

The Implementation of Digital Leadership and Its Impact on Employee Performance: A Qualitative Approach in Private Companies

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Abstract Digital transformation has driven significant changes in leadership practices within private companies, requiring leaders to adopt adaptive and innovative digital leadership approaches. This study aims to analyze the implementation of digital leadership and examine its influence on employee performance in private companies. The study employs a descriptive qualitative research method, with data collected through in-depth interviews, observations, and document analysis involving leaders and employees as informants. Data analysis was conducted through data reduction, data display, and thematic conclusion drawing. The findings indicate that the implementation of digital leadership is manifested through the utilization of information technology in organizational communication, decision-making processes, performance monitoring, and the development of a flexible and collaborative work culture. Digital leadership has a positive influence on employee performance, particularly in enhancing work efficiency, task quality, motivation, and work commitment. From a qualitative perspective, employees perceive digital leadership as a more open, responsive, and participative leadership style, supported by transparent and accessible digital systems. However, the study also identifies challenges such as digital competency gaps and resistance to change. Overall, this research highlights that digital leadership plays a strategic role in improving employee performance and supporting organizational sustainability in the digital era.

Keywords: Digital Leadership; Employee Performance; Private Companies; Qualitative Research.

INTRODUCTION

The digital era has transformed the face of modern organizations, requiring leaders not only to understand technology but also to apply it within an adaptive leadership style. Digital leadership has become a strategic necessity to address the challenges of globalization and technological complexity within constantly evolving organizational contexts (Kawiana, 2024). Conceptually, digital leadership refers to a leader's ability to utilize digital technology to influence employee behavior and performance, involving digital vision, technological literacy, and the capacity to manage organizational change sustainably (Zhu et al., 2022). This paradigm shift is particularly relevant when organizations, especially private companies, must respond to the demands of digital collaboration and increasingly hybrid or remote work structures.

Employee performance is a tangible result of various organizational processes—including leadership, cultural support, and technology resources. In the digital age, leaders are expected not only as resource managers but also as "digital enablers" who drive productivity and innovation through technology (Abraham et al. 2025; Aldhi et al. 2025; Alhelal et al. 2025; Boikanyo 2025; Kazlauskaitė 2025). A deep understanding of the relationship between digital leadership and employee performance is an important key to understanding contemporary organizational dynamics.

The need for this research arises because many private organizations have not fully understood how digital leadership contributes to employee performance. Preliminary empirical

data suggest that the implementation of digital leadership has a positive correlation with employee performance in various sectors, but the variation in results reflects a gap between theory and practice (Nasution & Sugiarto, 2024).

The urgency of this research is strengthened by the increasing role of digital leadership in facing contemporary organizational challenges, including hybrid and digital-first work structures. Digital leadership has been proven to be able to strengthen organizational adaptation to innovation and technological change, which has implications for improving performance (Parawangsa Lahumuddin et al., 2024). Qualitative research is needed to understand the internal processes of leaders and employee perceptions in the context of private companies in depth.

Table 1. Empirical Study on the Influence of Digital Leadership on Performance in Various Organizational Contexts

Study	Organizational Context	Key Findings	Digital Leadership Relationships & Performance
Nasution & Sugiarto (2024)	Government agencies	Digital Leadership ² → Performance↑	Significant positive (R ² = 0.532)
Maulina & Yulianti (2024)	Companies in East Java	Mediation of creativity between digital leadership and performance	Significant positives
Parawangsa Lahumuddin et al. (2024)	MSMEs	E-performance + Digital Leadership → Performance↑	Significant positives

Previous research has largely employed quantitative methods to explain the relationship between digital leadership and employee performance. However, most studies have not explored in depth the employee experience and implementation process in qualitative contexts—such as interviews, internal narratives, and observations—which are essential to mapping the social dynamics of organizations as a whole (Nasution & Sugiarto, 2025).

The main research gap identified is the need for qualitative studies focused on private companies, which have distinct organizational dynamics compared to the public sector or MSMEs. Some previous studies have not fully addressed the processes, organizational cultural contexts, and individual perceptions related to digital leadership as a practice that affects performance. The literature also suggests that mediators and moderators such as digital culture, creativity, or self-motivation may influence the relationship between digital leadership and performance, yet the underlying mechanisms remain poorly understood. This creates a strategic gap for qualitative research to explore the social and psychological contexts of employees who directly experience these processes (Maulina & Yulianti, 2024).

The novelty of this research lies in its in-depth qualitative approach—including interviews, case studies, and observations—to understand the implementation of digital leadership and its impact on employee performance. With a focus on private companies, this study offers insights that are more contextual and applicable than previous quantitative studies (Kawiana, 2023).

In addition, this study identifies factors that moderate and mediate these relationships from the perspective of employees rather than relying solely on statistical measures. This distinguishes the study from many previous works that focus primarily on quantitative variables (Maulina & Yulianti, 2024).

The purpose of this study is to analyze the implementation of digital leadership and understand how it affects employee performance in private companies from a qualitative perspective. Focusing on individual perceptions and organizational processes provides a more holistic picture of how digital leadership functions in practice (Kawiana, 2023). This research also aims to explore leaders' strategies for facilitating digital adaptation among employees and their implications for productivity and daily work innovation. These findings are valuable for HR practitioners and future leadership development initiatives.

Conceptually, the results of this research are expected to contribute to the development of a more

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comprehensive and contextually grounded theory of digital leadership in the field of modern human resource management. This contribution is particularly important for advancing management disciplines in the digital era (Kawiana, 2023).

On a practical level, these insights can help leaders in private companies understand critical aspects of supporting employee performance in increasingly digital and dynamic environments. Consequently, companies can design training programs, support systems, and organizational cultures that facilitate successful digital transformation.

Therefore, this study is expected to make significant theoretical and practical contributions to the literature on digital leadership and employee performance management in the digital era. This qualitative research seeks to open new dimensions in understanding the complex relationship between technology, leadership, and performance outcomes (Kawiana, 2023).

METHOD

This study employs a descriptive qualitative research approach. Descriptive qualitative research aims to provide a clear and in-depth description of the implementation of digital leadership and its influence on employee performance in private companies. This approach allows researchers to understand phenomena directly based on the experiences and perspectives of informants. The population in this study consists of all leaders and employees in private companies that implement digital-based leadership. Sampling was conducted using the purposive sampling technique, which involves selecting informants based on specific criteria. The informants in this study include leaders who implement digital leadership, employees who work under such leadership, and individuals with a minimum of one year of work experience. The total number of informants is approximately 25 employees, determined according to research needs until the collected data are considered sufficient or reach saturation.

The main instrument in this study is the researcher, who is directly involved in data collection and analysis. Supporting instruments include interview guidelines, observation sheets, and company documents related to digital leadership and employee performance. The data collection techniques used in this study comprise interviews, observations, and documentation. Interviews were conducted to obtain information directly from informants regarding digital leadership and employee performance. Observations were carried out to examine work activities and the use of digital technology in the company. Documentation was used to complement the data through relevant archives and company records.

RESULTS AND DISCUSSION

Research Results

Implementation of Digital Leadership in Private Companies

The results of the study show that digital leadership in private companies is implemented through the use of digital technology in the process of communication, coordination, and decision-making. Leaders use various digital platforms to ensure information is delivered quickly and accurately to employees. This implementation reflects the characteristics of digital leadership that is adaptive to technological developments (Cortellazzo et al., 2021).

Digital leadership is also manifested through the ability of leaders to direct the use of digital work systems such as task management applications and online communication. This helps employees work more structured and efficient. These findings are in line with the view that digital leaders play an important role in driving technology-based work transformation (Zhu & Chen, 2021).

From a qualitative perspective, informants assessed that digital leadership is reflected through the use of digital collaboration platforms, technology-based performance management systems, and intensive virtual communication. This practice increases the speed of information flow and shortens the chain of bureaucracy in the organization. These findings support previous research that affirmed that digital leaders are capable of creating a more responsive and flexible work environment (Northouse, 2022;).

From the results of the interview, leaders are considered to be able to adapt their leadership style to digital working conditions. Flexibility in managing teams is the main key to the successful implementation of digital leadership. This supports the theory of situational leadership in the context of organizational digitalization (Kane et al., 2021).

Observations show that digital leadership encourages a more open and collaborative work culture. Employees find it easier to convey ideas and input through digital media. This condition strengthens the effectiveness of organizational communication (Zhu & Chen, 2021).

Table 2. The Impact of Digital Leadership Practices on Performance

Digital Leadership Practice	Observed Impact
Digital communication tools	Faster task completion
Performance dashboards	Higher accountability
Online feedback systems	Improved motivation

Source: Research synthesis (2026)

From a qualitative point of view, employees consider that digital leaders are more open to ideas and inputs conveyed through digital platforms. This creates a sense of appreciation and increases work commitment. This condition supports the view that participatory and technology-based leadership is able to improve individual and team performance (Sari & Nugroho, 2021).

Overall, the implementation of digital leadership in private companies has gone quite well, although it still requires an improvement in the digital competence of leaders. These findings suggest that the success of digital leadership is highly dependent on the readiness of human and technology resources (Avolio et al., 2022).

Overall, digital leadership contributes to the creation of an innovative, performance-oriented work ecosystem. With the support of technology and visionary leadership, private companies can sustain employee performance. These findings reinforce the literature that states that digital leadership is the key to organizational success in the digital era (Widodo, 2021).

The Role of Digital Leadership in Supporting Employee Performance

The results of the study show that digital leadership plays an important role in improving employee performance, especially in terms of work productivity. The use of digital technology makes it easier for employees to complete tasks faster and more precisely. This is in line with research that states that digital leadership is able to increase employee work effectiveness (Robbins & Judge, 2023).

Employees feel that leaders who implement digital leadership are able to provide clear and measurable work directions. Digital work systems help employees understand their targets and responsibilities. This condition contributes to improving the quality of work results (Avolio et al., 2022). In addition to productivity, digital leadership also affects employee work discipline. Digital system-based performance monitoring makes employees more accountable for their work. These findings support the concept of technology-based managerial control (Northouse, 2022).

Employee performance has also increased due to easy access to work information. Digital leaders ensure information is available in real-time, reducing work errors. This shows that digital leadership contributes to operational efficiency (Robbins & Judge, 2023). Thus, digital leadership

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has been proven to support improved employee performance through technology optimization and adaptive leadership approaches. Employee performance has become more measurable and targeted (Yukl, 2023).

Table 3. The Impact of Digital Leadership on Employee Performance

Performance Aspects	Description
Productivity	Faster task completion
Quality of Work	Increased accuracy and accuracy
Discipline	Better time management

Employee Perception of Digital Leadership

The interview results show that most employees have a positive perception of digital leadership. They consider this leadership to be more open and responsive. This positive perception affects employee work motivation (Northouse, 2022). Employees feel that digital leadership makes it easier to communicate with leaders. Digital media allows for faster and more flexible interactions. This increases employee job satisfaction (Robbins & Judge, 2023)

However, some employees still have difficulty adapting to new technologies. Differences in digital capabilities affect perceptions of digital leadership. These findings demonstrate the importance of digital training (Northouse, 2022). Employee perception is also influenced by leadership support in the use of technology. Leaders who actively accompany employees are considered more effective. This is in line with the concept of supportive leadership (Zhu & Chen, 2021). In general, employees' perceptions of digital leadership tend to be positive and support performance improvement. Digital leadership is considered relevant to the demands of modern work (Kane et al., 2021).

Challenges in Digital Leadership Implementation

One of the key challenges in the implementation of digital leadership is the digital capability gap between leaders and members of the organization. Low technological literacy makes the process of data-based decision-making and the use of digital tools less effective, thus hindering the acceleration of digital transformation. This situation is in line with the findings that the limitations of digital literacy are a barrier in the implementation of *e-leadership* in modern organizations (Nasution, A., & Sugiarto, T. (2025)).

In addition, cultural resistance is a significant factor that hinders digital leadership. Organizational cultures that still rely on traditional practices often resist the adoption of new technologies, slowing down the pace of digital transformation. This obstacle arises because many employees and leaders are not ready to change their mindset and conventional work habits (Maulina, R., & Yulianti, D. 2025).

The availability and quality of technological infrastructure is a big challenge. Inadequate infrastructure, unstable networks, and limited device resources can hinder the use of digital tools that are essential for digital leadership. Organizations with infrastructure limitations have difficulty implementing digital performance dashboards, collaboration systems, or cloud-based management tools that are part of digital leadership (Maulina, R., & Yulianti, D. 2025).

The lack of clarity in the digital vision at the leadership level results in fragmented and unintegrated policies. An organization's immature strategy in reflecting the goals of digital transformation makes the implementation of digital leadership run without a clear direction. The mismatch between the vision of leadership and organizational readiness will hinder the optimal

use of technology (Nasution, A., & Sugiarto, T. (2025)).

In digital leadership that is often done through virtual media, communication challenges are a concern. Communication distance and limited face-to-face interaction can undermine trust, team engagement, and the quality of personal relationships. This causes coordination to be less effective and the team can lose direction in achieving organizational goals (Parawangsa Lahumuddin, A., et al, 2025).

Digital leaders are not only required to understand technology, but also to be adaptive to the rapid changes and complexity of the digital environment. The interaction between human intelligence and technology makes the need for adaptability and quick decision-making essential. The inability of leaders to adapt their leadership style to the digital situation continues to turn into a significant obstacle (Suwandi, R., & Pratama, Y. (2025)).

Organizations that don't provide adequate resources—whether in the form of budgets, training, or management support—will struggle to implement digital leadership effectively. The lack of competency development programs for digital leaders and work teams can slow down the achievement of digital transformation goals (Nasution, A., & Sugiarto, T. (2025)).

CONCLUSION

Based on the results and discussion, this study concludes that the implementation of digital leadership in private companies is reflected through the use of information technology in communication processes, decision-making, performance monitoring, and the cultivation of a work culture that is adaptive to change. Leaders not only act as technology users but also as agents of transformation who drive changes in values, mindsets, and organizational work practices. These findings demonstrate that digital leadership integrates strategic vision, digital competence, and interpersonal capability into everyday leadership practices.

The main findings reveal that digital leadership has a positive influence on employee performance, particularly in the areas of work efficiency, task quality, and work commitment. From a qualitative perspective, employees perceive digital leadership as a form of leadership that is more open, responsive, and participatory due to the support of transparent and accessible digital systems. Furthermore, digital leadership enhances work motivation by promoting flexibility, clear targets, and timely, continuous feedback.

Overall, this study finds that the success of digital leadership in improving employee performance depends largely on human resource readiness, organizational culture, and technological infrastructure support. Despite challenges such as digital competency gaps and resistance to change, digital leadership holds strategic importance for sustaining employee performance in private companies. Therefore, this study underscores that digital leadership is a key factor in addressing organizational performance demands and strengthening competitiveness in the digital era.

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