

The Relationship of Leadership, Culture and Organizational Learning Factors to Employee Innovation in the Digital Era

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Abstract:- In the current digital era with the increasing demand for market needs in the field of goods or services, companies must be able to improve the quality and quantity of their products, which can be implemented in the form of innovation and performance by the company's employees. This study aims to find the influence of the factors of Leadership, Culture and Organizational Learning on Innovation and Employee Performance in a company in the Digital era. The research method used is the Quantitative Partial Least Square (PLS) approach, specifically the Structural Equation Modeling (SEM) method. Structural Equation Modeling (SEM) analysis is used to analyze the relationship between variables and measure the effect of one variable on another variable. The variables studied were organizational leadership, culture and learning factors, as well as employee innovation and performance. In the formulation of the model, the research results show that the factors of Leadership and Organizational Culture in the digital era do not directly affect employee performance, Organizational Learning does not directly affect employee performance, while Innovation has a direct positive effect on employee performance. Other results show that Leadership in the Digital era has a direct positive effect on employee innovation, then organizational culture does not directly affect employee innovation and organizational learning has a direct positive effect on employee innovation in the company. The final result of this research is the obtaining of Managerial Implications in the form of Recommendations to the relevant Departments in the Company which is very necessary for the development of the Company's Human Resources on the factors of Leadership, Organizational Culture and Organizational Learning in increasing Innovation and Employee Performance in the company.

Keywords:- Leadership Factors, Digital Culture and Organizational Learning, Innovation and Performance of Employee, Managerial Implications.

I. INTRODUCTION

Corporate organizations are currently facing new challenges in entering the era of globalization in the world of digitalization at both national and international levels. Every organization needs to improve the expertise of its human resources and must prepare to form an organization to achieve certain goals. The purpose of an organization is something that is expected to be achieved and carried out properly, in improving organizational and company performance.

In the current digital era with the increasing demand for market needs in the field of goods or services, companies must be able to improve quality and quantity and have high competitiveness in preparing reliable resources in their respective fields, organizing both individually and in groups can determine goals. From the results of the achievement of work performance in the organization expressed as performance or work results that have been achieved are a series of organizational activities in managing human resources through the process of work activities that are passed to create good and planned performance achievements, therefore a management process is needed in every activity.

National Company is a State-Owned Enterprise (BUMN) that is engaged in information and communication technology services and telecommunications networks in Indonesia. National Company Department play a very important role as a digital locomotive and at the same time acts as a product factory to realize product digitization and process digitization in the Telkom group. Product digitization is a process to produce digital products through ideal development, while process digitization is an effort to transform from a manual process into an automatic or digital process developed through various research, design development, insurance, and finally ready to be delivered to customers.

According to research by Afnan et al (2018) that the performance of National Company employees is included in the good category with a percentage score of 75%, it shows that the process has been carried out well by employees but in increasing the exchange of information or knowledge between divisions and partners which has been declared good according to responses respondents so that in the future they can be included in the very good category, for example by holding knowledge sharing meetings from their respective divisions to improve employee performance

(Afnan et al., 2018). Managers and employees need a variety of skills to help them function in different quadrants at different points in time.

A person's skills are very influential to make it easier to carry out daily work activities with a strong desire and motivate oneself and are encouraged by a leader who provides opportunities so that human resources have special skills in supporting their work, to improve various activities both in a unit or organization, then a group is formed to achieve the goals of an organization by providing adequate facilities so that the organization runs well in supporting the activities of a job, with reliable resources, has leaders who encourage various activities and adequate facilities and a team that compact so that with various changes that occur both internal and external problems will not make an organization that is not easily shaken.

Several things related to Organizational Performance are aspects of the variables: (1) Digital Leadership Aspects, (2) Digital Culture Aspects, (3) Organizational Learning Aspects, and (4) Innovation Aspects. The four main aspects are aspects that have a very significant effect on employee performance at National Company.

First Aspect, Digital Leadership. Leaders are the main key factor in the development of digital culture, because they need to create good relationships with many people and other stakeholders, focus on collaborative processes in complex regulatory issues with attention to ethics that are sometimes very urgent in every change activity (Cortellazzo et al, 2019). Jyoti & Rani (2017) Stating that the work system greatly influences organizational performance in managing a good and leading work system management must be able to improve HR capabilities, by providing computerized-based training, and employees must be rewarded both materially and non-materially so that they can be motivated in improving performance even higher, and management instills a culture of knowledge to improve employee abilities. For now, the millennial generation of the company instills the concept of the modern era with flexible and unfettered time arrangements with comfortable spatial layouts that are not partitioned.

Second Aspect, Digital Culture. Digital Culture is a digital-based work culture regarding responsibility for an organizational rule that is in the work environment in telecommunication service businesses, retail department stores, due to communication between units within the organization, the collaboration between employees in each organizational unit, responsibilities that produce goals from work results. , and employee performance measurement carried out within the organization, as well as employee promotions following the employee's competencies. Digital culture with various obstacles faced such as poor Information and Communication Technology (ICT) infrastructure, scarcity of IT policies, lack of awareness of government officials, unacceptable system, lack of coordination, low literacy rate, lack of IT training, high costs, lower internet obligations, access, lack of funds, poor salary structure, wrong assignments and blocked posts,

widespread corruption, lack of attention in complaint centers, law and order situation, complexity in getting required services and lack of information, (Hussain, 2015). Employee engagement and retention with greater transparency and work pressure to have a positive and productive digital culture, every organization recognizes that 87% of the culture and involvement of the people around them in creating and supporting a vision in digital transformation by creating a supportive workplace and people who help the organization to the next level, (Jennifer Buchanan, 2016).

Third Aspect, Organizational Learning. Continuous organizational learning is very important for individuals in the current digitalization era. The survey results stated that 90% of individuals need to update their skills annually to work effectively in the digital world and 44% stated that individuals need to continuously update their skills both effectively and efficiently. and efficient and as many as 59% of respondents from companies that are developing well digitally are satisfied with companies that have prepared for the change that works in a digital environment (Kane et al, 2018). Organizational learning is related to the accumulation of individual knowledge as well as the structure of communication to the external and internal environment of the organization as a means of learning to face difficulties in communicating knowledge related to problem-solving in increasing innovation in the Volatility, Uncertainty, Complexity and Ambiguity (VUCA) environment. new business activities within the organization to develop and improve knowledge externally to the organization (Cousins, 2018).

Fourth Aspect, Innovation. Innovation related to change often causes disruption in innovation including business model innovation, market model innovation, by following an approach that can potentially increase opportunities to advance in maintaining market power (Zentner, 2014). Innovation is still considered a very important problem for a country or company that is just developing at this time, they think that innovation is only owned by companies that have high technology because for now innovation is related to increasing company productivity, (Fagerberg et al., 2010)

Concerning aspects of Digital Leadership, Digital Culture, Organizational Learning, and Innovation on Employee Performance at National Company Department, then as for the problem currently faced is the level of employee performance at National Company Department which is felt to be very less than optimal. This statement is supported by a summary of the data recapitulation of employee assessments of National Company Department during 2016-2018. From the results of the recapitulation of the performance of employees of PT. Telkom Digital Division and Next Business Department, it appears that employee performance has decreased. The number of employees with special criteria in 2016 was 1 person, very good criteria were 19 people, and good criteria were 10 people, while in 2017 there were no special criteria, 13 people were very good criteria, and 11 people were good criteria, while in 2018 very special criteria 1 person, very

good criteria as many as 11 people, and good criteria as many as 18 people.

This study aims to find answers to how the managerial implications and recommendations for influencing factors between Digital Leadership, Digital Culture, Organizational Learning, and Employee Performance through aspects of Innovation at National Company. It is very necessary to determine how the best policy can be taken by the Management of National Company Department to improve the performance of its personnel. This research is expected to provide contributions and input, can provide benefits to all interested parties related to Human Capital Resources Management, as well as support the development of organizations or companies, and can be useful for encouraging personnel to continuously innovate in improving performance.

II. MATERIALS AND METHODS

A. Employee Performance

Performance is the result of work and work behavior that has been achieved in completing the tasks and responsibilities given in a certain period. While the dimensions in the assessment of work performance include (1). Quality, (2). Quantity, (3). Time. (4). Cost Emphasis. (5). Supervision. (6). Relations between employees. Meanwhile, Colquitt (2018) says that performance is "The value of the set of employee behaviors that contribute, either positively or negatively, to organizational quality accomplishments". In a statement, Colquitt (2018) explains

that a set of employee behaviors contribute, either positively or negatively to the fulfillment of organizational goals.

According to Masram (2017), individual performance is the level of achievement or results of a person's work from targets that must be achieved and carried out within a certain period. Performance can increase employee motivation and productivity. Success creates satisfaction, especially if individuals can prove to themselves that they are using their abilities to the fullest. According to Rafiki (2019) Performance is a judgment (a decision or assessment) based on something else as a comparison. Performance is the result of work in quality and quantity achieved by an employee in carrying out his duties following the responsibilities given to him. Performance is an employee's work plan in all elements of written and recorded performance, by setting the expected performance. The plan should include all critical and non-critical elements and their performance standards.

Shahzad (2014) states that performance is the ability of employees to achieve goals, both personal and organizational interests, by using resources efficiently and effectively. The same opinion according to Pradhan and Jena (2017), The Triarchy Model of Employee Performance, there is an employee performance model as shown in the figure below which explains that employee performance can be influenced by Task performance, Contextual performance, and Adaptive performance.

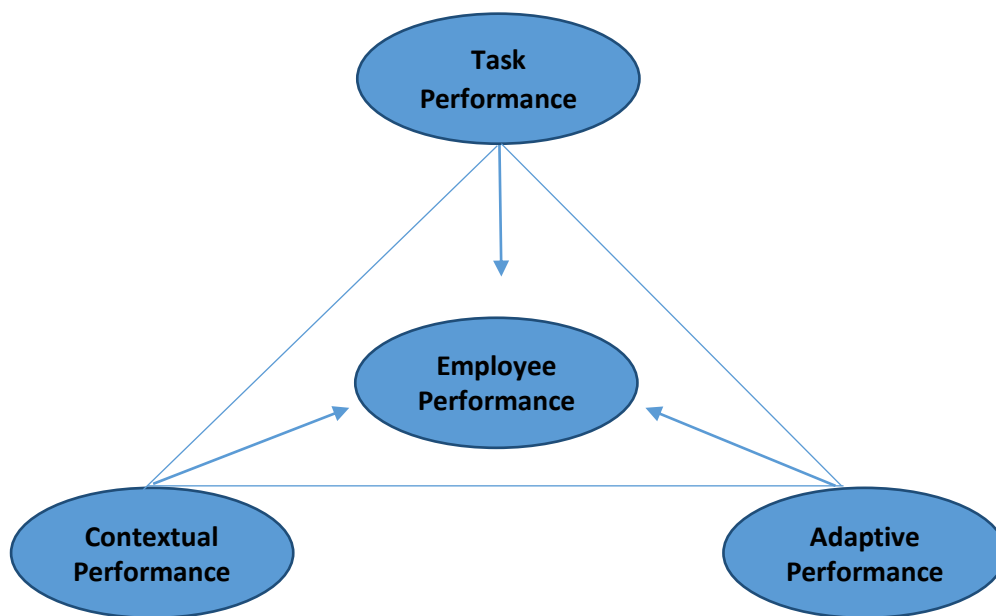


Fig. 1: Model of Employee Performance(Pradhan dan Jena, 2017)

According to Pradhan & Jena (2017), The Triarchy Model of Employee Performance is relationship-centered on several factors that affect performance, including:

- Personal Factor, addressed by the level of skill, competence possessed motivation, and individual commitment.

- Leadership Factor, determined by the quality of encouragement, guidance, and support by managers and team leaders.
- Team Factors, indicated by the quality of support provided by colleagues.

- System Factors, indicated by the work system and facilities provided by the organization.
- Contextual/situational factors, indicated by the high level of pressure and changes in the internal and external environment.

B. Digital Leadership

Westerman et al (2014) stated that a leader must be responsive to changes in globalization and changes in the organizational environment so as not to be left behind by the changes that occur. With indicators: a) Creating a Digital vision, 2) Involving the organization, 3) Managing transformation, 4) Building Technology Leadership Capability. Digital leadership is an amalgamation of several aspects of leadership, including:

a) Visionary Leadership

Skills to formulate a digital Vision – Mission and Goals, by communicating to all employees so that all employees in the organization have the same urgency. Digital transformation starts from the formulation of a vision that directs the organization's goals to be targeted through a clear vision and with uncertain disruptive changes.

b) Transformational Leadership

Skills to manage, control and monitor change so that the digital transformation that is carried out will reap business success and produce financial performance. Digital transformation always causes changes that bring uncertainty because the change process must be managed properly so that employees remain solid and move in one direction to make the transformation successful. Digital leadership is an important issue that involves differences in leadership style, substance, ability to cross-cultural differences in digital leadership which is an important subject in the world of globalization. In digital transformation leadership, there are 5 interrelated perspectives and trends including:

• Strategic trend.

Concerning disruptive changes in the business climate, it is inevitable for community networks and financial markets to change and engage in major transformations.

• Social and ethical tendencies.

Current relationships in society will be different as they evolve and adapt to IT developments – changing future behavioral norms,

• Organizational trends.

The structure of companies, groups, and communities before shifting into their structures, processes, and standards towards a more fluid organizational form.

• Technology trends.

As information artifacts have become commonplace in the digital and physical spheres, the rapid development in IT technology and innovation has become an important element to consider

• Regulatory trends.

When new standards and regulations emerge; Adequate preparation is needed to ensure that a transition to a new regulatory structure is established. A change leader is to leverage various practices to build and drive digital transformation by building a digital vision and using publicity to highlight digital transformation priorities

According to Sawy & California (2016), digital leadership is doing the right thing for a successful digitalization strategy for the company and its business ecosystem. According to Zhong (2017) that digital leadership as vision, professional development, infrastructure support, evaluation, and communication. There are 6 characteristics of digitization including (1) Linkage, (2) Reducing time delays and information abundance, (3) Increasing transparency and complexity, (4) Elimination and dissolution of the hierarchy of personal barriers, (5) Empowering decision-making and increasing integrity, and (6) Human effect.

Thus it can be synthesized that digital leadership is someone who can utilize technology and information and has a vision for the future in achieving organizational goals, has new attitudes and skills, and can communicate and influence others, can bring an environmental atmosphere in a digital transformation change with indicators, Influence people others, have a vision for the future, can communicate both internally and externally, build technology leadership skills.

C. Digital Culture

Organizational culture is a system shared by all members that distinguish one organization from another. According to Ivancevich et al (2013) digital culture is a very important concept for understanding individuals and groups and can be seen with symbols, language, ideology, rituals, and myths that come from the personal founder of the organization or leader. Digital Culture is A pattern of basic assumptions— invented, discovered, or developed by a given group as it learns to cope with the problems of external adaptation and internal integration—that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel concerning those problems". This shows that culture involves assumptions, adaptation, perceptual performance, and learning. Values are conscious, affective desires or desires. At layer three are the basic assumptions people make that guide their behavior. Included in this layer are assumptions that tell individuals how to understand, think, and feel about work, performance goals, human relationships, and colleague performance.

There are elements of organizational culture including (1) Ways of thinking, acting, and living, (2) As part of a group or group member, (3) Older members are passed on by new members, (4) Culture forms values. assumptions, perceptions and conscious behavior of each group and members, (5) provides the group with a systemic guideline on how they should carry out their thoughts, actions, rituals, towards their efforts. Everyone has a strong desire to have

clear goals and have aspirations with new goals but it can only happen when we live our culture and if we introduce and teach our culture.

Shaughnessy (2018) states that for leaders to guide their companies through the transition to digital culture, a major change for established businesses, they must be able to understand and explain culture in the context of the values and workflows that make companies digital age. Social media, networking capabilities, and digital communication technologies are changing the nature of work for individuals in digital technology programs have provided new resources to help individuals socialize in the workplace and develop new skills to meet the challenges of the information age that will also impact how they find work, and then doing work, organizational behavior, and remote work, providing a theoretical framework to identify key points in the transition experienced by individuals through the use of social media, digital technology, and changing work culture through remote work (Bowen & Pennaforte, 2017)

The definition of Digital Culture is the shared, fundamental, and rooted basic assumptions, values, beliefs, and norms that characterize how organizations encourage and support the use of technology to get work done most effectively, Shaughnessy (2018). For leaders to guide their companies through the transition to digital culture, a major change for established businesses, they must be able to understand and explain culture in the context of the values and workflows that make digital age companies successful. To facilitate the cultural and technical changes that are the hallmark of successful digital transformation, several leading companies have adopted the principles of network systems implemented by Agile teams.

D. Organizational Learning

Learning Organizations are organizations that have developed a continuous capacity to adapt and change. "All organizations learn, whether they consciously choose or not, it is a fundamental requirement for their continued existence, Sowath et al (2016). According to Lin & Lee (2017), The definition of organizational learning is a continuous action process that views learning as the most fundamental value for an organization. It also allows sharing the vision of future development with members within the organization, encouraging members to do creative thinking outside the rules, increasing mutual understanding to realize a common vision through learning and knowledge sharing in various departments within the organization.

According to ZA Russell et al (2018), the definition of a learning organization is "A learning organization is a place where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together". The actions of learning organizations according to Luthans (2011) "Functional and divisional walls that inhibited cooperation, resource sharing, and internal debate were leveled to promote forward-thinking, the learning of new managerial competencies, and the adoption of risk-taking behaviors. Most importantly, a

rejuvenated senior management team began cultivating a new culture that emphasized knowledge sharing, open communications, team-building, and breakthrough thinking throughout the firm".

Bratianu's (2018) Definition of the learning organization is a process that occurs across the individual, group, and organizational levels through intuition, interpretation, integration, and institutionalization. Another opinion from Yu-Lin Wang (2011), Organizational learning in generating organizational knowledge not only maintains competitive advantage but also leads to new markets. Organizational learning is a company's effort to utilize individual and social capital information to realize the company's potential for innovation. According to him, there are four (4) components in organizational learning including (1) Acquiring knowledge, (2) Knowledge distribution, (3) Joint interpretation, and (4) Development of organizational memory.

From several statements regarding organizational learning, it can be synthesized that organizational learning is a "process of increasing learning, knowledge, complementing and complementing each other in improving the abilities of each member, with indicators Developing abilities and skills, Learning to see the whole together, Developing sustainable capacity".

E. Employee Innovation

Globalization in developing countries is increasingly felt both in the private sector and in the government sector, this pressure makes companies increasingly improve in various changes called innovation, all fields of Research and Development, software, design, educational engineering, marketing, and management are increasingly taking an important role in the production of goods. and services. In addition, the development of international standards dominates international trade and global value chains. Therefore, the competitiveness of companies and countries depends on the company's ability to innovate and be oriented towards technology and information.

The definition of innovation is "the process whereby new and improved products, processes, materials, and services are developed and transferred to a plant and/or market where they are appropriate". By managing innovation and developing creativity is very important for innovation, by encouraging each individual to think ahead, providing an overview of development in the organizational environment by describing the characteristics of companies that manage the innovation process well-characterized by:

- Separate funds for innovation,
- Studying developments outside the company.
- Can provide clear direction and appropriate follow-up in the innovation process.
- Provide learning opportunities from outside the organization to increase knowledge.
- Real results.
- A supportive environment and facilities to exploit a wide variety of resources with appropriate resources for maintenance and service.

According to Rogers (2016), Innovation is the process by which new ideas are developed, tested, and brought to market by businesses. A very different approach to innovation, which is based on continuous learning through rapid experimentation because digital technology makes it easier and faster than ever and can enhance organizational learning. While Chen et al, (2018) Innovation is the creation of value by using relevant knowledge and resources to convert ideas into new products, processes, or practices, to improve existing products, processes, or practices. An innovation strategy is an organization's relative emphasis on different types of innovation and related resource allocation patterns, in line with its strategy at the enterprise and business unit levels. Strategic innovation is the creation of value by using relevant knowledge and resources for the conversion of ideas into new products, processes, or practices.

Meanwhile, according to Mazzaoui (2012), the definition of innovation is as an operation that progresses from time to time, from new ideas, and finally to tangible results. Therefore, when innovation is understood as a process the result. Concerning innovation, some processes must be passed, including those relating to:

- Market linkage. This refers to the purchase of 'embodied' technology and knowledge in various forms, such as the purchase of machinery, Information, and Communication Technology (ICT) equipment or software, or licenses.
- Externalities and knowledge spillovers. Unlike the market link, there is no contract or formal compensation for the knowledge acquired.
- Compared to market links, networks are more durable and interactive relationships between certain partners in the innovation process. It is a dynamic collective learning process, in which a given technology or piece of knowledge is not only exchanged but collectively further developed and each adds to the knowledge base.
- Informal links between companies and other types of organizations, such as those in industrial and high-tech areas, public or private research institutions, for example. Such relationships are primarily based on trust, a shared understanding of general rules and norms of behavior. Including social capital.

F. Related Research

After searching for several sources of research results, previous studies that are relevant to the title of this study have been found as reference material for building a theoretical model of research and research hypotheses, including:

a) **Singh & Atwal, (2019), Digital Culture A Hurdle or A Catalyst in Employee Engagement.**

The concept of research is carried out with literature related to digital culture and employee involvement by collecting information using secondary data, including books, articles, research papers, and survey reports based on a survey according to the Capgemini digital transformation institute which was carried out in March-April 2017, by conducting a digital culture survey. as many as 1,000 employees in Ireland, across 5 generations with an age range of 25 to 44

years that digital culture is promoted in an organization to support the use of technology in completing their work most effectively and efficiently it is seen that digital culture can increase productivity by 21%, Innovation 39 %, and 47%. The results show that culture plays a very important role in involving employees in the digital era, both in providing opportunities for organizations to adapt to a changing environment and employee involvement as facilitators for new ideas and innovations with the help of the latest technology in the digital era.

b) **Ross Gagno, Kimberly Kurata, (2017), The High-Performance Digital Culture: Empowerment, Trust, and The New Equilibrium Between The Employee And IT.**

The survey was conducted by Forbes/VMware with as many as 2,000 users worldwide and looks at the changes that drive a digital culture, to create an environment that can improve employee performance in innovating and growing in the digital world of work. Judging from the results of the performance survey and the items in the work presented including editing in various files by 88%, virtual meetings 87%, Project Management 85%, cost management 78%, employee benefits management (retirement, vacation, etc.) 78%, time and billing allocation 78%, content and knowledge management system 76%, Social network 69%, Contractor Management 69%. from the percentage of use of employee applications that distinguish them from others in the environment that has implemented digital technology that has been used by employees. The results of the study state that Digital Transformation is not only about software and hardware, it must be accompanied by a change in culture by trusting the workers by empowering them with technology because of the changing balance between workers and management. Digital culture creates an environment for employees to innovate and thrive in the digital workspace.

c) **Rani, (2017), The Impact of Organizational Learning on Work Performance.**

This research uses descriptive statistics. The research sample was 70 randomly selected from IT companies, from 70 questionnaires only 56 samples were appropriate in terms of age, gender, experience, and using a 5-point Likert scale. The results showed that organizational learning has a definite influence on employee performance with the final result can improve overall organizational performance.

d) **Wang, (2018), Effects of Organizational Learning Environment on Employees Motivation to Use Performance-Oriented e-Learning. E-Learning in the Workplace.**

The study used an online survey by analyzing the perceptions of both students and employees on performance-oriented E-Learning applications with a total of 222 responses from various organizations, the model measurement technique used SEM Lisrel 8.7. From the analysis results, it was found that social

learning (PU-SL) ($\gamma_{23} = 0.27$, t value = 2.51, $p < 0.05$) was related to employee perceptions so that both were significant ($\beta_{11} = 0.75$, $p < 0.001$; $\beta_{12} = 0.34$, $p < 0.001$). The results showed that managerial support had a significant impact on the usefulness of E-learning outcomes for individual learning, and organizational support had a significant effect and perceived job support found a moderating effect on the relationship between employee usefulness.

e) **Aragón Barba, (2014), Training and performance: The mediating role of organizational learning. BRQ Business Research Quarterly.**

The research results from the European Union used samples from the SABI (Liberian Financial Report Analysis System) by covering Spanish companies with more than fifteen employees by looking at the financial database for 520,000 population companies taken from a total study of 1,600 companies using a questionnaire. From all these data, 836 questionnaires were obtained so that the response rate was 52.25% by comparing the respondent companies with non-respondents. The results showed that the main tool in developing organizational learning abilities was seen from the three levels of analysis, individuals and groups within the organization. Companies must realize that training efforts will not lead to better performance directly but training must be oriented towards organizational learning abilities, which means companies adopt learning-oriented training

f) **Osman, Shariff, & Lajin, (2016), Does Innovation Contribute to Employee Performance? Procedia - Social and Behavioral Sciences.**

This study uses a sample of 320 samples with a distributed sample of 294 respondents, with a response of 84%. This study looks at innovation on employee performance at Tenaga Nasional Berhad (TNB), a company in Malaysia through factor analysis tests by looking at four types of innovations

seen from product innovation, process, technology, and organization. The results showed that innovation affects employee performance.

G. Research Methods

The research design is a blueprint for carrying out further research. This research refers to testing a certain theory that is within the scope of science by having theoretical significance and practical significance which aims to test a theory or hypothesis in strengthening or rejecting hypothetical theories from research results that have been carried out previously. This study examines the causal relationship between the variables of Digital Leadership, Digital Culture, Organizational Learning, Innovation, and Personnel Performance.

Structural Equation Modeling (SEM) analysis is used to analyze the relationship between variables and measure the effect of one variable on another variable. There are two types of SEM, namely Covariance Base SEM (CB-SEM) and Variance Base SEM (VB-SEM). CB-SEM is used to confirm or reject a theory, through explanation of theoretical models through explanatory research, while VB-SEM focuses on variants of the dependent variable when explaining the model (Hair et al, 2014). Based on what was conveyed by Hair et al, (2014) related to the Rule of Thumb, the CB-SEM or Partial Least Square SEM method will be used in the next analysis stage. The purpose of CB-SEM or Partial Least Square (PLS) is for prediction, therefore it focuses more on data with limited estimation procedures. PLS-SEM consists of two sub-models, namely the Outer model/measurement model and the Inner Model or Structural Model (Hair et al, 2014).

III. RESULT AND DISCUSSION

A. Model of Research

The constellation model in this study can be seen in Figure 2. The Constellation Model Between Research Variables, with the following explanations:

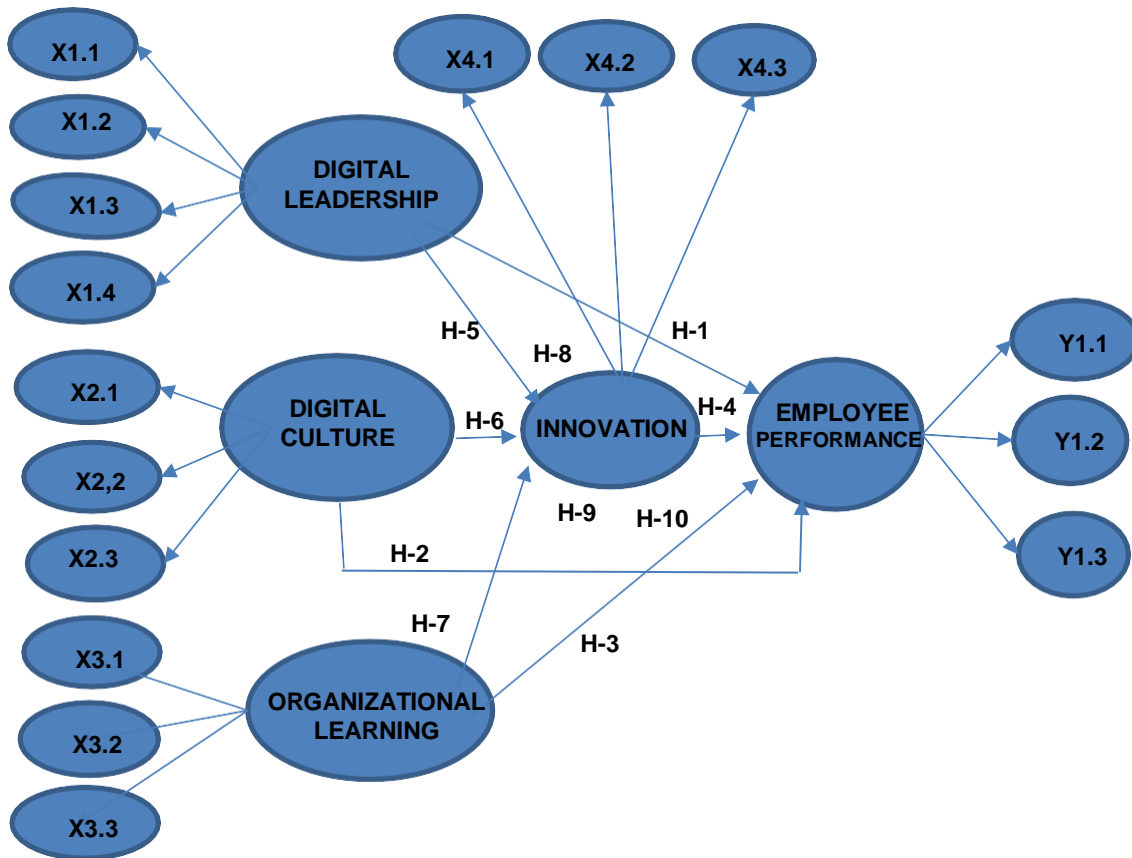


Fig. 2: Constellation Model Research Variables

Constellation between Main Variables:

- The Digital Leadership variable consists of four indicators which include: Being able to influence others (X1.1), Creating a vision for the future (X1.2), Being able to communicate both internally and externally (X1.3), and Building technological leadership skills (X1.4).
- The Digital Culture variable consists of three indicators which include: Understanding individuals and groups (X2.1), being Skilled in creating market opportunities (X2.2), Directing individuals to act appropriately (X2.3).
- Organizational Learning variables consist of three indicators which include: Developing abilities and skills (X3.1), Learning as a whole together (X3.2), and Developing continuous training to adapt to change (X3.3).

- The Innovation Variable consists of three indicators, namely Value creation using relevant knowledge and resources (X4.1), Company adaptive value search being carried out by the agile team (X4.2), and Developing national and international networks (X4.3).
- Employee Performance variables consist of three indicators, namely, creativity achieved following their responsibilities (Y1.1), Proving their full responsibility (Y1.2), and Effectiveness of working nature (Y1.3)

B. Validity Test

One of the validation tests used in this study is to use the Discriminant validity test, namely, by evaluating the Average Variant Extracted (AVE) for each indicator, it is required that the value must be > 0.5 for a good model.

Variable	Average Variance Extracted (AVE)
Digital Culture	0.715
Innovation	0.720
Digital Leadership	0.737
Employee Performance	0.759
Organizational Learning	0.779

Table 1: Validity Test: Average Variant Extracted (AVE)

Based on Table 1. it can be seen that the AVE value of the variable arranged with the lowest value in the first order is 0.715 digital culture, the second is 0.720 innovation, the third is 0.737 digital leadership, fourth is 0.759 on employee

performance and fifth is 0.779 organizational learning. That all research variables > 0.6 this result shows that each variable has met composite reliability so that it can be concluded that all variables have a high level of reliability.

The correlation between constructs is measured by looking at the path coefficients and their level of significance which is then compared with the research

hypothesis. Furthermore, Table 2 shows the results of the correlation between constructs, as follows:

	Digital Culture	Innovation	Digital Leadership	Employee Performance	Organizational Learning
Digital Culture	0.840				
Innovation	0.826	0.859			
Digital Leadership	0.830	0.911	0.863		
Employee Performance	0.768	0.869	0.704	0.876	
Organizational Learning	0.881	0.804	0.899	0.847	0.887

Table 2: Correlation Results between Constructs

C. Path Coefficient

The path coefficient of the Structural Equation can be known through the T-count and P-value. Table 3. Shows the Path Coefficient Value, which means that the three paths that have a positive and significant influence have a T-count value > of 1.96 and a P-value <0.05, namely (a) The Effect of Innovation on Performance, (b) Digital Leadership towards Innovation and (c) Organizational Learning towards innovation. The original sample value (O) shows a positive value, meaning that the effect that occurs is directly proportional/positive. The effect of innovation on performance has an original sample value of 0.597 and the

influence of digital leadership on innovation, the original sample is 0.418, which is included in the Moderate category. While Organizational Learning on Innovation has an original sample value of 0.436 including a strong influence.

Furthermore, there are 4 paths of insignificant influence, namely (a) the influence of digital leadership on employee performance, (b) digital culture on employee performance, (c) organizational learning on employee performance, and (d) digital culture on innovation. This insignificant effect is indicated by the T-count <1.96 and P value>0.05.

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Digital Leadership→Employee Performance	-0.065	-0.043	0.122	0.532	0.506
Digital Culture→Employee Performance	0.048	0.036	0.107	0.446	0.667
Organizational Learning→Employee Performance	0.339	0.359	0.232	1.458	0.156
Innovation→Employee Performance	0.575	0.545	0.211	2.720	0.018
Digital Leadership→ Innovation	0.496	0.489	0.091	5.453	0.000
Digital Culture→Innovation	0.043	0.051	0.080	0.545	0.597
Organizational Learning→Innovation	0.414	0.413	0.108	3.827	0.000

Table 3: Value of Path Coefficient

The indirect effect of exogenous variables on endogenous variables of employee performance can be seen in Table 4. The effect of exogenous digital leadership variables on employee performance variables through the innovation mediation variable is significant, where the T-count is 2.462< 1.96 and the P-value is 0.016> 0.05. The influence of Digital Culture on employee performance through innovation in Table 4, shows a significant relationship, where the T-count value is 0.485> 1.96 and the P-value is 0.647< 0.05. Original Sample value shows no effect. The original sample value of the Digital Culture variable on employee performance through innovation of 0.036 shows a relationship that is directly proportional to the

strength of the relationship, including the Moderate category. The effect of organizational learning on employee performance through innovation in Table 4. shows a significant relationship where the T-count value is 0.008> 1.96 and the P-value is 2.720< 0.05. The Original Sample value shows the strength of the influence and the nature of the relationship between exogenous variables and endogenous variables. The value of the original sample variable Organizational Learning on employee performance through innovation of 0.249 shows a relationship that is directly proportional to the strength of the relationship, including the moderate category. The following is Table 4. Indirect Effect of the Overall Sample.

Variabel	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Digital Leadership -> Innovation -> EmployeePerformance	0.296	0.278	0.127	2.462	0.016
Digital Culture -> Innovation -> EmployeePerformance	0.036	0.040	0.064	0.485	0.647
Organization Learning -> Innovation -> EmployeePerformance	0.249	0.224	0.099	2.720	0.008

Table 4: Indirect Effect of Overall Sample

D. Test Results Analysis

Based on the deepening of the calculations on the model, the results of the H-1 to H-2 analysis tests are obtained, which are significant as follows:

- H-1, The analysis test results show that the digital leadership variable has no significant effect on employee performance, meaning that Digital Leadership has not been characterized as visionary leadership, good at speaking, unable to convince and give confidence to others, and less motivating employees in achieving employee performance goals.
- H-2, The results of the analysis test show that the Digital Culture variable has no significant effect on employee performance, which means that Digital Culture Transformation requires the cultivation of a supportive culture related to changes in activities carried out by employees, as well as changes in individual behavior by the way they interact with other people both inside and outside the organization.
- H-3, The results of the analysis test show that the organizational learning variable does not affect employee performance, which means that the suitability of providing learning and training provided to employees must be oriented towards organizational and individual needs to support employee creativity.
- H-4, The analysis test results show that the innovation variable has a direct effect on employee performance. This means that the better the increase in innovation, the higher the performance generated by developing to the international level
- H-5, The analysis test results show that the Digital Leadership variable has a direct effect on Innovation, which means that the role of digital leadership is very important in trying new technologies by being flexible and adaptable, facilitating employee innovation needs in improving employee performance.
- H-6, The results of the analysis test show that the Digital Culture variable does not affect innovation, which means that when dealing with agents of change in human nature that make them uncomfortable, old beliefs, habits, and assumptions inhibit openness concerning new ideas.
- H-7, The analysis test results show that the Organizational Learning variable affects Innovation, which means that organizational creativity creates products and services as a result of the collaboration process between individuals and groups producing product outputs as creative ideas and accepted by market share.
- H-8, The analysis test results show that the Digital Leadership variable on employee performance through innovation has a positive effect, which means that Leaders

who have a vision for the future by involving and inspiring employees to carry out their visions become reality.

- H-9, The analysis test results show that the Digital Culture variable on Employee Performance through innovation has no effect, which means that the main obstacle in digital transformation is the lack of support from superiors by changing their style from top-down decision-makers to coaches having a strong vision of opportunities and experience by increasing credibility in the eyes of employees. Lack of interaction and collaboration by creating an organized cross-functional team in carrying out the project from start to finish.
- H-10, The results of the analysis test show that the variable Organizational Learning on Employee Performance through innovation has a positive effect, which means that companies that are committed try to continue to learn deeply about the company's environment which consists of customers, competitors, and technology by adopting a new idea, following the climate change, positive learning is very valuable for companies to outperform the competition with the innovation process. Therefore managers must create and promote a desire to learn among employees so that they can develop new skills with existing knowledge.

E. Managerial Implications and Recommendations

Some of the Managerial Implications and Recommendations that can be given according to the results of this study are as follows:

- a) On the Aspect of Employee Performance
On the employee performance variable with the indicator Proving Ability has the lowest value, this needs to be considered by the company that employees must further improve their knowledge from various aspects related to experience, knowledge, and the ability of employees to carry out work tasks that are their responsibility.
- b) On the Aspect of Digital Leadership
The digital leadership variable with the indicator Having a Vision for the Future has the lowest value, this needs to be considered by the company. An effective leader can relate to the vision and strategic action not only stating the hopes, dreams, and goals of change but must be accompanied by clear concrete actions.
- c) On the Aspect Digital Culture
The digital culture variable with the Available Application indicator has the lowest value, this needs to be considered by the company so that the

preparation time and facilities needed in managing a program must comply with existing standards so that the results obtained are of higher quality in the market.

- d) On the Aspect of Organizational Learning.
In the Organizational Learning variable with the indicator Developing ability having the lowest value, this needs to be considered by employees that it is necessary to optimize all of their abilities in achieving good and superior performance by knowing their strengths and weaknesses and introspecting what has been achieved as an advantage and disadvantage, while for the company provide motivation, encouragement, and input for employees who are less than optimal in carrying out their duties.
- e) On the Aspect of Innovation
In the innovation variable with the indicator of Relevant Resource Value Creation having the lowest value, the company must pay attention to that the existing resources must have supporting skills related to Logistics Management, including processes related to receiving, storing, and distributing inputs internally, relating to also with the operation of transformational activities that convert inputs into outputs that will be sold to customers. Innovations in logistics management are related to customer services such as collection, storage, and distribution systems related to marketing and sales.

IV. CONCLUSION

Based on the research results that have been found, the managerial implications at the theoretical and practical levels can be stated as follows:

A. Employee performance

On the employee performance variable with the largest number of indicators, the Creativity indicator achieved has the highest value, this can be maintained to increase creativity in employees.

B. Digital Leadership

The digital leadership variable with the largest number of indicators is the Communication indicator both externally and internally, and this must be maintained in supporting collaboration from parties outside the company.

C. Digital Culture

The digital culture variable with the largest number indicator is the Speed indicator at work, this is following the company culture which must always be maintained properly.

D. Organizational Learning

The Organizational Learning variable with the largest number indicator is Learning to see the whole together, this is following the work culture of the company jointly involving people who have expertise and talent in their respective fields and must always be maintained.

E. Innovation

The innovation variable with the largest number of indicators is Developing international networks, this must be maintained in establishing work in various fields.

DECLARATION OF CONFLICTING INTERESTS

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

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