



Adaptation Of Organizational Culture In The Digital Era: Its Impact On Employee Performance

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Sections Info

Keywords:

Culture
Digital Age
Employee
Performance

ABSTRACT

This research investigates how adapting organizational culture to the digital era influences employee performance. The fast-paced shift toward digitalization requires organizations to not only implement new technologies but also realign their values and work practices to meet digital challenges. A quantitative method was applied, utilizing simple linear regression to analyze data collected from 70 respondents working in a public institution. The research instrument consisted of a structured questionnaire using a five-point Likert scale to measure the two primary variables: organizational culture and employee performance. The findings indicate a significant and positive relationship between cultural adaptation and employee performance. The determination coefficient (R²) of 0.314 suggests that organizational culture accounts for 31.4% of the variation in employee performance. These results emphasize that a work culture characterized by flexibility, innovation, and technological responsiveness contributes to higher productivity in digitally driven work settings. From a practical standpoint, this study provides useful insights for public sector organizations seeking to develop cultural frameworks that support digital transformation. However, the study is limited by a relatively small sample size and the examination of only one independent variable. Future research is encouraged to explore additional elements that may affect employee performance in the context of digital evolution.

INTRODUCTION

The rapid development of digital technology has fundamentally changed the landscape of the world of work. The digital era is marked by the penetration of information and communication technology in almost all aspects of organizational operations, from managerial processes, work structures, to interactions between individuals in the work environment. Digital transformation not only has implications for technical aspects, but also for values, norms, and ways of thinking that are part of organizational culture (Nguyen et al., 2020). Therefore, the success of digital transformation is highly dependent on the organization's ability to adapt its culture to align with the demands of the digital era. A rigid, hierarchical, and non-adaptive organizational culture will be a major obstacle in the digitalization process because it creates resistance to change and reduces the level of innovation and collaboration between employees (Wang & Zhang, 2022). Organizational culture adaptation is a dynamic process that includes changes in work values, collective behavior, and managerial practices that are directed at creating a more flexible, responsive, and technology-based work environment. In this context, organizational culture is not only a normative framework, but also a driving force that influences employee motivation, satisfaction, and ultimately performance (Kumpikaitė-Valiūnienė & Alas, 2021).

Research shows that when organizations successfully instill a culture that is open to learning, cross-team collaboration, and the use of digital technology, employees are



better able to adapt to rapidly changing work demands, increase efficiency, and create innovative solutions (Al-Haddad et al., 2023). This cultural adaptation also encourages an increased sense of belonging, confidence in using technology, and active participation in the organization's digital initiatives (Susanto & Goodwin, 2021). Despite the increasing urgency of digitalization, many organizations still ignore the importance of cultural aspects in the digital change process. Too much focus on technology and infrastructure often neglects the readiness of human resources as a central element of transformation. In fact, an organizational culture that is not adaptive can create a gap between the designed digital strategy and its implementation in the field (Vial, 2019). Therefore, research on how organizational culture adapts in the digital era is very important, especially to understand how changes in values and work practices affect organizational output, such as employee performance.

This study aims to analyze the impact of organizational culture adaptation in the digital era on employee performance. The focus of the study lies in how new digital-based cultural values such as flexibility, innovation, collaboration, and digital literacy are internalized by employees and how they affect their effectiveness and productivity at work. This study is important theoretically because it enriches the study of the relationship between organizational culture and performance in the context of ever-growing digitalization. Practically, the results of this study are expected to be a reference for organizations in designing cultural management strategies that are relevant to the demands of the digital era, so that they can increase the competitiveness and sustainability of organizations amidst increasingly complex technological disruptions.

RESEARCH METHOD

examines the influence of organizational culture adaptation on employee performance. Data were collected by distributing questionnaires to 70 employees who were respondents at the agency where the research was conducted. The data collection instrument was in the form of closed statements using a five-point Likert scale, with each variable, namely organizational culture and employee performance measured using five question items. After the data was obtained, the analysis was carried out sequentially starting from descriptive statistical analysis to describe the characteristics of respondents and the answer patterns for each variable. Furthermore, a simple linear regression test was carried out to determine the effect of the independent variable, namely organizational culture adaptation, on the dependent variable, namely employee performance. Before the regression test, the data first went through a series of classical assumption tests to ensure that the data met the requirements for further analysis. All data analysis processes were carried out using SPSS Statistics software version 26.

RESULTS AND DISCUSSION

Results

This study aims to determine the extent to which the adaptation of organizational culture in the digital era affects employee performance. To answer this objective, a series of data analysis was carried out consisting of descriptive statistics, classical



assumption testing, simple linear regression analysis, and correlation and determination coefficient tests. All analyses were carried out using SPSS Statistics 26.

Table 1. Descriptive Statistics

	<i>N</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Mean</i>	<i>Std. Deviation</i>
Organizational Culture (X)	70	14.00	25.00	21.3571	1.71131
Employee Performance (Y)	70	17.00	23.00	21.1571	1.26989

Source: Data processed (2025)

Descriptive statistics were conducted to provide an overview of the distribution of values for each research variable. The organizational culture variable (X) has a minimum score of 14 and a maximum of 25, with an average value of 21.36 and a standard deviation of 1.71. This indicates that respondents' perceptions of organizational culture are in the high category with a relatively homogeneous distribution of answers. Meanwhile, the employee performance variable (Y) has a minimum score of 17 and a maximum of 23, with an average value of 21.16 and a standard deviation of 1.27. This indicates that the level of employee performance observed is also in the high category, and respondents' perceptions of their performance are relatively uniform.

Classical Assumption Testing

Before conducting regression testing, it is necessary to ensure that the data used meets the basic assumptions of regression, namely normality and the absence of heteroscedasticity symptoms.

Normality Test

Normality testing was performed using the Kolmogorov-Smirnov method. The test results showed an Asymp. Sig. (2-tailed) value of 0.200. Since this value is greater than 0.05, it can be concluded that the distribution of residual data is normal. Thus, the assumption of normality in the regression model has been met.

Heteroscedasticity Test

Heteroscedasticity testing was conducted using the Glejser method. Based on the results of the analysis, the significance value for the organizational culture variable is 0.276, which means it is greater than 0.05. Therefore, no indication of heteroscedasticity was found in the model. This indicates that the residual variance is constant, so the regression model is considered feasible for use in the analysis.

Simple Linear Regression Analysis

Simple linear regression analysis was conducted to test the direct influence of the independent variable (organizational culture) on the dependent variable (employee performance). The results of the regression analysis are presented in Table 2.



Table 2. Results of Simple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12,272	1,596		7,687	0,000
	Organizational Culture	0,416	0,075	0,561	5,583	0,000

The results of the analysis show that the regression coefficient value (B) for the organizational culture variable is 0.416 with a significance value of 0.000 ($p < 0.05$), which means that the influence is positive and statistically significant so that the research hypothesis is accepted that the adaptation of organizational culture in the digital era has a positive effect on employee performance. Thus, it can be concluded that the higher the level of adaptation of organizational culture in the digital era, the higher the employee performance. Meanwhile, the constant value of 12.272 indicates that when the organizational culture value is zero, the predicted value for employee performance is at 12.272. Mathematically, this regression model can be formulated as:

$$Y = 12,272 + 0,416X \tag{1}$$

where Y is employee performance and X is organizational culture. This model indicates that every one unit increase in organizational culture will increase employee performance scores by 0.416 points.

The results of the analysis show a correlation coefficient (R) value of 0.561. This indicates that there is a fairly strong relationship between organizational culture and employee performance. In addition, the determination coefficient (R^2) value of 0.314 indicates that 31.4% of the variation in employee performance can be explained by organizational culture, while the remaining 68.6% is explained by other variables not examined in this model.

Discussion

The results of this study indicate that the adaptation of organizational culture in the digital era has a positive and significant influence on employee performance. This finding confirms the hypothesis proposed in the study and is in line with various theories and findings of previous studies. A strong and adaptive organizational culture to digital transformation encourages employees to be more responsive, innovative, and increase efficiency and effectiveness in carrying out their duties.

This finding supports research by Alshammari et al. (2024) and Hasan et al. (2025) which states that an organizational culture that encourages the adoption of digitalization and technology learning contributes positively to increased performance. Likewise, studies by Falah et al. (2025) and Qiao et al. (2024) found that digital culture internalized in an organization is able to create a work environment that is conducive to employee productivity and collaboration. In this context, organizational culture is not



only an internal value system, but also a foundation for responding to external changes, especially technology.

Theoretically, the results of this study strengthen Schein's view (2010) which states that organizational culture functions as a mechanism for organizational adaptation to a changing environment. In the digital era, the role of organizational culture is becoming increasingly crucial in directing employee behavior and performance towards optimal use of technology. Meanwhile, in practice, these results provide important implications for organizational management, especially in the government and public institution sectors, in order to strengthen organizational values that are in line with technological developments and build a work environment that supports sustainable digital transformation. Thus, the results of this study not only prove that organizational culture influences performance, but also emphasize the importance of reformulating an organizational culture that is adaptive to the digital era to support optimal employee performance.

CONCLUSION

Based on the results of the analysis that has been carried out, it can be concluded that the adaptation of organizational culture in the digital era has a positive and significant effect on employee performance. This finding shows that the better an organization adapts to changes in work culture demanded by digital developments, the higher the performance demonstrated by its employees. An adaptive organizational culture is able to create a supportive, flexible, and responsive work environment to digital challenges, so that employees are encouraged to be more productive and contribute optimally.

These results empirically support various previous theories and findings which state that organizational culture is an important element in shaping individual behavior and performance in an organization. In the context of the digital era, organizational culture not only reflects internal values, but also readiness to face digital transformation, including openness to technology, online collaboration, and data-based decision making.

Based on these findings, it is recommended that policy makers in organizations, especially in the public sector, continue to build and strengthen an organizational culture that is adaptive to the digital era. This can be done through digitalization training, employee empowerment, and improving organizational communication that supports innovation and work flexibility. A culture that is open to change will help employees adapt more quickly to technology-based work systems, increase efficiency, and support the achievement of better performance.

This study has several limitations. First, the number of samples used was only 70 employees, so the results of this study cannot be generalized to a wider organization. Second, this study only examined one independent variable, namely organizational culture, without considering other factors that may also affect employee performance, such as motivation, leadership style, or workload. Therefore, it is recommended that subsequent studies expand the number of respondents and include other relevant



variables in order to provide a more complete picture of the factors that influence employee performance in the digital era.

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