

Digital Leadership towards Performance Through Mediation of Organizational Commitment to E-commerce in Indonesia

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Abstract

Entrepreneurs with a strong digital focus were crucial to the development of the e-commerce industry in Indonesia. Some online stores' sales have slowed or even declined as a result of the industry's meteoric rise in recent years. Therefore, remedies are required to ensure the long-term health and growth of e-commerce results. The Purpose of this study to search Solutions to this performance issue are sought in this study by examining the relationships between digital leadership, organizational commitment, and performance, three factors that have received much attention from the academic community. Research method used in the study, a quantitative approach was applied. An electronic questionnaire was circulated via the internet in a snowball pattern, yielding the data used in the study. There were 150 high-level employees and managers from market-place businesses who participated in this survey. According to the result of the study, digital leadership does not have a significant impact on performance factors, but it does have a large impact on organizational commitment. On the other hand, organizational commitment does have a substantial impact on performance variables. It has been determined that digital leadership has a considerable effect on performance factors through the mediation of organizational commitments, which leads to the conclusion that indirect interactions are involved. In these findings, it is necessary to increase commitment so that the company's performance can increase and ultimately achieve company goals.

Keywords: Digital Leadership, Organizational Commitment, Performance, E-Commerce

1. Introduction

Humans and businesses must utilize the expanding capabilities of information technology to achieve their stated aims and fulfill their stated demands [1]. No longer considered an optional extra, technology is now central to how businesses operate and what they ultimately achieve [2]. An annual increase in Indonesia's internet user population is a direct result of the influence of technical advances on industry and government. Companies and organizations aren't the only ones that need to use technology to improve their efficiency and effectiveness; consumers must, too [3]. Online shopping is growing in popularity all around the world, and Indonesia is no exception. The increasing number of people who purchase online each year is



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a fascinating phenomenon. The market potential for online purchasing remains sizable on account of the perceived usefulness and ease of doing so [4]

As a result of a number of issues, many Indonesians continue to feel at a disadvantage when it comes to the performance of e-commerce [5]. Thus, the emergence of fraud, the goods sold not correlating to reality, sluggish delivery, things provided are not genuine, and much more appear to be causing a pattern of complaints and distrust. Online shopping does have its benefits, especially for time-pressed shoppers who can't always make it to brick-and-mortar establishments [6]. On the other hand, there are flaws in the online shopping model that could end up hurting consumers, and this is especially true given the lack of specific regulations controlling e-commerce. This is according to research [7].

To facilitate the leadership's ability to present the preparation for all subordinates in developing a digital cluster managerial network, digital leaders must apply leadership that is so intertwined with an era of harsh competition that it is even substitutive to the artificial intelligence of keys. In 2008, a group of researchers led by Bampopoto found. For Industry 4.0 to succeed, leaders will need to play a key role in guiding and driving transformation and change [8]. To put it simply, digital leadership is a combination of new ways of leading and new forms of digital technology [9]. Leadership in the digital age requires both technical know-how and an organizational mindset open to new possibilities presented by digital technologies..To paraphrase [10], digital leaders are those who are both creative and innovative, who have a global perspective, who are inquisitive and who have a strong understanding of their field. As a result of the volatility, uncertainty, complexity, and ambiguity (VUCA) in their environments, leaders must constantly think outside the box and integrate their resources in order to thrive [11].

Organizations need to be able to increase high competence to improve performance and reach their objectives. [12] Robbin contends that the competence and skill of each employee is one of the determinants of the organization's overall effectiveness. Workers' education, knowledge, and experience all have a role in determining their level of competence; in turn, workers' levels of competence influence the quality of their output; hence, higher levels of competence lead to better performance.

There is a research gap in previous research where researchers [13] [14] [15] [16] said digital leadership has an effect on performance, but there are researchers [17], [18] who say that digital leadership has no effect on performance. Because of that researchers are interested in re-examining by adding commitment as a mediating variable.

Commitment to one's organization is an important behavioral factor in boosting productivity. To be committed to an organization means to take a stand for its ideals and to work toward them. If you're very committed to your job, you're taking a stand for your employer, while if you're highly committed to your organization, you're taking a stand for the company that hired you. [11]. It is possible to gauge an employee's dedication to the company as well as their likelihood of staying with the company and fulfilling their responsibilities by measuring their level of commitment to the company. As an indication of how strongly an individual values and places importance on his work and the organization, commitment is seen as a positive trait. The person is committed to giving his or her best to the cause in order to further the group's objectives. The findings of Nasution [19] corroborate the findings of Mathis and Jackson,[20] , which state that loyal workers tend to stay put in their jobs.

Asbari [21] claims that the primary motivation for the adoption of IT within businesses is to improve operational efficiency and strengthen the company's ability to compete. Information technology facilitates the smoother, quicker, more efficient, and more successful execution of the company's business activities. According to Yunawan [22], a company's competitiveness can be improved by the use of IT by improving the speed, on-line availability, and real-time nature of the company's customer service. Therefore, the manager's responsibilities as the head of the organization or firm can be carried out more efficiently with the help of information technology.

In fact, many programmes exist specifically to assist with managerial tasks. According to Gunawan [23], a manager can implement the idea and methods of e-leadership with the help of suitable information technology. Gunawa [24] argues that many businesses are still helmed by managers who are unaware of, or otherwise unequipped to make use of, the e-leadership opportunities presented by today's ubiquitous information technologies. The ability to bring together people, resources, and tools to solve issues and achieve results is at the heart of

leadership, which transcends roles and responsibilities. A leader who works virtually is one who manages employees and resources virtually to accomplish organizational goals. Gunawan [23] claims that influencers can use new technologies to connect with their audiences and better their work and commercial models. We no longer communicate with one another through the use of mostly in-person means. E-leadership is pervasive in e-business, which refers to commercial transactions conducted by electronic means, most frequently the World Wide Web. E-leadership, often known as remote leadership, is the new model for leadership in the business world. According to research into e-leadership, there are five distinct tenets of conventional leadership that have an effect on the aptitudes and skills that are necessary for success. The mode of interaction comes first. Purwanto [25] argues that although traditional leadership involves direct face-to-face interaction between the leader and his subordinates, e-leadership involves the use of electronic media, such as the internet, for this purpose. Email is an example of a "conventional" form of this type of communication, however WhatsApp (WA), LINE, and Instagram DMs are other examples. This means effective communication skills are crucial for virtual leaders. Fayzhal claims [26]. Leaders and followers are important to traditional leadership structures, but in an online setting, leaders and followers take on different identities.

Organizational commitment is defined as a kind of attachment, identity, and involvement in an organization by Asbari [27], Fahmi [3], and Achmadi [28]. This dedication is shared between the organization and its members in order to foster an enabling environment and bring the organization's vision and goal to fruition. In this scenario, the organization can foster membership loyalty by ensuring that its members have access to suitable facilities and enjoy positive working relationships with one another. There are three hallmarks of the conceptual variety of organizational dedication: Trust and understanding of one another's values and priorities are high. (1) Dedication to the group's goals and objectives (2) Willingness to sacrifice for the group's benefit (3) Determination to remain a member A worker's loyalty and dedication to doing their best work for their employer can be summed up in their level of "organizational commitment," which is defined as their involvement with and desire to stay part of the organization. Commitment to one's organization can be thought of as a type of allegiance. This can be demonstrated by showing commitment to the company and a determination to succeed at all costs.

By exploring this mediating mechanism, this research **aims** to contribute to a deeper understanding of how organizational commitment acts as a crucial link between digital leadership and performance in the e-commerce sector in Indonesia. This study fills a significant **gap** in the existing literature and provides valuable insights for practitioners and researchers seeking to enhance performance outcomes in the rapidly evolving digital landscape of e-commerce.

2. Research Method

Here, a quantitative approach was applied. An electronic questionnaire was circulated via the internet in a snowball pattern, yielding the data used in the study. There were 150 high-level employees and managers from market-place businesses who participated in this survey. For each question/closed statement, respondents can either give it a 5 (strongly agree), 4 (agree), 3 (neutral/undecided), or 2 (strongly disagree) points. PLS is employed in the data processing and analysis procedure, and SmartPLS 3.0 is the software tool of choice. In this investigation, the Partial Least Squares (PLS) approach was utilized to assess hypotheses. Partial Least Squares (PLS) is a variation on SEM that relies on variance (SEM).

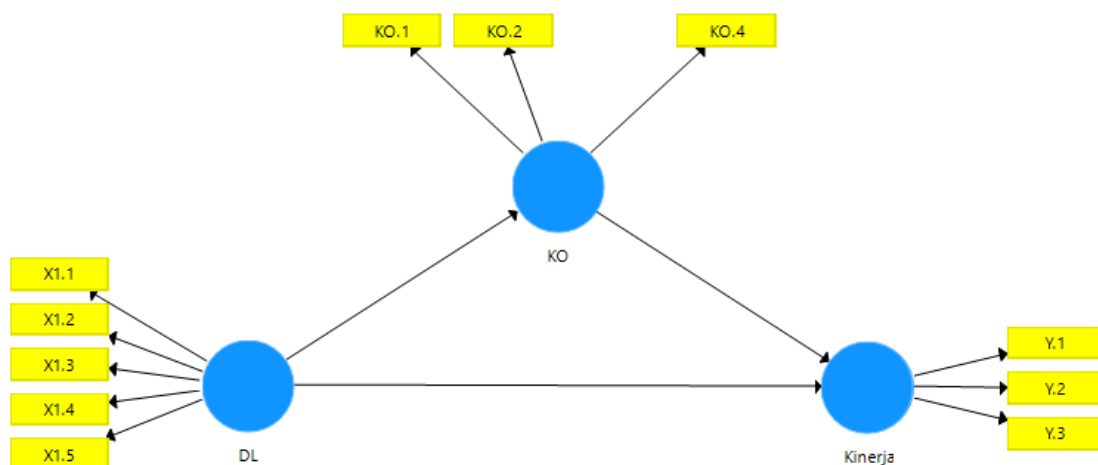


Figure 1. Research Models

Based on the study of existing theories and previous research, the following hypotheses were developed:

H1 hypothesis: Digital leadership affects organizational commitment.

H2 hypothesis : Digital leadership affects performance

H3 Hypothesis: Organizational Commitment affects Performance

H4 hypothesis : Digital leadership affects Industry Performance through mediation of organizational commitments

3. Findings

3.1 Convergent Validity Test

Convergent validity refers to the extent to which one measure is positively linked with another measure of the same construct. Convergent validity of reflective constructions is assessed by weighing the indicator outer loading against the mean of the extracted variance (AVE) When building, indicators with outside loads below 0.40 are always left out. In terms of AVE, if the value is more than 0.50>, it means that the construct, on average, describes more than half of the variations of its indicator. A value of less than 0.50 implies that the item error often contains more variance than the construction variance.

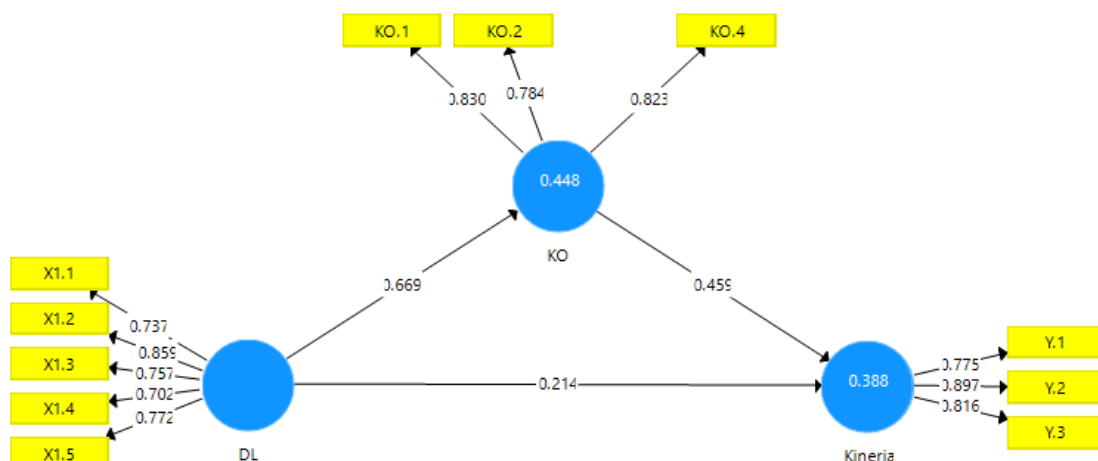


Figure 2. Validity Test Results

Table 2. Alpha Cronbach, Composite Reliability, and Average Variance Extracted

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Digital leadership	0.826	0.838	0.877	0.589
Performance	0.778	0.821	0.870	0.691
Organizational Commitment	0.742	0.743	0.853	0.660

Table 3. R Square Values

	R Square	R Square Adjusted
Performance	0.388	0.376
Organizational Commitment	0.448	0.442

In the preceding Table 3, we can see that the R Square value for organizational commitment is 0.448. This indicates that the digital leadership variable accounts for 48.8 percent of the variance in organizational commitment, while other variables account for the remaining 51.2%. (mentioned nowhere in this study). With an R-Squared value of 0.388 for performance, we may deduce that the variable digital leadership accounts for 38.8 percent of the variance in performance, while other factors account for the remaining 61.2 percent. (mentioned nowhere in this research)

3.2 Hypothesis Test

For the composite to be reliable, its reliability must be greater than 0.70. (in exploratory research, 0.60 to 0.70 is considered acceptable). As a measure of internal consistency reliability, Cronbach's alpha can be thought of as the floor, and composite reliability as the ceiling. The outside load of the indicator should be more than 0.70 to ensure its reliability.

For indicators with an outer load in the range of 0.40 to 0.70, removal should be considered only if doing so will raise the dependability of the composite and AVE over the 0.5 threshold value. T-statistical test for direct effects in the smallest-squares partial-least-squares (PLS) model with the help of the SmartPLS 3.0 software. Cahyono (2020), Fahmi (2020), and Purwanto (2020) all employ this method of analysis in their studies (2020). The p-values and t-statistics that demonstrate the relationship between the variables are presented in Table 4.

Table 4. Test the Direct Influence Hypothesis

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Value s
Digital Leadership - Performance	0.214	0.223	0.147	1. 457	0.14 6
Digital leadership - Organizational Commitment	0.669	0.677	0.062	10. 750	0.00 0
Organizational Commitment - Performance	0.459	0.463	0.148	3. 106	0.00 2

Table 5. Test the Indirect Influence Hypothesis

	Original Sample (O)	Sampl e Mean (M)	Standar d Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Digital leadership -> Organizational Commitment -> Performance	0.307	0.318	0.118	2. 604	0.009

3.3 The influence of digital leadership on Organizational Commitment

The results of the PLS analyses shown in Table 4 above suggest that the variable "digital leadership" influences the "performance" variable in a positive and statistically significant way. A t-statistic of 10.750, where $10.750 > 1.96$, and $p0.0005$, demonstrates this to be the case. So, we agree with the hypothesis. Research by Sartika and Vizano in 2020, Zena and Nugroho in 2020, and Dezky and Dezky in 2020 all found that digital leadership has a favorable and significant effect on industry performance, suggesting that it will stimulate the improvement of industry performance.

3.4 The Effect of Digital Leadership on Performance

Table 4 shows the results of a PLS analysis indicating that the digital leadership variable has a 0 (zero) and negligible (one) effect on the performance variable. The significance level is higher than 0.05 because the t-statistic of 1. 457 is less than 1.96. That is, the theory is rejected. This concludes that digital leadership doesn't make a difference in performance and so doesn't motivate growth in that area. The results of this study are different from what Wesley [29] has examined, which says that digital leadership has a significant effect on performance.

3.5 The influence of Digital leadership affects Performance through mediation of organizational commitment

Conclusions about the relationship between digital leadership and performance indicators can be drawn from the PLS analyses presented in Table 5. This is supported by the data from the t-test, which shows that a value of 2.604 is significantly higher than 1.96, while the p-value is significantly lower than 0.05 ($p = 0.009$). The hypothesis is therefore accepted. These results are consistent with those found by Sartika and Vizano in 2020; Zena and Nugroho in 2020; and Dezky and others in 2020, who all concluded that digital leadership has a favorable and significant effect on industry performance. The full effect of digital leadership on performance is mediated by organizational commitment.

4. Conclusion

According to the findings of the study, digital leadership does not have a significant impact on performance factors, but it does have a large impact on organizational commitment. On the other hand, organizational commitment does have a substantial impact on performance variables. It has been determined that digital leadership has a considerable effect on performance factors through the mediation of organizational commitments, which leads to the conclusion that indirect interactions are involved. In these findings, it is necessary to increase commitment so that the company's performance can increase and ultimately achieve company goals.

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