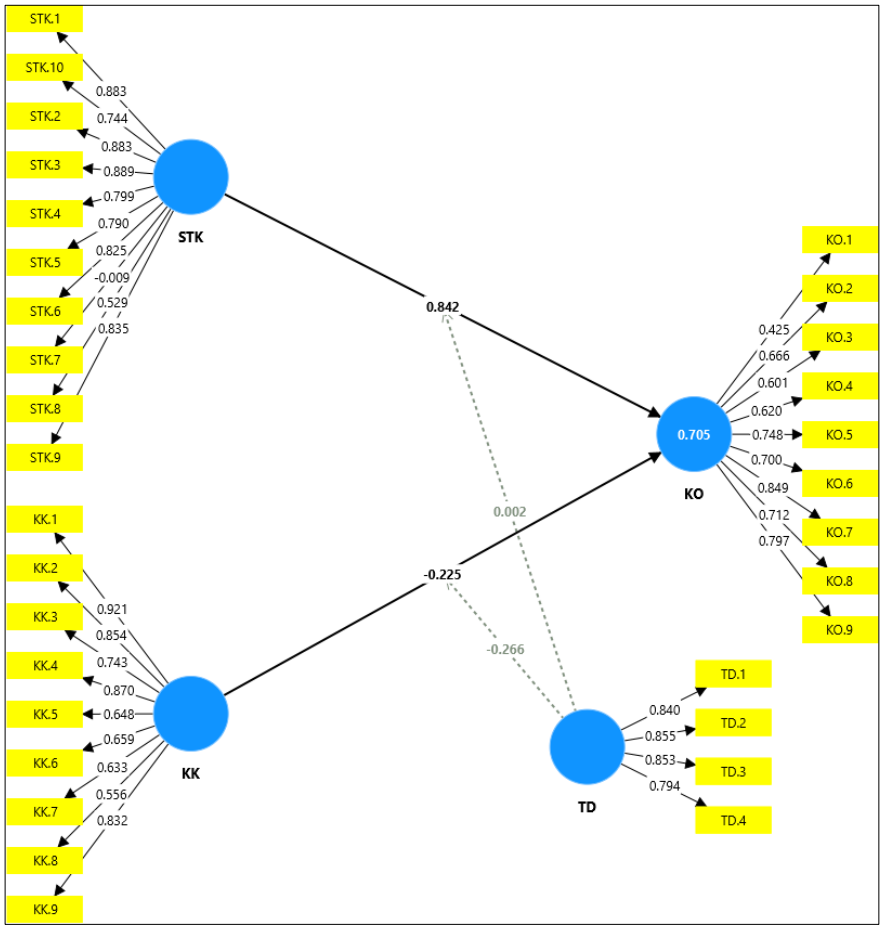


Figure 1. PLS Model

Table 1. Validity Test

	KK	KO	STK	TD	TD x KK	TD x STK
KK.1	0.921					
KK.2	0.854					
KK.3	0.743					
KK.4	0.870					
KK.5	0.648					
KK.6	0.659					
KK.7	0.633					
KK.8	0.556					
KK.9	0.832					
KO.1		0.425				
KO.2		0.666				
KO.3		0.601				
KO.4		0.620				
KO.5		0.748				
KO.6		0.700				
KO.7		0.849				
KO.8		0.712				
KO.9		0.797				
STK.1			0.883			
STK.10			0.744			
STK.2			0.883			

STK.3			0.889			
STK.4			0.799			
STK.5			0.790			
STK.6			0.825			
STK.7			-0.009			
STK.8			0.529			
STK.9			0.835			
TD.1				0.840		
TD.2				0.855		
TD.3				0.853		
TD.4				0.794		
TD x STK						1.000
TD x KK					1.000	

The results in Figure 1 and Table 1 indicate that items with outer loadings below 0.70, namely KK5, KK6, KK7, KK8, KO1, KO2, KO3, KO4, STK7, and STK8, were deemed invalid. Consequently, these indicators were excluded from the model to enhance construct validity and strengthen the overall reliability of the measurement.

Table 2. Fornell Discriminant Validity

	KK	KO	STK	TD
KK	0.756			
KO	0.534	0.690		
STK	0.756	0.780	0.763	
TD	0.384	0.529	0.467	0.836

Table 2 indicates that the KK, KO, and STK variables fail to meet Fornell's criterion because each construct's value is lower than its correlations with other constructs.

Table 3. HTMT Discriminant Validity

	KK	KO	STK	TD	TD x KK	TD x STK
KK						
KO	0.548					
STK	0.740	0.837				
TD	0.434	0.588	0.551			
TD x KK	0.136	0.157	0.156	0.284		
TD x STK	0.138	0.149	0.200	0.189	0.818	

According to Table 3, all variables are declared to pass discriminant validity with HTMT < 1.

Table 4. Cross-Loading Discriminant Validity

	KK	KO	STK	TD	TD x KK	TD x STK
KK.1	0.921	0.570	0.769	0.329	0.057	0.136
KK.2	0.854	0.328	0.541	0.232	-0.093	0.147
KK.3	0.743	0.267	0.471	0.266	-0.205	-0.051
KK.4	0.870	0.480	0.669	0.282	-0.040	0.020
KK.5	0.648	0.408	0.474	0.422	-0.138	0.050
KK.6	0.659	0.476	0.710	0.273	0.119	0.270
KK.7	0.633	0.076	0.253	0.252	-0.082	0.099
KK.8	0.556	0.101	0.201	0.289	-0.047	0.015

KK.9	0.832	0.396	0.516	0.285	-0.101	0.114
KO.1	-0.070	0.425	0.175	0.189	0.192	0.095
KO.2	0.169	0.666	0.410	0.270	-0.043	0.035
KO.3	0.278	0.601	0.380	0.261	0.012	0.137
KO.4	0.501	0.620	0.640	0.229	0.068	0.161
KO.5	0.466	0.748	0.623	0.371	-0.119	-0.108
KO.6	0.452	0.700	0.620	0.600	0.048	-0.015
KO.7	0.362	0.849	0.580	0.503	-0.086	-0.105
KO.8	0.329	0.712	0.551	0.241	-0.187	-0.027
KO.9	0.517	0.797	0.631	0.460	-0.145	-0.169
STK.1	0.682	0.564	0.883	0.170	0.007	0.126
STK.10	0.579	0.622	0.744	0.625	0.300	0.198
STK.2	0.632	0.714	0.883	0.365	0.076	0.145
STK.3	0.728	0.715	0.889	0.569	0.125	0.244
STK.4	0.696	0.577	0.799	0.236	-0.004	0.164
STK.5	0.640	0.592	0.790	0.515	0.232	0.275
STK.6	0.682	0.581	0.825	0.239	-0.003	0.087
STK.7	-0.005	0.102	-0.009	-0.199	-0.100	-0.053
STK.8	0.214	0.530	0.529	0.363	0.160	0.103
STK.9	0.560	0.674	0.835	0.277	-0.083	0.008
TD.1	0.515	0.442	0.476	0.840	0.145	0.134
TD.2	0.260	0.464	0.435	0.855	0.453	0.246
TD.3	0.326	0.455	0.359	0.853	0.159	0.186
TD.4	0.173	0.407	0.282	0.794	0.121	-0.018
TD x STK	0.133	-0.024	0.186	0.169	0.818	1.000
TD x KK	-0.050	-0.065	0.108	0.268	1.000	0.818

Table 4 shows that all items meet the cross-loading validity criteria except for item STK7, which does not exhibit the highest loading on its intended construct and instead loads more strongly on another variable.

Table 5. Reliability Test

	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)	Average Variance Extracted (AVE)
KK	0.908	0.935	0.921	0.571
KO	0.860	0.878	0.888	0.476
STK	0.898	0.933	0.925	0.582
TD	0.856	0.859	0.903	0.698

Table 5 shows that the AVE value for KO is below 0.50, indicating that KO does not meet the assumption of convergent validity. In contrast, the other variables have AVE values above 0.50, meaning they satisfy this requirement. In addition, both Cronbach's alpha and composite reliability values exceed 0.60, indicating that all variables demonstrate acceptable reliability.

Table 6. R square

	R-square	R-square adjusted
KO	0.705	0.670

Table 6 indicates that KK, STK, and TD collectively explain 70.5% of the variance in KO.

Table 7. F Square

	KK	KO	STK	TD	TD x KK	TD x STK
KK		0.063				
KO						
STK		0.921				
TD		0.194				
TD x KK		0.053				
TD x STK		0.000				

Based on Table 7, KK and the interaction term TD × KK have f-square values ranging from 0.02 to 0.15, indicating that both KK and its interaction with TD exert a weak influence on KO. The interaction between KK and STK shows an F-squared value of 0.000, which signifies a negligible effect on KO. STK has an f-square value within the range of 0.15 to 0.35, suggesting a moderate influence on KO. Meanwhile, TD has an f-square value greater than 0.35, indicating a strong influence on KO.

Table 8. Q Square

	Q^2predict	RMSE	MAE
KO	0.594	0.668	0.541

The value of q-square in Table 8 is 0.59 > 0.35, which means that the model has a very good predictive model.

Table 9. Hypothesis Test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
KK -> KO	-0.225	-0.241	0.205	1.096	0.273
STK -> KO	0.842	0.839	0.210	4.004	0.000
TD -> KO	0.288	0.310	0.115	2.506	0.012
TD x KK -> KO	-0.266	-0.265	0.199	1.337	0.181
TD x STK -> KO	0.002	0.017	0.225	0.011	0.992

Table 9 shows that the influence of KK on KO has a p-value of 0.273 (> 0.05) with a coefficient of –0.225. This result indicates that H_0 is accepted and H_1 is rejected, meaning KK does not have a significant effect on KO. The influence of STK on KO has a p-value of 0.000 (< 0.05) with a coefficient of 0.845, indicating that H_0 is rejected and H_2 is accepted; therefore, STK has a significant positive effect on KO. The effect of TD on KO shows a p-value of 0.012 (< 0.05) with a coefficient of 0.288, leading to the rejection of H_0 and acceptance of H_3, which means TD has a significant positive effect on KO.

The interaction between TD and KK on KO has a p-value of 0.181 (> 0.05) with a coefficient of –0.266. Accordingly, H_0 is accepted and H_4 is rejected, indicating that TD does not moderate the effect of KK on KO. Finally, the interaction between TD and STK on KO shows a p-value of 0.992 (> 0.05) with a coefficient of 0.002, meaning H_0 is accepted and H_5 is rejected, and thus TD does not moderate the influence of STK on KO.

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DISCUSSION

The analysis demonstrates that Sustainable Leadership (STK) has a significant and positive effect on Organizational Sustainability (OS). This finding confirms that leadership rooted in sustainability principles and workplace spirituality can strengthen the sense of purpose, commitment, and collaboration within the organization. Leaders who practice sustainability-oriented values such as integrity, empowerment, transparency, and adaptability create a work culture that nurtures both human development and long-term organizational performance. This aligns with How and Ishak (2021), who emphasized that sustainable leadership empowers teachers and staff to engage in continuous learning, regeneration, and innovation. In this study's context, strong leadership has translated into better stakeholder satisfaction, efficient resource use, and proactive social initiatives, all of which are key components of organizational sustainability.

In contrast, Human Resource Competence (KK) does not show a direct significant effect on OS. Although competencies such as strategic thinking, adaptability, and service orientation are crucial, their impact may be indirect**,** operating through mediating or reinforcing mechanisms such as organizational culture or leadership practices. In many educational organizations, competencies alone do not guarantee sustainability unless they are accompanied by shared values, leadership direction, and a supportive culture that translates individual skills into collective outcomes. This suggests that human resource competence needs to be integrated with strategic vision and leadership commitment to yield measurable sustainability results.

Meanwhile, Digital Transformation (TD) positively and significantly affects OS, highlighting the critical role of digital initiatives in improving efficiency, innovation, and value creation. The implementation of integrated digital systems, such as online platforms, data analytics, and digital communication, enables faster decision-making, better resource management, and enhanced stakeholder engagement. This finding supports prior research (Hristov & Chirico, 2019) that digital transformation is not merely a technological upgrade but a strategic enabler that reshapes how organizations pursue sustainability goals.

However, the moderation analysis indicates that TD does not significantly moderate the relationships between STK and OS or between KK and OS. This implies that digital transformation acts as a complementary factor, rather than a transformative moderator, in the relationship between human and organizational elements. Digitalization may enhance the effectiveness of leadership and human resource practices, but it does not fundamentally alter how these social and cultural factors influence sustainability outcomes. In other words, technology supports, but cannot replace, the human values and leadership qualities that drive sustainable performance.

These results provide a nuanced understanding of how people-centered factors and technology-driven initiatives jointly contribute to sustainability. Leadership remains the strongest determinant, confirming that the human dimension—vision, ethics, collaboration, and purpose continues to anchor organizational sustainability, even in an era of digital transformation. The limited moderating role of TD also signals that digital initiatives should be aligned with the organization's core values and culture to avoid a purely mechanistic approach to change.

From a managerial perspective, educational institutions should strengthen sustainability leadership development programs that integrate digital literacy and human values. Schools need leaders who can balance technological adaptation with spiritual and ethical leadership, fostering an environment where innovation serves human flourishing and institutional mission rather than technology for its own sake

CONCLUSION

This study concludes that Sustainable Leadership (STK) emerges as the strongest predictor of school organizational performance and sustainability. Leaders who embody sustainable values, vision, empowerment, collaboration, and ethical integrity create a culture that drives long-term organizational growth. STK promotes shared responsibility, enhances teacher and staff engagement, and aligns operational practices with the broader mission of educational sustainability. These results confirm that sustainable leadership is not merely a managerial role but a transformative force that integrates purpose, values, and performance within the organization.

The findings also demonstrate that Digital Transformation (TD) has a significant positive influence on organizational sustainability. Technology adoption improves efficiency, data accessibility, and stakeholder engagement while fostering innovation in educational service delivery. However, the role of TD is supportive rather than moderating; it strengthens organizational processes but does not fundamentally alter the human or cultural mechanisms linking leadership and performance. This suggests that while digitalization is essential, it must be guided by human-centered leadership to ensure that technological progress aligns with educational values and institutional missions.

In contrast, Human Resource Competence (KK) shows no significant direct effect on organizational sustainability. This does not imply that competence is unimportant, but rather that its contribution may operate indirectly, mediated by leadership quality, digital readiness, or organizational culture. Competent individuals require enabling systems and visionary leadership to translate their capabilities into sustainable organizational outcomes. The finding emphasizes that human competence alone cannot sustain performance unless it is embedded in a culture of learning, collaboration, and shared values.

Overall, the results highlight a balanced perspective: human leadership and digital innovation must coexist to achieve sustainable organizational growth. Leadership acts as the foundation, digital transformation as the amplifier, and human competence as the potential that needs direction. For educational organizations, this underscores the need to design leadership development programs that combine spiritual intelligence, digital literacy, and strategic adaptability.

LIMITATION

Several limitations should be acknowledged. First, this study used a cross-sectional design, capturing organizational dynamics at a single point in time. As such, it cannot fully explain how leadership and digital transformation evolve over time or how causality develops longitudinally. Future research could employ a longitudinal approach to examine the temporal effects of sustainable leadership and digital initiatives on long-term organizational outcomes.

Second, the sample size and scope were limited to a specific group of schools, which may constrain the generalizability of the findings. Expanding the sample across diverse educational settings or different cultural contexts would enhance external validity.

Third, this study relied on perceptual self-report data from principals, unit leaders, and staff. Although this method captures valuable subjective insights, it may be affected by social desirability bias or common method variance. Future studies could adopt mixed-methods approaches**,** integrating quantitative SEM-PLS analysis with qualitative interviews or case studies to obtain richer contextual understanding.

Finally, future research could explore mediating and moderating mechanisms that link leadership, digital transformation, and sustainability, such as organizational culture, innovation climate, or employee well-being. Examining these pathways would deepen theoretical understanding and offer more practical guidance for schools striving to achieve sustainable excellence in the digital era.

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The authors have declared no potential conflicts of interest concerning the study, authorship, and/or publication of this article.

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The Moderating Role of Digital Transformation on the Influence of Workplace Spirituality and Sustainable Leadership on School Organizational Performance

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ABSTRACT

Educational institutions increasingly face pressure to enhance organizational performance amid changing stakeholder expectations and rapid digitalization. This study aims to examine the moderating role of Digital Transformation (TD) on the influence of Workplace Spirituality (STK) and Sustainable Leadership (KK) toward School Organizational Performance (KO). Using Partial Least Squares–Structural Equation Modeling (PLS-SEM), data were obtained from school leaders and unit heads at educational institutions in Indonesia. The results show that STK significantly and positively affects KO ($\beta = 0.842$; $p < 0.001$), while KK does not have a significant direct influence ($\beta = –0.225$; $p > 0.05$). TD has a positive direct effect on KO ($\beta = 0.288$; $p < 0.05$), but does not moderate the relationships between STK and KO or KK and KO. These findings suggest that spiritual and leadership values enhance performance, whereas digital transformation operates as a strategic enabler rather than a contingent condition. Practically, schools should strengthen human-centered values while strategically integrating digital initiatives to support performance outcomes. Theoretically, this study highlights the limited role of digital transformation in altering the mechanisms through which STK and KK influence organizational performance.

Keywords: Digital Transformation; Education; Sustainable Leadership; Organizational Performance; Workplace Spirituality.

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INTRODUCTION

Educational institutions in emerging economies are experiencing intensified pressure to enhance organizational performance as they confront simultaneous demands for accountability, quality improvement, and technological adaptation. In Indonesia, government-driven reforms have accelerated the adoption of digital tools and performance measurement systems in schools; however, the outcomes remain unequal and often constrained by cultural, structural, and leadership challenges that technology alone cannot resolve. Although digital initiatives continue to expand, organizational performance is still shaped by human-centered factors such as values, leadership behavior, and collective meaning-making, suggesting that performance improvement requires a multidimensional approach rather than isolated technical interventions. Many studies acknowledge this complexity, yet current knowledge remains fragmented due to the tendency to examine individual predictors in isolation without considering how they interact in educational organizations operating under resource limitations and structural constraints.

Workplace Spirituality (STK) is an emerging concept that emphasizes meaning, purpose, community, and connectedness in the workplace (Milliman et al., 2003). In educational organizations, spirituality in work practices helps teachers, administrators, and staff connect their personal values with institutional missions. It encourages intrinsic motivation, emotional well-being, and collective harmony, factors that are critical for achieving long-term performance. Prior research suggests that organizations embracing workplace spirituality tend to experience higher employee engagement, reduced turnover, and improved service outcomes. However, limited empirical studies have explored how spirituality affects organizational performance specifically within schools in Indonesia, where cultural and spiritual dimensions strongly influence institutional behavior.

Sustainable Leadership (KK), on the other hand, reflects leadership behavior that promotes balance between short-term results and long-term development. According to, sustainable leaders focus on developing people, maintaining institutional resilience, and preserving resources for future generations. In educational contexts, sustainable leadership involves visionary direction, ethical guidance, and empowerment of teachers and staff. It ensures continuity of performance even amid challenges such as digital disruption or shifting educational standards. However, empirical evidence on the direct impact of sustainable leadership on school organizational performance remains mixed. Some studies find significant relationships, while others suggest that sustainability-driven leadership only produces indirect effects mediated through organizational culture and employee engagement.

Amid the growing influence of digitalization, Digital Transformation (TD) has emerged as a dominant strategic force in shaping institutional performance. TD encompasses the adoption of technologies such as data-driven management systems, e-learning platforms, and automation tools to improve organizational efficiency (Hess et al., 2020). For schools, digital transformation enables more flexible learning environments, better data management, and improved stakeholder communication. However, TD also creates tension with traditional human-centric values such as collaboration, compassion, and personal meaning. While technology accelerates performance metrics, it may also reduce interpersonal connections or erode the shared sense of purpose that defines a spiritually grounded workplace.

Given these dynamics, the intersection of STK, KK, and TD becomes crucial in understanding modern organizational performance within educational settings. Although many studies have independently examined the roles of spirituality, leadership, and technology, few have analyzed how these three variables interact simultaneously. Specifically, it remains unclear whether digital transformation strengthens (moderates) or weakens the positive effects of workplace spirituality and sustainable leadership on school organizational performance. In other words, does digitalization serve as a bridge that enhances human values through efficiency, or does it act as a barrier that dilutes them? Addressing this gap is essential for designing leadership strategies that align technological progress with human development in educational institutions.

This research aims to analyze (1) the influence of Workplace Spirituality (WA) and Sustainable Leadership (KK) on School Organizational Performance (KO), (2) the direct effect of Digital Transformation (TD) on KO, and (3) the moderating role of TD on the relationship between STK and KK toward KO. The study adopts a quantitative approach using Partial Least Squares–Structural Equation Modeling (PLS-SEM) to test the hypothesized relationships. The research was conducted in several Indonesian schools involving principals and unit leaders as respondents.

The contribution of this study is threefold. First, it extends theoretical understanding by integrating spirituality, sustainability, and digitalization perspectives into one comprehensive framework of school performance. Second, it offers practical insights for school leaders seeking to manage digital change without compromising human and ethical values. Third, it provides empirical evidence from Indonesia, contributing to the limited body of literature on leadership and spirituality in developing-country educational contexts. Ultimately, this research underscores that the pursuit of digital excellence in education must remain grounded in purpose, empathy, and sustainability to achieve lasting organizational success.

LITERATURE REVIEW

Workplace Spirituality (STK)

Workplace Spirituality (STK) refers to the sense of meaning, connectedness, and value alignment that employees experience within their work context, fostering engagement, purpose, and collective well-being. Recent studies demonstrate that STK plays a strategic role in enhancing resilience, intrinsic motivation, and organizational citizenship behaviors, particularly in service-oriented and educational settings. Empirical findings published between 2020 and 2024 show that STK contributes not only to individual attitudes but also to organizational-level outcomes, including performance, innovation, and retention, particularly when supported by leadership and culture that promote humane work practices.

In the educational context, spirituality becomes even more crucial because schools operate as moral and social institutions. Teachers and administrators are not merely performers of technical duties but are also mentors, role models, and community builders. A spiritually enriched work environment enables educators to cultivate emotional resilience, empathy, and ethical behavior, all of which contribute to sustainable school performance. Empirical studies have found that workplace spirituality improves job satisfaction, organizational citizenship behavior, and overall effectiveness.

KK is typically measured through three dimensions: meaningful work, sense of community, *and* alignment with organizational values. Meaningful work refers to the perception that one's job contributes to a larger purpose. A sense of community

emphasizes interpersonal trust and belonging. Alignment reflects how individual goals resonate with organizational missions. These dimensions collectively foster a sense of wholeness, reducing burnout and enhancing performance even under stressful conditions.

Sustainable Leadership (KK)

Sustainable Leadership (KK) emphasizes leadership behaviors that balance short-term performance with long-term organizational sustainability, focusing on ethical conduct, developmental capacity, social responsibility, and stakeholder well-being. Contemporary research suggests that KK fosters adaptive capability, innovation, and sustainable organizational change, yet the magnitude of its direct effect on performance varies depending on contextual variables such as culture, resource availability, and digital readiness. Research published between 2020 and 2024 shows that KK positively influences commitment, learning orientation, and organizational resilience, although its direct effects on performance often operate through mediating mechanisms such as culture, engagement, or capability development.

Sustainable Leadership (KK) has emerged as a response to the volatility and uncertainty of modern organizations. Defined sustainable leadership as leadership that preserves and develops human and material resources, promotes social justice, and ensures institutional continuity. Sustainable leaders are those who invest in people, build collaborative networks, and maintain long-term perspectives rather than short-term achievements.

In educational institutions, sustainable leadership translates into creating cultures of learning, innovation, and accountability. Principals who practice sustainable leadership encourage shared decision-making, empower teachers, and integrate ethical considerations into strategic planning. As a result, schools become more adaptive and resilient in facing environmental and technological changes.

Empirical evidence suggests that sustainable leadership positively affects organizational commitment, trust, and stakeholder satisfaction (How & Ishak, 2021). However, its direct impact on organizational performance is often moderated by other variables, such as organizational culture or transformational leadership (Nguyen & Malik, 2020). This indicates that sustainability-oriented leadership may require supportive contexts, such as spirituality or digital systems, to fully manifest its potential outcomes.

Digital Transformation (TD)

Digital Transformation (TD) refers to the integration of digital technologies that fundamentally reshape organizational processes, structures, and stakeholder relationships to create new forms of value. In the education sector, TD includes digital platforms for learning, data-driven administrative systems, and communication technologies that facilitate coordination and performance monitoring. Literature from 2020 to 2024 indicates that TD improves efficiency, transparency, and decision-making, but its impact on performance depends on infrastructure, digital literacy, and organizational culture. In developing-country contexts, such as Indonesia, digital implementation has accelerated in response to post-pandemic recovery, yet disparities in readiness, resources, and policy alignment remain prevalent.

Digital Transformation (TD) refers to the strategic adoption of digital technologies to improve organizational processes, business models, and stakeholder experiences (Hess et al., 2020). In education, TD encompasses innovations such as e-learning platforms, digital administration, big data analytics, and cloud-based management systems. These

tools enable more efficient resource allocation, real-time decision-making, and enhanced communication among stakeholders (Bai et al., 2023).

However, TD is not merely a technological upgrade; it also represents a deep cultural shift. Implementing digital transformation requires new mindsets, leadership competencies, and organizational learning mechanisms (Vial, 2021). Schools often face challenges related to digital literacy gaps, resistance to change, and limited infrastructure. Therefore, the success of TD depends not only on technological readiness but also on the human and cultural aspects that support digital adoption.

In this study, TD is positioned as both an independent and moderating variable. As an independent variable, it directly influences school performance through efficiency and innovation. As a moderator, TD may strengthen or weaken the effects of STK and KK on KO, depending on how well digital tools are integrated with human values and leadership styles.

School Organizational Performance (KO)

Organizational Performance (KO) in educational institutions encompasses academic quality, stakeholder satisfaction, operational efficiency, and long-term sustainability. Recent studies emphasize a multidimensional understanding of KO that includes financial, process, relational, and innovation-based indicators. Research indicates that cultural values, leadership behaviors, and technology-enabled processes collectively contribute to improved performance, suggesting that STK, KK, and TD may act as complementary drivers of KO in school systems navigating institutional and technological change.

Organizational Performance (KO) in schools is a multidimensional construct that reflects the effectiveness, efficiency, and sustainability of educational operations. It includes academic achievements, stakeholder satisfaction, internal process efficiency, and adaptability to change (Hristov & Chirico, 2019). In management studies, performance is often measured through both financial and non-financial indicators, but in educational settings, qualitative outcomes such as learning quality, teamwork, and social impact are equally important.

Several studies highlight that OS is strongly influenced by leadership, organizational culture, and technological capability (Amran & Nisa, 2021). Sustainable leaders create the vision and infrastructure for long-term excellence, while workplace spirituality ensures ethical grounding and purpose. Digital transformation provides the tools and systems to execute strategies efficiently. Therefore, OS represents the cumulative outcome of strategic, human, and technological integration.

Theoretical Model and Hypotheses Development

Workplace Spirituality and Organizational Performance

Workplace Spirituality (STK) emphasizes meaningful work, interconnectedness, and value congruence, which foster positive attitudes and behaviors that contribute to organizational outcomes. Drawing on the Resource-Based View (RBV), STK represents an intangible resource that enhances employees' intrinsic motivation and collaborative orientation, which in turn increases performance capacity. Empirical studies have shown that STK positively affects organizational commitment, service quality, and innovation (Milliman et al., 2003; Petchsawang & Duchon, 2020). Recent research in education, healthcare, and service industries confirms that STK is associated with higher job satisfaction, reduced turnover intention, and improved performance outcomes (Gotsis & Grimani, 2021; Afsar & Umrani, 2022). These findings imply that STK facilitates an

adaptive and supportive work climate that enables individuals and organizations to respond effectively to contextual challenges.

H1: Workplace spirituality positively affects organizational performance.

Sustainable Leadership and Organizational Performance

Sustainable Leadership (KK) emphasizes long-term organizational sustainability, ethical decision-making, and stakeholder well-being, which align closely with principles of effective leadership. From a theoretical lens, KK enhances organizational performance by building long-term capability, fostering commitment, and encouraging collaborative learning. Studies show that KK supports innovation, organizational resilience, and performance through the development of human capital and empowerment mechanisms (Avery & Bergsteiner, 2011; Hargreaves & Fink, 2020). Evidence from recent research confirms that KK positively influences performance, especially in contexts that demand adaptability, organizational learning, and stakeholder trust (Ibidapo-Obe & Bennett, 2021; Lacy et al., 2023). Consequently, KK is expected to contribute to organizational performance by strengthening leadership capacity and fostering sustainable organizational practices.

H2: Sustainable leadership positively affects organizational performance.

Digital Transformation and Organizational Performance

Digital Transformation (TD) involves the adoption of technology to redesign organizational processes, decision-making, and stakeholder interaction. From a strategic perspective, TD enables operational efficiency, transparency, and data-driven decision-making, which are positively related to organizational performance. Recent studies demonstrate that TD enhances performance by improving coordination, knowledge sharing, service delivery, and process automation (Jonathan & Watat, 2022; Verhoef et al., 2021). In the education sector, TD has been shown to increase teaching effectiveness, administrative efficiency, and stakeholder satisfaction, although disparities in infrastructure and digital literacy may weaken performance outcomes (Saunila, Rantala, & Ukko, 2023; Vuori et al., 2024). These findings suggest that TD can serve as a strategic driver of performance when organizations have sufficient readiness and supporting capabilities.

H3: Digital transformation positively affects organizational performance.

Digital Transformation as a Moderator

The moderating role of TD reflects the view that technology can strengthen or enable the effects of leadership and cultural resources on organizational outcomes. Studies show that digital technologies enhance leaders' ability to coordinate, communicate, and innovate, thereby amplifying the impact of leadership behaviors on performance (Hartl & Hess, 2020; Bennis & Snyder, 2022). Similarly, TD may enable spiritual values to be translated into organizational processes by facilitating collaboration, feedback, and engagement. However, recent findings indicate that TD does not always moderate value-based relationships because technology does not necessarily transform underlying behavioral or relational mechanisms (Susanti et al., 2023; Zhou et al., 2024). These mixed results highlight the importance of examining TD's role within specific organizational contexts, such as education systems in emerging economies.

H4: Digital transformation moderates the relationship between sustainable leadership and organizational performance.

H5: Digital transformation moderates the relationship between workplace spirituality and organizational performance.

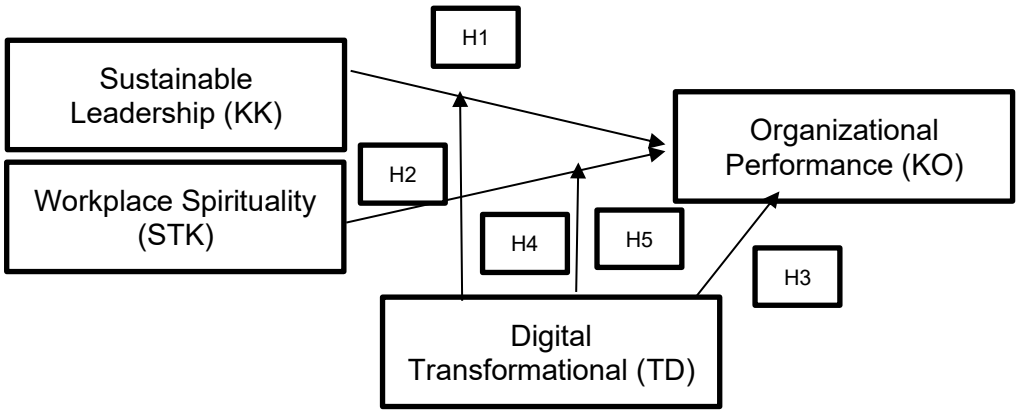
This study is grounded in the RBV theory, which posits that organizations achieve competitive advantage through unique internal resources and capabilities. In this context, STK and KK represent intangible human resources, while TD serves as a dynamic capability enabling resource optimization.

Based on the literature, the following hypotheses are formulated:
H1: Sustainable Leadership (KK) positively affects School Organizational Performance (KO).
H2: Workplace Spirituality (STK) positively affects School Organizational Performance (KO).
H3: Digital Transformation (TD) positively affects School Organizational Performance (KO).
H4: Digital Transformation (TD) moderates the relationship between Sustainable Leadership (KK) and School Organizational Performance (KO)
H5: Digital Transformation (TD) moderates the relationship between Workplace Spirituality (STK) and School Organizational Performance (KO).

This theoretical model integrates leadership, spirituality, and technology under a unified framework, offering a contemporary understanding of performance in education. It assumes that technology and human values are not opposing forces but complementary drivers of sustainable excellence.

Conceptual Framework
The study framework model is depicted in Figure 1.

Figure 1. Research Framework



RESEARCH METHOD

Research Design
This study employed a quantitative research approach with a cross-sectional survey design to examine the relationships among Workplace Spirituality (STK), Sustainable Leadership (KK), Digital Transformation (TD), and Organizational Performance (KO) in educational institutions. Partial Least Squares–Structural Equation Modeling (PLS-SEM) was selected as the analytical method because the study explored predictive relationships among latent constructs, used reflective measurement indicators, and involved a relatively small and non-normally distributed sample. PLS-SEM is

recommended for exploratory models, theory development research, and models involving complex mediation or moderation (Hair, Hult, Ringle, & Sarstedt, 2022).

Population and Sample

The target population consisted of school personnel working in public and private educational institutions in Indonesia who held managerial or administrative responsibilities. A purposive sampling strategy was applied to identify respondents with sufficient knowledge and involvement in leadership processes, organizational operations, and digital system implementation. Data were collected from 165 respondents representing 52 schools. Each school contributed one principal, two division or unit leaders, and one administrator or teacher, yielding four respondents per school. This approach ensured representation from multiple hierarchical levels and organizational functions, reducing individual-level bias and enhancing construct validity. Respondents were distributed across diverse school types (public, private, and faith-based) and geographic areas to enhance generalizability. Demographic and institutional characteristics were documented to contextualize the structural model.

Research Instruments

All variables were measured using reflective indicators from validated scales and adapted to the education sector. Responses were collected using a five-point Likert scale (1 = strongly disagree to 5 = strongly agree).

Workplace Spirituality (STK)

The STK items were adapted from Milliman et al. (2003) and measured three core dimensions: meaningful work, sense of community, and value alignment. A total of twelve statements were included to capture these constructs. Sample items illustrate the focus of the scale, such as “My work contributes to a meaningful purpose,” reflecting meaningful work; “I feel connected to people at my workplace,” representing the sense of community; and “My values fit well with the school’s mission,” indicating value alignment.

Sustainable Leadership (KK)

KK was measured using nine items adapted from Avery and Bergsteiner (2011), capturing dimensions such as long-term vision, ethical behavior, stakeholder orientation, and a learning-oriented culture. Example statements include “Leaders promote ethical decision-making,” which reflects the ethical dimension, and “Leaders prioritize long-term organizational sustainability,” which represents the long-term vision embedded in the construct.

Digital Transformation (TD)

TD was measured using eight items adapted from Jonathan & Watat (2022) and Verhoef et al. (2021), capturing key aspects of digital adoption, process redesign, and capability development. Example statements include “Our school uses digital platforms to improve decision-making,” which reflects the strategic use of digital tools, and “Digital technologies support administrative processes,” which highlights the role of digital systems in enhancing operational efficiency.

Organizational Performance (KO)

KO was measured using ten items adapted from Chenhall and Langfield-Smith (2007) and more recent education-focused studies such as Gomes and Liddle (2020). The scale captures stakeholder satisfaction, teaching quality, operational efficiency, and institutional sustainability. Illustrative statements include “Our school provides high-quality educational services,” which reflects the institution’s commitment to academic

excellence, and “Administrative processes operate efficiently,” which represents the effectiveness of internal management systems.

Pilot Testing and Content Validation
A pilot study was conducted with 30 respondents from 6 schools to evaluate clarity, reliability, and item performance. Items with low factor loadings (< 0.60), redundancy, or ambiguous wording were revised or eliminated.

Content validity was further assessed by three subject matter experts in educational management and research methodology. Feedback focused on item clarity, contextual appropriateness, and scale reliability.

Pilot testing results demonstrated acceptable reliability for all constructs (Cronbach’s α > 0.70).

Data Collection Procedures
The questionnaire was administered online using institutional distribution channels. Respondents were required to confirm their leadership or administrative role before participation. Incomplete or duplicate responses were excluded. Data collection procedures emphasized voluntary participation, anonymity, and confidentiality. Schools did not receive incentives for participation.

Data Analysis Technique
Data analysis was conducted using PLS-SEM with SmartPLS 4.0. The analytical procedure was carried out in two sequential stages, beginning with the evaluation of the measurement (outer) model to assess indicator reliability and construct validity, followed by the assessment of the structural (inner) model to examine the hypothesized relationships among variables.

RESULTS

Figure 2. PLS Model

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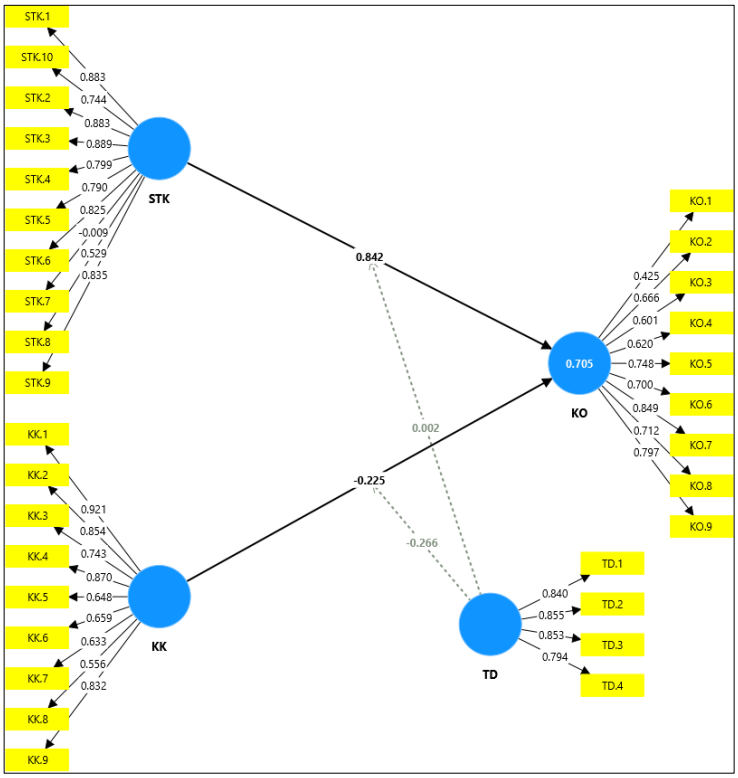


Table 1. Validity Test

	KK	KO	STK	TD	TD x KK	TD x STK
KK.1	0.921					
KK.2	0.854					
KK.3	0.743					
KK.4	0.870					
KK.5	0.648					
KK.6	0.659					
KK.7	0.633					
KK.8	0.556					
KK.9	0.832					
KO.1		0.425				
KO.2		0.666				
KO.3		0.601				
KO.4		0.620				
KO.5		0.748				
KO.6		0.700				
KO.7		0.849				
KO.8		0.712				
KO.9		0.797				
STK.1			0.883			
STK.10			0.744			
STK.2			0.883			
STK.3			0.889			
STK.4			0.799			
STK.5			0.790			
STK.6			0.825			
STK.7			-0.009			

STK.8			0.529			
STK.9			0.835			
TD.1				0.840		
TD.2				0.855		
TD.3				0.853		
TD.4				0.794		
TD x STK						1.000
TD x KK					1.000	

The results in Figure 2 and Table 1 indicate that items with outer loadings below 0.70, namely KK5, KK6, KK7, KK8, KO1, KO2, KO3, KO4, STK7, and STK8, were deemed invalid. Consequently, these indicators were excluded from the model to enhance construct validity and strengthen the overall reliability of the measurement.

Table 2. Fornell Discriminant Validity

	KK	KO	STK	TD
KK	0.756			
KO	0.534	0.690		
STK	0.756	0.780	0.763	
TD	0.384	0.529	0.467	0.836

Table 2 indicates that the KK, KO, and STK variables fail to meet Fornell's criterion because each construct's value is lower than its correlations with other constructs.

Table 3. HTMT Discriminant Validity

	KK	KO	STK	TD	TD x KK	TD x STK
KK						
KO	0.548					
STK	0.740	0.837				
TD	0.434	0.588	0.551			
TD x KK	0.136	0.157	0.156	0.284		
TD x STK	0.138	0.149	0.200	0.189	0.818	

According to Table 3, all variables are declared to pass discriminant validity with HTMT < 1.

Table 4. Cross-Loading Discriminant Validity

	KK	KO	STK	TD	TD x KK	TD x STK
KK.1	0.921	0.570	0.769	0.329	0.057	0.136
KK.2	0.854	0.328	0.541	0.232	-0.093	0.147
KK.3	0.743	0.267	0.471	0.266	-0.205	-0.051
KK.4	0.870	0.480	0.669	0.282	-0.040	0.020
KK.5	0.648	0.408	0.474	0.422	-0.138	0.050
KK.6	0.659	0.476	0.710	0.273	0.119	0.270
KK.7	0.633	0.076	0.253	0.252	-0.082	0.099
KK.8	0.556	0.101	0.201	0.289	-0.047	0.015
KK.9	0.832	0.396	0.516	0.285	-0.101	0.114
KO.1	-0.070	0.425	0.175	0.189	0.192	0.095
KO.2	0.169	0.666	0.410	0.270	-0.043	0.035
KO.3	0.278	0.601	0.380	0.261	0.012	0.137
KO.4	0.501	0.620	0.640	0.229	0.068	0.161

KO.5	0.466	0.748	0.623	0.371	-0.119	-0.108
KO.6	0.452	0.700	0.620	0.600	0.048	-0.015
KO.7	0.362	0.849	0.580	0.503	-0.086	-0.105
KO.8	0.329	0.712	0.551	0.241	-0.187	-0.027
KO.9	0.517	0.797	0.631	0.460	-0.145	-0.169
STK.1	0.682	0.564	0.883	0.170	0.007	0.126
STK.10	0.579	0.622	0.744	0.625	0.300	0.198
STK.2	0.632	0.714	0.883	0.365	0.076	0.145
STK.3	0.728	0.715	0.889	0.569	0.125	0.244
STK.4	0.696	0.577	0.799	0.236	-0.004	0.164
STK.5	0.640	0.592	0.790	0.515	0.232	0.275
STK.6	0.682	0.581	0.825	0.239	-0.003	0.087
STK.7	-0.005	0.102	-0.009	-0.199	-0.100	-0.053
STK.8	0.214	0.530	0.529	0.363	0.160	0.103
STK.9	0.560	0.674	0.835	0.277	-0.083	0.008
TD.1	0.515	0.442	0.476	0.840	0.145	0.134
TD.2	0.260	0.464	0.435	0.855	0.453	0.246
TD.3	0.326	0.455	0.359	0.853	0.159	0.186
TD.4	0.173	0.407	0.282	0.794	0.121	-0.018
TD x STK	0.133	-0.024	0.186	0.169	0.818	1.000
TD x KK	-0.050	-0.065	0.108	0.268	1.000	0.818

Table 4 shows that all items meet the cross-loading validity criteria except for item STK7, which does not exhibit the highest loading on its intended construct and instead loads more strongly on another variable.

Table 5. Reliability Test

	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)	Average Variance Extracted (AVE)
KK	0.908	0.935	0.921	0.571
KO	0.860	0.878	0.888	0.476
STK	0.898	0.933	0.925	0.582
TD	0.856	0.859	0.903	0.698

Table 5 shows that the AVE value for KO is below 0.50, indicating that KO does not meet the assumption of convergent validity. In contrast, the other variables have AVE values above 0.50, meaning they satisfy this requirement. In addition, both Cronbach's alpha and composite reliability values exceed 0.60, indicating that all variables demonstrate acceptable reliability.

Table 6. R square

	R-square	R-square adjusted
KO	0.705	0.670

Table 6 indicates that KK, STK, and TD collectively explain 70.5% of the variance in KO.

Table 7. F Square

	KK	KO	STK	TD	TD x KK	TD x STK
KK		0.063				
KO						
STK		0.921				

TD		0.194				
TD x KK		0.053				
TD x STK		0.000				

Based on Table 7, KK and the interaction term TD × KK have F-squared values ranging from 0.02 to 0.15, indicating that both KK and its interaction with TD exert a weak influence on KO. The interaction between KK and STK shows an F-squared value of 0.000, which signifies a negligible effect on KO. STK has an f-square value within the range of 0.15 to 0.35, suggesting a moderate influence on KO. Meanwhile, TD has an f-square value greater than 0.35, indicating a strong influence on KO.

Table 8. Q Square

	Q^2 Predict	RMSE	MAE
KO	0.594	0.668	0.541

The value of q-square in Table 8 is 0.59 > 0.35, which means that the model has a very good predictive model.

Table 9. Hypothesis Test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
KK -> KO	-0.225	-0.241	0.205	1.096	0.273
STK -> KO	0.842	0.839	0.210	4.004	0.000
TD -> KO	0.288	0.310	0.115	2.506	0.012
TD x KK -> KO	-0.266	-0.265	0.199	1.337	0.181
TD x STK -> KO	0.002	0.017	0.225	0.011	0.992

Table 9 shows that the influence of KK on KO has a p-value of 0.273 (> 0.05) with a coefficient of –0.225. This result indicates that H0 is accepted and H1 is rejected, meaning KK does not have a significant effect on KO. The influence of STK on KO has a p-value of 0.000 (< 0.05) with a coefficient of 0.845, indicating that H0 is rejected and H2 is accepted; therefore, STK has a significant positive effect on KO. The effect of TD on KO shows a p-value of 0.012 (< 0.05) with a coefficient of 0.288, leading to the rejection of H0 and acceptance of H3, which means TD has a significant positive effect on KO.

The interaction between TD and KK on KO has a p-value of 0.181 (> 0.05) with a coefficient of –0.266. Accordingly, H0 is accepted, and H4 is rejected, indicating that TD does not moderate the effect of KK on KO. Finally, the interaction between TD and STK on KO shows a p-value of 0.992 (> 0.05) with a coefficient of 0.002, meaning H0 is accepted and H5 is rejected, and thus TD does not moderate the influence of STK on KO.

DISCUSSION

The analysis demonstrates that Sustainable Leadership has a significant and positive effect on Organizational Sustainability. This finding confirms that leadership rooted in

sustainability principles and workplace spirituality can strengthen the sense of purpose, commitment, and collaboration within the organization. Leaders who practice sustainability-oriented values such as integrity, empowerment, transparency, and adaptability create a work culture that nurtures both human development and long-term organizational performance. This aligns with How and Ishak (2021), who emphasized that sustainable leadership empowers teachers and staff to engage in continuous learning, regeneration, and innovation. In this study's context, strong leadership into better stakeholder satisfaction, efficient resource use, and proactive social initiatives, all of which are key components of organizational sustainability.

The Role of Workplace Spirituality on Organizational Performance

The results strongly support H1, demonstrating that STK exerts the largest positive effect on OP. This finding aligns with the RBV, which argues that intangible resources such as shared values, meaning, and a sense of belonging generate unique internal advantages that competitors struggle to replicate. Prior research similarly shows that WS increases trust, emotional attachment, and collective identity, leading to enhanced behaviors, creativity, and organizational outcomes (Gotsis & Grimani, 2021; Afsar & Umrani, 2022).

In school environments where relational dynamics, moral purpose, and affective climates are central, spirituality may serve as a binding mechanism that shapes motivation, resilience, and quality of service. This explains its strong predictive role in this study; schools operate as value-laden institutions, meaning WS directly supports teacher commitment, collaborative culture, and student-centered practices. Theoretically, this reinforces the idea that WS functions as a capability under RBV and a legitimacy mechanism under Stakeholder Theory, satisfying expectations of parents, teachers, and communities.

Why Sustainable Leadership Becomes Non-Significant

Contrary to H2, KK did not significantly affect KO. This does not imply that leadership is irrelevant; rather, it suggests that KK may operate indirectly through mediators such as culture, innovation, or teacher development. Past studies have reported similar inconsistencies; KK often influences capacity building and strategic adaptation rather than immediate performance outcomes (Hargreaves & Fink, 2020; Lacy et al., 2023). In developing country education systems, institutional constraints (bureaucracy, limited autonomy, slow governance cycles) may delay the performance realization of KK's long-term principles.

Additionally, the effects of KK may be overshadowed by STK in contexts where moral purpose and shared meaning are more salient than formal leadership processes. Thus, KK's non-significance suggests that long-term leadership practices require enabling conditions, such as autonomy, professional trust, or capability maturity, before their impact becomes observable. This contributes theoretically by demonstrating boundary conditions for KK effectiveness and signals a need for mediational testing in future research.

Digital Transformation as a Direct Driver but Not a Moderator

H3 was supported, indicating that TD positively influences KO. This aligns with digitalization literature showing that technology enhances administrative efficiency, information transparency, and value delivery in education (Saunila et al., 2023; Verhoef et al., 2021). TD's significant direct effect confirms its role as a capability resource under RBV, contributing independently to school outcomes by enabling faster data flows, operational automation, and decision support.

However, TD did not moderate the relationships between STK/KK and KO, failing to support H4 and H5. This suggests that technology complements performance but does not change how human-centered variables exert influence. One explanation is uneven digital readiness; schools may adopt tools without transforming behavior, culture, or work processes, meaning TD acts as an operational enabler rather than an integrative amplifier. The finding also supports recent studies reporting that TD often strengthens process outcomes but does not necessarily alter underlying relational mechanisms or leadership-performance dynamics (Susanti et al., 2023; Zhou et al., 2024).

Theoretically, this clarifies that TD functions as a substantive capability, a driver in its own right, not a contingency resource that moderates human variables. Practically, it signals that digitalization must be paired with capacity building, change management, and cultural integration to become transformational rather than merely technological.

Integrative Implications for Theory and Practice

Taken together, the findings indicate that STK is the most powerful lever for school performance, reinforcing the strategic importance of human-centered and value-based mechanisms in educational settings. KK's insignificance highlights the need for leadership development models that directly translate into observable performance or that consider intervening variables such as culture, trust, or innovation. TD offers measurable performance gains but must be embedded within schools' relational and cultural fabric to move beyond technical efficiency toward transformational uplift.

For theory, the study extends RBV and Stakeholder Theory by showing that STK represents a deeply embedded intangible asset, whereas TD acts as a complementary operational capability. The absence of moderation clarifies boundary conditions under which TD operates and underscores the primacy of institutional culture in shaping performance.

Practically, policymakers and school leaders should prioritize STK-enhancing initiatives (shared purpose programs, meaning-making leadership, community-building practices) while investing in digital capability training, workflow redesign, and change-management support to ensure technology translates into value-aligned implementation.

In contrast, Human Resource Competence does not show a direct significant effect on OS. Although competencies such as strategic thinking, adaptability, and service orientation are crucial, their impact may be indirect**,** operating through mediating or reinforcing mechanisms such as organizational culture or leadership practices. In many educational organizations, competencies alone do not guarantee sustainability unless they are accompanied by shared values, leadership direction, and a supportive culture that integrates individual skills into collective outcomes. This suggests that human resource competence needs to be integrated with strategic vision and leadership commitment to yield measurable sustainability results.

Meanwhile, Digital Transformation (TD) positively and significantly affects KO, highlighting the critical role of digital initiatives in improving efficiency, innovation, and value creation. The implementation of integrated digital systems, such as online platforms, data analytics, and digital communication, enables faster decision-making, better resource management, and enhanced stakeholder engagement. This finding supports prior research (Hristov & Chirico, 2019) that digital transformation is not merely a technological upgrade but a strategic enabler that reshapes how organizations pursue sustainability goals.

However, the moderation analysis indicates that TD does not significantly moderate the relationships between STK and KO or between KK and KO. This implies that digital transformation acts as a complementary factor, rather than a transformative moderator, in the relationship between human and organizational elements. Digitalization may enhance the effectiveness of leadership and human resource practices, but it does not fundamentally alter how these social and cultural factors influence sustainability outcomes. In other words, technology supports, but cannot replace, the human values and leadership qualities that drive sustainable performance.

These results provide a nuanced understanding of how people-centered factors and technology-driven initiatives jointly contribute to sustainability. Leadership remains the strongest determinant, confirming that the human dimension (vision, ethics, collaboration, and purpose) continues to anchor organizational sustainability, even in an era of digital transformation. The limited moderating role of TD also signals that digital initiatives should be aligned with the organization's core values and culture to avoid a purely mechanistic approach to change.

From a managerial perspective, educational institutions should strengthen sustainability leadership development programs that integrate digital literacy and human values. Schools need leaders who can balance technological adaptation with spiritual and ethical leadership, fostering an environment where innovation serves human flourishing and institutional mission rather than technology for its own sake.

CONCLUSION

This study concludes that Sustainable Leadership (STK) emerges as the strongest predictor of school organizational performance and sustainability. Leaders who embody sustainable values, vision, empowerment, collaboration, and ethical integrity create a culture that drives long-term organizational growth. STK promotes shared responsibility, enhances teacher and staff engagement, and aligns operational practices with the broader mission of educational sustainability. These results confirm that sustainable leadership is not merely a managerial role but a transformative force that integrates purpose, values, and performance within the organization. This study examined the effects of Workplace Spirituality, Sustainable Leadership, and Digital Transformation on Organizational Performance in Indonesian schools using SEM-PLS with 165 respondents from 52 institutions. The results demonstrate that WS has the strongest positive effect on OP ($\beta = 0.842$; $p < 0.001$), while TD also contributes significantly, albeit with a smaller magnitude ($\beta = 0.288$; $p < 0.05$). In contrast, SL does not exhibit a significant direct effect on OP ($\beta = –0.225$; $p > 0.05$), and DT does not moderate the relationships between WS or SL and OP, indicating that technology enhances performance independently rather than amplifying human-centered mechanisms.

The findings also demonstrate that Digital Transformation (TD) has a significant positive influence on organizational sustainability. Technology adoption improves efficiency, data accessibility, and stakeholder engagement while fostering innovation in educational service delivery. However, the role of TD is supportive rather than moderating; it strengthens organizational processes but does not fundamentally alter the human or cultural mechanisms linking leadership and performance. This suggests that while digitalization is essential, it must be guided by human-centered leadership to ensure that technological progress aligns with educational values and institutional missions.

In contrast, Human Resource Competence (KK) has no significant direct effect on organizational sustainability. This does not imply that competence is unimportant, but

rather that its contribution may operate indirectly, mediated by leadership quality, digital readiness, or organizational culture. Competent individuals require enabling systems and visionary leadership to translate their capabilities into sustainable organizational outcomes. The finding emphasizes that human competence alone cannot sustain performance unless it is embedded in a culture of learning, collaboration, and shared values.

Theoretically, these findings refine the application of the RBV and Stakeholder Theory in educational contexts by demonstrating that Workplace Spirituality functions as a pivotal intangible asset that directly fosters performance, whereas TD operates as a complementary operational capability rather than a moderating condition. The non-significance of SL suggests that leadership practices oriented toward sustainability may exert indirect, long-term influence through culture, innovation, or professional development, rather than immediate performance outcomes.

Managerially, the results imply that school leaders should prioritize initiatives that strengthen meaning, shared values, and collegial relationships, as these generate substantial performance returns. At the same time, digital tools should be strategically deployed to enhance administrative efficiency, data management, and communication, but supported by training and change management to ensure adoption. Importantly, WS and ethical leadership should not be treated as separate from digital initiatives; rather, leaders should integrate technology with value-based practices, such as transparent communication, collaborative planning, and reflective dialogue, to foster alignment between technological innovation and human-centered work culture.

Overall, the results highlight a balanced perspective: human leadership and digital innovation must coexist to achieve sustainable organizational growth. Leadership acts as the foundation, digital transformation as the amplifier, and human competence as the potential that needs direction. For educational organizations, this underscores the need to design leadership development programs that combine spiritual intelligence, digital literacy, and strategic adaptability.

LIMITATION

Several limitations should be acknowledged. First, this study used a cross-sectional design, capturing organizational dynamics at a single point in time. As such, it cannot fully explain how leadership and digital transformation evolve over time or how causality evolves longitudinally. Future research could employ a longitudinal approach to examine the temporal effects of sustainable leadership and digital initiatives on long-term organizational outcomes.

Second, the sample size and scope were limited to a specific group of schools, which may constrain the generalizability of the findings. Expanding the sample across diverse educational settings or different cultural contexts would enhance external validity.

Third, this study relied on perceptual self-report data from principals, unit leaders, and staff. Although this method captures valuable subjective insights, it may be affected by social desirability bias or common method variance. Future studies could use mixed-methods approaches**,** integrating quantitative SEM-PLS analysis with qualitative or case studies to obtain richer contextual understanding.

Finally, future research could explore mediating and moderating mechanisms that link leadership, digital transformation, and sustainability, such as organizational culture, innovation climate, or employee well-being. Examining these pathways would deepen

theoretical understanding and offer more practical guidance for schools striving to achieve sustainable excellence in the digital era.

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DECLARATION OF CONFLICTING INTERESTS
The authors have declared no potential conflicts of interest concerning the study, authorship, and/or publication of this article.

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REVISION NOTES:

1. A clear issue in the manuscript is the inconsistent use and definition of acronyms. Each acronym should be defined only at its first appearance, followed by the acronym in parentheses. After that initial definition, the acronym should be used consistently throughout the remainder of the text without reintroducing the full term. For example, the first mention should appear as Sustainable Leadership (SL), and subsequent mentions should use SL only [the samples are in **BLUE-highlighted texts**].
2. Add all **YELLOW-highlighted citation indicators** to the Reference section, ensuring that every source is listed in precise APA 7th edition format.
3. There are inconsistencies between the findings' interpretation in the Discussion and Results sections (**PINK-highlighted text**).
4. In the **Results** section, the measurement model still needs improvement. Although some indicators have already been removed, several validity issues remain. First, the AVE value for Organizational Performance (KO) is below 0.50, which means this construct does not yet meet the minimum requirement for convergent validity. Second, the Fornell–Larcker criterion is not fully satisfied, indicating that KO overlaps with other constructs and discriminant validity is not established. Third, the cross-loading table shows that some items load more strongly on other constructs than on their own, for example, STK7. Additionally, certain KO indicators have very low loadings (KO1 = 0.425), suggesting they need revision or removal. Because these issues affect construct clarity, the authors should reconsider the wording of problematic items, re-evaluate whether KO should be modeled differently (e.g., as a second-order or formative construct), and rerun the measurement model after adjustments. The structural model results are generally strong, with high R^2 and Q^2 values showing good explanatory and predictive power. The direct effects show that Workplace Spirituality (STK) and Digital Transformation (TD) significantly influence Organizational Performance (KO), while Sustainable Leadership (KK) does not. The moderation effects are also not significant. To improve the analysis, the authors should report confidence intervals for all path coefficients and discuss effect sizes more clearly. Because the moderation results are non-significant, it may help to test alternative approaches such as centered indicators, orthogonalized interactions, or a multi-group comparison between schools with high and low levels of digital transformation. The authors might also consider exploring a possible indirect effect (for example, KK influencing KO through STK) if theoretically relevant [**RED highlight on page 9**].
5. The **Discussion** mostly aligns with results but contains inconsistent claims in places (PINK-highlighted text). You should reconcile language: the Results show KK non-significant — avoid stating leadership is strongest predictor; instead, state STK is strongest. The manuscript sometimes conflates Sustainable

Leadership (KK) and Workplace Spirituality (STK) — ensure consistent acronyms and avoid asserting effects not supported by results. Expand on alternative explanations for KK's non-significance (measurement, sample context, time lag for leadership effects), and the practical steps to combine TD with culture (training, change management) [**RED highlight on page 13**].

6. The **Conclusion** summarizes findings well but should explicitly follow the concise structure you and AIBPM prefer: (1) restate research objectives, (2) list key findings (with coefficients), (3) suggestions, (4) implications, (5) study limitations. You discuss limitations (cross-section, single point in time, perceptual measures) — good. Add a final, short paragraph suggesting concrete next steps (longitudinal designs, mixed methods, intervention studies) [**RED highlight on page 16**].
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