

## The Influence of Digital-Based Leadership and Employee Welfare on the Performance of Employees at the Agriculture Office of Gianyar Regency, Bali

<sup>1</sup>Ni Wayah Mendri, <sup>2</sup>Yuli Evitha, <sup>3</sup>Zahir Syah

<sup>1,2,3</sup>Universitas Terbuka

E-mail: [zahirsyah750@gmail.com](mailto:zahirsyah750@gmail.com)

### ABSTRACT

Government institutions are experiencing a shift toward digital technology at an unprecedented pace, and this transformation has affected how leaders in all organizations, including public institutions, approach their work. The Agriculture Office of Gianyar Regency, Bali, as a government institution with a strategic role in public service, is required to empower employees to rapidly adjust their competencies to digitalization. Digital leadership has become an important factor in helping employees work effectively within a digital technological environment. Employee welfare also plays a crucial role in encouraging work motivation, as employees with better welfare tend to work more enthusiastically. The purpose of this study is to analyze the extent to which digital leadership affects employee performance. This study employed a quantitative approach using multiple linear regression analysis. All 90 respondents were included in the study due to the relatively small number of employees. The results of the analysis indicate that digital leadership has a positive effect on employee performance, with a coefficient of 0.341 and a significance level of 0.000. Employee welfare also has a positive effect, with a coefficient of 0.438 and a significance level of 0.000. Overall, digital leadership and employee welfare jointly predict employee performance by 61.57%. These findings imply that public institutions need to strengthen digital leadership competencies and improve employee welfare programs to enhance organizational performance in the digital era. This study also contributes to the development of digital leadership practices and human resources management strategies aimed at improving employee well-being and productivity in the public sector.

**Keywords:** Digital leadership competence, employee welfare, employee performance

### INTRODUCTION

In recent years, government institutions, particularly in the public sector, have undergone a drastic transformation due to the impact of digital technology. This transformation is not only limited to the implementation of systems or software, but also involves substantial changes in mindset, interaction patterns, and organizational functions in a holistic manner. This phenomenon has occurred at the Agriculture Office of Gianyar Regency, Bali, where the implementation of digital leadership has become a fundamental necessity for public services and managerial performance to be carried out effectively. However, this digitalization does not merely focus on technological readiness, but rather on leadership competence in managing staff so that they are able to face rapid digital changes.

Yuniarti and Estu Maharai (2024) explain that digital leadership does not only focus on technological mastery, but also requires the ability to foster an innovative and collaborative work culture. A digitally oriented leader must become a figure who inspires and encourages cooperation in utilizing digital technology. Workforce digital competence in the context of government institutions has become a particular focus in assessing the success of workplace digitalization. A common issue among staff is the introduction of new systems that require an adjustment period in working with digital technology. This condition may lead to decreased work motivation because employees do not fully master the digital technology integrated into their jobs. Based on the previous explanation, it can be seen that digital leadership must possess digital competence as well as the ability to create an

innovative and collaborative work environment. Through digital competence, employees are encouraged to adapt to changes in a digitally integrated work environment.

Wijaya (2024) states that digital leadership clearly plays a role in increasing organizational competitiveness by encouraging digital competence, rapid adaptability, and innovative work practices. Employee welfare is considered one of the most important factors in maintaining work motivation. Organizational leaders who have integrated digital systems into work processes are more capable of sustaining employee welfare, which in turn contributes to improving employee productivity. Employee welfare is seen as a complementary factor in measuring performance and is also considered a basis for determining the level of attention provided to employees, whether they remain consistent in their work, and whether they are able to survive in a dynamic work environment (Likdawati et al., 2024). Sumarno and Iqbal (2022) reveal that employee welfare encourages work enthusiasm and the ability to adapt to continuously changing work environments. Welfare in government institutions goes beyond material ownership and also includes peace of mind, comfort, training provision, and career development opportunities that enable employees to work optimally and adapt to dynamic work environments.

Based on observations and internal data, the Agriculture Office of Gianyar Regency has encountered several challenges in implementing digital transformation, particularly disparities in employee productivity across divisions and limited ability among some employees to utilize information technology effectively. In practice, several administrative and public service activities have gradually shifted to digital systems; however, not all employees have adapted optimally to these changes. Differences in digital competence have led to variations in work efficiency, responsiveness, and completion of administrative tasks between divisions. In addition, employees are required to technology-based work systems, creating pressure that may affect work morale and productivity. These conditions indicate that the success of digitalization programs cannot be achieved without visionary leaders who genuinely care about employee welfare.

This study is important because public sector organizations are now required to initiate and manage digitalization processes without sacrificing employee welfare. There are many responsibilities associated with digital leadership in convincing employees that they will continue to have jobs within a technological framework integrated into the public sector. If employee welfare is not taken into consideration, the digitalization process may create an unstable environment or reduce workforce productivity. This condition forms the basis for this study, which focuses on how digital leadership and employee welfare can work synergistically to improve productivity at the Agriculture Office of Gianyar Regency, Bali Province.

Various studies have shown that employee-oriented and digitally driven leadership is highly important for employee performance. Most previous studies, however, have focused on the private sector. Relevant studies in the public sector, particularly in local government institutions, remain very limited. The success of public administrative digitalization largely depends on leadership and employee welfare. Considering this situation, the purpose of this study is to provide empirical evidence regarding the influence of digital leadership and employee welfare on employee performance at the Agriculture Office of Gianyar Regency, Bali Province.

## LITERATURE REVIEW

Digital Leadership is a form of leadership that utilizes digital technology to improve the effectiveness, creativity, and competitiveness of an organization. Yulian and Maharani (2024) state that Digital Leadership emphasizes the ability to use technology to lead teams while encouraging creativity in order to develop innovative work behavior. Leadership in the use of technology within the digital sphere acts as both an instructor and a facilitator of cultural transformation toward virtual digital work systems. This competence is highly important in the governmental context in order to

facilitate services and automate manual governmental work processes, thereby reducing workload. The concept of employee welfare refers to the condition of employees' psychological and physical well-being while carrying out their duties. The study of Sumarno and Iqbal (2022) shows that employee welfare includes satisfaction, mental health, and work-life balance. Employee welfare is positively associated with work engagement, which can subsequently improve employee performance. In the governmental context, employee welfare is a necessary condition for developing civil servants who are productive, innovative, and service-oriented.

The final report of Warunyama (2024) indicates that employee welfare has a significant effect and tangible benefits on employee performance through motivation and satisfaction. Employees who receive emotional and social attention from their leaders tend to demonstrate greater enthusiasm. Negative impacts resulting from poor welfare conditions include higher levels of work stress and lower creativity. This condition suggests that it is essential for government institutions to implement an appropriate balance between job responsibilities and the psychological fulfillment of employees. Conceptually, digital leadership is very closely related to employee welfare in terms of influencing the performance of the employees. Leaders who are proficient in the use of digital technology not just increase their organizations' efficiency, but also help foster a more adaptive, collaborative and supportive work environment for their employees. Conversely, positive welfare factors (psychological well-being, work-life balance, organisational support) can enhance employee readiness for digital transformation. Previous studies also showed that employees tend to have better productivity and commitment if digital leadership is well supported by adequate welfare support. Therefore, the combination of digital leadership and employee welfare is an important factor in improving employee performance, especially in public institutions that are currently undergoing rapid technological transformation and increasing service demands (Zam et al., 2025; Orlibernawati et al., 2026; Adam et al., 2026; Lundqvist et al., 2026; Ramadhan & Suratman, 2026).

## METHOD

This study was conducted using a quantitative approach and the application of multiple linear regression analysis. This approach was employed to determine the extent of the influence of independent variables, namely digital leadership and employee welfare, on the dependent variable of employee performance. This approach was selected because it is considered capable of providing objective and measurable explanations regarding the relationships among variables through statistical analysis (Sugiono, 2019). The Agriculture Office of Gianyar Regency, Bali, is one of the local government institutions currently adapting to a digital work system in the agricultural public service sector. Data collection was carried out for one week in October 2025 using Google Forms. All employees of the Agriculture Office of Gianyar Regency, Bali, totaling approximately 90 individuals, were selected as research subjects. The sampling technique employed was saturated sampling (census), as the population size was considered relatively small. Therefore, all employees were included as respondents in this study. This approach was chosen so that the research results could provide a comprehensive description and accurately reflect the actual organizational conditions as a whole.

Before the data analysis, validity and reliability tests were done on the research instrument. The validity test is in the form of testing the correlation between the item score and the total score. The results showed that all items of the questionnaire had a correlation coefficient above the minimum required threshold, which indicated that all items were valid and able to measure the constructs to be measured. Meanwhile, the reliability test using Cronbach's Alpha showed the value above 0.70 for all variables, which indicated that the instrument had a good level of consistency and reliability. Hence, the questionnaire used in this study was appropriate in measuring the digital leadership, employee welfare and employee performance variables in a comprehensive manner. The research instrument

consisted of three main sections, as follows:

- a. Variable X1 (Digital-Based Leadership) was measured through the dimensions of digital vision, digital communication capability, technological innovation, and collaborative virtualization (Maryati & Siregar, 2022), representing the first research variable.
- b. Variable X2 (Employee Welfare) was measured through the dimensions of job satisfaction, work-life balance, and employees' mental and emotional health (Umarno & Iqbal, 2022), representing the second variable.
- c. Variable Y (Employee Performance) was measured in relation to the extent of effectiveness, efficiency, responsibility, and productivity in carrying out tasks (Yuniarti & Estu Maharani, 2024), representing the final variable.

## RESULT AND DISCUSSION

### 1. Results of Classical Assumption Tests

- a. The normality test found an Asymp. Sig. (2-tailed) value of  $0.200 > 0.05$ , indicating that the data were normally distributed.
- b. The multicollinearity test showed tolerance values for each variable  $> 0.10$  and VIF values  $< 10$ , indicating that the data did not suffer from multicollinearity.
- c. The heteroscedasticity test showed Sig. values in the Glejser test  $> 0.05$ , indicating that the data did not exhibit heteroscedasticity.

### 2. Results of Multiple Linear Regression Analysis

**Table 1.** Regression Test Table

Variable	Regression Coefficient ( $\beta$ )	t-hitung	Sig.	Description
Constant	3.291			
Digital-Based Leadership (X1)	0.341	4.456	0.000	Signifikan
Employee Welfare (X2)	0.438	5.021	0.000	Signifikan

Source: Processed data, 2025

Based on the results of the multiple linear regression test, the regression equation obtained is as follows:

$$Y = 3.291 + 0.341X1 + 0.438X2$$

The regression equation indicates that improvements in digital-based leadership and employee welfare have a positive effect on employee performance at the Agriculture Office of Gianyar Regency. This means that the better the digital-based leadership and employee welfare, the better the employee performance.

Coefficient of Determination ( $R^2$ ) Results

R	$R^2$	Adjusted $R^2$
0.785	0.616	0.607

Source: Processed data, 2025

## 1. The Relationship between Digital-Based Leadership and Civil Servant Performance

Based on the data analysis results, the coefficient of determination shows a value of 0.616, meaning that 61.6% of employee performance is explained by digital leadership and employee welfare. The remaining 38.4% is influenced by other factors outside the scope of this study. The regression test produced a coefficient of 0.341 with a significance level of 0.000. This indicates that digital leadership has a real and positive effect on employee performance. It can be observed that leaders who are able to utilize digital technology competently in work processes make a significant contribution to improving employee performance. Digital technology-based leadership at the Agriculture Office of Gianyar Regency can be seen in the strategies of the Head of Office and Structural Officials in integrating Information Systems with the Office Procedural System to improve performance.

These results are in accordance with prior research that indicates that digital leadership is crucial for enhancing employee performance, particularly in organisations that are in the process of undergoing digital transformation. Adaptive leaders are more likely to be good communicators, make faster decisions and have more efficient work processes. Similarly, some public sector studies have shown that digital leadership influences employee adaptability and organisational effectiveness in the digital age. This study adds to the previous studies by providing empirical evidence in the public service sector, especially in a regional government institution in Bali. The study also shows implementation challenges of digital leadership in public institutions, related to the readiness of the employees and differences in digital competence. The public sector is a different context than some earlier studies performed in private organisations with higher technological readiness. The adaptation process is a more gradual one, given the bureaucratic structures and the different capabilities of the employees. Thus, digital leadership in government institutions should not only focus on technological integration but also on mentoring, training and empowerment of employees.

## 2. The Relationship between Employee Welfare and Civil Servant Performance at the Agriculture Office of Gianyar Regency

Based on the statistical analysis output, the regression coefficient value is 0.438 with a significance level of 0.000. This indicates that employee welfare positively and significantly affects employee performance at the Agriculture Office of Gianyar Regency. This means that the higher the employee welfare, the higher the employee productivity. At the Gianyar Agriculture Office, employee welfare can be seen from the facilities provided by the office, such as supportive coworkers, encouragement for self-competence, and a conducive work system. This study by Diplomate Warunayama (2024) also largely examined employee welfare and job satisfaction covering more than one workplace as well as organizational productivity. In this study, the focus is on Public Service and Civil Servant Employee Welfare. This is also highly important to ensure employee commitment and loyalty.

## 3. The Simultaneous Effect of Digital Leadership and Employee Welfare on Employee Performance at the Agriculture Office of Gianyar Regency

The simultaneous test results show that the combined influence of digital leadership and employee welfare is 0.61572 or 61.5720. This indicates that both variables simultaneously affect employee performance at the Agriculture Office of Gianyar Regency. It shows that the combination of digital leadership and employee welfare mutually balances and complements each other in improving employee performance in the workplace. The results of this study also support previous research that emphasises that the improvement of employee performance cannot be achieved only by leadership factors, but must also be supported by employee welfare.

Supportive work environment, opportunities of self-development, organisational support are aspects of well-being proven to increase employee motivation and commitment. Thus, this study finds

that non-material welfare aspects also contribute significantly to employee's productivity in public institutions unlike studies that focus more on financial incentives. Academically, this study contributes to the emerging discourse of integration between digital leadership and employee welfare in the public sector setting. The previous studies tend to look at these variables separately, but this study shows that both variables simultaneously contribute substantially to employee performance. Thus, this study contributes to the literature on human resource management and digital governance especially in regional government institutions that are undergoing rapid digital transformation.

## CONCLUSION

From the results of the study and the discussion that has been done, it can be concluded that digital leadership has a significant effect on employee performance at the Agriculture Office of Gianyar Regency, where the regression coefficient value is 0.341 with a significance level of 0.000. In addition, employee welfare also has a significant positive effect on employee performance with a regression coefficient value of 0.438 with a significance level of 0.000. Simultaneously, digital leadership and employee wellbeing contribute relatively significantly to the improvement of employee performance as indicated by the coefficient of determination value of 61.6%. This finding indicates that both digital leadership and employee welfare are important factors that should be seriously considered by public institutions in efforts to improve employee performance.

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