

# The Influence of Digital Leadership on the Performance of Millennial Employee through Coaching at Digital Technology-Based Companies of Samsung Research and Development Indonesia (SRIN)

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Abstract. In alignment with Industry 4.0's evolution, digital technologybased companies are rapidly expanding. Digital Leadership has emerged as a concept, characterized by styles reliant on digital technology to enhance organizational performance. This paradigm encompasses technology and people-centric communication. Coaching has become vital for performance enhancement in recent years. Samsung R&D Indonesia (SRIN) is a technology-immersed company with 80% millennial employees. This research primarily aims to outline SRIN's digital leadership practices. It comprehensively describes coaching methods, assesses employee performance metrics, and investigates how digital leadership impacts millennial employee performance. Coaching acts as a mediating variable within SRIN. Data collection involved questionnaires administered to 100 millennial employees across diverse SRIN departments. Subsequent analysis employed Smart PLS-4 software, encompassing descriptive statistics, outer and inner model evaluations, and path analysis. Results reveal exceptional digital leadership, coaching, and employee performance at SRIN. Hypothesis testing via path coefficient methodologies demonstrates that digital leadership, mediated by coaching, positively and significantly affects millennial employee performance (coefficient: 0.415). This research enriches the literature on digital leadership, coaching, and employee performance. It provides empirical evidence of their interplay, particularly in tech-centric firms. Corporate entities are urged to foster digital leadership competencies and introduce coaching initiatives for enhanced millennial workforce efficacy in the digital age.

Keywords: Digital Leadership Skills, Organizational Communication, Employee Performance, Millennial.

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# **1 INTRODUCTION**

In 2022, Indonesia is undergoing a demographic bonus, with over two-thirds of its total population within the productive age bracket. As per the Central Bureau of Statistics' recent data from February 2022, 69.06% of Indonesia's 208.54 million working-age citizens are actively participating in the labour force, representing a significant portion of the country's productive age populace. Delving deeper into age demographics, the 25 to 29 age bracket boasts the largest segment of the labour force with 17.18 million individuals. This is closely followed by the 30-34 age group with 16.89 million, and the 35-39 age bracket with 16.78 million.

Considering these demographics, the Millennial Generation, defined as individuals born between 1980 and 2000, dominates the current labor force and plays a pivotal role in shaping the operations of businesses, whether small, medium, or large-scale.

Year of birth	Generation Name
1901 - 1924	GI Generation
1925 - 1946	Silent Generation
1947 -1964	Baby Boom Generation
1965 - 1979	Generation X
1980 - 1999	Millennial Generation
2010 +	Generation Z

	T	able	1	Generation	Group
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Source: Budiati et al. (2018)

The table above categorizes generations by their birth years, serving as a current benchmark for distinguishing generations in both professional and non-professional contexts. Budiati et al. (2018: 65) state that individuals born between 1980 and 1999 are considered part of the Millennial Generation. Often referred to as the "in-between generation," Millennials bridge the gap between Generation X and Generation Z. Given their significant presence in the Indonesian labor force and unique characteristics that have been a focal point in intergenerational discussions over the past decade, the Millennial generation warrants further study.

The challenges experienced by the millennial generation concerning their roles within organizations have been highlighted in a study by the research consulting firm, Gallup (2016). This research underscores various distinct aspirations that millennials seek to fulfill in their professional lives: 1) For millennials, employment isn't merely a means to earn a salary, but it's also about pursuing predefined personal and professional aspirations; 2) Job satisfaction isn't their sole aim—instead, they prioritize opportunities for personal and professional growth, learning new skills, broadening perspectives, expanding their network, and seizing opportunities to evolve; 3) They prefer leaders who aren't overly authoritative or controlling; 4) Traditional annual reviews don't resonate with them. Millennials favor continuous feedback and regular discussions about their performance achievements; 5) Rather than focusing on rectifying their weaknesses, they are more inclined to enhance and build upon their strengths; 6) For millennials, a job isn't just a separate entity; it's an integral part of their life.

The research from Gallup (2016) underscores the profound significance of these aspirations for the millennial generation. These aspirations not only shape their performance but also determine their engagement within organizations. It is imperative for organizations and leaders—especially those where the majority of employees belong to the millennial generation—to acknowledge and address

these unique aspirations. The prominence of millennials in Indonesia's workforce today coincides with the rise of digital-based companies undergoing digital transformation in the country. Presently, businesses within Indonesia's digital sector employ a substantial number of workers, with a majority hailing from the millennial demographic, as previously detailed.

Organizational models must prioritize the wellness of the company. Leadership roles, whether they be middle management, supervisors, or team leaders, are determined by top management. As Lin et al. (2016: 8) note, many past studies have established a compelling link between successful leadership practices and organizational success, underscoring the critical importance of effective leadership patterns. Leadership's role within an organization is paramount. It involves crafting a vision and mission, setting and establishing objectives, devising effective strategies and policies, and ensuring that organizational activities are directed and coordinated to achieve these objectives both efficiently and effectively.

Leaders play an essential role in shaping an organization's vision, mission, and the actions needed to reach its objectives. Crafting various strategies, formulating policies, and defining goals are critical for a company's efficient and effective operation. Leaders also shoulder the responsibility of overseeing and organizing all company activities. Within the superior-subordinate dynamic, leadership styles influence interaction patterns, which in turn affect subordinates' performance and contributions. As defined by Monga and Coetzee (2016: 9), leadership style encompasses a blend of distinct characteristics, traits, and behaviors that leaders employ in their interactions with subordinates. Furthermore, Mitonga-Monga and Coetzee posit that leadership aligns with specific management patterns. These patterns aim to incorporate the aspirations of subordinates, thereby influencing their impact on, and contribution to, the overarching organizational goals.

Today's organizations employ a diverse array of leadership styles. Harris (2017: 21) categorizes modern leadership into five distinct patterns: 1) Transformational leadership; 2) Transactional leadership; 3) Culture-based leadership; 4) Charismatic leadership, and; 5) Visionary leadership. Building on this, Dopheide (2020: 6) introduces additional leadership styles that align with the rapid transformations of the contemporary era: 1) Agile leadership; 2) Digital leadership, and 3) Lean leadership.

The leadership styles derived from the aforementioned theories and research have piqued the interest of scholars. They are particularly keen to delve deeper into these styles within digital-centric organizations that predominantly employ millennial workers.

Interview findings from October 2022 with two senior leaders at SRIN, at both the General Manager and Senior General Manager levels, indicate that millennial employees' performance has been commendable on average. However, to tap into the full potential of these employees, certain areas need enhancement. To empower millennials with greater awareness and autonomy in their tasks, they need additional encouragement, guidance, and instruction. Insights gathered between October and December 2022 reveal interesting facets of SRIN's current situation. SRIN's recruitment strategy deliberately focuses on hiring top graduates from Indonesia's five leading institutions, both public and private, over experienced candidates. This approach has resulted in millennials making up 80% of their workforce. Given the technical demands of their research and development sector, which requires specific technical skills and certifications, SRIN prefers an internal growth or "grooming from within" strategy. At the managerial level, there's a notable lack of formal, standardized training across all positions, particularly in the area of leading coaching sessions. Based on the interview and observation findings, coaching hasn't been systematically integrated into the general performance management cycle. This is in contrast to many businesses with established coaching cultures where such sessions are a regular and planned component.

Drawing a comparison between the work aspirations of millennials from the Gallup (2016) research and the conditions observed at SRIN, a noticeable gap emerges. The current leadership approach at SRIN doesn't fully align with the preferences of its predominantly millennial workforce. This discrepancy presents a compelling area of study, prompting the author to further explore leadership styles and developmental approaches that could foster productivity and desired performance within digital technology-based organizations.

Digital technology-based companies possess distinctive characteristics that set them apart from other business entities, especially in terms of their business models, strategies, and management patterns. This study concentrates on the employees within these digital-centric organizations. Distinctive attributes of technology-based companies, as elucidated in "The Digital Transformation Playbook: Rethink Your Business for the Digital Age" by Rogers (2016: 154) and further expounded in "Digital Transformation: Survive and Thrive in an Era of Mass Extinction" by Siebel (2018: 98), can be enumerated as follows:

- A pronounced reliance on technology and the internet for the dissemination of products or services.
- 2. An overarching emphasis on data analytics to facilitate informed decision-making.
- 3. A potentially distributed workforce, with personnel operating from diverse geographical locales instead of a singular centralized office.
- 4. An ingrained organizational culture characterized by agility, adaptability, and a commitment to ceaseless learning and enhancement.
- A robust digital footprint encompassing an official website, active social media engagement, and possibly an e-commerce conduit.
- Adoption of state-of-the-art digital tools and platforms to streamline collaboration, bolster communication, and oversee projects.
- 7. A propensity to be more responsive and receptive to change compared to their conventional counterparts.
- An intense focus on elevating the customer experience, leveraging digital avenues for engagement and deriving insights.

From the aforementioned eight characteristics, it becomes evident that digital-based companies predominantly exhibit specific traits. These include a reliance on digital technology for product and service delivery, an emphasis on customer experience through digital channels, and data-driven decision-making processes. Such companies often support remote work, promote an agile and learning-centric work culture, maintain a robust online presence across various platforms, utilize digital tools for collaboration and communication, and demonstrate adaptability to rapid changes. Digital-based companies, with their unique business models and a workforce primarily composed of millennials, necessitate distinct managerial approaches. The concept of Digital Leadership has gained prominence in line with the pervasive digital transformation witnessed in numerous Indonesian companies, especially in the wake of the Covid-19 pandemic.

Interviews with two senior leaders at SRIN, conducted between October and December 2022, shed light on the nuances of digital leadership within the organization. Evident aspects of this leadership style encompass work processes, communication methodologies, collaboration efforts, and project monitoring, all infused with pronounced digital elements. The activities, whether executed online or offline, are deeply interwoven with digital undertones. Given SRIN's products and services, which are entirely reliant on digital technology, these leaders highlighted the necessity for advanced technical competencies, such as expertise in IoT, Data Management, AI, Robotics, UI/UX, and other cutting-edge software solutions. Concurrently, they emphasized the importance of adept human resource management skills to navigate the intricate dynamics of their workforce.

The concept of Digital Leadership has been extensively explored in academic literature, leading to a plethora of definitions. De Waal et al. (2016: 6) define it as a synthesis of transformational leadership style with the employment of digital technology. Subsequent research has further enriched our understanding by offering nuanced definitions of this leadership paradigm:

Author/s	Vear	Definition
Aution	1 (41	Daing the right things for the stategic success of digitalization for the
El Sawy	2016	Doing the right things for the stategic success of digitalization for the
		enterprise and its business ecosystem
T	2016	The leaders' ability to create a clear and meaningful vision for the
Larjovuori et al.	2010	digitalization process and the capability to execute strategies to actualize it
Kai-Uwe Brock and		Leadership provides the transformational energy for firms to be DIGITAL
von Wangenheim	2019	and as consequence successful with artificial intelligence
von wangennenn		Disitally associated successful with artificial intelligence.
		Digitally successful companies have built strong leadership capabilities to
Zeike et al.	2019	envision and drive transformations. In this context, leadership capabilities
		are the ways in which managers are driving capabilities.
		Source: Do Wool at al. (2016)

Source: De Waal et al. (2016)

Larjovuori et al. (2018: 6) identify seven pivotal components that should be the central focus of a digital leader. These are: 1) A robust vision and well-defined objectives; 2) Unwavering commitment complemented by strategic investments; 3) Leading and navigating cultural transformations; 4) Emphasizing the role of coaching; 5) Advocating for broad-based participation; 6) Prioritizing customer-centricity; and 7) Championing collaboration and fostering partnerships. Interestingly, one of the integral components highlighted by Larjovuori et al. (2018) is coaching a pivotal tool for employee development. As posited by Jones et al. (2016) and Theeboom et al. (2014), coaching serves as an effective mechanism to foster insight and facilitate change, especially pertinent in digital technology-driven companies which constantly evolve in tandem with technological advancements.

Coaching, as a concept, has been interpreted in myriad ways across various studies. Notably, The European Mentoring and Coaching Council (EMCC) posits a definition of coaching that underscores empowerment, emphasizing the elicitation of insights and the facilitation of the learning journey. In contrast, the International Coaching Federation (ICF) accentuates the elevation of awarenesstermed "Evoking Awareness"-through a creative process. They also emphasize the importance of fostering a partnership, ensuring mutual respect and equality, in pursuit of personal and professional milestones.

The advent of coaching in organizations, as a subject of scientific inquiry with publications in international journals, traces back to around 1990 (Grant, 2011). Since then, coaching has evolved into a prevalent strategy for organizations aiming to bolster performance. This method is viewed as a streamlined approach to enhance employee efficacy, as it facilitates superiors in diagnosing the challenges faced by their subordinates, thereby paving the way for solutions. Coaching not only fosters effective communication between leaders and their teams but also serves as a mechanism for motivation and performance evaluation. Through the coaching process, leaders can empower their subordinates to navigate challenges using their intrinsic resources. Additionally, the data gleaned from coaching sessions can be instrumental in shaping training agendas and succession planning. Armed with this information, a leader can discern the strengths and limitations of their subordinates, which can subsequently inform decisions related to their career advancement.

Interviews and observations spanning October to December 2022 indicated that leaders at SRIN employ coaching as one of several approaches, which also include mentoring, directing, group learning, training, and teaching. The current execution of coaching within SRIN, however, lacks a structured framework and isn't fully integrated into formal performance management protocols. While one-on-one dialogues facilitated by leaders with their team members do take place, addressing performance metrics and ongoing project activities, these sessions aren't systematically documented or scheduled. At SRIN, Managerial and Project Leader roles typically oversee direct reports of 3 to 5 individuals. The project-based work nature ensures intensive superior-subordinate interactions. Within these interactions, leaders utilize a blend of coaching, mentoring, directing, and training to assist team members, spurring them toward the achievement of performance targets. Longenecker (2021: 35) posits that leaders who embody an effective coaching ethos tend to: offer constructive feedback, analyze the tangible performance outcomes of their team members, closely observe individual and collective work dynamics, and orchestrate well-structured performance reviews. According to Longenecker, for optimal outcomes, business leaders should consistently evaluate employee performance, devising tailored strategies to elevate current performance levels. To achieve peak individual and organizational performance, it is imperative to allocate resources specifically for coaching, and ensure frequent, ideally weekly, interactions between superiors and subordinates. Supporting this notion, a Gallup Consultants survey from 2016 highlights the significance of regular meetings and feedback. The survey suggests that consistent feedback from superiors boosts engagement and performance, especially among millennial employees. Those employees who engage frequently with their managers tend to elevate the performance metrics for both their teams and the wider organization (Gallup, 2016).

Given the facets outlined in the introductory context of this study, the primary emphasis lies on Digital Leadership and Coaching within digital technology-based companies. The objective is to discern the relationship and influence these elements have on millennial employees and their subsequent performance. Furthermore, considering the unique aspirations characteristic of the millennial demographic, this study narrows its lens to the coaching methodology, which is postulated to resonate particularly with millennial employees.

This study seeks to explore the nexus between Digital Leadership and Coaching within the context of digital technology-based companies, underpinned by the most recent theoretical advancements. Prior research has not specifically addressed the interplay of Digital Leadership and Coaching with respect to the performance of millennial employees in digital-centric enterprises. Given the phenomena highlighted in the introductory context, this research is aptly titled "The Influence of Digital Leadership on the Performance Enhancement of Millennial Employees through Coaching at Samsung R&D Indonesia (SRIN)."

# 2 METHOD

This study employs both descriptive and causal research methodologies. The design facilitates the prediction of causal relationships, enabling the researcher to categorize variables as causal, intermediate, or dependent. The study's target population comprises all millennial employees at SRIN, totaling 100 individuals. A non-probability sampling approach is adopted, specifically utilizing saturated sampling techniques. Data for this study is bifurcated into primary and secondary sources. Primary data is gleaned from questionnaires completed directly by respondents. Conversely, secondary data emanates from internal records and transcripts of in-depth interviews. Guided by this research framework, data analysis integrates both descriptive data analysis and hypothesis testing via SEM-PLS. Descriptive analyses in this study encompass central tendency measurements such as mean, median, frequency, and percentage.

# 2.1. RESULTS AND DISCUSSION

Descriptive Data on the Characteristics of Respondents and Informants

### a. Descriptive Analysis

Descriptive analysis was conducted to determine the distribution of responses to each statement item.

Items	Reall	y Agree	Ag	ree	Neu	ıtral	Dis	agree	Re: Disa	ally gree	Average
	f	%	f	%	f	%	f	%	f	%	
X1.1	44	44	49	49	7	7	0	0	0	0	4,37
X1.2	39	39	43	43	18	18	0	0	0	0	4,21
X1.3	42	42	45	45	11	11	1	1	1	1	4,26
X1.4	52	52	37	37	9	9	1	1	1	1	4,38
X1.5	50	50	41	41	6	6	2	2	1	1	4,37
X1.6	48	48	37	37	13	13	1	1	1	1	4,30
X1.7	38	38	47	47	11	11	1	1	1	1	4,18
X1.8	45	45	39	39	13	13	2	2	1	1	4,25
X1.9	44	44	40	40	13	13	2	2	1	1	4,24
X1.10	55	55	35	35	6	6	3	3	1	1	4,40
X1.11	49	49	41	41	5	5	4	4	1	1	4,33
X1.12	56	56	35	35	7	7	1	1	1	1	4,44
X1.13	59	59	33	33	7	7	0	0	1	1	4,49
X1.14	40	40	51	51	8	8	0	0	1	1	4,29
Total av	/erage										4,32
Y.1	37	37	49	49	13	13	1	1	0	0	4,22
Y.2	35	35	45	45	19	19	1	1	0	0	4,14
Y.3	33	33	47	47	16	16	4	4	0	0	4,09
Y.4	41	41	41	41	17	17	1	1	0	0	4,22
Y.5	37	37	53	53	10	10	0	0	0	0	4,27
Y.6	49	49	41	41	8	8	2	2	0	0	4,37
Y.7	46	46	45	45	7	7	2	2	0	0	4,35
Y.8	49	49	41	41	9	9	1	1	0	0	4,38
Y.9	58	58	36	36	5	5	1	1	0	0	4,51
Y.10	50	50	41	41	8	8	1	1	0	0	4,40
Y.11	78	78	20	20	2	2	0	0	0	0	4,76
Total av	/erage										4,33
Z.1	47	47	43	43	8	8	1	1	1	1	4,34

Table 3 Descriptive Analysis

The	Influence	of Digital	Leadership	on the	Performance

Items	Reall	y Agree	Ag	ree	Neu	ıtral	Dis	agree	Re Disa	ally Igree	Average
	f	%	f	%	f	%	f	%	f	%	
Z.2	25	25	50	50	23	23	1	1	1	1	3,97
Z.3	33	33	49	49	15	15	2	2	1	1	4,11
Z.4	39	39	52	52	7	7	1	1	1	1	4,27
Z.5	45	45	40	40	12	12	2	2	1	1	4,26
Z.6	40	40	44	44	14	14	1	1	1	1	4,21
Z.7	48	48	37	37	11	11	3	3	1	1	4,28
Z.8	49	49	40	40	8	8	1	1	2	2	4,33
Z.9	52	52	36	36	9	9	1	1	2	2	4,35
Z.10	52	52	38	38	8	8	0	0	2	2	4,38
Z.11	58	58	32	32	10	10	0	0	0	0	4,48
Z.12	54	54	37	37	7	7	1	1	1	1	4,42
Z.13	51	51	37	37	9	9	2	2	1	1	4,35
Z.14	45	45	39	39	14	14	1	1	1	1	4,26
Z.15	55	55	33	33	10	10	1	1	1	1	4,40
Z.16	53	53	37	37	8	8	1	1	1	1	4,40
Z.17	50	50	35	35	12	12	2	2	1	1	4,31
Z.18	44	44	42	42	12	12	1	1	1	1	4,27
Z.19	47	47	41	41	11	11	0	0	1	1	4,33
Z.20	63	63	30	30	5	5	1	1	1	1	4,53
Total av	Total average									4,31	

From the descriptive analysis presented in Table 1, it can be seen that, for variable X (Digital Leadership), the overall average is 4.32, placing it in the "strongly agree" category. This suggests that, on average, respondents strongly agree with the statements associated with Digital Leadership. Variable Y (Employee Performance) has an average score of 4.33, also falling within the "strongly agree" category. This indicates that the majority of respondents concur with the statements related to Employee Performance. Variable Z (Coaching) has a mean score of 4.31, which similarly categorizes it under "strongly agree". This implies that respondents largely resonate with the statements about Coaching.

For variable X (Digital Leadership), item X.13 boasts the highest average score of 4.49, falling within the "strongly agree" category. Similarly, in variable Y (Employee Performance), item Y.11 leads with an average of 4.76, placing it in the "strongly agree" bracket. Lastly, within variable Z (Coaching), item Z.20 emerges as the top scorer with an average of 4.53, categorizing it as "strongly agree".

#### b. PLS Structural Outer Model Analysis

#### i. Structural Outer Models

The evaluation for Outer model measurements with reflective indicators encompasses Outer Loadings, Discriminant Validity, Composite Reliability, Average Variance Extracted (AVE), and Cronbach's Alpha.

Indicator/Variable	Loading factor	Note
X (Digital Leadership)	0,750	Valid
Y (Employee performance)	0,819	Valid
Z (Coaching)	0,772	Valid
X (Digital Leadership)		

Table 4 Outer Loadings

Indicator/Variable	Loading factor	Note
X.1	0,779	Valid
X.2	0,813	Valid
X.3	0,717	Valid
X.4	0,748	Valid
X.5	0,731	Valid
X.6	0,806	Valid
X.7	0,746	Valid
X.8	0,737	Valid
X.9	0,732	Valid
X.10	0,710	Valid
X.11	0,733	Valid
X.12	0,749	Valid
X.13	0,764	Valid
X.14	0,742	Valid
Y (Employee performance)		
Y.1	0,840	Valid
Y.2	0,842	Valid
Y.3	0,823	Valid
Y.4	0,858	Valid
Y.5	0,770	Valid
Y.6	0,758	Valid
Y.7	0,837	Valid
Y.8	0,849	Valid
Y.9	0,814	Valid
Y.10	0,848	Valid
Y.11	0,766	Valid
Z (Coaching)		
Z.1	0,797	Valid
Z.2	0,712	Valid
Z.3	0,813	Valid
Z.4	0,775	Valid
Z.5	0,782	Valid
Z.6	0,719	Valid
Z.7	0,835	Valid
Z.8	0,770	Valid
Z.9	0,726	Valid
Z.10	0,733	Valid
Z.11	0,723	Valid
Z.12	0,771	Valid
Z.13	0,810	Valid
Z.14	0,735	Valid
Z.15	0,791	Valid
Z.16	0,804	Valid
Z.17	0,800	Valid
Z.18	0,755	Valid
Z.19	0,842	Valid

Indicator/Variable	Loading factor	Note
Z.20	0,756	Valid

#### ii. Outer Loadings

From the table provided, it's evident that all items possess an outer loading value exceeding 0.700, indicating their validity. Within each variable, certain items are notably dominant in shaping the variable. The results are as follows:

- 1. The most influential indicator for variable X (Digital Leadership) is X.2, with a prominent loading factor of 0.813.
- For variable Y (Employee Performance), the most pronounced indicator is Y.4, showcasing a loading factor of 0.858.
- 3. In variable Z (Coaching), the Z.19 indicator stands out with a loading factor of 0.842.

#### iii. Cronbach Alpha, Composite Reliability, and AVE

The Cronbach Alpha, Composite Reliability and AVE values are used to determine whether the statement items are reliable or not.

Variable	Cronbach 's Alpha	Composite Reliability	Average Variance Extracted (AVE)
X (Digital Leadership)	0,941	0,948	0,564
Y (Employee Performance)	0,951	0,957	0,672
Z (Coaching)	0,965	0,967	0,598

Table 5 Cronbach Alpha, Composite Reliability dan AVE

Each variable exhibits a Cronbach's Alpha value exceeding 0.7. Hence, the variables in question — X (Digital Leadership), Y (Employee Performance), and Z (Coaching) — are deemed reliable. Regarding composite reliability, all variables surpass the 0.7 threshold, categorizing them within the high reliability bracket. When assessing discriminant validity through the Average Variance Extracted (AVE) metric, it's evident that every variable boasts an AVE value above 0.5.

### c. Discriminant Validity

Discriminant validity is employed to assess the validity of statement items by comparing their correlations with other items. Two methods are utilized for determining discriminant validity: the Fornell-Larcker Criterion and the Cross Loading Factor.

#### i. Fornel-Larcker Criterion

Table 6	Fornel-Larcker	Criterior
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	X (Digital Leadership)	Y (Employee Performance)	Z (Coaching
X (Digital Leadership)	0,751		
Y (Kinerja Karyawan)	0,644	0,820	
Z (Coaching)	0,462	0,545	0,773

From the Fornell-Larcker calculations presented in Table 4, it's evident that the correlation value of a variable with itself exceeds its correlation with other variables. This indicates that the statement items pertaining to these variables are valid.

#### ii. Cross Loading Factor

	Table 7 Cross Loadings Factor			
	X (Digital Leadership)	Y (Kinerja Karyawan)	Z (Coaching)	
X.1	0,779	0,436	0,312	
X.10	0,710	0,461	0,324	
X.11	0,733	0,509	0,377	
X.12	0,749	0,403	0,224	
X.13	0,764	0,448	0,327	
X.14	0,742	0,365	0,238	
X.2	0,813	0,509	0,312	
X.3	0,717	0,505	0,377	
X.4	0,748	0,488	0,381	
X.5	0,731	0,492	0,394	
X.6	0,806	0,522	0,391	
X.7	0,746	0,93	0,4111	
X.8	0,737	0,521	0,316	
X.9	0,732	0,546	0,354	
Y.1	0,426	0,840	0,375	
Y.10	0,483	0,848	0,447	
Y.11	0,531	0,766	0,439	
Y.2	0,493	0,842	0,416	
Y.3	0,585	0,823	0,496	
Y.4	0,521	0,858	0,439	
Y.5	0,601	0,770	0,452	
Y.6	0,602	0,758	0,450	
Y.7	0,385	0,837	0,410	
Y.8	0,499	0,849	0,444	
Y.9	0,584	0,814	0,496	
Z.1	0,298	0,372	0,797	
Z.10	0,498	0,570	0,733	
Z.11	0,459	0,468	0,723	
Z.12	0,248	0,351	0,771	
Z.13	0,289	0,387	0,810	
Z.14	0,244	0,337	0,735	
Z.15	0,339	0,433	0,791	
Z.16	0,330	0,464	0,804	
Z.17	0,390	0,408	0,800	
Z.18	0,363	0,386	0,755	

	X (Digital Leadership)	Y (Kinerja Karyawan)	Z (Coaching)
Z.19	0,405	0,434	0,842
Z.2	0,240	0,287	0,712
Z.20	0,335	0,446	0,756
Z.3	0,316	0,388	0,813
Z.4	0,281	0,349	0,775
Z.5	0,359	0,411	0,782
Z.6	0,360	0,354	0,719
Z.7	0,409	0,451	0,835
Z.8	0,361	0,395	0,770
Z.9	0,402	0,526	0,726

The Influence of Digital Leadership on the Performance

Based on the cross-loading results presented in Table 5, we observe that each item's correlation with its respective variable is higher than its correlation with other variables. This indicates a strong discriminant validity, suggesting that the statement items associated with each variable are indeed measuring what they are intended to measure.

### d. Structural Inner Model

In this study, the Partial Least Squares (PLS) structural model was executed using the SmartPLS 3.0 software. The resulting structural diagram is detailed below.



Fig. 1 Structural Model Diagram

Following the analysis, the influence coefficient between both the exogenous and endogenous variables can be observed in the subsequent figure.

Based on the picture above, the structural model equation is obtained as follows:

$$Z = 0,462 X + \varepsilon; R^2 = 0,213$$
(1)  
Y = 0,499 X + 0,315 X2 +  $\varepsilon; R^2 = 0,4931$ (2)

Where:

Х	: Digital Leadership
Y	: Employee Performance
Ζ	: Coaching
E (epsilon)	: Residual Structural Model

To evaluate the inner model, we will employ: 1) Coefficient of determination, represented by  $R^2$ ; 2) Predictive relevance, denoted by  $Q^2$ ; and 3) Goodness of Fit Index (GoF)

# *i.* Coefficient of Determination $(R^2)$

Table 8 Coefficient of Determination		
Influence	R Square	
$X \rightarrow Z$	0,213	
$X, Z \rightarrow Y$	0,493	

The coefficient of determination,  $R^2$ , derived from the first model is 0.248. This indicates that the variables X1 (Subjective Norm), X2 (Behavioral Control), and X3 (Promotional Display) collectively explain 24.8% of the variance in the Z variable (Attitude). The remaining 75.2% of the variation in Attitude can be attributed to variables not considered in this study.

From the second model, the coefficient of determination,  $R^2$ , is 0.605. This suggests that the variables X1 (Subjective Norms), X2 (Behavioral Control), X3 (Display Promotion), and Z (Attitude) together account for 60.5% of the variance in the Y variable (Switching Behavior). The residual 39.5% of the variance in Switching Behavior is due to variables not examined in this study.

### ii. Effect size (F<sup>2</sup>)

Tal	ble 9	9 Eff	fect	Size	

Exogen	Endogen	F Square	Note
Х	Z	0,271	High Effect
Х	Y	0,387	High Effect
Z	Y	0,154	High Effect

The F square value serves as an indicator of effect size, representing the proportion of variation between exogenous and endogenous variables. An F square value ranging from 0.02 to 0.15 falls into the small effect category, values between 0.15 and 0.35 are considered to have a moderate effect, while an F square value greater than 0.35 is categorized as having a large effect.

#### iii. Predictive Relevance (Q<sup>2</sup>)

Table 10 Predictive Relevance

	SSO	SSE	Q <sup>2</sup> (=1-SSE/SSO)
X (Digital Leadership)	1400,000	1400,000	
Y (Employee Performance)	1100,000	752,582	0,316
Z (Coaching)	2000,000	1764,926	0,118

The results of the Q square calculation indicate the diversity of data that can be explained by the first model of 0.118 and the second model of 0.316. Therefore, it can be concluded that the effect of the model is included in the small model category (<0.15) for the first model and the medium model category (0,  $15 < Q^2 < 0.35$ ) for the second model.

#### e. Hypothesis Test

This section evaluates the coefficients, which indicate the influence of one latent variable on another. A significant effect is determined when the p-value is below 0.05, while an effect is deemed insignificant if the p-value exceeds 0.05. The results, derived from computations using the SmartPLS software, are presented below:

#### i. The Direct Effect Hypothesis

Effect	Coefficient line	T statistics	p-values	Note
X (Digital Leadership) -> Y (Employee Performance)	0,499	5,361	0,000	Significant
X (Digital Leadership) -> Z (Coaching)	0,462	5,083	0,000	Significant
Z (Coaching) -> Y (Employee Performance)	0,315	2,861	0,004	Significant

Table 11 The Direct Effect Hypothesis Test

Based on the findings in Table 9, we can deduce that, for the relationship between Variable X (Digital Leadership) and Variable Y (Employee Performance), the T-statistics value exceeds the critical threshold, registering at 5.361 compared to the benchmark of 1.984. Further, the p-value, at 0.000, is less than the significance level  $\alpha$  (0.05). Consequently, we reject the null hypothesis, H0. This leads us to conclude that Variable X (Digital Leadership) exerts a positive and statistically significant impact on Variable Y (Employee Performance).

Examining the influence of Variable X (Digital Leadership) on Variable Z (Coaching), we again observe that the T-statistics value, at 5.083, surpasses the critical value of 1.984. Coupled with a p-value of 0.000, which falls below the significance threshold  $\alpha$  (0.05), we make the decision to reject the null hypothesis, H0. From this, we infer that Variable X (Digital Leadership) meaningfully and positively affects Variable Z (Coaching).

Lastly, in assessing the impact of Variable Z (Coaching) on Variable Y (Employee Performance), the T-statistics value is determined to be 2.861, exceeding the established threshold of 1.984. Given the accompanying p-value of 0.004, which is beneath the  $\alpha$  value of 0.05, we again reject the null hypothesis, H0. This analysis supports the premise that Variable Z (Coaching) has a positive and significant influence on enhancing Variable Y (Employee Performance).

#### ii. Indirect Effect Hypothesis

Eksogen	Endogen	F Square	Note
Х	Z	0,271	High Effect
Х	Y	0,387	High Effect
Ζ	Y	0,154	High Effect

Table 12 Indirect Effect Hypothesis

The F square value serves to quantify the effect size, specifically delineating the proportion of variance from exogenous variables that is explained by endogenous variables. If the F square value lies between 0.02 and 0.15, it's categorized as having a small effect. A value between 0.15 and 0.35 denotes a moderate effect, and any value exceeding 0.35 is indicative of a large effect.

### iii. Predictive Relevance (Q<sup>2</sup>)

Table 13 Fredictive Relevance			
	SSO	SSE	Q <sup>2</sup> (=1-SSE/SSO)
X (Digital Leadership)	1400,000	1400,000	
Y (Employee Performance)	1100,000	752,582	0,316
Z (Coaching)	2000,000	1764,926	0,118

T 11 13 D 11 C D 1

The Q square calculations reveal that the first model explains 0.118 of the data variability, while the second model accounts for 0.316. Consequently, the first model's effect size is classified as small, with a Q square value less than 0.15. In contrast, the second model's effect size falls into the medium category, as its Q square value lies between 0.15 and 0.35.

### f. The Influence of Digital Leadership on Employee Performance

The results of our analysis, utilizing the Partial Least Square (PLS) model, revealed that the impact of digital leadership on employee performance possesses a significance value less than  $\alpha$  (0.05). This leads us to conclude that digital leadership profoundly influences employee performance. These findings underscore the idea that effective digital leadership can markedly enhance employee performance. Hence, companies aspiring to elevate their employees' performance should focus on fostering robust digital leadership.

Our conclusions align with previous research. For instance, a study by Purwanto et al. (2021) titled "The Role of Organizational Citizenship Behavior (OCB), Transformational and Digital Leadership on Performance through Mediating Organizational Commitment to Family Business" also ascertained that digital leadership plays a pivotal role in enhancing employee performance. Furthermore, Asbari (2020) posited that information technology-centric organizations primarily aim to streamline business processes and bolster competitive prowess. Information technology facilitates smoother, faster, and more efficient and effective execution of a company's business processes.

### g. The Effect of Coaching on Employee Performance

Using the Partial Least Square (PLS) model, our analysis determined that the effect of coaching on employee performance had a significance value less than  $\alpha$  (0.05). This indicates that coaching significantly impacts employee performance. These insights suggest that effective and quality coaching can notably enhance how employees perform. Therefore, companies looking to optimize employee performance should prioritize providing exceptional coaching.

Our findings are corroborated by other research. For example, a study by Nashrullah & Saragih (2020) titled "The Influence of Coaching and Organizational Commitment on Employee Performance at the Telkom Bandung Pension Fund Office" affirmed the crucial role of coaching in influencing employee performance. Aziz & Mayowan (2018), referencing Downey, defined coaching as the skill to foster learning, performance, and enhancement of individuals' abilities. Dewi & Nafiuddin (2017), drawing on O'Connor & Lages, posited that coaching is about assisting individuals in defining their paths and guiding them towards their desired destinations. Coaching, they assert, equips individuals at all levels to envision their future selves and realize their best potential.

#### h. The Influence of Digital Leadership on Employee Performance Through Coaching

In this study, utilizing the Partial Least Square (PLS) model, we found that the impact of digital leadership on employee performance, mediated by coaching, holds a significance value less than  $\alpha$  (0.05). This implies a substantial influence of digital leadership on employee performance via the channel of coaching. The insights gleaned from this research suggest that digital leadership can notably enhance employee performance when complemented by effective coaching. Thus, companies aiming to elevate their employees' performance should focus on strengthening their digital leadership, which in turn can foster robust coaching practices.

Our conclusions are echoed in previous research. For instance, a study by Nugroho et al. (2020) titled "Manager as Coach: Escalation of Employee Performance through Managerial Coaching" underscored the mediating role of coaching in the relationship between digital leadership and employee performance. The emphasis on managerial coaching (MC) is increasingly pertinent in contemporary workplaces that prioritize innovation, as highlighted by Waruwu et al. (2021) and Wu et al. (2014). Nonaka & Toyama (2015) stress the value of socialization endeavors in bolstering tacit knowledge. They advocate that effective coaching, facilitated through interactions between managers and subordinates, can nurture such tacit knowledge, especially when employees are tasked with manifesting innovative or creative ideas into tangible outcomes, as also outlined by Asbari, Purba, et al. (2021b, 2021a).

### **3** CONCLUSION

Based on the descriptive analysis, the results obtained were that the digital leadership, coaching, and employee performance variables at SRIN were in the "very good" category. Meanwhile, from the results of hypothesis testing using path coeficient, it was found that partially digital leadership through coaching had a positive and significant effect on the performance of millennial employees with score result 0,415. In the academic area, this research contributes to the literature on digital leadership, coaching, and employee performance. It provides empirical evidence about the relationship between the three variables in the context of digital technology-based companies. For organizations, these findings emphasize the importance of developing digital leadership skills and implementing coaching programs to improve the performance of millennial employees in today's digital era.

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