

The Role of Digital Culture and Digital Leadership on Employee Performance in Facing Digital Transformation Study on West Java MSMEs

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Abstract

This research aims to discover how West Java MSMEs' digital culture, digital leadership, and employee performance partially influence employee performance when facing digital transformation in West Java MSMEs. This research uses descriptive quantitative verification through the causality method with a survey approach. The sampling technique used was random sampling with a sample size of 100 MSME employees. The descriptive test results show that all variables have good criteria. The results of the quantitative test show that, partially, both digital culture and digital leadership significantly influence the performance of MSME employees, as assisted by the West Java Chamber of Commerce. The findings of this research are that digital leadership strongly influences the performance of MSME employees. However, the score for the digital leader's ability to provide trust in the team is still low, so it is necessary to increase the digital leader's ability to communicate internally. This research was conducted at the West Java Chamber of Commerce. Limited to the variables used, namely digital culture, digital leadership, and MSME employee performance. This research provides implications for managers by suggesting the development of cooperation capabilities and trust in MSMEs. This research explains the performance of MSME employees, which Digital Culture and Digital Leadership influence. Explain the factors that influence MSMEs in facing digital transformation.

Keywords: Digital Culture, Digital Leadership, Employee Performance, MSME

INTRODUCTION

MSMEs play a strategic role in a country's economy. In the Netherlands, MSMEs form 98.8% of existing companies and absorb 55% of the workforce. MSMEs contributed as much as 35 million US dollars to Italian exports, which absorbed 2.2 million workers. In Vietnam, 64% of the workforce is absorbed by SMEs. The same thing also happened in Indonesia. According to data from the Central Statistics Agency and the Ministry of Cooperatives and SMEs, in 2022, the number of MSMEs in Indonesia reached 8.71 million. SMEs in Indonesia have been proven capable of absorbing 79.6 million workers, contributing 19.94% of export value and 55.67% of Gross Domestic Product (GDP).

Meanwhile, according to the Head of the West Java Cooperatives and Micro, Small, and Business Department, in 2022, West Java will have 1,494,723 in the culinary, craft, fashion, and service sectors. The Indonesian Institute of Sciences conducted a Rapid Assessment Survey of the Impact of the COVID-19 Pandemic on the Performance of Micro, Small, and Medium Enterprises (MSMEs) carried out in 2020. Survey data shows that 94.69% of MSMEs experienced a decline in sales during the pandemic.

Employee performance is the overall scope of an MSME's ability to satisfy its stakeholders from a financial and non-financial perspective. The performance of West Java MSMEs is based on employee performance. Researchers conducted interviews with the West Java Chamber of Commerce. They stated that many factors caused a decline in employee performance at West Java Chamber of Commerce MSMEs, including unpreparedness to face digitalization.

According to the Head of the West Java Province Cooperatives and MSMEs Service, Kusmana Hartadji, around 79% of the 4.6 million MSMEs in West Java are not yet digitally literate (Lukihardianti, 2022). Digitalization technology in small businesses has an important role. Transformation Digitization of small businesses changes conventional and modern ways (Sutarni et al., 2023). Small businesses can apply digitization technology from all business lines, raw material supply production, and product marketing (Vázquez et al., 2019). However, MSMEs still have internal and external problems. Internal problems faced include human resources (HR) and the creation of added value (Sutarni et al., 2023) as the company's organizational culture.

Factors that influence employee performance, both results and work behavior, our abilities and skills, a person's knowledge about their work, work design, a person's personality or character, work motivation, leadership or behavior of a leader, leadership style or attitude of a leader, organizational culture, satisfaction. Work environment, loyalty, commitment, and discipline (Kasmir, 2016). Digital culture itself is a representation of the new DNA of organizational culture (Ferdian, 2019). Digital leadership, known as e-leadership, is a leader who emerges as a result of the digital transformation process, which initiates technological change and transformation (Maryati and Siregar, 2022).

From the results of a pre-survey of 25 respondents, employees of West Java MSME business actors, the various factors mentioned above that influence employee performance are as stated in the following diagram:

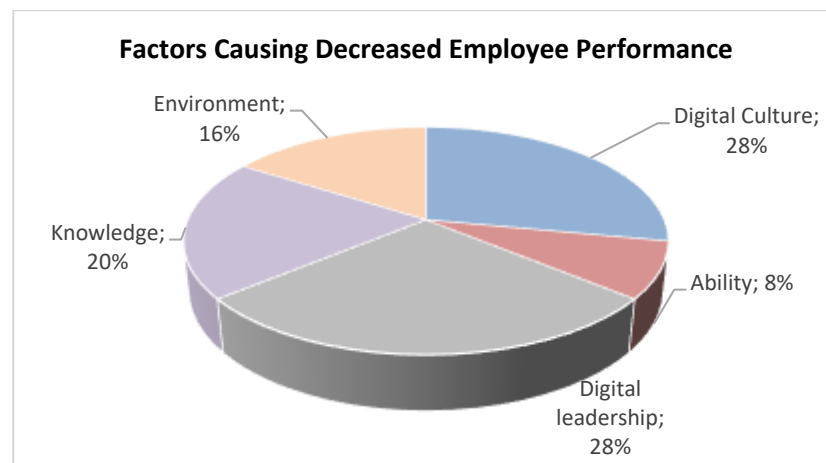


Figure 1. Factors Causing Decreased Employee Performance

From the diagram, the factors that have the most dominant influence on performance are digital leadership 28%, and organizational culture 28%. Based on the results of the pre-survey, it is known that the problems with the performance of West Java Chamber of Commerce MSME employees lie in the Digital Culture and Digital Leadership factors. Digital culture includes using digital technology in various operational and managerial aspects in MSMEs. In contrast, digital leadership is the ability to direct, manage, and optimize the use of digital technology in achieving business goals and creating added value.

The Industrial Revolution 4.0 ushered in organizational transformation. This requires organizations or companies to not only carry out downsizing and procedures but also develop fundamentals such as work patterns, organizational culture, and strategic values. The transformation of a company's organization is greatly influenced by leadership style, work culture, work processes, work strength, and the organizational structure developed (Cahyono, 2018).

Therefore, leadership and digital culture are essential supporting factors to deliver successful organizational transformation and realize the organization's performance in responding to Industry 4.0 because it is part of digitalization.

Digital culture is a company culture that supports digital transformation and becomes a link between the real and virtual worlds (Aisha, 2022). Digital culture is the primary key to digital transformation. A robust digital culture will increase productivity and innovation to maintain the company's competitive advantage in realizing organizational performance. Digital culture is critical to empowering and engaging all employees to win talent. Therefore, companies must continue to be encouraged to carry out digital transformation, especially digital culture, namely organizational transformation in the form of changes in organizational structure with new units, namely digital transformation, synergy, and performance, which function to oversee the digitalization program.

Digital transformation impacts not only Information Technology (IT) but also employees within the company. At this time, the company culture has been formed. Studying culture means discussing how employees work as a team or as individuals. When a company has a robust digital culture, the impact on key performance indicators is substantial. Digital culture is a representation of the new DNA of organizational culture. Organizational (company) culture has a general framework consisting of three elements: Vision and Strategy, Leadership and People, and Process and Organizational Structure; where if these three elements do not include the digital cultural dimension, then the company will struggle to adapt to it. Digital world (Levin, 2019). This digital culture is the development of an organizational culture that facilitates adaptation to changing market conditions, changes in government policies, new technology, and other factors (Ferdian and Rahmawati, 2020).

Research (Ferdian and Rahmawati, 2020) shows that digital culture positively influences employee performance at the Telkom Education Foundation. The results of this research are supported by research (Putri et al., 2024) that digital culture can influence employee performance at PT. Nusaprima Palembang Retail Focus.

Besides digital culture, digital leadership is another factor that influences organizational performance. A leader is a person who is given specific responsibilities. Leadership is the process of influencing the activities of an organized group toward achieving goals. The ability and skills of a person who occupies a position as a work unit leader to influence other people, especially his subordinates, to think and act in such a way that, through positive behavior, makes a real contribution to achieving organizational goals.

The leadership's attitude towards ICT adoption will influence the extent of the effectiveness and success of ICT implementation. This aligns with (Sihotang, 2013 in Maryati and Siregar, 2022) with the leader's attitude influencing organizational performance. According to (Wulandari et al., 2021), digital leadership style is a set of characteristics or behaviors used by leaders to influence subordinates so that organizational goals and objectives are achieved, or it can also be said that leadership style is a pattern of behavior and strategies that are liked and often applied by a person. Leader.

Digital leadership is innovative leadership, attitudes toward ICT, knowledge related to IT, and attitudes toward avoiding risks. Research (Yu et al., 2017) shows that transformational leadership positively and significantly influences employee performance. Digital leadership patterns will lead to consequences for behavior that can form habits or culture. Global Information Technology must be carried out systematically in the context of networking between individuals, institutions, institutions, and organizations, and leadership knowledge related to ICT is one of the essential aspects needed (Darmawan, 2009). Leaders who adapt to the environment respond well

to change, which becomes a factor in deciding to follow these changes, including adopting ICT. (Taylor, 2019) suggests leadership factors that influence ICT adoption. The benefits of implementing IT are not only from a financial perspective but also from a business study of how much it contributes to achieving business goals and how much support it supports in implementing strategic success factors.

Leadership styles influenced by the rapid development of technology will change traditional leadership styles into digital leadership. A digital leader can inspire his employees to fight for and defend ideas. Sharpness in applying digital leadership benchmarks shows a fast, cross-hierarchical, cooperative, and team-oriented approach that often integrates innovation (Sari and Sholihin, 2018), in line with research (Ashari et al., 2018). Increasing the effectiveness of system use cannot be separated from a participative leadership style. (Thornton & Cherrington, 2014) argue that good leadership is disseminating leadership information to several people who work cooperatively and interdependently to achieve group goals (Teamwork) with dependence.

Research (Purnomo et al., 2021) shows that digital leadership positively and significantly influences the financial performance of startup companies in East Java. Based on initial research, this research was conducted to find out how digital culture, digital leadership, and the performance of West Java MSME employees and how Digital Culture and Digital Leadership partially influence the performance of West Java Chamber of Commerce MSME employees. Research related to digital culture and digital leadership on performance with MSMEs as research objects has never been carried out by previous researchers.

RESEARCH METHODS

The research uses quantitative descriptive and verification methods to explain "The Influence of Digital Culture and Digital Leadership on Employee Performance in Entering Digital Transformation." Research specifications use descriptive quantitative analysis. For descriptive quantitative analysis, the population in this research is in West Java, with the largest population being West Java and West Bandung Regency.

The sample obtained was 100 MSME employee respondents engaged in culinary, crafts, fashion, and services using ICT using purposive sampling, a non-probability selection method that selects samples from the West Java MSME HR population. Each perspective will show characteristics." Data collection techniques to support quantitative descriptive analysis are carried out in the form of field studies in the form of data collection through questionnaires and literature studies. Literature studies to collect and compile data related to the problem under study refer to secondary and tertiary data sources as support.

This research will examine Distributive Justice and procedural Justice towards Employee Engagement with Organizational Support as Mediating Variables through Digital Transformation in West Java MSMEs. Descriptive research specifications quantitative analysis with hypothesis testing, with the data analysis method, used descriptive quantitative verification. The research model used in this research is a tiered structure model, and regression analysis techniques are used to test the proposed hypothesis.

RESULT AND DISCUSSION

The survey was conducted online, with 100 respondents participating in the research. Respondent characteristics are presented in Table 1.

Table 1. Respondent Profile

Demographics	Percentage	Frequency (%)
Gender		
Woman	91	90.6
Man	9	9.4
Age		
< 20 years	2	2.4
20 – 30 years	7	7.1
31 – 40 years	17	16.7
41 – 50 years	36	35.7
> 50 years	38	38.1
Education		
Junior High School	5	4.8
Senior High School	33	33.3
D3	19	19
S1	38	38.1
S2	5	4.8
Business fields		
Culinary	62	61.9
Fashion	29	28.6
Service	2	2.4
Trading	7	7.1
Position		
Owner	98	97.6
Employee	2	2.4

Source: Questionnaire Data Processing

Descriptive Analysis

The respondents in this research were MSME employees assisted by the West Java Chamber of Commerce. The scale used for weighting questionnaire items for variables X1, X2, and Y uses a Likert scale.

The author calculated the average of each respondent's answer to obtain research results, which were then presented as a whole for each dimension and indicator. To find out the value of each indicator for each variable can be calculated using the following steps:

Overall highest score: $100 \times 5 = 500$

Lowest value overall: $100 \times 1 = 100$

Number of statement criteria: 5

$$\text{Interval Level Value} = \frac{\text{Highest Value} - \text{Lowest Value}}{\Sigma \text{ Statement Criteria}}$$

$$\text{Interval Level Value} = \frac{500 - 100}{5} = 80$$

Table 2. Assessment Classification for Each Variable

No.	Assessment	Classification Value
1	100 – 180	Not good
2	181 – 260	Not good
3	261 – 340	Pretty good
4	341 – 420	Good
5	421 - 500	Very good

Digital Culture in West Java Chamber of Commerce MSMEs

Table 3. Descriptive Analysis of Digital Culture Variables

Variable	Dimensions	Indicator	Target Score	Score Achieved	Criteria	
Digital Culture (X1) (Buvat <i>et al.</i> , 2017)	Innovation	Explore new ideas and	500	382	Good	
	Data-Drive Decision-Making	risk taking.	500	410	Good	
	Collaboration	Use of data and analysis for decision-making.	500	407	Good	
	Open Culture	Cross-functional collaboration.	500	408	Good	
	Digital First Mindset	The organization is open to the external.	500	406	Good	
	Agility and Flexibility	Digital mindset and solutions.		500	407	Good
			Fast and dynamic in decision-making.	500	395	Good
	Customer Centricity	Adapt to changing technological demands.	500	403	Good	
Total Score			4000	3218	Good	
Average			402.25			
Highest			410			
Lowest			382			

Source: Primary data processed (2024)

Based on the research results above, all of the respondents' answers regarding digital culture were then summarized to see the total answer score as follows:

Overall highest score: $100 \times 8 \times 5 = 4000$

Lowest value overall: $100 \times 8 \times 1 = 800$

Number of statement criteria: 5

$$\text{Interval Level Value} = \frac{\text{Highest Value} - \text{Lowest Value}}{\Sigma \text{ Statement Criteria}}$$

$$\text{Interval Level Value} = \frac{4000 - 800}{5} = 640$$

The assessment classification for the overall digital culture variable is as follows:

Table 4. Assessment Classification for Overall Indicator Variable X1

No.	Assessment	Classification Value
1	800 – 1440	Not good
2	1441 – 2080	Not good
3	2081 – 2720	Pretty good
4	2721 – 3360	Good
5	3361 - 4000	Very good

Source: Primary data processed (2024)

The cumulative digital culture score at the West Java Chamber of Commerce MSMEs is 3218, with suitable criteria. The average score for digital culture is 402.25, which means that digital culture has been implemented well, with the highest score being 410 for measuring the use of data and analysis for decision-making and the lowest score being 382 for exploring new ideas and making decisions. Risk means that MSMEs must try to explore ideas and dare to take risks by implementing risk management science.

Digital Leadership in West Java Chamber of Commerce MSMEs

Table 5. Descriptive Analysis of Digital Leadership Variables

Variable	Dimensions	Indicator	Target Score	Score Achieved	Criteria
Digital Leadership (X2) <i>Van Wart et al. (2019)</i>	Communications skill	Clear communication, well organized,	500	404	Good
		Communication is careful	500	401	Good
		Ensure ease of communication	500	401	Good
	Social skill	Ensure employee ICT-mediated communication	500	397	Good
		Ensures the formation of virtual teams	500	392	Good
	Team building skill	Ensure responsible individuals participate	500	396	Good
		Ensure virtual team members get plenty of opportunities	500	404	Good
		Change management skill	Provide change management techniques	500	401
	Technological skill	Keep up with new ICT developments	500	418	Good
		The adoption of ICT methods is put into practice.	500	399	Good
		Have adequate skills and inclinations	500	399	Good
		Guarantees secure information storage,	500	393	Good

	privacy			
Trustworthiness	Create a sense of trust in the leader	500	390	Good
	Do not allow virtual technology to be excessively intrusive.	500	390	Good
	Ensure support for diversity is well-monitored	500	394	Good
Total Score		7500	5979	Good
Average			398.6	
Highest			418	
Lowest			390	

Source: Primary data processed (2024)

Highest value overall: $100 \times 15 \times 5 = 7500$

Lowest value overall: $100 \times 15 \times 1 = 1500$

Number of statement criteria

$$\text{Interval Level Value} = \frac{\text{Highest Value} - \text{Lowest Value}}{\Sigma \text{ Statement Criteria}}$$

$$\text{Interval Level Value} = \frac{7500 - 1500}{5} = 1200$$

The assessment classification for the overall digital leadership variable is as follows:

Table 6. Assessment Classification for Overall Indicator Variable X2

No.	Assessment	Classification Value
1	1500 – 2700	Not good
2	2701 – 3900	Not good
3	3901 – 5100	Pretty good
4	5101 – 6300	Good
5	6301 - 7500	Very good

Source: Primary data processed (2024)

The cumulative digital leadership score for West Java Chamber of Commerce MSMEs is 5979, which has good criteria. The average score for digital leadership is 398.6, which means they have carried out digital leadership well, with the highest score being 418, namely the technological capability dimension. The lowest score, namely 390, is in the trustworthiness dimension. The trustworthiness dimension is the ability of digital leadership to provide trust to several parties who influence the organization's business processes.

Table 7. Descriptive Analysis of Employee Performance Variables

Variable	Dimensions	Indicator	Target Score	Score Achieved	Criteria
Employee Performanc	Number of Jobs	Achievement of targets and number of jobs	500	386	Good

e(Y) (Bangun, 2012)	produced.			
Quality of Work	Conformity to standards or requirements.	500	379	Good
Punctuality	Timeliness in completing work.	500	376	Good
Presence	Attendance rate and adequate working time.	500	376	Good
Collaboration Ability	Collaboration between employees.	500	374	Good
Total Score		2500	1891	Good
Average		378.2		
Highest		386		
Lowest		374		

Source: Primary data processed (2024)

Overall highest value: $100 \times 5 \times 5 = 2500$

Lowest value overall: $100 \times 5 \times 1 = 500$

Number of statement criteria: 5

$$\text{Interval Level Value} = \frac{\text{Highest Value} - \text{Lowest Value}}{\Sigma \text{ Statement Criteria}}$$

$$\text{Interval Level Value} = \frac{2500 - 500}{5} = 400$$

The assessment classification for the overall digital leadership variable is as follows:

Table 8. Assessment Classification for Overall Y Variable Indicators

No.	Assessment	Classification Value
1	500 – 900	Not good
2	901 – 1300	Not good
3	1301 – 1700	Pretty good
4	1701 – 2100	Good
5	2101 - 2500	Very good

Source: Primary data processed (2024)

The cumulative employee performance score at West Java Chamber of Commerce MSMEs is 1891, which has good criteria. The average score for employee performance is 386, which means they have had good performance, with the highest score being 386 for measuring target achievement and the amount of work produced. Next, the lowest score is 374 for measuring employee cooperation, namely ability. Employee cooperation in collaboration with other colleagues.

Instrument Test

1) Validity Test

Validity is a measure that shows the level of validity and expertise of an instrument. An instrument is valid if it can measure what is desired (Arikunto, 2010).

Table 9. Validity Test

Item	Requirement	Result	Judgment
Validity X1	$r_{hitung} > r_{tabel} = 0.165$	> 0.165	Valid

Validity X2	$r_{hitung} > r_{tabel} = 0.165 > 0.165$	Valid
Validity Y	$r_{hitung} > r_{tabel} = 0.165 > 0.165$	Valid

Source: Primary data processed (2024)

The validity test results stated that all questionnaire statement items were valid. The calculated r-value expresses this > r table.

2) Reliability Test

Reliability shows an understanding that an instrument is trustworthy enough to be used as a data collection tool (Arikunto, 2010).

Table 10. Reliability Test

Item	Requirement	Result	Judgment
Reliability X1	Cronbach's alpha > 0.70	0.900	Reliable
Reliability X2	Cronbach's alpha > 0.70	0.952	Reliable
Reliability Y	Cronbach's alpha > 0.70	0.847	Reliable

Source: Primary data processed (2024)

The reliability test on all research items shows that they are reliable (reliability coefficient value > 0.70), so they can be used to measure the variables determined in this research.

Classic Assumption Test

The classical assumption test aims to test whether or not the multiple linear regression model used in the research has deviations from the classical assumptions.

1) Linearity Test

The Linearity Test aims to determine whether two variables have a significant linear relationship. A good correlation should have a linear relationship between the predictor or independent variable (X) and the criterion or dependent variable (Y).

Table 11. Linearity Test

Item	Requirement	Result	Judgment
Linearity X1-Y	Deviation from Linearity > 0.05	0.946	Linear
Linearity X2-Y	Deviation from Linearity > 0.05	0.518	Linear

Source: Primary data processed (2024)

In Table 11, it can be concluded that there is a linear relationship between the digital culture variable (X1) on employee performance (Y) and digital leadership (X2) on employee performance (Y).

2) Normality Test

The Normality Test is used to test whether, in a regression model, the independent variable, dependent variable, or both have a normal distribution. The way to test whether the data distribution is normal is by looking at the significance value of the variable. The data is usually distributed if the significance is more significant than 0.05.

Table 12. Normality Test

One-Sample Kolmogorov-Smirnov Test	
	Unstandardized Residual
N	100

Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	3.51954726
Most Extreme Differences	Absolute	.078
	Positive	.078
	Negative	-.044
Test Statistic		.078
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.		

Source: Primary data processed (2024)

Table 12 above shows the results of data normality testing using the Kolmogorov-Smirnov method. From the test results, it can be seen that the significance value (Asymp. Sig 2-tailed) is 0.200. The data is usually distributed because the significance is more significant than 0.05 ($0.200 > 0.05$).

3) Multicollinearity Test

According to (Ghozali, 2018), the multicollinearity test aims to test whether, in the regression model, a correlation is found between the independent variables.

Table 13. Multicollinearity Test

		Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error				Beta	Tolerance
1	(Constant)	.750	1.948		.385	.701		
	Digital Culture	.178	.070	.244	2.550	.012	.464	2.157
	Digital Leadership	.269	.045	.569	5.945	.000	.464	2.157

a. Dependent Variable: Performance

Source: Primary data processed (2024)

Table 13 above shows the Tolerance value for the two independent variables of $0.464 > 0.1$. Then, the Variance Inflation Factor (VIF) value for both independent variables is 2.157, and the Variance Inflation Factor (VIF) is less than 10. So, it can be concluded that in this study, there was no multicollinearity between the independent variables.

4) Heteroscedasticity Test

A heteroscedasticity test is a situation with unequal variance in the residuals for all observations in the regression model (Priyatno, 2010).

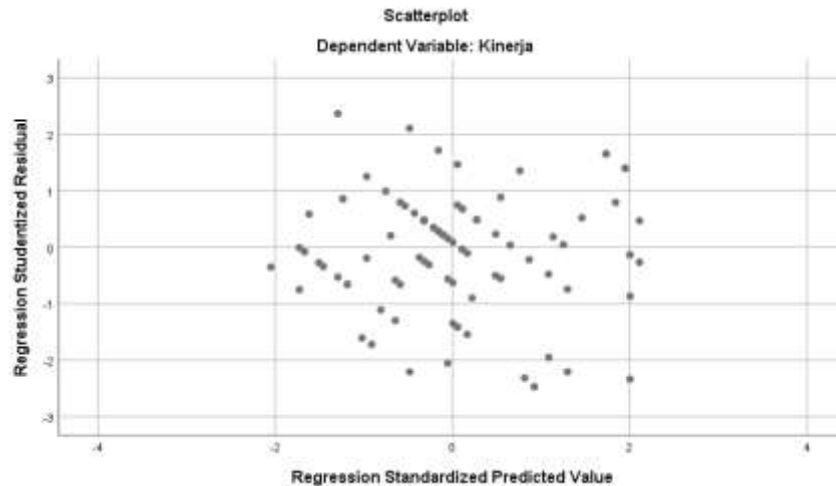


Figure 2. Heteroscedasticity Test

Based on the scatterplot graph in Figure 2, it can be seen that the points are randomly distributed and spread both above and below the number 0 (zero) on the Y-axis. So, it can be concluded that there are no symptoms of heteroscedasticity in the regression model used.

Multiple linear regression determines the influence or linear relationship between two or more independent variables and one dependent variable.

Table 14. Multiple Linear Regression Test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.750	1.948		.385	.701
	Digital Culture	.178	.070	.244	2.550	.012
	Digital Leadership	.269	.045	.569	5.945	.000

a. Dependent Variable: Performance

Source: Primary data processed (2024)

Based on Table 14, it can be seen that the multiple linear regression analysis equation in this research is:

$$Y = (0.750) + (0.178) X_1 + (0.269) X_2$$

Coefficient of Determination Test

The coefficient of determination (r^2) determines how much the independent variable explains the dependent variable. The coefficient of determination value ranges between 0 and 1 (Sugiyono, 2017).

Table 15. Determination Coefficient Test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.766 ^a	.587	.579	1.40064

a. Predictors: (Constant), Digital Leadership, Digital Culture

Source: Primary data processed (2024)

$$\begin{aligned} DC &= R^2 \times 100\% \\ &= (0.587) \times 100\% \\ &= 58.7\% \end{aligned}$$

Based on the calculation results, the R Square value is 0.587 or 58.7%, which shows a simultaneous influence between variables X1 and X2 on variable Y of 58.7%, and other variables influence the remaining 41.3%.

1) T-test

The T-test was carried out to determine the magnitude of the influence of each independent variable on the dependent variable in this research.

Table 16. T test Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.750	1.948		.385	.701
Digital Culture	.178	.070	.244	2.550	.012
Digital Leadership	.269	.045	.569	5.945	.000

a. Dependent Variable: Performance
 Source: Primary data processed (2024)

Digital culture (X1) on employee performance (Y)

The calculated t value > t table (2,550 > 1,985) and significance < 0.05 (0.012 < 0.05), then Ho is rejected and Ha is accepted, so it can be concluded that digital culture partially influences employee performance. A positive value means having a positive influence; Employee performance will increase if digital culture improves.

Digital Leadership (X2) to employee performance (Y)

The calculated t value > t table (5.945 > 1.985) and significance < 0.05 (0.000 < 0.05) mean that Ho is rejected and Ha is accepted, so it can be concluded that Digital Leadership partially influences employee performance. A positive value means having a positive influence. This means that if Digital Leadership increases, employee performance will increase.

2) Magnitude of Partial Effect

The magnitude of the partial influence of each variable can be found by calculating the Pearson correlation of each variable.

Table 17. Pearson Correlation Test Results for Variables Correlations

		Digital Culture	Performance
Digital Culture	Pearson Correlation	1	.661**
	Sig. (2-tailed)		.000
	N	100	100
Performance	Pearson Correlation	.661**	1

	Sig. (2-tailed)	.000
	N	100

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data processed (2024)

Table 18. Pearson Correlation Test Results for Variables Correlations

		Digital Leadership	Performance
Digital Leadership	Pearson Correlation	1	.748**
	Sig. (2-tailed)		.000
	N	100	100
Performance	Pearson Correlation	.748**	1
	Sig. (2-tailed)	.000	
	N	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data processed (2024)

From Tables 17 and 18, the Pearson correlation value is 0.661 for the Digital Culture variable and 0.748 for the Digital Leadership variable. The Standardized Coefficients values are obtained from Table 16. So, the partial influence of each variable is obtained, as shown in Table 19.

Table 19. The magnitude of the Partial Effect of the Independent Variable on the Dependent Variable

	Pearson Correlation	Standardized Coefficients	Magnitude of Partial Effect	Percentage (%)
Digital Culture	0.661	0.244	0.161	16.1%
Digital Leadership	0.748	0.569	0.426	42.6%

Source: Primary data processed (2024)

Based on Table 19, the partial influence magnitude of the Digital Culture variable is 0.161 or 16.1%, while for the Digital Leadership variable, the partial influence magnitude is 0.426 or 42.6%.
3) F-test

The F test is carried out to determine whether the independent variable affects the dependent variable. In this research, an F-test was carried out to determine whether or not the digital culture and digital leadership variables influenced employee performance.

Table 20. F Test ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	271.016	2	135.508	69.073	.000 ^b
Residual	190.294	97	1.962		
Total	461.310	99			

a. Dependent Variable: Performance

b. Predictors: (Constant), Digital Leadership, Digital Culture

Source: Primary data processed (2024)

Research result*The Influence of digital culture on employee performance*

The results of the analysis of digital culture variables on employee performance state that the calculated t value $>$ t table ($2,550 > 1,985$) and significance < 0.05 ($0.012 < 0.05$), then H_0 is rejected and H_a is accepted, so it can be concluded that digital culture partially influences employee performance—the magnitude of the partial influence of the Digital Culture variable, namely 0.161 or 16.1%. A positive value means having a positive influence; Employee performance will increase if digital culture improves. This aligns with research (Ferdian and Rahmawati, 2020) that shows that digital culture also positively influences employee performance at the Telkom Education Foundation. The results of this research are supported by research (Putri et al., 2024) that digital culture can influence employee performance at PT. Nusaprima Palembang Retail Focus.

The Effect of Digital Leadership on Employee Performance

The results of the analysis of digital leadership variables on employee performance state that the calculated t value $>$ t table ($5.945 > 1.985$) and significance < 0.05 ($0.000 < 0.05$) means that H_0 is rejected and H_a is accepted, so it can be concluded that Digital Leadership partially influences employee performance. In the Digital Leadership variable, the magnitude of the partial influence is 0.426 or 42.6%. A positive value means having a positive influence. This means that if Digital Leadership increases, employee performance will increase. This aligns with research (Purnomo et al., 2021) that digital leadership positively and significantly influences the financial performance of startup companies in East Java.

Theoretical Implication and Managerial Implication

The results of this research have important implications for efforts to improve the performance of West Java Chamber of Commerce MSME employees, namely that overall, it is considered good. However, there are still important points that need to be considered, including the following reasons:

1. The digital leadership variable that has a strong influence on performance, namely the Trustworthiness dimension with indicators of the ability of digital leadership to be able to provide trust to several parties who influence the organization's business processes, has a low value, which will have an impact on reducing the performance of MSME employees. Therefore, it is necessary to increase the ability of digital leaders in internal communication by encouraging the team to actively express ideas/opinions, provide feedback, be active listeners, and be more transparent in every meeting to increase the effectiveness of communicating with employees and maintain employee job satisfaction, by getting to know various team member characters.
2. In the employee performance variable, the smallest score is in the dimension of cooperation ability, namely the indicator of the employee's ability to collaborate with colleagues. Understanding the vision and mission, building trust by respecting differences, encouraging collaboration, and carrying out feedback evaluations by developing effective communication is necessary.

CONCLUSION

This research involved 100 samples of MSME employees assisted by the West Java Chamber of Commerce through multiple regression analysis. So, the following conclusions can be drawn:

1. The results of descriptive analysis on all variables have good criteria. The smallest score in the digital culture dimension is in the innovation dimension. Innovation can take the form of supporting employees, taking risks, and exploring new ideas. The smallest score in the digital leadership variable is in the trustworthiness dimension. The trustworthiness dimension is the ability of digital leadership to provide trust to several parties who influence the organization's business processes. In the employee performance variable, the smallest score is in the cooperation ability dimension, namely, the employee's ability to collaborate with colleagues.
2. Partially, Digital Culture has a significant influence on the performance of MSME employees, assisted by the West Java Chamber of Commerce
3. Partially, digital leadership has a significant effect on the performance of MSME employees assisted by the West Java Chamber of Commerce
4. Further research needs to be carried out by adding the comunization variable as a moderator variable

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