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The 4th International Conference on Entrepreneurship

The Influence of Digital Transformation, Leadership Style, Organizational Culture, Work Environment, and Employee Attitudes on Employee Performance

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ABSTRACT

Employee performance is a crucial aspect in achieving the goals of a company. The aim of this research is to identify the impact of various organizational factors on employee performance. Digital transformation, as a step for companies to adapt to technology, plays a significant role in improving work efficiency. Leadership style, organizational culture, and work environment also have a substantial influence in shaping employee attitudes and performance. This study employs a quantitative approach using a survey method, where data were collected from permanent employees at PT XYZ. The data were gathered from all permanent employees who had been working at XYZ Company in South Tangerang for at least one year, using a non-probability sampling technique. SPSS software was then used to analyze the research results. The findings indicate that all independent variables have a significant impact on employee performance. This study is expected to provide practical guidance for company management to enhance employee performance through the optimization of organizational factors. The research outcomes can offer managerial implications that will assist the company in improving employee performance. Several limitations are noted in this study, followed by recommendations for future research.

Keywords: *Digital Transformation, Leadership Style, Organizational Culture, Work Environment, Employee Attitudes, Work Performance*

INTRODUCTION

In today's globalized and digitalized world, companies must continuously innovate and adapt to stay competitive. Digital transformation, driven by technologies like cloud computing, big data, and AI, has become essential for improving efficiency and business competitiveness. However, successful transformation also requires changes in leadership, organizational culture, and the work environment. Employees play a critical role in this process, as their performance directly impacts productivity and the achievement of company goals. Factors such as leadership style, organizational culture, work environment, and employee attitudes influence job performance. This research explores how these factors interact with digital transformation to affect employee performance.

XYZ Company, one of Indonesia's largest financing firms, is implementing digital transformation to boost operational efficiency and expand services. However, the company has seen a decline in employee performance, with performance targets not being met. This underscores the need to assess the factors impacting employee performance in order to develop better strategies. The study aims to examine the effects of digital transformation, leadership style, organizational culture, work environment, and employee attitudes on job performance at XYZ Company, offering insights for more effective HR management and a basis for other companies undergoing digital transformation.

LITERATURE REVIEW

The performance of employees in modern organizations is influenced by several strategic factors, including digital transformation, leadership style, organizational culture, work environment, and

employee attitudes. The integration of digital technologies, such as AI and big data, enhances productivity and organizational efficiency. However, it requires employees to continuously update their digital skills. Successful adoption depends on organizational readiness, including supportive culture and leadership (Rai & Tang, 2023; Zhang et al., 2021; Elia et al., 2021).

Transformational leadership, which focuses on motivation and empowerment, positively impacts employee performance. Leaders who provide emotional support and foster creativity contribute to a positive work environment, while authoritarian leadership hinders innovation and productivity (Zhou & Lee, 2023; Khan et al., 2022). A culture that promotes innovation, collaboration, and inclusivity enhances employee performance, especially in dynamic environments that require adaptation to new technologies. A strong organizational culture boosts productivity and employee engagement (Jin & Lee, 2023; Yang et al., 2021).

A supportive physical work environment, including factors like lighting and room layout, improves employee comfort, focus, and well-being, thereby increasing productivity. Conversely, a poor work environment can lead to stress and decreased motivation (Liu et al., 2022; Bowers & Gillette, 2023). Positive employee attitudes, such as engagement and job satisfaction, are linked to improved performance. Organizational support, such as training opportunities, can also help employees adapt to changes and meet performance targets more effectively (Davis et al., 2022; Smith & Johnson, 2024).

METHODOLOGY

The methodology in this study uses a quantitative approach, which is an approach that relies on the collection and analysis of numerical data to test the hypotheses that have been formulated. The data collected is in the form of numbers, then analyzed with statistical tools using SPSS software, which aims to answer research questions related to the influence of Digital Transformation, Leadership Style, Organizational Culture, Work Environment, and Employee Attitudes on Employee Performance at XYZ Company.

The data collection methods used include Primary Data Obtained through a Microsoft Form-based questionnaire distributed to permanent employees of XYZ Company in Central Jakarta. Data collection was carried out from October to November 2024 through the WhatsApp application. Secondary Data Derived from books, literature, previous research, and company documents related to the number of employees and work performance in 2022-2023.

The population in this study were all employees at XYZ Company totaling 228 people, with the research sample consisting of 175 employees who had at least one year of work experience, selected using purposive sampling technique. Data was analyzed using multiple regression to evaluate the simultaneous effect of the independent variables on the dependent variable, namely Job Performance. Components of the analysis included regression coefficients, significance values, R-squared, ANOVA, and residual analysis to check the assumptions of normality and homoscedasticity, as well as VIF factors to test for multicollinearity between variables.

RESULTS

Hypothesis:

H1: Digital Transformation has a positive effect on Work Performance

H2: Leadership style has a positive effect on work performance

H3: Organizational Culture has a positive effect on Work Performance

H4: Work Environment has a positive effect on Work Performance

H5: Employee Attitude has a positive effect on Work Performance

H6: Digital Transformation, Leadership Style, Organizational Culture, Work Environment, and Employee Attitudes simultaneously have a significant effect on employee work performance.

The normality test is an important step in statistical analysis that aims to determine whether the data used in the analysis is normally distributed. Normal distribution is a basic assumption for many statistical analysis techniques, including regression. In this study, the normality test was performed using the One-Sample Kolmogorov-Smirnov Test on non-standardized residuals.

TABLE I

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One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		175
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	1,71263149
Most Extreme Differences	Absolute	,053
	Positive	,053
	Negative	-,031
Test Statistic		,053
Asymp. Sig. (2-tailed)		,200[c,d]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

The analysis was conducted on 175 sample data (N = 175) to test normality. The mean of the residuals is 0.0000000, which is close to zero, supporting the assumption of a normal distribution. The standard deviation of the residuals is 1.71263149, indicating the spread of the data around the mean. The Kolmogorov-Smirnov test produced a test statistic of 0.053 with a significance value (Asymp. Sig.) of 0.200, which is greater than 0.05, indicating that the data does not violate the normality assumption. Therefore, it can be concluded that the residuals follow a normal distribution, which meets the requirements for regression analysis and other statistical tests. These results indicate that the analysis conducted is valid and reliable.

TABLE 2

Correlation Coefficient and Determination Coefficient Analysis Results

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,922[a]	,849	,845	1,738

a. Predictors: (Constant), SK, TD, LK, GK, BO

The multiple linear regression analysis reveals a strong relationship between the independent variables (TD, GK, BO, LK, SK) and the dependent variable (KK), with a correlation coefficient (R) of 0.922. This indicates that changes in the independent variables significantly impact the dependent variable. The R Square value of 0.849 shows that 84.9% of the variation in the dependent variable is explained by the independent variables. The Adjusted R Square of 0.845 confirms the model's reliability, even after accounting for the number of independent variables. Overall, the model is effective in explaining the relationship and can support decision-making in the research context.

TABLE 3

Results of F Test (Model Feasibility)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2877,354	5	575,471	190,560	,000[b]
	Residual	510,361	169	3,020		
	Total	3387,714	174			

a. Dependent Variable: KK

b. Predictors: (Constant), SK, TD, LK, GK, BO

The ANOVA analysis reveals key components:

- The total variation explained by the regression model is 2877.354, while the residual variation is 510.361, with the total variation in the data being 3387.714. This shows how well the model explains the data's variability.
- The degrees of freedom (df) for the regression model is 5, corresponding to the number of independent variables (SK, TD, LK, GK, BO), and for the residuals, it is 169.
- The Mean Square for regression is 575.471, and for residual is 3.020, used to calculate the F-statistic.
- The F-statistic value is 190.560, showing a significant ratio of explained to unexplained variance, indicating the model explains significant variation in the data.
- The significance value (Sig.) is 0.000, which is much lower than the 0.05 threshold, confirming the model's statistical significance. Thus, all independent variables significantly impact the dependent variable (KK), making the regression model effective.

The T-test is used to assess the individual significance of each independent variable on the dependent variable. It helps determine whether the regression coefficients of the variables are significantly different from zero, indicating their impact on the dependent variable.

TABLE 4

T-test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	6,431	1,087		5,915	,000
	TD	,165	,062	,125	2,668	,008
	GK	,114	,056	,159	2,019	,045
	BO	,304	,068	,403	4,500	,000
	LK	,119	,048	,171	2,482	,014
	SK	,101	,039	,138	2,573	,011

a. Dependent Variable: KK

This data presents the results of the regression coefficient analysis which shows the effect of the independent variables on the dependent variable (KK). The constant coefficient of 6.431 indicates that if all independent variables (TD, GK, BO, LK, SK) are zero, the value of KK is estimated at 6.431. Each independent variable contributes significantly to KK. For example, for TD, an increase of one unit will increase KK by 0.165 units with a significance of 0.008. GK also shows an increase in KK of 0.114 units with a significance of 0.045. The BO variable has the most significant effect, where each one-unit increase will increase HH by 0.304 units with a significance of 0.000. LK and SK also show a positive influence, respectively increasing KK by 0.119 units (significance 0.014) and 0.101 units (significance 0.011). With all independent variables having a significance value below 0.05, it can be concluded that each variable has a positive and significant effect on KK, so all hypotheses in this study are accepted.

TABLE 5

Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,922[a]	,849	,845	1,738	2,130

a. Predictors: (Constant), SK, TD, LK, GK, BO

b. Dependent Variable: KK

In the model summary table above, some important parameters are displayed.

- R and R Square:

- R: The value of 0.922 indicates a very strong relationship between the independent variables (SK, TD, LK, GK, BO) and the dependent variable (KK).

- R Square: A value of 0.849 means that about 84.9% of the variability in the dependent variable can be explained by the independent variables in the model. This indicates a fairly good model in explaining the data. About 15.1% is explained by factors outside this study.

- Adjusted R Square: The value of 0.845 indicates the adjustment made for the number of variables in the model, which remains high and indicates that this model still provides a good explanation after considering the number of variables.
- Standard Error of the Estimate: The value of 1.738 is the standard deviation of the residual, giving an idea of how far the predicted value is from the actual value.
- Durbin-Watson (DW): A DW value of 2.130 is used to detect autocorrelation in the residuals. This value is compared with two critical values, namely:
  - dL (Lower Durbin-Watson): 1,6943
  - dU (Upper Durbin-Watson): 1,8117

The results show that the DW value (2.130) falls between 2 < d < 4 - dU, or dU < d < 2. This indicates that there is no positive or negative autocorrelation in the residuals. In other words, the residual values do not show patterns that could compromise the validity of the model, which means that the basic assumptions of regression have been met. Overall, the results of this analysis indicate that the regression model used is sufficiently valid and not affected by autocorrelation, so the results are reliable for further interpretation.

TABLE 6

Results of Heteroscedasticity Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1,801	,665		2,708	,007
	TD	,025	,038	,076	,648	,518
	GK	,038	,035	,219	1,099	,273
	BO	-,042	,041	-,227	-1,004	,317
	LK	-,043	,029	-,257	-1,475	,142
	SK	,020	,024	,114	,841	,402

a. Dependent Variable: RES_ABS

In this analysis, the Glejser method was used to test for heteroscedasticity in the resulting data. The coefficient table shows the Unstandardized Coefficients and Standardized Coefficients values for each independent variable as well as the resulting significance value (Sig.).

- Constant: The constant coefficient value of 1.801 with a significance value of 0.007 indicates that at the starting point, there is a significant residual value, but the interpretation is more focused on the independent variable.
- Independent Variables: TD (Digital Transformation): The coefficient is 0.025 with a significance value of 0.518, indicating that there is no significant effect of TD on the residuals, and this value is far above 0.05.
- GK (Leadership Style): The coefficient of 0.038 and the significance value of 0.273 also show that GK has no significant effect on heteroscedasticity.
- BO (Organizational Culture): The coefficient value is -0.042 and the significance is 0.317, indicating that BO also does not contribute significantly to the residual variance.
- LK (Work Environment): The coefficient of -0.043 with a significance of 0.142 shows an insignificant effect.
- SK (Employee Attitude): A coefficient of 0.020 and a significance of 0.402 indicates that SK has no significant effect on the residuals.

From these results, all significance values for the independent variables are above 0.05. This indicates that there are no symptoms of heteroscedasticity in the regression model used, which means that the residual variance is relatively constant. In other words, the resulting regression model meets the basic assumptions required for regression analysis, making it reliable and valid.

B. References

The thesis references work on management theories, digital transformation, organizational culture, and leadership models, including foundational authors like Dessler (Human Resource Management) and Schein (Organizational Culture). It also incorporates recent research on digital transformation and employee performance from authors like Miller (2023) and Taylor (2023). Specific studies related to Indonesian corporations are included to contextualize the findings locally.

C. Abbreviations and Acronyms

Here's a suggested list of abbreviations from the thesis content:

- HRM: Human Resources Management
- SDM: Sumber Daya Manusia (Human Resources)
- KPI: Key Performance Indicators
- IoT: Internet of Things
- AI: Artificial Intelligence
- EPA: Employee Performance Assessment

D. Equations

Any relevant equations related to performance metrics or leadership impact analysis (such as regression models) could be included here. Since no equations are highlighted in the content provided, you may refer to regression models and correlation coefficients if relevant data is available in the thesis.

E. Other Recommendations

Recommendations include prioritizing digital transformation to streamline processes, adopting a leadership style that aligns with company values, fostering a supportive and collaborative organizational culture, improving the work environment, and actively engaging employees for better

performance. For future research, it is recommended to Expand the scope of research to other companies or different industries to increase the generalization of results, using more varied research methods, such as in-depth interviews, to get a more comprehensive perspective from employees and adding other variables such as employee loyalty or organizational commitment to see their influence on work performance in the context of Digital Transformation.

DISCUSSION

In the Discussion section, the thesis evaluates how digital transformation impacts work efficiency and productivity, highlighting the necessity for leadership that encourages innovation and flexibility. The organizational culture is examined as a factor that fosters motivation and job satisfaction, while a supportive work environment is associated with positive employee attitudes and higher performance levels.

CONCLUSION

This study was conducted with the aim of analyzing the effect of Digital Transformation, Leadership Style, Organizational Culture, Work Environment, and Employee Attitudes on Work Performance on permanent employees at XYZ Company in Central Jakarta. This quantitative research examined 175 permanent employees as a sample. The data collection technique was carried out by distributing questionnaires digitally via Microsoft form. The data obtained is then processed with SPSS software. Based on the results of data analysis, the following are the conclusions of this study:

- Digital Transformation has a positive effect on employee work performance.
- Leadership style has a positive effect on employee work performance.
- Organizational Culture has a positive effect on employee work performance.
- Work Environment has a positive effect on employee work performance.
- Employee Attitude has a positive effect on employee work performance.
- Digital Transformation, Leadership Style, Organizational Culture, Work Environment, and Employee Attitude simultaneously have a significant effect on employee performance. The combination of all these factors contributes to improving overall employee performance.

This study shows that the independent variables in this model have a significant influence on employee performance at PT XYZ, providing important insights for companies in performance improvement efforts.

ACKNOWLEDGMENT

I would like to express my sincere gratitude to all those who have supported me during the course of this research. First and foremost, I would like to thank my supervisor, Dr. Rinto Rain Barry, S.T., M.M.], for their invaluable guidance, constructive feedback, and continuous support throughout this study. Their expertise and encouragement were fundamental in shaping the direction of this research. I also wish to acknowledge Universitas Pelita Harapan for providing the resources and facilities necessary for the successful completion of this work. Finally, I would like to express my deepest appreciation to my family and friends for their unwavering support and patience throughout this journey. Their encouragement and belief in me kept me motivated in times of challenge.

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