



The Role of Digital Leadership in Transformation and Employee Creativity: A Case Study at PT. Ong Convection Pamekasan

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Abstrak

Penelitian ini bertujuan untuk menguji pengaruh Digital Leadership terhadap kinerja karyawan di PT. Ong Konveksi Pamekasan, dengan mempertimbangkan peran mediasi dari Digital Transformation dan Kreativitas Karyawan. Sampel yang digunakan dalam penelitian ini melibatkan 90 karyawan PT. Ong Konveksi Pamekasan. Pendekatan kuantitatif diterapkan dengan metode pengumpulan data menggunakan kuesioner, dan alat analisis yang digunakan adalah WarpPLS. Hasil penelitian menunjukkan bahwa Digital Leadership berpengaruh signifikan terhadap Digital Transformation, Kreativitas Karyawan, dan Kinerja Karyawan. Digital Transformation dan Kreativitas Karyawan juga terbukti meningkatkan Kinerja Karyawan. Penelitian ini berkontribusi pada literatur mengenai peran Digital Leadership dalam meningkatkan kinerja karyawan melalui transformasi digital dan kreativitas, serta memberikan wawasan praktis bagi perusahaan dalam mengimplementasikan strategi kepemimpinan digital yang efektif.

Abstract

This study aims to examine the influence of Digital Leadership on employee performance at PT. Ong Konveksi Pamekasan, by considering the mediating role of Digital Transformation and Employee Creativity. The sample used in this study involved 90 employees of PT. Ong Konveksi Pamekasan. A quantitative approach was applied with a data collection method using a questionnaire, and the analysis tool used was WarpPLS. The results of the study indicate that Digital Leadership has a significant effect on Digital Transformation, Employee Creativity, and Employee Performance. Digital Transformation and Employee Creativity are also proven to improve Employee Performance. This

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study contributes to the literature on the role of Digital Leadership in improving employee performance through digital transformation and creativity, as well as providing practical insights for companies in implementing effective digital leadership strategies

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INTRODUCTION

The rapid development of information and communication technology has driven various sectors, both private and public, to undergo digital transformation. Digitalization has become an imperative, particularly in the public sector, where technology plays a significant role in enhancing efficiency, service quality, and accountability. Digital leadership has now become a crucial model that enables organizations to leverage technology in achieving their goals. Leaders who possess digital competencies are essential to drive innovation, transformation, and improved performance in local government bureaucracies (Savić et al., 2024; Ojo & Akinwale, 2023). In addressing this practical issue, it is important for leaders in the public sector to develop digital leadership capacities that can drive digital transformation more effectively. Without adequate leadership in managing technology, the implementation of digital transformation will be hindered, which in turn may reduce organizational performance. Therefore, to ensure the effectiveness of digital transformation, the development of digital skills at the leadership level is crucial in supporting better performance in the public sector.

The uniqueness of this research lies in its focus on local government in Pamekasan Regency, which, despite having adequate digital infrastructure, still faces challenges in implementing digitalization comprehensively. Observations of employees in Pamekasan Regency show that most feel their organization has not fully succeeded in applying digital-based systems. This presents an opportunity to further explore the factors influencing the success of digital transformation at the local government level.

This study uses a quantitative approach to examine the impact of digital leadership on organizational performance in local government, considering the mediating role of digital transformation. The hypothesis proposed in this study is that digital leadership positively influences organizational performance, with digital transformation serving as a mediator in this relationship, and both contributing significantly to enhancing organizational performance in the public sector.

Several previous studies have discussed the importance of digital leadership in improving organizational effectiveness. Dewi et al. (2023) found that digital leadership significantly influences innovation and efficiency in the public sector. Additionally, Arfiani et al. (2024) revealed that digital transformation plays a crucial mediating role between digital leadership and organizational outcomes. However, studies that integrate these three variables in the context of local governments in Indonesia remain limited. This research aims to fill this gap. Research by Fauzi et al. (2023) and Hidayat et al. (2024) also emphasizes the importance of digital leadership in driving digital transformation in the public sector. While there are studies related to digital leadership, few explore its direct impact on organizational performance in non-metropolitan public organizations. This research fills that gap by examining how digital leadership can affect local government organizational performance and how digital transformation can serve as a vital link in this relationship.

This study offers a distinction by testing the integration of digital leadership, digital transformation, and organizational performance at the local government level, specifically in Pamekasan Regency. The theoretical urgency of this research lies in its contribution to the literature on digital leadership and digital transformation in the public sector, while its practical implications are highly relevant for local leaders and policymakers to enhance digital competencies and accelerate the implementation of digital transformation. Thus, this study is crucial for developing a more effective and adaptive public sector management model in response to digital changes.

THEORETICAL FRAMEWORK AND RESEARCH HYPOTHESES

This research is based on two complementary main theoretical frameworks: Transformational Leadership Theory as the grand theory, and the Technology-Organization-Environment (TOE) Framework as the middle-range theory.

Transformational Leadership Theory emphasizes the importance of the leader's role in inspiring change, building a future vision, and encouraging innovation within the organization. Transformational leaders do not only perform administrative functions but also shape an organizational culture that is adaptive to new challenges, including digital transformation. Transformational leaders are believed to be able to direct change by creating a work climate that encourages creativity and innovation. Therefore, this theory is highly relevant in the context of digital leadership, which positions the leader as a strategic change agent capable of driving digitalization in public sector bureaucracy (Bass & Riggio, 2006; Karp & Helgø, 2008; Avolio et al., 2014; Tims et al., 2011; Northouse, 2018).

As a supporting theory, the Technology-Organization-Environment (TOE) Framework, developed by Tornatzky and Fleischer (1990), emphasizes that technology adoption in an organization is influenced by three main aspects: technological readiness, organizational characteristics, and the external environment. In the context of digital transformation in the public sector, digitalization does not only depend on the existing technology infrastructure or information systems, but also on the readiness of leaders to drive the adoption of technology in a planned and integrated manner. The TOE framework helps explain how digital-literate leaders can become catalysts for creating an organizational environment that supports technology-based change (Tornatzky & Fleischer, 1990; Chwelos et al., 2001; Baker, 2012; Olfman et al., 2003; Li et al., 2017).

By combining the Transformational Leadership Theory and the TOE Framework, this research builds a conceptual model that links digital leadership, digital transformation, and organizational performance. This model explains that digital leadership plays a key role in shaping the direction and strategy of digital transformation, which in turn impacts organizational performance in terms of process efficiency, service responsiveness, and public policy innovation. Digital transformation is positioned as a mediating variable that bridges the influence of digital leadership on organizational outcomes. This study assumes that the success of digital transformation largely depends on how digital leadership can create the foundation and organizational culture that supports such transformation (Bharadwaj

et al., 2013; Westerman et al., 2014; Westerman et al., 2011; Kane et al., 2015; Susanti & Shanty, 2023).

Digital Leadership

Digital Leadership is a form of modern leadership that emphasizes the leader's ability to understand, adopt, and direct digital technologies in managerial processes and public services. Digital leaders possess key characteristics such as the ability to read technology trends, encourage digital collaboration, and manage risks and opportunities arising from digital disruption. In the context of government organizations, digital leaders can drive the implementation of e-government systems, strengthen data-driven policies, and foster a technology-based work culture. Digital leaders also have the ability to adapt to changes and maintain a balance between technology and organizational needs. Digital leadership is not only limited to managing systems but also involves managing the relationship between humans and technology to achieve organizational goals (Avolio & Kahai, 2003; Zhang & Agarwal, 2009; Northouse, 2018; Huang et al., 2022; Fu et al., 2023).

Digital Transformation

Digital Transformation refers to a comprehensive process of transforming organizational processes, structures, and culture by leveraging digital technologies to achieve better performance. Digital transformation is not just about adopting new technologies but involves a fundamental change in how an organization creates value through technology. In the context of public bureaucracy, digital transformation includes the digitalization of public services, integration of cross-sector data, development of service applications, and online community engagement. The success of digital transformation heavily relies on the leader's commitment to guiding change and the support of an organizational culture open to innovation. Digital transformation in the public sector must also involve stakeholders in the change process, including educating the public to support the acceptance of new technologies (Westerman et al., 2011; Bharadwaj et al., 2013; Kane et al., 2015; Vial, 2019; Fitzgerald et al., 2013).

Employee Creativity

Employee creativity is an essential factor in enhancing organizational performance, particularly in the digital era filled with challenges and rapid changes. Creativity in the workplace not only refers to employees' ability to generate new ideas

but also includes their ability to think critically, solve problems, and apply innovative solutions in various situations. In the context of digital leadership, employee creativity plays a crucial role in accelerating digital transformation and driving positive change within the organization (Amabile, 1996; Baer & Oldham, 2006; Zhou & George, 2001; Shalley & Gilson, 2004; Hong et al., 2006).

According to Amabile (1996), employee creativity is influenced by internal factors such as openness to new experiences and the ability to work flexibly, as well as external factors such as support from the organization and leadership that facilitates innovation. In organizations focused on digital transformation, employee creativity is key to creating effective technological solutions that are relevant to the needs of the market and the organization (Zhou & Lee, 2011). Digital leadership, which promotes collaboration and idea development, will facilitate this creative process by creating an environment that supports the growth of new ideas (Sosik & Godshalk, 2000). Additionally, employee creativity is closely related to empowerment in decision-making. Employees who feel empowered have more opportunities to innovate and implement their ideas. This directly contributes to organizational performance, as creative employees tend to be more productive and can offer more innovative solutions to organizational challenges (Zhou & Shalley, 2008). Digital transformation driven by leaders who support employee creativity will accelerate organizational change and improve overall performance. Employee creativity also plays a role in developing new products or services that can enhance the organization's competitiveness in the market. Creative employees can make significant contributions in generating innovative ideas that not only improve operational efficiency but also create added value for the organization (Eisenbeiss et al., 2008). In organizations undergoing digital transformation, employee creativity is essential for identifying new opportunities and developing digital solutions that can improve customer experiences as well as internal process efficiency.

Overall, employee creativity plays a central role in achieving better organizational performance, especially when facing the challenges of digital transformation that require adaptability and innovation. Therefore, it is important for organizations to support and empower employee creativity through leadership that is open to new ideas and the development of an organizational culture that supports

innovation (Amabile et al., 1996; Shalley & Gilson, 2004; Mumford & Gustafson, 1988; George & Zhou, 2001; Csikszentmihalyi, 1996).

Organizational Performance

Organizational performance in the public sector is defined as the degree of success an institution achieves in meeting its strategic goals, both in terms of internal efficiency, service effectiveness, and public satisfaction. Public organizational performance is not only measured by administrative output but also by outcomes that reflect service quality, transparency, and accountability. In the digital era, organizational performance is increasingly influenced by an institution's ability to leverage technology to improve access, speed, and service integrity. Therefore, digital transformation managed by digital leadership becomes a crucial factor in determining the success of modern public organizations. The effective implementation of technology in public organizations can help improve operational efficiency and responsiveness to public needs (Kaufman et al., 2015; Morgeson & Humphrey, 2008; Agarwal et al., 2017; Cothran et al., 2022; Shanty & Ibrahim, 2023).

Relationships Between Variables

This study aims to analyze the relationships between Digital Leadership, Digital Transformation, Employee Creativity, and Employee Performance at PT. Ong Konveksi Pamekasan. Below is a deeper discussion of the influence among the variables that have been tested in this study:

1. The Impact of Digital Leadership on Digital Transformation

Digital Leadership is expected to have a significant impact on Digital Transformation. Leaders with strong digital capabilities can create a clear vision for the application of technology within the organization. Effective digital leaders not only encourage the adoption of new technologies but also ensure that these changes are integrated into the organization's structure and culture (Westerman et al., 2011; Kane et al., 2015). Leaders who support digitalization will encourage employees and teams to be more open to change and innovate using existing technologies. This aligns with Transformational Leadership Theory, which posits that leaders can inspire and drive change through a strong vision and motivation (Bass & Riggio, 2006). In this context, Digital Leadership serves as the main driver of digital transformation, enabling organizations to adapt to technological developments and enhance operational efficiency.

2. The Impact of Digital Leadership on Employee Creativity

Digital Leadership has a positive impact on Employee Creativity because effective digital leaders tend to create a work environment that supports the exploration of new ideas and empowers employees to innovate. Leaders who support technology and digital collaboration can create a climate that encourages creativity, such as better collaboration through digital platforms or giving employees more freedom to experiment with new technologies. In organizations driven by digital leadership, employees feel more motivated to share their creative ideas, which in turn enhances the level of innovation within the organization (Amabile, 1996; Baer & Oldham, 2006). Employee creativity is crucial in facing the challenges of digitalization, where innovative solutions are often needed to create new, more efficient products or processes that are relevant in the market.

3. The Impact of Digital Leadership on Employee Performance

The direct impact of Digital Leadership on Employee Performance is one of the main focuses of this study. Digitally literate leaders can provide clear guidance on how to use technology to achieve organizational goals. With these capabilities, they can not only enhance work efficiency and effectiveness but also motivate employees to perform better. Digital leaders can utilize technology to optimize work processes and improve employee performance. Furthermore, good digital leadership will create a work culture that encourages employees to adapt to technology, which in turn enhances their performance (Avolio & Kahai, 2003; Zhang & Agarwal, 2009). In this context, employee performance is highly influenced by the leader's ability to manage existing changes and technology, making the role of digital leadership indispensable.

4. The Impact of Digital Transformation on Employee Performance

Digital Transformation has a significant impact on Employee Performance because a successful digital transformation allows organizations to leverage technology to enhance work processes and achieve goals. Digitalization within organizations, such as process automation, data integration, and the use of digital platforms for collaboration, can improve work efficiency and enable employees to work faster and more accurately. Effective digital transformation creates a more adaptive, responsive, and efficient environment to meet market demands and customer needs. This aligns with the view that organizations that successfully

implement digital transformation can improve both the quality and quantity of employee performance (Fitzgerald et al., 2013; Westerman et al., 2011). Therefore, digital transformation serves as a catalyst that boosts productivity and employee performance.

5. The Impact of Employee Creativity on Employee Performance

Employee Creativity has a positive impact on Employee Performance. Creative employees tend to be better at finding innovative solutions to challenges faced by the organization, which directly contributes to increased productivity and work efficiency. Employee creativity leads to the creation of new ideas that can improve the quality of products, services, or internal processes within the organization. Previous research has shown that employee creativity is closely related to their performance, as the new ideas and innovative solutions generated can improve work processes, reduce waste, and enhance the quality of work output (Zhou & George, 2001; Baer & Oldham, 2006). Therefore, employees who are empowered to think creatively and freely express their ideas tend to exhibit better performance.

RESEARCH METHODOLOGY

This study uses a quantitative approach to examine the causal relationships between variables in the established conceptual framework. The independent variable in this study is Digital Leadership, the dependent variable is Employee Performance, and the mediating variables are Digital Transformation and Employee Creativity. A quantitative approach is chosen because the study aims to measure and analyze the relationships between variables using instruments that provide measurable and objective results (Hair et al., 2019; Sekaran & Bougie, 2016; Pahlke et al., 2020; Alavi et al., 2021; Kock, 2017). The population in this study is the employees of PT. Ong Konveksi Pamekasan, with a total of 90 employees participating as respondents. The sampling method is purposive sampling, where respondents are selected based on specific criteria relevant to the research objectives. The criteria for sample selection are (1) employees who have worked for at least two years, (2) those holding functional or structural positions, and (3) those directly involved in the implementation or planning of activities related to digitalization in the company. This purposive sampling method is used to ensure that the respondents have relevant knowledge and experience

related to the variables under study and to obtain data that is more valid and reliable (Creswell & Creswell, 2017; Taherdoost, 2016; Etikan et al., 2016).

The research instrument used is a closed-ended questionnaire with a 5-point Likert scale, ranging from "strongly disagree" (1) to "strongly agree" (5). Each construct is measured based on indicators adapted and validated from previous studies. The Digital Leadership variable is measured using indicators developed by Avolio and Kahai (2003), which include aspects of visioning, adaptability, digital literacy, and collaboration. The Digital Transformation variable is measured based on indicators adapted from Bharadwaj et al. (2013), covering dimensions of digital processes, digital services, digital culture, and digital governance. Meanwhile, Employee Creativity is measured based on the model from Amabile (1996), which includes aspects of idea innovation, creative processes, and problem-solving abilities. Employee Performance is measured using the approach adapted from LAKIP (Government Institution Performance Accountability Report), with indicators of effectiveness, efficiency, accountability, and innovation in achieving company objectives. Data collection is carried out through the distribution of questionnaires both online and offline, with the assistance of trained enumerators to ensure smooth questionnaire completion and maintain data consistency. Before analysis, the collected data undergoes a validation and data cleaning process to ensure completeness, validity, and absence of duplicates, as well as to minimize any bias that could affect the research results (Hair et al., 2019; Field, 2018; Tabachnick & Fidell, 2013; Pallant, 2020; Kline, 2015).

The data analysis technique used in this study is Partial Least Square - Structural Equation Modeling (PLS-SEM), with the latest version of SmartPLS software. PLS-SEM is chosen because of its ability to handle complex models with a large number of variables and data that may not always meet the assumption of normality (Hair et al., 2017; Ringle et al., 2015; Henseler et al., 2015). The analysis begins with testing the measurement model (outer model) to evaluate convergent validity (Average Variance Extracted/AVE), construct reliability (Composite Reliability and Cronbach's Alpha), and discriminant validity. Afterward, the structural model (inner model) is tested to examine the relationships between variables through path coefficients, R-square values, and significance testing using bootstrapping techniques. Mediation analysis is conducted to assess the indirect effect of Digital

Leadership on Employee Performance through Digital Transformation and Employee Creativity. This research process is designed to be replicable by other researchers in similar contexts, such as industries that implement digitalization in their business processes. Replication of this study can be done with a similar methodological design, tested construct measurements, and a relevant population from other companies or institutions with similar characteristics (Kock, 2017; Hair et al., 2019; Kline, 2015; Henseler et al., 2015; Fornell & Larcker, 1981).

RESEARCH RESULTS

Descriptive Statistics

This study involved 90 respondents working at PT. Ong Konveksi Pamekasan. The majority of the respondents were between the ages of 31–45 years (62.2%) and had been employed for more than five years (76.7%). Most of the respondents held structural positions (60%), while the remaining respondents worked in functional positions. The average perception scores of the respondents for Digital Leadership were 4.15, Digital Transformation was 4.05, and Employee Performance was 4.20. These values indicate that respondents' perceptions of digital leadership, the implementation of digital transformation, and employee performance were generally high and positive.

Table 1
Evaluation of Outer Model

Konstruk	Loading Factor	AVE	Composite Reliability
Digital Leadership	> 0,70	> 0,50	> 0,70
Digital Transformation	> 0,70	> 0,50	> 0,70
Employee Creativity	> 0,70	> 0,50	> 0,70
Employee Performance	> 0,70	> 0,50	> 0,70

Source: Primary Data Processed (2025)

The results of the outer model test show that all indicator items have a loading factor value > 0.70 , AVE > 0.50 , and composite reliability > 0.70 . This indicates that all constructs in this model are valid and reliable. The discriminant validity test using the Fornell-Larcker criteria and HTMT Ratio also shows that all constructs have values below 0.90, confirming that the constructs in this model do not overlap conceptually.

Table 2
Inner Model Testing

Hubungan	Koefisien Jalur (β)	p-value	Significance
Digital Leadership → Digital Transformation	0,614	$< 0,001$	Significant
Digital Leadership → Employee Creativity	0,820	$< 0,001$	Significant
Digital Leadership → Employee Performance	0,102	$> 0,05$	Not Significant
Digital Transformation → Employee Performance	0,528	$< 0,001$	Significant
Employee Creativity → Employee Performance	0,625	$< 0,001$	Significant

Source: Primary Data Processed (2025)

The results of the Inner Model testing in this study provide valuable insights into the relationships between the variables tested, as well as their contribution to employee performance at PT. Ong Konveksi Pamekasan. In Table 2, the results show the path coefficients (β), p-value, and significance, offering a detailed view of the direct effects between the variables in the research model.

1. The Impact of Digital Leadership on Digital Transformation

The path coefficient between Digital Leadership and Digital Transformation shows a significant value ($\beta = 0.614$; $p < 0.001$), indicating that digital leadership has a strong influence on the success of digital transformation within the organization. This coefficient value suggests that the better the leader's ability to leverage technology and build a digital vision, the higher the level of digital transformation that occurs.

2. The Impact of Digital Leadership on Employee Creativity

The relationship between Digital Leadership and Employee Creativity also shows a very significant value ($\beta = 0.820$; $p < 0.001$). This indicates that digital leadership not only influences digital transformation but also has a strong impact on enhancing employee creativity.

3. The Impact of Digital Leadership on Employee Performance

Although Digital Leadership has a significant effect on Employee Creativity and Digital Transformation, the direct effect of Digital Leadership on Employee Performance is not significant ($\beta = 0.102$; $p > 0.05$). The p-value greater than 0.05 suggests that the direct relationship between digital leadership and employee performance is not strong enough to produce a significant impact.

4. The Impact of Digital Transformation on Employee Performance

On the other hand, Digital Transformation has a significant effect on Employee Performance ($\beta = 0.528$; $p < 0.001$), indicating that the effective implementation of technology and digital system changes can enhance overall employee performance. The adoption of the right technology can facilitate more efficient work processes, accelerate decision-making, and improve accuracy in tasks.

5. The Impact of Employee Creativity on Employee Performance

Finally, Employee Creativity has a significant positive impact on Employee Performance ($\beta = 0.625$; $p < 0.001$), indicating that more creative employees tend to perform better. Creativity enables employees to find innovative solutions to the challenges they face in their work, which in turn improves the quality of their output..

Tabel 3
Pengujian Mediasi

Mediasi	Koefisien Mediasi (β)	p-value	Significance
Digital Leadership → Digital Transformation → Kinerja Karyawan	0,324	< 0,01	Significant
Digital Leadership → Kreativitas Karyawan → Kinerja Karyawan	0,421	< 0,01	Significant

Source: Primary Data Processed (2025)

The results of the mediation test in Table 3 provide valuable insights into the role of mediation in the relationship between Digital Leadership, Digital Transformation, Employee Creativity, and Employee Performance. Mediation in this model is measured through two distinct paths: mediation through Digital Transformation and mediation through Employee Creativity. Both mediation paths show significant results, indicating that these two variables play an important role in linking Digital Leadership with Employee Performance.

1. Mediation through Digital Transformation

The mediation coefficient for the path Digital Leadership → Digital Transformation → Employee Performance is 0.324 ($p < 0.01$), indicating that Digital Transformation significantly mediates the relationship between Digital Leadership and Employee Performance. This coefficient value suggests that digital transformation plays a crucial role in connecting digital leadership with improvements in employee performance.

2. Mediation through Employee Creativity

The mediation coefficient for the path Digital Leadership → Employee Creativity → Employee Performance is 0.421 ($p < 0.01$), showing that Employee Creativity also serves as a significant mediator in the relationship between Digital Leadership and Employee Performance.

DISCUSSION

1. The Impact of Digital Leadership on Digital Transformation

The findings of this study align with previous research that highlights the critical role of digital leadership in driving digital transformation. As noted by Sacavém et al. (2025), Kludacz-Alessandri et al. (2025), and Chang & Wu (2025), digital leadership functions as a key driver in aligning technological visions and integrating data and processes within organizations. Our findings confirm that leaders with digital competencies act as "sense-makers," reducing ambiguity and ensuring that technology is strategically applied to create organizational value, rather than merely replacing old tools with new technologies. This study reinforces the argument that leadership focused on innovation, cross-functional collaboration, and data governance can accelerate digital transformation within an organization.

2. The Impact of Digital Leadership on Employee Creativity

The findings of this study align with recent literature showing that digital leadership can enhance employee creativity. As explained by Wang et al. (2025) and Yang et al. (2025), digital leadership creates conditions that support creativity through the provision of data-driven guidance, space for experimentation, and psychological reinforcement, such as trust and safety in sharing ideas. Our findings support this, confirming that effective digital leaders strengthen job crafting and person-job fit, encouraging employees to transform their tasks and enrich innovative ideas. Furthermore, research by Öngel et al. (2023) also confirms that digital leadership positively correlates with creativity and individual performance, operating through motivational and socio-cognitive mechanisms at the individual level.

3. The Impact of Digital Leadership on Employee Performance

The findings of this study are consistent with theoretical arguments stating that the direct influence of digital leadership on employee performance is relatively weak, and it works more effectively through the development of capabilities and systems. As explained by Qiao et al. (2024), Namatovu et al. (2025), and Ye et al. (2025), digital leadership is more focused on establishing a strong foundation—such as processes, data architecture, and collaboration patterns—that allows performance improvements to emerge gradually once new technologies and processes are integrated into workflows. Our findings support this perspective, indicating that the influence of digital leadership on employee performance is indirect, operating through mechanisms such as digital transformation, employee readiness, and an innovation climate.

4. The Impact of Digital Transformation on Employee Performance

The findings of this study align with previous research that emphasizes the positive impact of digital transformation on employee performance. Qiao et al. (2024) explain that automation, data integration, and digitalization of processes enable faster decision-making, reduce errors, and increase focus on value-added activities, which in turn enhances employee performance. Our findings support this by showing that when digital systems are integrated into core processes, employees gain better access to information and real-time collaboration support, which boosts productivity and work quality. Additionally, research by Paola et al. (2024) in higher education and

service sectors also shows a positive relationship between digital transformation and employee performance, highlighting the importance of organizational readiness and the enhancement of digital competencies as key factors for successful transformation.

5. The Impact of Employee Creativity on Employee Performance

The findings of this study align with recent literature that confirms employee creativity has a direct impact on performance. As explained by Ojha et al. (2025), creativity contributes to the development of new ideas, solving non-routine problems, and continuous improvement, which enhances productivity and task effectiveness. Our findings confirm that employee creativity also serves as a bridge to innovative behaviors recognized in performance assessments. Furthermore, Shaw et al. (2023) show that creativity grows from proactive traits and openness to new experiences, which in turn is associated with better performance evaluations. This research reinforces the argument that creativity plays a crucial role in improving employee performance, especially in dynamic and innovative environments.

6. Mediation through Digital Transformation

The findings of this study align with literature that emphasizes the role of digital transformation mediation in explaining how digital leadership leads to superior performance after technological, process, and cultural changes are implemented in daily operations. As explained by Qiao et al. (2024) and Namatovu et al. (2025), digital leadership sets the vision and governance, but significant performance improvements occur when technology, data flows, and digital work methods are fully integrated, enhancing efficiency, accuracy, and execution speed. Our findings support this view by showing that digital transformation serves as a link that turns digital resources into measurable work output, strengthening the relationship between digital leadership and organizational performance.

7. Mediation through Employee Creativity

The findings of this study support literature emphasizing the role of creativity mediation in explaining how digital leadership activates psychological and behavioral processes that drive innovation. Wang et al. (2025), Yang et al. (2025), and Öngel et al. (2023) explain that digital leadership facilitates job crafting, knowledge sharing, and innovation efficacy, which is then translated into new solutions, task simplification, and improved work outcomes. Our findings confirm that by guiding structured idea

exploration and experimentation, digital leadership transforms innovation impulses into visible performance in terms of quality, speed, and relevance of work output, highlighting the crucial role of employee creativity in improving performance.

CONCLUSION

This study shows that digital leadership plays a crucial role in influencing digital transformation and employee creativity, which, in turn, improves organizational performance. Although the direct influence of digital leadership on employee performance is not significant, its impact is substantial through mediation paths, both through digital transformation and employee creativity. Digital transformation driven by digital leadership creates more efficient work systems, accelerates decision-making, and improves the quality of work outcomes, while employee creativity facilitated by digital leadership strengthens innovation and productivity.

The theoretical contribution of this research lies in the development of an understanding of how digital leadership influences performance through digital transformation and employee creativity. The limitations of this study include its focus on a specific sector, which may affect the generalizability of the results. For future research, it is recommended to broaden the scope to include different industries and geographical contexts. Practically, organizations need to strengthen digital leadership that can inspire teams to effectively adopt technology and create an environment that supports creativity. Regular monitoring and cross-functional collaboration are also essential to ensure adaptive and sustainable strategies for improving performance.

Suggestions

To enhance the effectiveness of digital transformation, organizations should focus on strengthening digital leadership by equipping leaders with the necessary digital competencies, strategic vision, and skills to cultivate a culture of innovation. This will enable leaders to guide their teams through the digital transition and create an environment that encourages creativity. Additionally, organizations must continue integrating new technologies and streamlining processes to improve efficiency, decision-making, and work quality. Regular assessments of digital systems should be conducted to ensure their alignment with organizational goals and long-term performance improvements. Furthermore, promoting employee creativity is essential,

and organizations should provide platforms for experimentation, encourage cross-functional collaboration, and recognize innovative ideas to drive continuous innovation. To build on the findings of this study, future research could expand the scope to include various industries and geographic regions to gain a broader understanding of how digital leadership and creativity impact organizational performance in different contexts. Finally, regular monitoring and fostering collaboration across departments are crucial to ensure adaptive and sustainable strategies. Organizations should create flexible strategies that evolve with changing market demands, ensuring continuous improvement and long-term success.

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