



Agile Leadership, Organizational Values, And Employee Performance In The Digital Era: Evidence From Indonesia's ICT Industry

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ABSTRACT

This study aims to analyze the effect of organizational values and agile leadership on employee performance and to test the role of digital technology transformation as a mediating variable at PT. Tekno ABC. The study applies an explanatory quantitative approach by distributing questionnaires to 290 employees using a convenience sampling technique. The data were analyzed using the Partial Least Square Structural Equation Modeling (PLS-SEM) method. The results indicate that organizational values have a positive and significant effect on both employee performance and digital technology transformation. Agile leadership also has a positive and significant effect on employee performance as well as on digital technology transformation. Furthermore, digital technology transformation is proven to have a positive and significant effect on employee performance. In addition, digital technology transformation significantly mediates the effect of organizational values on employee performance as well as the effect of agile leadership on employee performance. The conclusion of this study shows that improvements in employee performance are not only directly determined by organizational values and agile leadership, but are also reinforced through an indirect pathway with digital technology transformation as a mediator.

INTRODUCTION

The ever-accelerating wave of digital technology transformation has structurally and comprehensively transformed the global business landscape. Organizations across various sectors, particularly those in the information and communications technology (ICT) industry, can no longer view digitalization as a mere strategic choice, but rather as

an existential imperative for survival and growth in an increasingly competitive business ecosystem (Brünker et al., 2023). These changes extend beyond infrastructure and work systems to deeper dimensions: how organizations are managed, how leaders direct their teams, what values shape employee behavior, and how effectively individuals contribute to the organization's collective goals.

In this context, employee performance occupies a central position as a key indicator of organizational success. Mangkunegara (2017) defines performance as the work results achieved by an employee in carrying out their duties in accordance with assigned responsibilities, encompassing dimensions of quality, quantity, timeliness, and responsibility. Furthermore, contemporary research adds the dimension of digital behavior as an increasingly relevant element of performance in the era of technological transformation (Nurain et al., 2024). Employees who are able to adapt to digital systems, utilize technology to increase efficiency, and maintain ethics in the use of company data are strategic assets that determine the competitiveness of organizations in the modern era.

The urgency of employee performance management is heightened when faced with the reality that digital transformation does not always proceed smoothly. Various studies identify resistance to change, limited digital competencies, and misalignment between technology strategy and human resource readiness as key obstacles that often derail digitalization initiatives (Nurlaila et al., 2024; Hartatik et al., 2023). This situation confirms that technology alone is not enough; the success of digital transformation is largely determined by human factors, from espoused values, applied leadership styles, to individual readiness to adopt change.

PT. Tekno ABC is one of the pioneering ICT companies in Indonesia, having operated for over 35 years since its founding in 1988. Starting as a business incubation division within Indosat, the company has undergone a series of dramatic business transformations: from a banking application provider, to a data communications (datacomm) service leader, and now to an integrated technology and digital services company. Tekno ABC currently serves more than 2,300 corporate clients across various sectors, supported by a fiber optic network that reaches more than 400 cities and districts, and more than 10,000 connected networks throughout Indonesia.

In its digital transformation journey, PT. Tekno ABC is guided by strategic pillars known as the 4Cs: Connectivity (high-capacity network infrastructure), Cloud (integrated cloud computing), Cybersecurity (data and system security), and Collaboration (ecosystem-based innovation). These four pillars not only guide technology development but also reflect the company's approach to digital transformation as a holistic and sustainable process, involving all dimensions of the organization.

One of the most significant organizational milestones at PT. In recent years, Tekno ABC has been changing its corporate values since April 2024. The old values, known by the acronym PRIDE (Professionalism, Reliability, Integrity, Determination, Excellence), were officially replaced by the new values summarized in ICARE—Innovation, Collaboration, Agility, Resilience, and Ethics. Table 1 presents a comparison of the two value systems and their implications for organizational orientation.

Table 1. Comparison of PT. Tekno ABC Organizational Values: PRIDE Vs ICARE

Dimensions	Old Value (PRIDE)	New Value (ICARE)	Orientation Shift
Value 1	Professionalism	Innovation	From technical competence → creativity and innovation
Value 2	Reliability	Collaboration	From individual consistency → cross-functional synergy

Value 3	Integrity	Agility	From static honesty → dynamic adaptability
Value 4	Determination	Resilience	From persistence → adaptive resilience
Value 5	Excellence	Ethics	From the best results → sustainable moral principles

Source: Internal Document of PT. Tekno ABC (2024), processed

The value changes summarized in Table 1 reflect a profound paradigm shift. PRIDE values are more oriented toward individual competencies and standards, while ICARE places greater emphasis on the organization's capacity to move collectively, adaptively, and innovatively in the face of change. In particular, the explicit inclusion of Innovation and Agility values within ICARE signals the company's commitment to making organizational innovation and agility not merely aspirations but fundamental values that must be lived out in daily work (Kraus et al., 2021; Brünker et al., 2023).

This change in values was also accompanied by a renewal of the company's vision and mission. While Tekno ABC previously aspired to be "a leader in business information and communication solutions in Indonesia," its vision has now been transformed to "becoming the most preferred technology and digital services company in Indonesia." This shift from a business solutions orientation to digital technology and services implicitly demands a different employee profile: more adaptable to technology, more innovative in approach, and more collaborative in working across ecosystems.

Amidst the complexity of ongoing transformation, leadership is one of the most crucial organizational factors. Recent research consistently shows that leadership style has a direct impact on employee performance (Tatoya et al., 2025; Abdulwaheed, 2024; Zhang, 2024). Specifically, agile leadership—a leadership approach that emphasizes rapid adaptation, fosters innovation, and empowers teams in the face of uncertainty—is considered the most relevant leadership model for organizations undergoing digital transformation (Joiner, 2007; Alghamdi, 2025).

Joiner and Josephs (2007) describe agile leadership as a leader's ability to act wisely and effectively in complex and rapidly changing situations. Neubauer et al. (2017) further operationalize agile leadership into four main dimensions: humble (being humble and open to input), adaptable (adapting quickly to change), visionary (having a clear direction for the organization), and engaged (actively involved and communicating openly with all stakeholders). These four dimensions are highly relevant in the context of PT. Tekno ABC, where leaders are required to lead teams working in a hybrid manner, manage complex digitalization projects, and ensure employees remain motivated and connected to organizational goals amidst continuous change.

Several studies have also shown that agile leadership has a positive influence on various organizational outcomes. Akkaya et al. (2022) found that agile leadership positively impacts career development and employee readiness for change. Kaya (2023) demonstrated that agile leadership plays a role in creating competitive value through the utilization of dynamic capabilities. Attar & Abdul-Kareem (2024) demonstrated that agile leadership drives greater organizational agility. Meanwhile, Porkodi (2024) found, through a meta-analysis, a significant contribution of agile leadership to organizational innovation and efficiency.

Within this research framework, digital technology transformation is viewed not merely as an independent or dependent variable, but as a mediating variable that bridges the influence of organizational values and agile leadership on employee

performance. This rationale stems from the findings of Qiao et al. (2024), who demonstrated that digital transformation mediates the relationship between leadership and employee performance in the context of the digital era. Similarly, Al-Ayed et al. (2023) and Alier & Rachmawati (2024) revealed that organizations that integrate digital transformation with good innovation practices tend to have superior organizational performance.

In terms of organizational values, Hwang & Seo (2025) emphasized that values such as openness, collaboration, and innovation are key factors in determining the successful adoption of digital technology. When employees feel supported by conducive organizational values, they are more receptive to technological change and improve their work effectiveness through digitalization. This creates a synergistic pathway of influence: strong organizational values drive successful digital transformation, which in turn significantly improves employee performance.

This research is grounded in Sociotechnical Systems Theory (SST), developed at the Tavistock Institute in London in the 1950s by Trist & Bamforth (1951) and Emery (1993). This theory views organizations as open systems consisting of two interacting and interdependent subsystems: the social subsystem (which includes people, values, leadership, and work culture) and the technical subsystem (which includes technology, processes, and work systems). The core of this theory is the principle of joint optimization, which states that overall system performance can only be achieved optimally when both subsystems are designed and managed in a harmonious and synergistic manner (Trist, 1981; Pasmore et al., 1982).

In this study, organizational values and agile leadership represent the social subsystem, while digital technology transformation represents the technical subsystem. The interaction between the two is seen as a mechanism that produces employee performance as a system output. This framework provides a solid theoretical foundation for testing the mediation hypothesis at the heart of the study.

The novelty of this research lies in three aspects. First, it integrates four variables—organizational values, agile leadership, digital technology transformation, and employee performance—in a comprehensive mediation model, whereas previous studies have tended to examine only a subset of these variables. Second, this research was conducted in a very specific and relevant context: an Indonesian ICT company undergoing a strategic shift in organizational values, a context that has not been widely explored in the existing literature (Cui, 2025; Niaz & Ullah, 2025). Third, the use of Sociotechnical Systems Theory as a single theoretical framework unifying all variables provides stronger conceptual coherence than the multi-theory approach commonly used in similar research.

The findings of this study are expected to make two main contributions. Theoretically, this research enriches and expands the application of Sociotechnical Systems Theory in the context of digital-era HR management, specifically by demonstrating that digital technology transformation can function as a mediator that strengthens the impact of social subsystems on organizational performance. Practically, this study provides evidence-based recommendations for the management of PT. Tekno ABC and similar ICT companies in formulating an integrated strategy that synergizes strengthening organizational values, developing agile leadership, and accelerating digital technology transformation to optimize employee performance sustainably.

LITERATURE REVIEW

Socio-technical theory was first developed in the 1950s at the Tavistock Institute in London (Ropohl, 1999), under the leadership of renowned researchers such as Trist & Bamforth (1951) and Emery (1993). This theory was the result of a series of action research studies focused

on industrial contexts, particularly the coal mining sector in the UK, which later evolved into a broader study of the relationship between technology and humans in the workplace. Studies of British labor (Ropohl, 1999) provided a crucial foundation for the emergence of this theory, which emphasizes the importance of understanding organizations as systems comprised of interconnected social and technical elements.

According to Pasmore et al. (1982), the socio-technical approach is a perspective on organizations that emphasizes the close relationship between the social and technological subsystems within the organization, as well as the organization's interconnectedness with the external environment in which it operates. In simple terms, this perspective asserts that organizations consist of people who produce products or services with the help of technology, and that these two elements (people and technology) influence each other in terms of how the technology is operated and how people interact with it. This definition contains the idea of added value, where the products and services produced are valued by customers who are part of the organization's external environment (Griffith & Dougherty, 2001).

In a simpler form, Emery (1993) stated that socio-technical research focuses on the mutual benefits that arise from the interaction between social and technical elements. This intersection describes the reciprocal relationship between humans and machines, resulting in a dual formation process between social and technical systems (Ropohl, 1999). This socio-technical approach separates two main dimensions, namely the social and the technical, known as subsystems. These two subsystems interact to form a larger system, or suprasystem. This theory states that the success of a socio-technical system depends on the interaction between these social and technical subsystems.

Socio-technical theory emerged in response to technocratic models that were technologically deterministic, which dominated and neglected the role of humans (Trist, 1981). These technocratic models were considered too limiting because they focused solely on technical aspects and neglected social aspects, particularly how social subsystems interact with technical ones. The socio-technical approach recognizes the importance of the social dimension in system design and development, and emphasizes that each subsystem must achieve its own goals in its own way, but remains interdependent with other subsystems (Bauer & Herder, 2009). Initially, design activities focused on the primary work system or organizational unit as the main unit of analysis (Trist, 1981). However, early socio-technical studies also recognized other units of analysis outside the primary work system or organizational boundaries, considering the macrosocial as an important unit of analysis (Trist, 1981).

Socio-technical theory has two main principles. First, it highlights the importance of the interaction between social and technical elements in determining the success of a system. Second, it emphasizes the importance of a "good harmony" between social and technical factors within an organization (Trist, 1981), which creates optimal conditions for the suprasystem. This harmony is formally known as co-optimization, which means considering both technical and human elements equally in the process of designing or redesigning socio-technical systems (Emery, 1993; Trist, 1981). This process aims to achieve the "best fit" between the needs of the social and technical systems (Trist, 1981). Although there are various interpretations of this principle (Mumford, 2003), co-optimization refers to the effort to achieve optimal balance for the entire system, not just one subsystem (Trist et al., 1960). It explains that achieving optimal conditions in only one aspect does not necessarily result in optimal conditions for the system as a whole. If there is a lack of consistency between the various dimensions, disruption will occur, causing imbalance, making it difficult to achieve the overall goals of the system. This optimization concept was later developed to account for environmental pressures affecting organizations (Pasmore et al., 1982). This aligns with the open systems principle, which demands organizational flexibility in adapting to environmental changes. Therefore, co-optimization should not be considered a static process, but rather must adapt over time (Pasmore et al., 1982). The socio-technical design of co-optimization is a dynamic process, requiring continuous

renewal. It is important to remember that optimization must involve collaboration between social and technical components to achieve the best results for the entire system (Trist, 1981). Attempting to optimize only one aspect, whether social or technical, will result in the entire system being suboptimal.

Socio-technical design is the application of the principles of this theory. This process involves stakeholder participation in the design or redesign of systems, focusing on the interaction between humans and technology (McKelvey, 1975). Pasmore et al. (1982) emphasized that technology should not be considered constant; instead, the configuration and interaction between human and technical components must be adjusted to achieve optimal stability. Several socio-technical studies, such as those by McKelvey (1975), have identified the crucial role of control mechanisms in open environments, which are necessary for maintaining stability. Other approaches to socio-technical design also emphasize the importance of ongoing collaboration to achieve mutual optimization.

Cherns (1976) introduced nine principles of socio-technical design, such as compatibility and minimization of critical specifications, designed to serve as guidelines for individuals involved in organizational redesign processes. These principles were later updated by Cherns (1976) to place greater emphasis on controlling variance and organizational transitions. Furthermore, (Mumford, 2003) emphasizes the importance of quality of work life and humanism in socio-technical design. His ETHICS design approach emphasizes user involvement as a key part of the design process. This model encourages reducing bureaucracy, introducing group decision-making, and increasing human freedom within organizations.

In this study, socio-technical theory serves as the theoretical umbrella, explaining that the success of an organizational system depends on the synergy between social aspects, such as people and leadership, and technical aspects, such as technology and work processes. In this thesis, digital technology transformation, including the adoption of online collaboration platforms, task management systems, and virtual attendance applications, reflects the technical elements that play a crucial role in supporting efficiency and collaboration in the workplace. This technology enables employees to work more effectively, even remotely, and remain connected to the organization. This aligns with the socio-technical theory's notion that technology must be designed and integrated with the social needs of people in the workplace in mind.

Furthermore, adopted organizational values, such as innovation, collaboration, resilience, and ethics, demonstrate how the organization's social elements support employee adaptation and flexibility in the face of technological change. These values play a role in creating a work culture that enables innovation and collaboration, which are essential for organizational success in the digital age. This illustrates how socio-technical theory emphasizes that humans are not simply implementers of technology, but active agents in the innovation and adaptation process.

The agile leadership approach supports a socio-technical approach by encouraging collaboration, innovation, and adaptability in a constantly changing work environment. This leadership emphasizes the importance of flexibility and employee participation, which are essential social elements in creating harmony between humans and technology within organizations. Thus, socio-technical theory offers a framework for understanding the interaction between technology and humans in organizations, as reflected in this research.

METHODS

This study uses a quantitative approach with explanatory research, namely research that aims to test and explain the causal relationship between variables that have been formulated in the hypothesis (Sugiyono, 2022; Creswell, 2014). This approach was chosen because the study aims to measure the magnitude of the influence of organizational values and agile leadership on employee performance, as

well as to statistically test the role of digital technology transformation as a mediating variable. The study population was all permanent employees of PT. Tekno ABC, totaling approximately 731 people, spread across various divisions and job levels. The sample was determined at 290 respondents using a convenience sampling technique, namely sampling based on ease of access and respondents' willingness to participate during the data collection period (Tabachnick & Fidell, 2007). This number has met the minimum requirements for using SEM, which is 5–10 times the number of indicators ($44 \text{ indicators} \times 5 = 220 \text{ minimum}$), and meets the criteria of the Generalized Least Square (GLS) method which requires a sample of between 200–500 respondents (Ferdinand, 2006). The sample distribution covered nine divisions, including Regional Operations (56 respondents), Project Management and Delivery (52), Network Operations (50), Customer Operations (33), Regional Commerce (26), Supply Chain Management (21), Infrastructure Solution (20), Pre-sales (17), and Finance (15). Data collection was conducted through the distribution of online questionnaires using a digital survey platform, with the instrument first tested through a pilot test on 50 initial respondents to ensure the instrument's feasibility before full distribution.

This study involves four main variables that are operationalized in a structured manner. The independent variables consist of Organizational Values (X1) measured using 10 indicators based on the five ICARE dimensions — Innovation, Collaboration, Agility, Resilience, and Ethics, developed based on the theory of Robbins (2013) and Schein (2017), and Agile Leadership (X2) measured with 10 indicators covering the dimensions of humble, adaptable, visionary, engaged, and flexible leadership based on the framework of Neubauer et al. (2017) and McKenzie & Aitken (2012). The mediating variable is Digital Technology Transformation (Z) which is operationalized through 10 indicators based on three main dimensions, namely business transformation, organizational transformation, and technology adoption, referring to Suwatno (2021 in Jamaludin et al., 2024) and Farhani & Chaniago (2021 in Sari, 2024). The dependent variable is Employee Performance (Y) which is measured through 14 indicators reflecting six dimensions: work quality, work quantity, task execution, responsibility, social skills, and digital behavior, referring to Mangkunegara (2017) and Nurain et al. (2024). All indicators use a Likert scale of 1–5, from strongly disagree (1) to strongly agree (5). The categorization of the average respondent score was carried out using the Five Box Method with an interval range of 0.8 per category, resulting in the classification: very low (1.00–1.80), low (1.81–2.60), sufficient (2.61–3.40), high (3.41–4.20), and very high (4.21–5.00).

Data analysis was conducted using the Partial Least Squares Structural Equation Modeling (PLS-SEM) method with SmartPLS 3.0 software. This method was chosen because of its ability to handle models with complex relationships, mediating variables, and data that do not fully meet the assumptions of normal distribution (Hair et al., 2017; Ghozali & Latan, 2015). The analysis process includes two main stages. The first stage is testing the outer model (measurement model), which includes a convergent validity test through the outer loadings value (minimum value of 0.70) and Average Variance Extracted ($AVE > 0.50$), as well as a discriminant validity test using the Fornell-Larcker criteria and the cross-loading method. Construct reliability was assessed through composite reliability (> 0.70) and Cronbach's Alpha (> 0.60). The pilot test results showed that all instruments met the requirements, with outer loadings ranging from 0.761 to 0.958, composite reliability ranging from 0.965 to 0.983, and Cronbach's Alpha ranging from 0.965 to 0.981. The second stage was testing the inner model (structural model), which included the coefficient of determination (R^2) test, the predictive relevance (Q^2) test using a blindfolding procedure, and hypothesis testing using the bootstrapping method with 5,000 subsamples. The criteria for hypothesis

acceptance were a p-value <0.05 or a t-statistic value >1.645 for one-way testing at a 5% significance level. The mediation role was analyzed using the framework of Hair et al. (2017), which distinguishes five mediation patterns: direct-only (no mediation), no-effect (no influence), complementary mediation, competitive mediation, and indirect-only or full mediation.

RESULTS

A. Respondent Characteristics

This study involved 290 permanent employees of PT. Tekno ABC as respondents. Based on division distribution, Regional Operations was the division with the largest representation (56 respondents, 19.3%), followed by Project Management and Delivery (52 respondents, 17.9%) and Network Operations (50 respondents, 17.2%). These three divisions reflect the company's core operational functions that interact most intensively with digital systems and technology-based performance demands. Demographically, the majority of respondents were male, aged 31–50 years, had a Bachelor's degree (S1), and had worked for more than 10 years, a profile that reflects an experienced workforce with long exposure to technological changes in the company. More than half of respondents stated that they had participated in leadership or management training organized by the company, indicating the organization's commitment to continuous human resource development.

Outer Model Test Results

Outer model testing was conducted to ensure the validity and reliability of all measurement instruments before the structural model was tested. Convergent validity was evaluated through the outer loadings of each indicator, where all indicators in the four constructs showed values exceeding the minimum threshold of 0.70. The outer loadings of the Organizational Values variable ranged from 0.751–0.913, Agile Leadership between 0.862–0.926, Digital Technology Transformation between 0.889–0.924, and Employee Performance between 0.773–0.932. Discriminant validity was met based on the Fornell-Larcker criteria, where the square root of the AVE of each construct was greater than its correlation value with other constructs in the model. It should be noted that the correlation between Organizational Values and Employee Performance was recorded at 0.896—close to the square root of the AVE of the NNO construct of 0.880—which theoretically reflects a very close substantive relationship between the two constructs, while still meeting the required discriminant validity criteria. The results of the reliability test are presented in Table 2 below.

Table 2. Results of Reliability and Construct Validity Tests

Construct	Outer Loadings	Cronbach's Alpha	Composite Reliability	AVE
Organizational Values (NNO)	0,751–0,913	0,965	0,965	0,774
Agile Leadership (KPA)	0,862–0,926	0,980	0,981	0,805
Digital Technology Transformation (TTD)	0,889–0,924	0,985	0,978	0,840
Employee Performance (KK)	0,773–0,932	0,985	0,976	0,804

Source: SmartPLS Data Processing Results (2026)

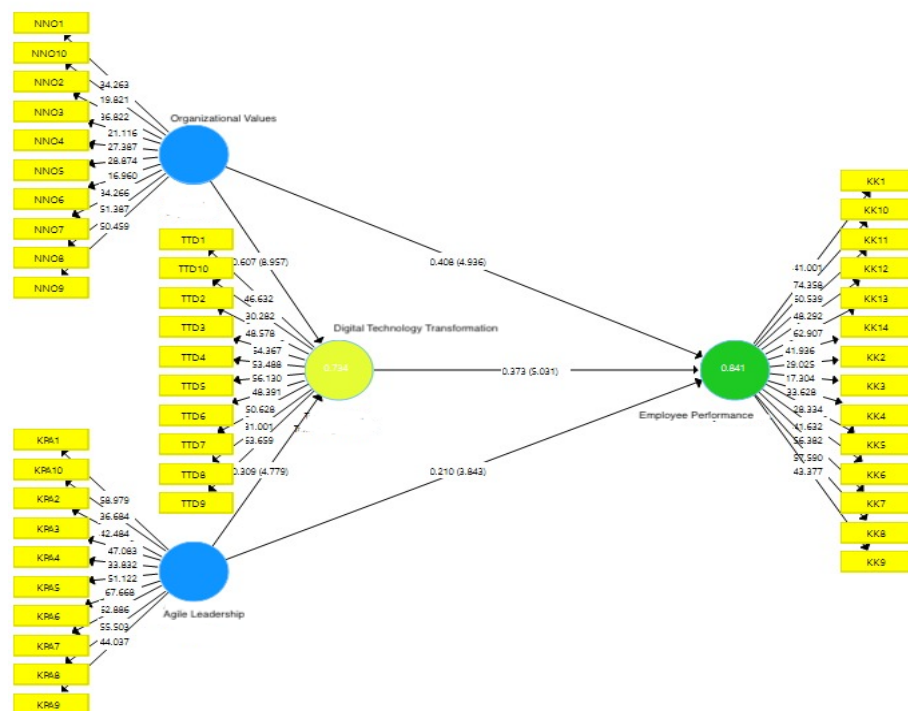
All Cronbach's Alpha and composite reliability values were above 0.96, far exceeding the minimum required threshold. The AVE values for all constructs also exceeded 0.50, confirming that each construct explained more than half of the variance

in its indicators. Thus, all instruments were declared valid and reliable for use in testing the structural model.

B. Inner Model Test Results

Prior to hypothesis testing, the quality of the structural model was evaluated through the coefficient of determination (R^2) and predictive relevance (Q^2) tests. The R^2 value for Employee Performance of 0.841 indicates that 84.1% of the variation in employee performance can be jointly explained by Organizational Values, Agile Leadership, and Digital Technology Transformation—a strong category based on Chin's (1998) criteria. Meanwhile, the Digital Technology Transformation variable obtained an R^2 value of 0.734, indicating that 73.4% of its variation can be explained by Organizational Values and Agile Leadership. The Q^2 test produced values of 0.652 for Employee Performance and 0.594 for Digital Technology Transformation, both well above 0, confirming the model's good predictive ability. Overall, this research model has sufficient explanatory power and predictive power to proceed to the hypothesis testing stage.

Figure 1 Inner Model Test Results



C. Hypothesis Testing Results

Hypothesis testing was conducted through bootstrapping with 5,000 subsamples. Table 3 presents a complete summary of the results of all hypotheses tested along with their statistical values.

Table 3. Summary of Hypothesis Testing Results

Hypothesis	Intervariable Relationships	Types of Influence	Coefficient. (β)	T-Statistics	P-Value	Decision
H1	NNO → KK	Direct	0,408	4,936	0,000	Accepted
H2	NNO → TTD	Direct	0,607	8,957	0,000	Accepted
H3	KPA → KK	Direct	0,210	3,843	0,000	Accepted
H4	KPA → TTD	Direct	0,309	4,779	0,000	Accepted

H5	TTD → KK	Direct	0,373	5,031	0,000	Accepted
H6	NNO → TTD → KK	Indirect	0,115	3,065	0,002	Accepted
H7	KPA → TTD → KK	Indirect	0,226	4,733	0,000	Accepted

Description: NNO = Organizational Values; KPA = Agile Leadership; TTD = Digital Technology Transformation; KK = Employee Performance

Source: SmartPLS Data Processing Results (2026)

All seven proposed hypotheses were accepted at a significance level of $p < 0.05$. The f-square values for each relationship are presented in Table 7 to assess the magnitude of the practical effect of each influence pathway.

Table 4. Effect Size Test Results (f-square)

Intervariable Relationships	f-square	Securities Category
NNO → TTD	0,668	High
NNO → KK	0,303	Medium-High
TTD → KK	0,232	Currently
KPA → TTD	0,173	Low-Medium
KPA → KK	0,114	Low

Source: SmartPLS Data Processing Results (2026)

Based on Table 4, Organizational Values is the predictor with the largest effect in the model, especially on Digital Technology Transformation (f-square = 0.668, high category). Agile Leadership shows a relatively smaller effect, but remains statistically and practically significant.

DISCUSSION

The Influence of Organizational Values on Employee Performance (H1)

Organizational Values were shown to have a positive and significant effect on Employee Performance ($\beta = 0.408$; $t = 4.936$; $p = 0.000$), with a moderate to high effect (f-square = 0.303). This finding confirms that the stronger the internalization of ICARE values in employees, the higher the resulting performance. Theoretically, this result is consistent with the proposition of Sociotechnical Systems Theory which places organizational values as a fundamental social element that shapes employee behavior, commitment, and productivity (Trist, 1981; Emery, 1993). The value of innovation encourages creativity in completing tasks, collaboration facilitates cross-functional coordination, agility and resilience help employees adapt to change without losing productivity, while ethics maintains the consistency and integrity of long-term performance. This finding is in line with Rose & Tanko (2024), Masrudin (2022), and Pomo et al. (2023) who consistently prove the significant influence of organizational values on proactive work behavior and the achievement of performance targets.

The Influence of Organizational Values on Digital Technology Transformation (H2)

Organizational Values demonstrated the strongest influence in the overall model on Digital Technology Transformation ($\beta = 0.607$; $t = 8.957$; $p = 0.000$; f-square = 0.668). This finding confirms that the success of digital transformation is not solely a technical issue, but is largely determined by the readiness of the organization's culture and values. Alnuaimi et al. (2022) demonstrated that organizations with learning, innovation, and collaboration values tend to be more agile and successful in implementing digital transformation. The change in values from PRIDE to ICARE at PT.

Tekno ABC created a conducive social environment for technology adoption: employees who internalize innovation values view technology as an opportunity rather than a threat, collaboration values encourage the sharing of digital knowledge between subunits, while ethics values ensure that technology implementation is carried out in accordance with the principles of data security and professional integrity (Hwang & Seo, 2025). This is in line with the principle of joint optimization in socio-technical theory, which emphasizes that changes in the technical subsystem must be accompanied by adjustments in the social subsystem so that the organizational system can function effectively (Trist & Bamforth, 1951).

The Influence of Agile Leadership on Employee Performance (H3)

Agile Leadership has been shown to have a positive and significant effect on Employee Performance ($\beta = 0.210$; $t = 3.843$; $p = 0.000$), although with a relatively smaller effect ($f\text{-square} = 0.114$) compared to Organizational Values. Humble and adaptable leaders create a sense of psychological safety that encourages employees to innovate and take initiatives. Visionary leaders provide clarity in work direction that increases focus and commitment, while engaged leaders ensure effective communication even in hybrid work conditions. These findings are consistent with Akkaya et al. (2022), Wibowo et al. (2023), and Attar & Abdul-Kareem (2024) who confirmed the significant contribution of agile leadership to improving individual and team performance. It should be noted that the effectiveness of agile leadership is highly dependent on its fit with the character of the organization. The findings of Çobanoğlu & Demir (2022) indicate that this leadership is less than optimal in rigid bureaucratic organizations, a condition that differs from PT. Tekno ABC which is characterized by technology and rapid change.

The Influence of Agile Leadership on Digital Technology Transformation (H4)

Agile leadership has a positive and significant effect on Digital Technology Transformation ($\beta = 0.309$; $t = 4.779$; $p = 0.000$). Visionary leaders are able to build a clear digital narrative and inspire all levels of the organization to move together towards transformation. A humble and engaged character encourages open two-way communication during the technology transition process, so that obstacles and resistance can be identified and addressed proactively. At PT. Tekno ABC, the concrete implementation of the 4C pillars (Connectivity, Cloud, Cybersecurity, Collaboration) requires leaders who are able to manage technological complexity while ensuring human resource readiness. Chen et al. (2022) and Deliöglu & Uysal (2023) confirm the strategic role of agile leadership as an accelerator of digital transformation by increasing the speed of decision-making, strengthening team collaboration, and flexibility of work structures.

The Influence of Digital Technology Transformation on Employee Performance (H5)

Digital Technology Transformation has been shown to have a positive and significant impact on Employee Performance ($\beta = 0.373$; $t = 5.031$; $p = 0.000$; $f\text{-square} = 0.232$). The higher employee involvement in implementing digital systems—from the use of collaboration platforms, digital system-based data analysis, to work process automation—the higher the quality, accuracy, productivity, and timeliness of task completion. This finding reinforces the views of Qiao et al. (2024) and Olan et al. (2024) that digital transformation supported by HR readiness can be a real driver of performance improvement. In the context of PT. Tekno ABC, digital technologies that have been internalized in daily work patterns, such as project management systems,

virtual attendance applications, and cloud-based coordination platforms, have been shown to contribute directly to employee effectiveness and efficiency.

The Mediating Role of Digital Technology Transformation (H6 and H7)

Both mediation hypotheses were accepted. Digital Technology Transformation mediated the effect of Organizational Values on Employee Performance ($\beta = 0.115$; $t = 3.065$; $p = 0.002$) and the effect of Agile Leadership on Employee Performance ($\beta = 0.226$; $t = 4.733$; $p = 0.000$). Because the direct effects of both exogenous variables were also significant, the mediation pattern was complementary mediation; digital transformation strengthened and channeled the impact of organizational values and agile leadership on performance, without eliminating their direct effects (Hair et al., 2017). Interestingly, the mediation coefficient for the Agile Leadership pathway ($\beta = 0.226$) was consistently greater than that for the Organizational Values pathway ($\beta = 0.115$). This indicates that digital technology transformation plays a stronger role as a mediator when initiated and directed by agile leadership—meaning, adaptive and visionary leaders not only directly improve performance but also accelerate digital transformation, which in turn further elevates employee performance. This finding strengthens the arguments of Theobald et al. (2020) and Putra et al. (2022) that the synergy between leadership, values, and technology is the optimal configuration for achieving performance in the digital era. Overall, the R^2 value of 0.841 confirms that this research model has very high explanatory power in explaining variations in employee performance at PT. Tekno ABC.

CONCLUSION

This study successfully empirically demonstrated that organizational values and agile leadership are two key factors that directly and indirectly influence employee performance at PT. Tekno ABC, with digital technology transformation acting as a complementary mediator that strengthens both pathways of influence. All seven proposed hypotheses were accepted at a significance level of $p < 0.05$, and the research model demonstrated very high explanatory power with an R^2 value of 0.841 for employee performance variables. These findings provide empirical confirmation of the core proposition of Sociotechnical Systems Theory, that optimal organizational performance can only be achieved through synergistic alignment between the social subsystem, represented in this study by organizational values and agile leadership, and the technical subsystem, represented by digital technology transformation.

More specifically, eight key conclusions can be drawn from this study. First, organizational values were shown to have a positive and significant effect on employee performance ($\beta = 0.408$; $p = 0.000$), confirming that the internalization of ICARE values consistently shapes productive, responsible, and goal-oriented work behaviors. Second, organizational values are proven to have a positive and significant effect on digital technology transformation with the largest coefficient in the model ($\beta = 0.607$; $p = 0.000$; $f\text{-square} = 0.668$), confirming that organizational culture and value readiness are the main prerequisites for successful digitalization. Third, agile leadership is proven to have a positive and significant effect on employee performance ($\beta = 0.210$; $p = 0.000$), proving that adaptive, visionary, humble, and actively involved leaders are able to create a work environment that encourages employee productivity and engagement. Fourth, agile leadership is proven to have a positive and significant effect on digital technology transformation ($\beta = 0.309$; $p = 0.000$), indicating that agile leaders play a strategic role as accelerators in the implementation of organizational digital initiatives.

Fifth, digital technology transformation has been shown to have a positive and significant effect on employee performance ($\beta = 0.373$; $p = 0.000$), indicating that the higher employee involvement in the digital ecosystem—from the use of collaboration

platforms to the utilization of digital system-based data analysis—the more effective and efficient their work becomes. Sixth, digital technology transformation has been shown to significantly mediate the effect of organizational values on employee performance ($\beta = 0.115$; $p = 0.002$), indicating that organizational values not only work directly, but also strengthen performance through the path of increasing digital readiness and adoption. Seventh, digital technology transformation has been shown to mediate the effect of agile leadership on employee performance with a larger mediation coefficient ($\beta = 0.226$; $p = 0.000$), indicating that agile leadership combined with digital transformation produces a stronger performance impact than its direct effect alone. Eighth, the mediation pattern that occurs in both paths is complementary mediation, where digital technology transformation strengthens, rather than replaces, the direct effect of organizational values and agile leadership on employee performance.

LIMITATION

This study has several limitations that should be considered. The use of convenience sampling limits the generalizability of the findings to the entire population of PT. Tekno ABC and other ICT companies. The cross-sectional design does not allow the study to capture dynamic changes in the relationships between variables over time. Furthermore, all data are sourced from employee perceptions (self-reported), which potentially contains common method bias.

Future research is recommended to use probability sampling to increase sample representativeness and implement a longitudinal design to capture how the influence of organizational values and agile leadership on performance changes as digital transformation intensifies. Furthermore, future research could consider adding moderating variables such as top management support, individual digital readiness, or generational characteristics of the workforce to deepen our understanding of the conditions that strengthen or weaken the relationships between variables in this model.

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