
THE ROLE OF DECISION-MAKING QUALITY AND INNOVATION CULTURE ON COMPANY PERFORMANCE AND BUSINESS SUSTAINABILITY

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ABSTRACT

Business performance and business sustainability are the main things for companies to survive amid the implementation of global economic openness, to investigate this, the purpose of this paper is to examine the relationship between decision making quality and innovation culture to business sustainability through firm performance in the context of a family business. Using a sample of 160 family business owners who already have a business license in Indonesia and content analysis based on their performance reports, evidence was gathered to test the hypothesis through structural equation modeling–partial least square (SEM-PLS) The results reveal that decision-making quality and innovation culture improve company performance, which in turn results in business sustainability. Decision-making quality and innovation culture positively affect firm performance, and firm performance mediates the creation of business sustainability. This study provides insight into how firm performance mediates decision making quality and innovation culture in business sustainability in the context of family businesses in Indonesia.

Keywords: Family Business, Decision-making Quality, Innovation Culture, Firm Performance, Business Sustainability.