

The Influence of Transformational Leadership and Digital Competence on Employee Performance at the Regional Civil Service and Human Resources Development Agency of Palembang City

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ABSTRACT

This study aims to determine how transformational leadership and digital competences affect worker performance at Palembang City's Regional Civil Service and Human Resources Development Agency (BKPSDM). As part of the study's quantitative research technique, questionnaires were used to collect data. The population consisted of 65 Civil Servants (ASN/PNS) working at BKPSDM Palembang City. Using a saturation sampling technique, the entire population was selected as the research sample, producing 65 replies. Multiple linear regression analysis, correlation coefficient analysis, coefficient of determination analysis, partial hypothesis testing (t-test), and simultaneous hypothesis testing (F-test) were all performed on the collected data using SPSS software. The findings demonstrate that transformative leadership greatly enhances worker performance.

Digital competency also greatly enhances employee performance. Furthermore, employee performance is significantly impacted by both transformational leadership and digital competency; each variable has a significance value of 0,000. Furthermore, the coefficient of determination (R²) is 0,403, indicating that digital competency and transformational leadership account for 40,3% of the variation in employee performance, with the remaining 59,7% being influenced by factors not covered in this study.

A. INTRODUCTION

An organization's long-term viability depends on efficient human resource management. As stated by Malayu (2020:21–23), human resource management encompasses planning, organizing, directing, supervising, staffing, employee development, compensation, integration of organizational and employee interests, maintenance, and disciplinary enforcement. Having qualified and experienced human resources can boost a company's operational performance and efficiency (Hanif, 2025). In order to achieve their goals, organizations nowadays must have human resources that are flexible and able to offer as much as possible.

Achieving organizational goals requires optimal employee performance, which reflects employees' knowledge, skills, and capabilities in fulfilling their duties. The performance of employees is also reflected in attendance records, work discipline, compliance with organizational regulations, and adherence to established policies. Therefore, managers play a strategic role in directing employees toward organizational objectives by developing an effective and sustainable human resource management system.

This paper cites previous research by Tinggi et al. (2025), which discovered that employee performance was positively and significantly impacted by transformational leadership and digital competency. Rahmasari et al. (2025), however, found that worker performance was unaffected by digital competency. Similarly, Widyastuti et al. (2025) discovered that worker performance is unaffected by digital competency.

The phenomenon observed in the BKPSDM, the Regional Civil Service and Human Resources Development Agency of Palembang City indicates that most employees are satisfied with their leaders' idealized influence (charisma) and inspirational motivation. Nevertheless, several issues remain, including weak leadership role modeling, limited attention to employees, and less effective communication, resulting in one-way interactions between leaders and employees with minimal openness. In addition, digital competence remains a challenge due to employees' limited adaptability to digital technology and the mismatch between employees' digital competencies and their job placements. These conditions potentially hinder employee performance and organizational effectiveness. Therefore this study intends to investigate how employee performance at BKPSDM Palembang City is impacted by transformational leadership and digital competency. Additionally, it is anticipated that the results would offer useful suggestions for enhancing human resource management effectiveness, supporting the achievement of organizational objectives, and fostering a professional, innovative, and public service-oriented workforce capable of adapting to digital transformation.

B. THEORETICAL STUDY

Transformational Leadership

Samsudin (2023:287) defines leadership as the capacity to inspire, encourage, and persuade others to collaborate under a leader's guidance in order to accomplish organizational objectives. Robbins (2020) asserts that a leader's ability lies in their ability to influence a group of individuals to achieve one or more shared goals. Since a leader's emotions and facial expressions during a speech have a big influence on how well their message is perceived by followers or subordinates, emotional appeal is a hallmark of effective and efficient leadership.

Wardani and Listiani (2020), who define transformational leadership as a leadership approach in which leaders provide their subordinates particular attention and intellectual stimulation, support this viewpoint. By encouraging creativity, innovation, and the realization of each individual's potential while developing a common organizational vision, transformational leaders motivate staff members to go above and beyond expectations.

Digital Competence

Digital competence is the ability to effectively use data and technology in the job. Digital proficiency is now a prerequisite since practically all job processes in the digital age involve digital technology. According to Susilowati (2021), competence is the set of skills, knowledge, aptitudes, and behaviors that workers use to carry out their jobs.

These actions are critical to accomplishing organizational objectives and advancing business strategy. Furthermore, digital competence is defined by Mazurchenko et al. (2020) as a set of knowledge, skills, attitudes, abilities, and awareness required when using information and communication technology to accomplish tasks, solve problems, communicate, collaborate, and create content—effectively, critically, creatively, independently, flexibly, and ethically—for socialization, work, and leisure.

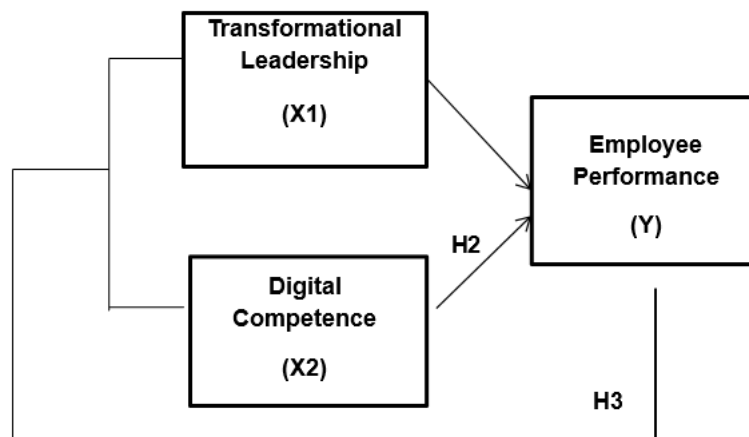
Additionally, Sari (2023) contends that people in today's workplace must possess strong digital skills, such as knowledge of emerging technologies like artificial intelligence (AI), big data, and business process automation, as well as experience with software and data analytics. In the digital age, being digitally competent has become essential for increasing employee productivity and corporate competitiveness.

Employee Performance

Herlambang et al. (2024) define employee performance as the degree to which workers fulfill their duties in compliance with set work standards and job criteria. Wita et al. (2023) define performance as the quantity and caliber of work produced by employees when they complete tasks that correspond with their assigned responsibilities. Employee performance has a significant impact on an organization's attempts to boost productivity. It is crucial to human resource management because it demonstrates how well workers in an organization

fulfill set goals and criteria. According to this viewpoint, performance is determined by an individual's drive and ability to complete tasks, which includes a certain degree of competence and willingness (Ahmadi, 2021).

Similarly, Aditya et al. (2024) describe employee performance as the work results or achievements attained by individuals, measured based on both the quantity and quality of work accomplished while fulfilling their responsibilities within the organization. Ayunasrah et al. (2022) define performance as the work output that an individual or group within an organization produces in accordance with their roles and responsibilities, enabling the organization to fulfill its goals. Consequently, performance encompasses both the labor completed and the results attained.



Research Hypotheses

The following study hypotheses are based on the theoretical framework and previous empirical research:

H1 = Transformational leadership influences the performance of BKPSDM Palembang City employees.

H2 = Digital competence influences the performance of BKPSDM Palembang City employees.

H3 = Transformational leadership and digital competence influence the performance of BKPSDM Palembang City employees.

C. RESEARCH METHODS

According to Sugiyono (2021:9), the study strategy is a systematic process for gathering precise, trustworthy, and unbiased data. This study uses quantitative research methodologies to investigate the relationship between digital competency, transformational leadership, and employee performance.

Both independent and dependent components make up the study's variables, specifically:

1. A variable that affects, modifies, or produces the dependent variable is called an independent variable. Digital competency (X2) and transformative leadership (X1) are two of the independent variables in the study.
2. A dependent variable is one that results from or is impacted by an independent variable. The dependent variable in the study is employee performance (Y).

These requirements are relevant to the study's topic, claims Martono (2023:151). The 65 employees of BKPSDM Palembang City make up the study's population. Using a saturation sampling strategy, the researcher includes every member of the population in the sample (Sugiyono, 2019:127). Therefore, the sample approach used here is saturation sampling, which incorporates all 65 respondents.



D. RESULTS AND DISCUSSION**Validity Test**

According to Priyatno (2024:22), the validity test aims to ascertain the extent to which an object can be considered and categorized as authentic.

Transformational Leadership Validity Test Results (X1)

Item	Sig	$\alpha \leq 0,05$	Remarks
X1.1	0,000	$\leq 0,05$	Valid
X1.2	0,000	$\leq 0,05$	Valid
X1.3	0,000	$\leq 0,05$	Valid
X1.4	0,000	$\leq 0,05$	Valid
X1.5	0,000	$\leq 0,05$	Valid
X1.6	0,000	$\leq 0,05$	Valid
X1.7	0,000	$\leq 0,05$	Valid
X1.8	0,000	$\leq 0,05$	Valid
X1.9	0,000	$\leq 0,05$	Valid
X1.10	0,000	$\leq 0,05$	Valid

Research results, processed data, 2026

Every question in the transformational leadership variable (X1) has a significance value of less than 0.05, based on the preceding table of validity test results. Consequently, every item in the compensation variable (X1) is deemed legitimate and appropriate for use in the research.

Digital Competence Validity Test Results (X2)

Item	Sig	$\alpha \leq 0,05$	Remarks
X2.1	0,000	$\leq 0,05$	Valid
X2.2	0,000	$\leq 0,05$	Valid
X2.3	0,000	$\leq 0,05$	Valid
X2.4	0,000	$\leq 0,05$	Valid
X2.5	0,000	$\leq 0,05$	Valid
X2.6	0,000	$\leq 0,05$	Valid
X2.7	0,000	$\leq 0,05$	Valid
X2.8	0,000	$\leq 0,05$	Valid

Research results, processed data, 2026

The aforementioned Digital Competence variable has a considerable value, according to the validity test table. It is possible to declare every item in the Digital Competence variable (X2) to be eligible.

Employee Performance Validity Test Results (X3)

Item	Sig. (2-tailed)	$\alpha \leq 0,05$	Remarks
Y,1	0.000	≤ 0.05	Valid
Y,2	0.000	≤ 0.05	Valid
Y,3	0.000	≤ 0.05	Valid
Y,4	0,000	$\leq 0,05$	Valid
Y,5	0,000	$\leq 0,05$	Valid
Y,6	0,000	$\leq 0,05$	Valid
Y,7	0,000	$\leq 0,05$	Valid
Y,8	0,000	$\leq 0,05$	Valid
Y,9	0,000	$\leq 0,05$	Valid
Y,10	0,000	$\leq 0,05$	Valid

Research results, processed data, 2026

based on the outcomes of the previously mentioned validity test. Every item in the Employee Performance variable (Y) was determined to be legitimate and appropriate for the investigation.

Reliability Test

Priyatno (25:2024) states that the reliability of the variable questionnaire is assessed using the Alpha Cronbach measuring instrument.

Reliability Test Results

Variabel	Cronbach' s Alpha	Taraf	Remarks
Transformational Leadership (X1)	0, 964	0.60	Reliabel
Digital Competence (X2)	0, 975	0.60	Reliabel
Employee Performance (Y)	0 ,851	0.60	Reliabel

Research results, processed data, 2026

As seen in the above table, the dependability values for the variables of employee performance, digital competency, and transformational leadership exhibit Cronbach's Alpha values larger than 0.60. Each of these variables is therefore regarded as trustworthy and appropriate for use as a technique for gathering data.

Normality Test

Kolmogrov-Smirnov Test Results

		Unstandardized Residual
N		65
Nomal Parameters ^{a,b}	Mean	,0000000
	Std. deviation	6,82738023
Most Extreme Differences	Absolute	,072
	Positif	,068
	Negatif	-,072
Test Statistic		,072
Asymp. Sig.		.200 ^{c,d}

Research results, processed data, 2026

The Asymp. Sig. (2-tailed) score is 0.200 based on the normality test results shown in the preceding table. Given that this number is more than the significance level of 0.05 (0.200 > 0.05), it is reasonable to assume that the data in this study are regularly distributed.

Multicollinearity Test

Coefficients ^a		
Model	Tolerance	VIF
1 (Constant)		
Transformational Leadership	,986	1,014
Digital Competence	,986	1,014

Research results, processed data, 2026

The multicollinearity test results table above shows that the tolerance value for the Transformational Leadership variable (X1) and Digital Competence variable (X2) is 0.986, which is larger than 0.1, and the VIF value for the compensation and competency variable is 1.014, which is less than 10. Thus, it may be concluded that there is no multicollinearity problem with our study model.

Heteroskedatisitas test

Heteros Results

Variabel	Signifikan	Keterangan
Transformational Leadership(X1)	,892	Heteros does not occur
Digital Competence (X2)	,733	Heteros does not occur

Research results, processed data, 2026



The Transformational Leadership variable (X1) and the Digital Competence variable (X2) had significant values of 0.892 and 0.733, respectively, according to a biased heteroscedasticity test.

Multiple Linear Regression Analysis

Model		Koefisien Tidak Terstandarisasi		Koefisien Terstandarisasi	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	13,434	3,485		3,855	0,000
	X1	0,322	0,130	0,363	3,677	0,000
	X2	0,412	0,151	0,479	4,844	0,000

Research results, processed data, 2026

The regression equation can be written as follows using the data from the preceding table:

$$Y = 13,434 + 0,322 X1 + 0,412 X2$$

- A value of 13,434 employee performance was unaffected by digital competencies (X2) or transformational leadership (X1). If the independent variable is missing, the Employee Performance variable stays the same.
- b1 The Employee Performance variable has a positive effect on Employee Performance, as indicated by the regression coefficient X1's value of 0.322. This suggests that for every unit increase in the Employee Performance variable, there may be a 0.322 impact on work satisfaction.
- b2 The X2 regression coefficient of 0.412 indicates that worker performance is positively impacted by the Digital Competence variable. This suggests that for every unit increase in the Digital Competence variable, employee performance may be impacted by 0.412.

Coefficient Determination Test

Determinasi koefisien Test Table

Model	R Square	Adjusted R Square	Std. Error of the Estimate
1	.403	.384	6,937

Research results, processed data, 2026

The coefficient of determination (R-squared) is 40.3%, or 0.403, according to the table. This implies that transformational leadership and digital competency may account for 40.3% of the variation in employee performance at BKPSDM Palembang City. Other factors not covered by our investigation, such as creative performance and the effectiveness of educational professionals, are responsible for the remaining 59.7% (100%–40.3%).

Uji t (t-test)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	13,434	3,485		3,855	0,000
	X1	0,322	0,088	0,363	3,677	0,000
	X2	0,412	0,085	0,479	4,844	0,000

Research results, processed data, 2026

The following points are made clear by the partial test (t-test) findings in the preceding table:

- The partial test (t-test) results in the above table indicate the significance value for the transformational leadership variable (X1).
- The partial test (t-test) results in the table above indicate the significance value for the digital competency variable (X2).

F Test (Simultaneous)

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2013,222	2	1006,611	20,920	.000 ^b
	Residual	2983,240	62	48,117		
	Total	4996,462	64			

Research results, processed data, 2026

The transformational leadership and digital competence variables (independent variables) have a substantial simultaneous effect on the employee performance variable (dependent variable), according to the F-test (simultaneous test) results displayed in the above table. 0.000 has a significance value of less than 0.05 ($0.000 < 0.05$).

Discussion

The Influence of Transformational Leadership on Employee Performance.

Based on the results of the t-test (partial test), where the significance value for the transformational leadership variable is less than 0.05 ($0.000 < 0.05$), the alternative hypothesis (H_a) is accepted and the null hypothesis (H_o) is rejected. Thus, it may be concluded that transformative leadership has a major influence on employee performance.

Ten items based on four key indicators of transformational leadership—idealized influence, intellectual stimulation, inspiring drive, and individual regard for followers—were used to collect questionnaire data from 65 respondents, which supports these conclusions. The findings showed that while 25% were undecided, 18% disagreed, and 6% strongly disagreed, 16% of respondents "very agreed" and 33% "agreed" with statements reflecting these signs of revolutionary leadership. These results demonstrate that the majority of respondents have positive opinions about the compensation provided, suggesting that transformational leadership is regarded as a sufficient element that improves employee performance.

The results of this study are also in line with research conducted by Anhara & Dalimunthe (2025), whose partial test results showed that employee performance has a substantial impact on transformational leadership. Additionally, a study conducted by Qomari (2025) found that employee performance had a substantial impact on digital competency.

The Influence of Digital Competence on Employee Performance.

The alternative hypothesis (H_a) is accepted and the null hypothesis (H_o) is rejected since the t-test (partial test) findings indicate that the significance value for the digital competence variable is less than 0.05 ($0.000 < 0.05$). Therefore, it can be said that worker performance is significantly impacted by digital competency.

Data from a survey administered to 65 individuals supports this. The eight items in the poll were based on three key indicators of digital competency: information and data literacy, digital content creation, and digital security. The results showed that 23% of respondents were unsure, 19% disagreed or strongly disagreed, and 19% strongly agreed with statements about digital competence. These findings show that the majority of respondents think that their digital competence—which encompasses their knowledge, skills, attitude, and enthusiasm for their work—influences how well they evaluate their job performance.



The results of this study are also in line with research by Widyastuti et al. (2025), whose partial test results showed that employee performance is significantly impacted by digital competence. Furthermore, partial test findings from a study by Br et al. (2025) showed that worker performance is significantly impacted by transformational leadership.

The Influence of Transformational Leadership and Digital Competence on Employee Performance.

The simultaneous test, or F-test, produced a significance value of 0.000, which is less than 0.05 ($0.000 < 0.05$). This suggests that the distinct components of transformative leadership and digital proficiency have a substantial contemporaneous impact on employee performance.

These results are corroborated by questionnaire responses from 65 respondents, comprising 10 items across two independent variables: digital competence (8 items) and transformational leadership (10 items). For the transformational leadership variable, most respondents selected "strongly agree" (16%) and "agree" (33%) to "neutral" (25%), while 18% selected "disagree" and 6% selected "strongly disagree" for items related to indicator X1. Similarly, the distribution of respondents' positive views on the components of indicator X2 for the digital competence variable was "strongly agree" (19%), "agree" (20%), "neutral" (23%), "disagree" (20%), and "strongly disagree" (19%).

Therefore, the results of this study are consistent with earlier research by Tinggi et al. (2025), which claimed that transformational leadership and digital competence have a simultaneous impact on employee performance. Therefore, it is advised that BKPSDM Palembang City support harmonious leadership, maintain and improve the level of workers' digital proficiency, and cultivate an atmosphere that encourages worker performance.

E. CONCLUSION AND SUGGESTIONS

Conclusion

Given the study's results and the discussion of how transformational leadership and digital competency impact employees' performance at BKPSDM Palembang City, the following conclusions can be drawn:

1. At BKPSDM Palembang City, employee performance is significantly impacted by the transformational leadership variable on its own.
2. 2) At BKPSDM Palembang City, each employee's performance is significantly impacted by the digital competency variable.
3. 3) At BKPSDM Palembang City, employee performance is significantly impacted by both transformational leadership and digital competency.

Suggestions

The author makes the following suggestions in light of the previously supplied information:

1. For the Agency (BKPSDM Palembang City): It is recommended to enhance the application of transformational leadership through leadership training—specifically focusing on motivation, communication, and innovation—and to develop employees' digital competencies via technology training, information system workshops, and adaptation to workplace digitalization. Furthermore, the agency should foster a work culture that adapts to technological changes to optimize employee performance.
2. For Employees: Employees are expected to be more proactive in independently improving their digital skills, enhancing creativity and innovation in their work to support the achievement of organizational goals, and remaining responsive to leadership directives and changes in technology-based work systems.
3. For Future Researchers: Consider including additional factors such as job satisfaction, organizational culture, and work motivation; employ different research techniques, such as qualitative or mixed-method approaches; and expand the scope of the study to other agencies to ensure the findings are more generalizable.

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