# ANALYSIS OF ORGANIZATIONAL PERFORMANCE MODIFIERS THROUGH DIGITAL TRANSFORMATION WITH DIGITAL LEADERSHIP AS MODERATING

### Roni Kurniawan<sup>1</sup>, Budiyanto<sup>2</sup> and Suhermin<sup>3</sup>

<sup>1,2,3</sup> Sekolah Tinggi Ilmu Ekonomi Indonesia, Jakarta, Indonesia, Jalan Menur Pumpungan 30 Surabaya. Email: <sup>1</sup>ronikurniawan.stiesia@gmail.com

#### DOI: 10.5281/zenodo.12705666

#### Abstract

This research aims to analyze organizational performance, which is a problem often faced by organizations, by examining the factors that influence it, including organizational Capability, digital business strategy, digital Culture, digital Transformation, and digital leadership as moderating. This research uses a quantitative description method with an explanatory method, and the sample taken was 209 respondents from a group of palm oil companies in Kalimantan. Data analysis testing was carried out using SMART PLS and testing the research instruments. The research results show that digital business strategy and Culture influence digital Transformation, with values of 2,313 and 14,866, respectively, but this is not the case for organizational Capability. Likewise, with organizational performance, only digital business strategy and digital transformation influence, while organizational capability and digital Culture do not. The presence of digital Transformation as mediation can make digital business strategy and digital Culture influence organizational performance with values of 1.995 and 4.065, respectively, but this is not the case with organizational Capability. The presence of digital leadership as a moderating variable means that digital Transformation does not affect organizational performance even through digital Transformation. The results of this research recommend that company management realize and understand the importance of making digitalization efforts by emphasizing increasing organizational capacity in carrying out digital Transformation to improve organizational performance.

**Keywords:** Organizational Performance, Organization Capability, Digital Business Strategy, Digital Culture, Digital Transformation, Digital Leadership.

### INTRODUCTION

Palm oil is one of the plantation commodities that has a strategic role in Indonesia's economic development. According to IDX Channel (2022), Indonesia is the world's largest producer of palm oil or CPO (Crude Palm Oil). Based on data from the Central Statistics Agency in 2021, the area of oil palm plantations based on land use and CPO production in 2018 increased significantly compared to previous years. The increase was due to increased administrative coverage of palm oil companies. In 2019, there was an increase in the area of oil palm plantations and CPO production compared to 2018 to 14.46 million hectares, with a production of 47.12 million tons. Furthermore, in 2020, there was an almost stagnant increase in area by 0.90 percent to 14.59 million hectares.

Arief (2022) stated that Indonesia's crude palm oil (CPO) production has declined in the last two years. Limited fertilization and weather disturbances are allegedly the cause. This is supported by data from the Indonesian Palm Oil Association (GAPKI), which recorded that Indonesia's CPO production in 2021 decreased by 0.31% compared to 2020.<sup>1</sup> Dihni added that weather disturbances, fertilizer limitations, and labor scarcity were suspected of causing the decline in CPO production. Low palm oil production in 2021 restrained export volume growth amid high global demand.<sup>2</sup>

For business people involved in oil palm plantations, productivity is very important. It must be achieved as much as possible to increase the Company's competitive advantages. Robbin and Judge state that productivity is a combination of an organization's effectiveness and efficiency.<sup>3</sup> Meanwhile, Noe *et al.* stated that productivity is an important measure of success because it can achieve more with less necessary resources (money or people), increasing the Company's profits.<sup>4</sup> According to Darsono, the rapid changes that occur in the company environment become an external push that forces the Company to carry out Transformation by changing the organizational structure that is more flexible but able to compete with a smaller level of structure and a smaller number of employees.<sup>5</sup>

Demeke and Chen stated that the organization performs various activities to achieve its goals.<sup>6</sup> Measurable repetitive activities help leverage processes, ensuring the organization's success in ensuring performance and management levels. In addition, the organization's performance always significantly influences the Company's actions.<sup>7</sup> In addition, organizational performance results from actions or activities carried out by organization members to measure how well an organization has achieved its goals.<sup>8</sup> So, organizational performance is the ability of an organization to achieve its goals.

Organizational performance can be understood as a multidimensional construct that includes financial performance indicators, customer-related results, innovation, and internal processes within the organization.<sup>9</sup> This statement was also supported by Richard *et al.*<sup>10</sup> In addition, organizational performance can be understood as the "heart" that is very important for a company's survival. In research in business and Management, organizational performance is recognized as the result of a variety of important variables, ranging from human resources (HR) to marketing to operations management, international business, strategy, and information systems.<sup>11</sup>

Apart from being the very important "heart" for the Company, organizational performance is also recognized as a set of dynamic indicators that interact to achieve financial results and achieve organizational goals. Past and current actions influence these measurable results.<sup>12</sup> On the other hand, organizational performance is a complex concept that groups many elements that promote performance in modern organizations.<sup>13</sup> The performance in question is nothing but achieving goals by meeting the organization's direction and the goals achieved.<sup>14</sup> Rostam gives a more complex understanding, seeing performance management as an umbrella term for organizational activities related to managing job responsibilities and employee behavior.<sup>15</sup>

PT Dharma Satya Nusantara Tbk, or DSN Group, is a growing company that produces palm oil and wood products for the global market.<sup>16</sup> PT Dharma Satya Nusantara Tbk (DSN) was established on September 29, 1980. At first, a company engaged in the timber industry obtained Forest Concession Rights (HPH) from the Government. Rizaty stated that the Company is among Indonesia's top five palm oil companies.<sup>17</sup>

For this reason, this group of companies needs to take steps to improve the performance of its organization better than in previous years. Changes from within the Company need to be made considering many changes outside the Company that also affect the Company's condition. The context of technological Transformation has made digitalization and digital transformation change factors play an important role in implementing digital technology to increase company productivity.<sup>18</sup>

Verhoef *et al.* stated that digital Transformation is a change a company or organization makes using digital technology to build a digital business model that helps create more value for the Company.<sup>19</sup> Liu *et al.* emphasized that digital Transformation by digital technology is carried out to achieve a competitive advantage.<sup>20</sup> Furthermore, digital Transformation changes a company's business model through changes such as the value creation process, organizational activities, and how a business is conducted.<sup>21</sup>

Sow and Aborbie have described digital leadership as the exertion of influence to adopt strategies for the digital transformation process demonstrated.<sup>22</sup> Similarly, Mihardjo and Sasmoko realize that digital leadership combines a leader's Culture and competence in using digital technology to create value for the Company.<sup>23</sup> Digital Transformation is fundamentally related to "change" which requires leadership because leadership is closely related to change rather than stability.<sup>24</sup> De Waal *et al.* explained that digital leadership is an achievement based on ICT (Information Communication Technology) through human direction and the use of ICT.<sup>25</sup> In addition, El Sawy *et al.* define digital leadership as the correct form of activity for the success of strategic digitalization for the Company and its ecosystem.<sup>26</sup>

Digital business strategy is one type of organizational strategy formulated and executed by utilizing digital resources to create differential value.<sup>27</sup> This definition reflects (1) digital business strategy is from the widespread use and adoption of new digital technologies, such as cloud computing, big data, and so on; (2) digital business strategy is a business-level or enterprise-level strategy, not an IT strategy at a functional level; (3) the purpose of the digital business strategy is to provide appropriate value for the Company through digital technology. Such digital technologies can shape new business infrastructures and influence new organizational logic and coordination patterns within and across the enterprise. Bharadwaj *et al.* explained that digital strategy business goes beyond traditional functional areas (procurement and logistics) and various business processes that support IT (e-selling and e-purchasing). Digital business strategy also encourages the creation of new value and appropriation for companies. The value comes from multifaceted business models, coordinated network business models, and digital industry architecture.<sup>28</sup>

## **RESEARCH METHODOLOGY**

This study uses an explanatory research design that aims to understand the variables that influence (exogenous) and variables that are effects (endogenous) and to determine the nature between independent variables (exogenous) and indirect estimated influences (endogenous). The collection of research data was carried out using questionnaires, namely to determine the relationship and influence of organizational capabilities, digital business strategy, and digital Culture on organizational performance through digital Transformation in the DSN group of companies with digital leadership as moderating and testing using statistical tests according to the hypothesis proposed in the study while testing can be done using SMART PLS. Population is the whole or number that exists in the subject studied but includes characteristics possessed by that subject and is of interest to researchers to be researched. The population in this study is 16 (sixteen) companies belonging to the DSN (Dharma Satya Nusantara) group of companies. Researchers did not specify the sample because it was all population members. Given that the unit of analysis is the Company, the sample criteria are employees at the managerial level. At that level, it

is actively involved as a driving force in the digital transformation process in the DSN group of companies.

## **RESULTS AND DISCUSSION**

The results of Convergent Validity testing with SMART PLS show the Average Variance Extracted (AVE) values of each variable as follows:

Table of Average Variance Extracted (AVE) Values of each variable

Variable	AVE		
Organizational Capability (OC)	0,573		
Digital Business Strategy (DBS)	0,723		
Digital Culture (DC)	0,883		
Digital Transformation (DT)	0,877		
Digital Leadership (DL)	0,743		
Organizational Performance (OP)	0,756		

The table above shows that all Average Variance Extracted (AVE) values are greater than 0.5, so each variable has good discriminant validity.

The results of the Convergent Validity test with SMART PLS show the Cross Loading values of each variable and their indicators in the table below:

 Table of Cross Loading values
 of each variable and its indicators

Indikator	OC	DBS	DC	DT	DL	OP	Mederating
Indikator							Moderating
OC1	0,763	0,176	0,209	0,197	0,222	0,219	-0,173
OC2	0.733	0.177	0.218	0.203	0.205	0.196	-0.222
OC3	0.768	0.653	0.840	0.839	0.873	0.875	-0.176
OC4	0.785	0.185	0.203	0.200	0.225	0.210	-0.190
OC5	0.770	0.177	0.221	0.214	0.203	0.212	-0.207
OC6	0.721	0.185	0.204	0.197	0.209	0.182	-0.235
DBS1	0.373	0.914	0.787	0.799	0.683	0.683	-0.237
DBS2	0.395	0.877	0.720	0.710	0.645	0.596	-0.258
DBS3	0.605	0.696	0.738	0.733	0.792	0.750	-0.216
DBS4	0.380	0.896	0.783	0.791	0.664	0.648	-0.232
DC1	0.554	0.918	0.935	0.932	0.887	0.882	-0.254
DC2	0.685	0.679	0.894	0.878	0.905	0.879	-0.207
DC3	0.581	0.906	0.952	0.948	0.871	0.867	-0.261
DC4	0.632	0.839	0.956	0.908	0.881	0.858	-0.259
DC5	0.629	0.872	0.960	0.932	0.902	0.872	-0.243
DT1	0.557	0.909	0.925	0.956	0.872	0.870	-0.240
DT2	0.681	0.703	0.898	0.909	0.916	0.906	-0.206
DT3	0.593	0.915	0.942	0.971	0.868	0.878	-0.261
DT4	0.603	0.899	0.943	0.957	0.873	0.883	-0.247
DT5	0.694	0.686	0.885	0.889	0.910	0.896	-0.189
DT6	0.514	0.937	0.906	0.934	0.806	0.814	-0.255
DL1	0.638	0.630	0.834	0.817	0.919	0.922	-0.158
DL2	0.506	0.809	0.782	0.777	0.846	0.746	-0.203
DL3	0.703	0.655	0.841	0.833	0.919	0.885	-0.162
DL4	0.365	0.875	0.755	0.751	0.696	0.684	-0.250
DL5	0.657	0.660	0.866	0.851	0.909	0.842	-0.192
OP1	0.550	0.857	0.903	0.920	0.832	0.857	-0.238
OP2	0.586	0.559	0.748	0.732	0.840	0.893	-0.126
OP3	0.554	0.868	0.884	0.892	0.863	0.876	-0.249
OP4	0.594	0.563	0.765	0.761	0.819	0.898	-0.146
OP5	0.641	0.589	0.721	0.745	0.783	0.822	-0.132

From the table above, it is found that all loading indicators against the construct are greater than cross-loading. Since all indicators of the construct's loading value are greater than cross-loading, this model has met the discriminant validity requirements.

The results of Composite Reliability testing with SMART PLS show the values of Cronbach's Alpha and Composite Reliability of each variable of each variable as follows:

 Table of Cronbach's Alpha and Composite Reliability Values of each variable

Variables	Cronbach's Alpha	Composite Reliability
Organizational Capability (OC)	0,911	0,890
Digital Business Strategy (DBS)	0,867	0,912
Digital Culture (DC)	0,967	0,974
Digital Transformation (DT)	0,972	0,977
Digital Leadership (DL)	0,911	0,935
Organizational Performance (OP)	0,919	0,939

The table shows that all Cronbach's Alpha values of each variable are greater than 0.6, so it can be stated that all statements are reliable, as is the Compositei Reliability value of each variable that is greater than 0.9.

Similarly, the R-Square values for the Digital Transformation and Organization Performance variables are depicted in the table below:

Table of R-Square value

Variable	R-Square
Digital Transformation (DT)	0,961
Organization Performance (OP)	0,931

From these results, it was found that both R-Square values of 0.961 and 0.931 > 0.6, which means the model is declared fit or good.

The table below shows the outer loading values of each variable and their indicators according to the results of the SMART PLS calculation.

Table of Outer Loading values of each variable and its indicators

Variables	Indicators		
	OC1: Sensing Capability	0,763	
	OC2: Learning Capability	0,733	
Organization	OC3: Integration Capability	0,768	
Capability	OC4: Coordinating Capability	0,785	
	OC5: Managerial Capability	0,770	
	OC6: Technical Capability	0,721	
Digital	DBS1: Scope of DBS	0,914	
Digital	DBS2: Scalability of DBS	0,877	
Business	DBS3: Speed of DBS	0,696	
Strategy	DBS4: Source of value creation and capture	0,896	
	DC1: Collaboration	0,935	
	DC2: Digital Mindset	0,894	
Digital Culture	DC3: Agility and Flexibility	0,952	
	DC4: Innovation	0,956	
	DC5: Data-driven decision making	0,960	
Digital	DT1: Business process change	0,956	
	DT2: Technology Capability	0,909	
Transformation	DT3: Organization change	0,971	
	DT4: Operation flexibility	0,957	

	DT5: Innovation	0,889
	DT6: Domain application	0,934
	DL1: Obtain exceptional commitment, trust, and efforts	0,919
Digital	DL2: Convince the Management and organizational members	0,846
Digital Leadership	DL3: Lead with vision and purpose	0,919
	DL4: Inspire the organization's members	0,696
	DL5: Persevere in the digital transformation paradigm	0,909
Organization Performance	OP1: Quality	0,857
	OP2: Quantity	0,893
	OP3: Time	0,876
	OP4: Responsibility	0,898
	OP5: Human Resource skill	0,822

From the table above it is found that all Outer Loading values are greater than 0.5 so it can be stated that each variable has good indicators.

Hypothesis testing to determine the effect or not between variables as described in this research hypothesis can be known from the value of t-statistics. If the value of the t-statistic is greater than 1.96, then there is an influence of exogenous variables on endogenous variables or the influence of endogenous variables on other endogenous variables. Conversely, if the t-statistic value is smaller than 1.96, then there is no influence of exogenous variables on endogenous variables or endogenous variables on other endogenous variables on other endogenous variables. In addition, the significance of the influence between research variables can be determined from the p-value or p-value. If the p-value is less than 0.05, it means significant, and if the p-value is greater than 0.05, it means insignificant.

Hipotesis	Original Sample (O)	T Statistic ([O/STDEV])	P values	Sig.
Organizational Capability → Digital Transformation	0,026	1,097	0,273	Tidak Signifikan
Digital Business Strategy → Digital Transformation	0,113	2,313	0,021	Signifikan
Digital Culture → Digital Transformation	0,861	14,866	0,000	Signifikan
Organizational Capability → Organizational Performance	0,024	0,701	0,484	Tidak Signifikan
Digital Business Strategy → Organizational Performance	-0,171	3,143	0,002	Significance
Digital Culture → Organizational Performance	-0,092	0,657	0,512	Tidak Signifikan
Digital Transformation → Organizational Performance	0,588	1,169	0,000	Signifikan
DL Moderating → Organizational Performance	0,005	0,541	0,589	Tidak Signifikan
Organizational Capability → Digital Transformation → Organizational Performance	0,015	1,058	0,290	Tidak Signifikan
Digital Business Strategy → Digital Transformation → Organizational Performance	0,067	1,995	0,047	Signifikan
Digital Culture → Digital Transformation → Organizational Performance	0,506	4,065	0,000	Signifikan

# Tabel: Hasil Pengujian Hipotesis

Dari hasil pengujian hipotesis yang telah dituangkan dalam tabel di atas maka dapat menjawab beberapa hipotesis yang telah dirumuskan sebelumnya yaitu:

a. Organizational Capabilities affect Digital Transformation

Organizational Capabilities affect Digital Transformation by 0.026 with a t-statistic of 1.097 which is smaller than 1.96 and a p-value of 0.273 which is greater than 0.05 so it can be concluded that Organizational Capabilities have a positive but not significant effect on Digital Transformation. Thus, the first hypothesis that Organizational Capabilities affect Digital Transformation is unacceptable (H<sub>1</sub> is rejected).

b. Digital Business Strategy Affects Digital Transformation

Digital Business Strategy affects Digital Transformation by 0.113 with a t-statistic of 2.313 which is greater than 1.96 and a p-value of 0.021 smaller than 0.05 so it can be concluded that Digital Business Strategy has a positive and significant effect on Digital Transformation. Thus the second hypothesis stating that Digital Business Strategy affects Digital Transformation is acceptable (H<sub>2</sub> accepted).

c. Digital Culture Affects Digital Transformation.

Digital Culture affects Digital Transformation by 0.861 with a t-statistic of 14.866 which is greater than 1.96 and a p-value of 0.000 which is smaller than 0.05 so it can be concluded that Digital Culture has a positive and significant effect on Digital Transformation. Thus the third hypothesis stating that Digital Culture affects Digital Transformation is acceptable ( $H_3$  is accepted).

d. Organizational Capabilities affects Organizational Performance

Organizational Capabilities affect Organizational Performance by 0.024, with a tstatistic of 0.701, which is smaller than 1.96, and a p-value of 0.484, which is greater than 0.05. Thus, it can be concluded that Organizational Capability has a positive but not significant effect on Organizational Performance. Thus, the fourth hypothesis that Organizational Capabilities affect Organizational Performance is unacceptable (H<sub>4</sub> is rejected).

e. Digital Business Strategy affects Organizational Performance

Digital Business Strategy affects Organizational Performance by -0.171 with a tstatistic of 3.143 which is greater than 1.96 and a p-value of 0.002 which is smaller than 0.05 so it can be concluded that Digital Business Strategy has a positive and significant effect on Organizational Performance. Thus the fifth hypothesis stating that Digital Business Strategy affects Organizational Performance is acceptable ( $H_5$  is accepted).

f. Digital Culture Affects Organization Performance

Digital Culture affects Organizational Performance by -0.092 with a t-statistic of 0.657 which is smaller than 1.96 and a p-value of 0.512 which is greater than 0.05 so it can be concluded that Digital Culture has a positive but not significant effect on Organizational Performance. Thus, the sixth hypothesis that Digital Culture affects Organizational Performance is unacceptable ( $H_6$  is rejected).

g. Digital Transformation affects Organization's Performance

Digital Transformation affects Organizational Performance by 0.588 with a t-statistic of 4.579 which is greater than 1.96 and a p-value of 0.000 which is smaller than 0.05

so it can be concluded that Digital Transformation has a positive and significant effect on Organizational Performance. Thus the seventh hypothesis stating that Digital Transformation affects Organizational Performance is acceptable (H<sub>7</sub> is accepted).

h. Digital Transformation affects Organization Performance with Digital Leadership as Moderating

Digital Transformation affects Organizational Performance with Digital Leadership as Moderating of 0.005 with t-statistic of 0.541 which is smaller than 1.96 and p-value of 0.589 which is greater than 0.05 so it can be concluded that Digital Transformation has a positive but not significant effect on Organizational Performance with Digital Leadership as Moderating. Thus, the eighth hypothesis that Digital Culture affects Organizational Performance with Digital Leadership as Moderating is unacceptable (H<sub>8</sub> is rejected).

i. Organizational Capabilities affects Organization Performance through Digital Transformation

Organizational Capabilities affect Organizational Performance through Digital Transformation of 0.015 with a t-statistic of 1.058 which is smaller than 1.96 and a p-value of 0.290 which is greater than 0.05 so that it can be concluded that Organizational Capabilities have a positive but not significant effect on Organizational Performance through Digital Transformation. Thus, the ninth hypothesis that Organizational Capabilities affect Organizational Performance through Digital Transformation.

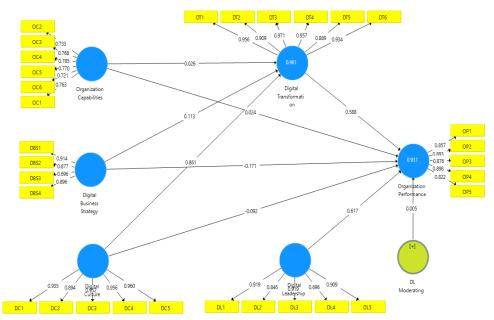
j. Digital Business Strategy affects Organization Performance through Digital Transformation

Digital Business Strategy affects Organizational Performance through Digital Transformation of 0.067 with a t-statistic of 1.995 which is greater than 1.96 and a p-value of 0.047 which is smaller than 0.05 so that it can be concluded that Digital Business Strategy has a positive and significant effect on Organizational Performance through Digital Transformation. Thus the ninth hypothesis states that Digital Business Strategy affects Organizational Performance through Digital Transformation.

k. Digital Culture affects Organization Performance through Digital Transformation

Digital Culture affects Organizational Performance through Digital Transformation of 0.506 with a t-statistic of 4.065 which is greater than 1.96 and a p-value of 0.000 which is smaller than 0.05 so that it can be concluded that Digital Culture has a positive and significant effect on Organizational Performance through Digital Transformation. Thus the eleventh hypothesis states that Digital Culture affects Organizational Performance through Digital Transformation through Digital Transformation.

The figure below shows the research model along with the value of the coefficients between variables:



## CONCLUSION

DSN Group Companies must be very committed to optimizing Organizational Capabilities (sensing, learning, integrating, coordinating, managerial, and technical Capabilities) to influence Digital Transformation and Organization Performance. In addition, the company's group already has a digital business strategy as an important foundation for carrying out the digital transformation process, so it can positively influence digital transformation and organizational performance. Implement the digital transformation process as a follow-up form of organizational Culture (digital Culture) built and owned so that the Culture can provide results in organizational performance.

DSN Group Management must take concrete steps in inspiring all parts of the Company as a leadership style so that the digital transformation process (Digital Transformation) can influence improving company performance. To be successful in carrying out digital Transformation (Digital Transformation), it is necessary to have a business strategy (Digital Business Strategy) and organizational Culture (Digital Culture) digitally so that it can influence company performance. Organizational Culture (Digital Culture) can only affect company performance (Organization Performance) if the Culture is implemented in the digital transformation process (Digital Transformation). The digital transformation process carried out by the DSN group of companies can affect company performance (Organizational Performance) without a digital leadership style (Digital Leadership). This shows that an unoptimal digital leadership style can be an obstacle to the digital transformation process to improve organizational performance. Digital Leadership in the DSN Group of Companies can influence organizational performance if Management has a leadership style that can convince and inspire all organization members to make digital changes that improve organizational performance.

DSN group management must emphasize the importance of organization capability, digital business strategy, digital culture, Digital Transformation, and digital leadership

to work together to improve organizational performance. Through organization capability that is carried out appropriately to answer the needs of the Company through the preparation of business strategies and digitalization culture to drive the digital transformation process, it can increase efforts to improve organizational performance supported by leadership by the transformation process. Efforts to examine the findings of the three exogenous variables and two endogenous variables and one moderating variable are indispensable factors because they can bring changes in improving organizational performance (organization performance) and parties involved in managing organizations engaged in oil palm plantation business. DSN group management needs to realize and understand organizational performance that has the potential to be improved by utilizing digital technology in the transformation process by building organizational capacity, business strategy, and digitalization culture within the Company's internal group. DSN group management companies need to be able to make changes and improvements to organizational performance by focusing on organization capability, digital Culture, and digital leadership that have a negative influence on organizational performance from achieving the number of products produced and also improving in terms of quality, skills and completion of responsibilities.

#### Footnotes

- 1) Arief A.M, "Produksi CPO Terus Turun Dalam 2 Tahun Cuaca Dan Pupuk Jadi Faktornya," accessed May 2, 2022, https://katadata.co.id/maesaroh/berita/61f3eab91a174/produksi-cpo-terus-turun-dalam-2-tahun-cuaca-dan-pupuk-jadi-faktornya.
- 2) Dihni V.A, "GAPKI: Produksi CPO Turun 0,31% Pada 2021 Ini Faktornya," 2022, https://databoks.katadata.co.id/datapublish/2022/02/03/gapki-produksi-cpo-turun-031-pada-2021-ini-faktornya#:~:text=Produksi Minyak Sawit Mentah%2FCPO (2017-2021)&text=Gangguan cuaca%2C keterbatasan pupuk%2C dan,18 juta ton pada 2019.
- 3) Stephen P. Robbins and Timothy A. Judge, Organizational Behavior 17th Edition. (Pearson, 2017).
- 4) Noe R.A. et al., Fundamental of Human Resource Management 7th Edition (McGraw Hill, 2016).
- 5) L.I Darsono, Organizational Transformation, and Human Resources: Barriers and Implications on Recruitment and Selection, 2002.
- B. Demeke and Tao C., "Concept & Perspective of Organization Performance Measurement: Literature Review," International Journal of Academic Multidisciplinary Research (IJAMR) 4, no. 8 (2020): 89–96.
- 7) J.R. Crook, Bratton V.K, and Street V.L, "Has Strategic Management Shed the Normal Science Straight Jacket?," Journal of Managerial 3, no. 18 (2006): 409–23.
- 8) R.G. Chung and Lo C.L, "The Relationship Between Leadership Behavior And Organizational Performance In Non-Profit Organizations, Using Social Welfare Charity Foundations As An Example," Journal of American Academy of Business 12, no. 1 (2007): 83–87.
- 9) R.S. Kaplan and Norton D.P, The Balanced Scorecard –Measures That Drive Performance (Harvard Business Review, 1992).
- 10) P.J. Richard et al., "Measuring Organisational Performance: Towards Methodological Best Practice," Journal of Management 35 (2009): 718–804.
- 11) S. Singh, Darwish T.K, and Potocnik K., "Measuring Organizational Performance: A Case for Subjective Measures," British Journal of Management 27 (2016): 214–24.
- 12) M. Lebas and Euske K, "A Conceptual and Operational Delineation of Performance," Cambridge University Press, 2007, 125–40, https://doi.org/10.1017 /CBO9780511488481.008.

- 13) D. Tolici, "Strategic Management Initiatives That Promote Organizational Performance," Management Dynamics in the Knowledge Economy 9, no. 2 (2021): 165–76.
- 14) N. Didier and Etienne A., Manager Les Performances [Managing Performance], 2002.
- F.A Rostam, "Organizational Performance Management," in Conference: Social Sciences Studies, 2019, https://www.researchgate.net/publication/338215009\_ORGANIZATIONAL\_PERFORMANCE\_M ANAGEMENT.
- 16) DSN, "DSN at a Glance," 2021, https://dsn.co.id/id/perusahaan-kami/.
- 17) M.A. Rizaty, "10 Largest Palm Oil Companies in Indonesia in 2020 SMART at the Top," 2022, https://databoks.katadata.co.id/datapublish/2022/03/14/10-perusahaan-sawit-terbesar-diindonesia-tahun-2020-smart-di-posisi-puncak.
- 18) G. Sainger, "Leadership in Digital Age: A Study on the Role of Leader in This Era of Digital Transformation," International Journal on Leadership 6, no. 1 (2018).
- 19) P.C. Verhoef et al., "Digital Transformation: A Multidisciplinary Reflection And Research Agenda," Journal of Business Research 122 (2021): 889–901.
- 20) D.Y. Liu, Chen S.W., and Chou T.C., "Resource Fit In Digital Transformation: Lessons Learned From The CBC Bank Global E-Banking Project," Management Decision 49, no. 10 (2011).
- 21) Verhoef et al., "Digital Transformation: A Multidisciplinary Reflection And Research Agenda."
- 22) M. Sow and Aborbie S., "Impact of Leadership on Digital Transformation," Business and Economic Research 8, no. 3 (2018).
- 23) L.W.W Mihardjo and Sasmoko S., "Digital Transformation: Digital Leadership Role in Developing Business Model Innovation Mediated by Co-Creation Strategy for Telecommunication Incumbent Firms Strategy and Behaviors in the Digital Economy," n.d.
- 24) Sainger, "Leadership in Digital Age: A Study on the Role of Leader in This Era of Digital Transformation."
- 25) B. De Waal, Van Outvorst F, and Ravesteyn P., "Digital Leadership: The Objective-Subjective Dichotomy of Technology Revisited," in T2he 12th European Conference on Management, Leadership and Governance ECMLG 2016, 2016.
- 26) O.A. El Sawy et al., "How LEGO Builts The Foundations And Enterprise Capabilities For Digital Leadership," MIS Quarterly Executive 15, no. 2 (2016): 141–66.
- 27) M. Chi, Jing Z., and Yuanxiang L., "Digital Business Strategy and Firm Performance: The Mediation Effects of E-Collaboration Capability," in WHICEB 2016 Proceedings, 2016, 58.
- 28) A. Bharadwaj et al., "Digital Business Strategy: Toward a Next Generation of Insights," MIS Quarterly 37, no. 2 (2013).

### References

- 1) A.M, Arief. "Produksi CPO Terus Turun Dalam 2 Tahun Cuaca Dan Pupuk Jadi Faktornya." Accessed May 2, 2022. https://katadata.co.id/maesaroh/berita/61f3eab91a174/produksi-cpoterus-turun-dalam-2-tahun-cuaca-dan-pupuk-jadi-faktornya.
- 2) Bharadwaj, A., El Sawy O.A, Pavlou P.A, and Venkatraman N. "Digital Business Strategy: Toward a next Generation of Insights." *MIS Quarterly* 37, no. 2 (2013).
- 3) Chi, M., Jing Z., and Yuanxiang L. "Digital Business Strategy and Firm Performance: The Mediation Effects of E-Collaboration Capability." In *WHICEB 2016 Proceedings*, 58, 2016.
- 4) Chung, R.G., and Lo C.L. "The Relationship Between Leadership Behavior And Organizational Performance In Non-Profit Organizations, Using Social Welfare Charity Foundations As An Example." *Journal of American Academy of Business* 12, no. 1 (2007): 83–87.
- 5) Crook, J.R., Bratton V.K, and Street V.L. "Has Strategic Management Shed the Normal Science Straight Jacket?" *Journal of Managerial* 3, no. 18 (2006): 409–23.

- 6) Darsono, L.I. Transformasi Organisasional Dan MSDM: Hambatan Dan Implikasinya Pada Rekrutmen Dan Seleksi, 2002.
- 7) Demeke, B., and Tao C. "Concept & Perspective of Organization Performance Measurement: Literature Review." *International Journal of Academic Multidisciplinary Research (IJAMR)* 4, no. 8 (2020): 89–96.
- 8) Didier, N., and Etienne A. *Manager Les Performances [Managing Performance]*, 2002.
- 9) DSN. "Sekilas Tentang DSN," 2021. https://dsn.co.id/id/perusahaan-kami/.
- 10) Kaplan, R.S., and Norton D.P. *The Balanced Scorecard –Measures That Drive Performance*. Harvard Business Review, 1992.
- 11) Lebas, M., and Euske K. "A Conceptual and Operational Delineation of Performance." *Cambridge University Press*, 2007, 125–40. https://doi.org/10.1017 /CBO9780511488481.008.
- 12) Liu, D.Y., Chen S.W., and Chou T.C. "Resource Fit In Digital Transformation: Lessons Learned From The CBC Bank Global E-Banking Project." *Management Decision* 49, no. 10 (2011).
- 13) Mihardjo, L.W.W, and Sasmoko S. "Digital Transformation: Digital Leadership Role in Developing Business Model Innovation Mediated by Co-Creation Strategy for Telecommunication Incumbent Firms Strategy and Behaviors in the Digital Economy," n.d.
- 14) R.A., Noe, Hollenbeck J.R., Gerhart B., and Wright P.M. *Fundamental of Human Resource Management 7th Edition*. McGraw Hill, 2016.
- 15) Richard, P.J., Devinney T.M., Yip G.S., and Johnson G. "Measuring Organisational Performance: Towards Methodological Best Practice." *Journal of Management* 35 (2009): 718–804.
- Rizaty, M.A. "10 Perusahaan Sawit Terbesar Di Indonesia Tahun 2020 SMART Di Posisi Puncak," 2022. https://databoks.katadata.co.id/datapublish/2022/03/14/10-perusahaan-sawitterbesar-di-indonesia-tahun-2020-smart-di-posisi-puncak.
- 17) Robbins, Stephen P., and Timothy A. Judge. Organizational Behavior 17th Edition. Pearson, 2017.
- Rostam, F.A. "Organizational Performance Management." In *Conference: Social Sciences Studies*, 2019. https://www.researchgate.net/publication/338215009\_ORGANIZATIONAL\_PERFORMANCE\_M ANAGEMENT.
- 19) Sainger, G. "Leadership in Digital Age: A Study on the Role of Leader in This Era of Digital Transformation." *International Journal on Leadership* 6, no. 1 (2018).
- Sawy, O.A. EI, Kræmmergaard P., Amsinck H., and Vinther A.L. "How LEGO Builts The Foundations And Enterprise Capabilities For Digital Leadership." *MIS Quarterly Executive* 15, no. 2 (2016): 141–66.
- 21) Singh, S., Darwish T.K, and Potocnik K. "Measuring Organizational Performance: A Case for Subjective Measures." *British Journal of Management* 27 (2016): 214–24.
- 22) Sow, M., and Aborbie S. "Impact of Leadership on Digital Transformation." *Business and Economic Research* 8, no. 3 (2018).
- 23) Tolici, D. "Strategic Management Initiatives That Promote Organizational Performance." *Management Dynamics in the Knowledge Economy* 9, no. 2 (2021): 165–76.
- 24) V.A, Dihni. "GAPKI: Produksi CPO Turun 0,31% Pada 2021 Ini Faktornya," 2022. https://databoks.katadata.co.id/datapublish/2022/02/03/gapki-produksi-cpo-turun-031-pada-2021-ini-faktornya#:~:text=Produksi Minyak Sawit Mentah%2FCPO (2017-2021)&text=Gangguan cuaca%2C keterbatasan pupuk%2C dan,18 juta ton pada 2019.
- Verhoef, P.C., Broekhuizen T., Bart Y., Bhattacharya A., Dong J.Q., Fabian N., and Haenlein M. "Digital Transformation: A Multidisciplinary Reflection And Research Agenda." *Journal of Business Research2* 122 (2021): 889–901.
- 26) Waal, B. De, Van Outvorst F, and Ravesteyn P. "Digital Leadership: The Objective-Subjective Dichotomy of Technology Revisited." In *T2he 12th European Conference on Management, Leadership and Governance ECMLG 2016*, 2016.