



The Influence of Digital Leadership on Millennial Employee Performance in East Java Mediated by Employee Creativity

Nandaffa Maulina¹, Emma Yulianti^{2*}

^{1,2}Bachelor's Program, Faculty of Economics and Business, Universitas Hayam Wuruk Perbanas, Jl. Wonorejo Utara 16, Surabaya, Indonesia

*2020210091@students.perbanas.ac.id

Abstract

This study aims to analyze and test the influence of digital leadership on employee performance mediated by employee creativity. The research sample consisted of 135 respondents who met the criteria as employees aged 27-42 years and worked in companies in East Java province. Data were analyzed using the structural equation modeling technique using SmartPLS 3.0. The results of the study showed that digital leadership had a significant positive effect on employee performance and employee creativity, while employee creativity had a significant positive effect on employee performance. In addition, employee creativity was able to mediate the relationship between digital leadership and employee performance.

Keywords: Digital Leadership, Employee Creativity, Employee Performance, Millennial Employee

INTRODUCTION

The Millennials, also known as the generation Z or Gen Z, is a group of individuals born between 1981 and 1996. Consequently, the age range of the millennials span from 27 to 42 years old as of the year 2023. According to data from BPS-Statistics Indonesia (*Badan Pusat Statistik*) in 2023, the population of the millennials as part of the workforce in Indonesia reached 68.21 million people. The millennials are classified as the productive age group. The productivity and the potential of millennials are supported by the significant number of the millennial workers both at the national and regional levels, particularly in East Java. Moreover, the data from BPS-Statistics Indonesia shows that the number of millennial workers in East Java in 2023 reached 9.99 million people, or as much as 14.66 percent of the total millennial workers population in Indonesia, or 24.32 percent of the total population in East Java. This data indicates the significant number of millennial workers within the productive age group. This condition positions Indonesia as one of the countries that receives a demographic bonus. A demographic bonus is a condition where the working-age population surpasses the non-productive demographic groups. In other words, the majority of the Indonesian population consists of individuals in the productive age group. This represents great

potential for Indonesia to increase economic productivity and national development.

Employee performance, including that of millennial employees, is a crucial factor that can influence the success of a company (Yolanda et al., 2022). This is because the millennials are a productive age group and represent the majority of the workforce in Indonesia. According to Mahardhika & Wulansari (2023), positive employee performance, including that of millennial employees, will also positively impact the company's business performance. In contrast, negative employee performance will have a detrimental effect on the company's business performance. Negative millennial employees will exhibit low work motivation, low creativity, and low adaptability. This impedes the company's ability to innovate and grow. In other words, a company's business performance relies heavily on the performance of its employees, especially millennial employees. Therefore, companies need to understand the characteristics of the millennials and create a conducive work environment for them to work and excel.

The millennials are known for growing up alongside rapid technological advancements. They are accustomed to using technology in everyday life, including at work. The existence of the millennials in the workforce is undeniable. They have become the

dominant workforce group and will continue to increase in numbers in the future.

The performance of millennial employees is one of the critical factors determining the success of a company. Therefore, companies need to pay attention to various factors that can influence the performance of millennial employees. Choiri (2020) mentions several factors that influence employee performance, such as workplace facilities, the work environment, job descriptions, company vision and mission, corporate culture, as well as bonuses and incentives. Furthermore, Creator Media (2024) adds other factors such as employee abilities and motivation. Employee abilities encompass the knowledge, skills, and experiences possessed by employees, while employee motivation refers to their desire and drive to work. In addition to these factors, other research suggests that the performance of millennial employees can be influenced by other factors such as digital leadership and employee creativity.

Digital leadership is a leader's ability to leverage information technology to achieve common goals within an organization (Sulhan et al., 2023). This ability can serve as a competitive advantage for companies as it can increase employee performance. The capability of a company doesn't solely derive from tangible assets, such as machinery and equipment, but also from intangible assets, such as the skills and knowledge of its leaders. The digital skills and knowledge of leaders can provide a competitive advantage that can impact the company's performance. This aligns with the concept of Resource-Based Theory (RBT), which suggests that a company's competitive advantage stems from its resources and capabilities. Digital leadership can serve as an important resource and capability for companies to comprehend the sources of sustainable competitive advantage. Research conducted by Hidayat et al. (2023) shows that digital leadership has a positive influence on employee performance. This indicates that leaders who are adept at utilizing information technology can encourage employees to work more effectively and productively. Additionally, research by Zhu et al. (2022) suggests that digital leadership can foster employee creativity, explaining that a leader with digital leadership skills will inspire their employees to be creative in utilizing digital technology to generate new ideas or solutions.

Syahmirza & Prawitowati (2022) explain that creativity is the ability to generate new ideas that are useful for problem-solving. In organizational activities, employee creativity plays a vital role in generating valuable suggestions, ideas, and innovative actions to aid in achieving organizational goals. Creative employees have the ability to innovate and develop new approaches, including finding solutions to work-related problems and challenges. This enables employees to work more effectively in fulfilling their job tasks and

responsibilities, ultimately enhancing employee performance within a company. However, the relationship between creativity and performance is also influenced by individual variables such as educational level and work experience, as well as organizational variables, including leadership factors. Research conducted by Syahmirza & Prawitowati (2022) on millennial employees in Indonesia reveals that employee creativity positively influences employee performance. Furthermore, the study identifies that employee creativity is influenced by individual factors such as educational level and work experience.

Effective digital leadership can provide motivation, support, and opportunities for employees to develop their creativity, whereby high employee creativity can increase employee performance. Creative employees will be more capable of generating innovative new ideas, which can be utilized to improve employee performance. Based on the above description, it can be concluded that digital leadership can influence employee performance, mediated by employee creativity. In other words, effective digital leadership can foster employee creativity, ultimately enhancing employee performance.

Farhaq & Yulianti (2024) explain that companies in East Java require digital leaders to assist millennial employees in enhancing their performance and creativity. This underscores the importance of research on the influence of digital leadership and employee creativity on millennial employee performance in East Java, which holds significant relevance and urgency. The first reason is that digital leadership and creativity are becoming increasingly important in this current digital era, where information technology provides millennial employees access to various resources and information necessary for them to develop new ideas to increase both their performance and the overall performance of the company. Secondly, East Java itself is a province in Indonesia with a large number of millennial workers, presenting substantial potential for companies in East Java to increase their productivity and competitiveness on both national and global scales. Therefore, draw from the above exposition, it can be concluded that study on the influence of digital leadership and employee creativity on millennial employee performance in East Java can provide vital information for companies to improve the performance of millennial employees.

This study aims to analyze: 1) The influence of digital leadership on millennial employee performance in East Java; 2) The influence of digital leadership on millennial employee creativity in East Java; 3) The influence of employee creativity on millennial employee performance in East Java; 4) The mediation of employee creativity to the

relationship between digital leadership and millennial employee performance in East Java.

LITERATURE REVIEW

Digital Leadership

Leaders are individuals who possess the ability to influence and motivate others to achieve common goals (Anwar et al., 2022; Artüz & Bayraktar, 2021). In the era of digital transformation, leaders must adapt to technology and adopt a new leadership style called digital leadership. Digital leadership refers to a leader's ability to use digital technology to fulfill their role as a leader and achieve goals. Digital leadership is essential in the digital transformation process to manage rapid changes and the dissemination of technology across various industries, as well as accelerating digital transformation within an organization. Digital leadership can increase company efficiency by influencing organizational structure, business processes, and business strategies. Additionally, it can boost employee creativity by providing them access to various resources and information needed to cultivate new ideas. In accordance with the above description, it can be concluded that digital leadership is a crucial ability that leaders must possess in the digital transformation era. Digital leadership can aid leaders in achieving organizational goals, enhancing company efficiency, and fostering employee creativity. This study utilizes digital leadership indicators developed by Artüz & Bayraktar (2021) and Zhu et al. (2022), which include: (1) Attitude towards digitalization processes; (2) Digital competence; (3) Digital behavior; and (4) Digital transformation skills.

Employee Creativity

Creativity is often associated with art, but it can also be defined as the ability to solve problems, see new perspectives, and discover innovative approaches. Employee creativity refers to the ability of employees to generate new ideas that benefit the organization. This creativity is crucial for companies as it can increase employee performance. Creative employees will be more adept at working efficiently, being productive, and generating various problem-solving alternatives. The new ideas generated by creative employees can assist companies in discovering new ways to solve problems, thereby enhancing company performance (Anwar et al., 2022). Employee creativity can also be interpreted as the ability of employees to identify and seek the information needed to create new solutions (Naveed et al., 2023). With the current ease of information technology, employees can more easily access the information needed to develop their creative ideas. Following the above description, it can be concluded that employee creativity is a crucial factor that can improve both employee and company performance (Shin & Grant, 2021). Thus, companies need to foster

their employees' creativity by providing opportunities to develop new ideas and offering necessary support. This study utilizes employee creativity indicators developed by Gonlepa et al. (2023), which includes: (1) Looking for ideas; (2) Trying new ideas; (3) Generating ideas; and (4) Role models.

Employee Performance

Employee performance refers to the outcomes achieved by employees within an organization. Employee performance can be measured from various aspects, such as productivity, quality, and customer satisfaction. Employee performance is individual in nature, meaning that each employee has varying levels of competence and performance. This is influenced by various factors, such as educational background, work experience, and employee personality. Kell & Motowidlo (2012) explain that employee performance is the total value sought by an organization from specific behavioral patterns exhibited by employees within a specific timeframe. Employee performance is the outcome that can be achieved by an individual employee or a group of employees within an organization, both quantitatively and qualitatively, in accordance with the authority, duties, and responsibilities of each employee to achieve organizational goals. With reference to the explanation above, it can be concluded that employee performance is crucial for the success of a company. Employee performance is influenced by various factors, both internal and external. Hence, organizations need to pay attention to these factors to increase their employee performance. This research utilizes employee performance indicators developed by Artüz & Bayraktar (2021), Naveed et al. (2023), and Syahmirza & Prawitowati (2022), which include: (1) Task performance; (2) Contextual performance; (3) Adaptive performance; and (4) Counterproductive performance.

The Impact of Digital Leadership on Employee Performance

Digital leadership is a leader's ability to utilize information technology to achieve common goals within an organization (Sulhan et al., 2023). This ability can serve as a competitive advantage for organizations, as it has the potential to improve employee performance. Employee performance is the outcome of work achieved by employees within an organization. It can be measured from various aspects, including productivity, quality, and customer satisfaction. Studies show that digital leadership can influence employee performance. Research conducted by Hidayat et al. (2023) demonstrates that digital leadership has a positive impact on employee performance. Similarly, the study by Artüz & Bayraktar (2021) also indicates a positive influence of digital leadership on employee performance, albeit

partially. However, there are also studies showing that digital leadership does not affect employee performance. Research by Sulhan et al. (2023) reveals that digital leadership has no significant impact on the performance of employees at the Public Works and Spatial Planning Office Pasuruan. The variance in these research findings may be attributed to various factors, such as employee characteristics, organizational characteristics, and environmental conditions.

H₁: Digital leadership has a significant positive effect on employee performance.

The Impact of Digital Leadership on Employee Creativity

The digital era is marked by rapid technological advancements and changes in the competitive landscape. Companies that aim to survive and compete in this era need to adapt to digital technology. One important aspect requiring adaptation is digital leadership. Digital leadership is the ability of a leader to utilize information technology to achieve organizational goals. Effective digital leadership increases employee creativity. Employee creativity refers to the ability of employees to generate new ideas that are beneficial to the organization. Employee creativity, in turn, can increase employee performance by producing new innovations that improve productivity, quality, and customer satisfaction. Research by Zhu et al. (2022) and Putra et al. (2023) indicates that digital leadership has a positive impact on employee creativity. These studies show that leaders who adopt a digital mindset can stimulate and increase employee creativity through the use of digital technology in the company. By fostering employee creativity, digital leaders can improve employee performance and the competitiveness of the company in the digital era.

H₂: Digital leadership has a significant positive effect on employee creativity.

The Impact of Employee Creativity on Employee Performance

Creativity is the ability of employees to generate new ideas that are useful for problem-solving. Creative employees are capable of designing novel approaches, such as finding solutions to work-related problems and challenges. This enables employees to work more effectively in fulfilling job tasks and responsibilities, ultimately enhancing employee performance. The realization of the relationship between creativity and employee performance also depends on individual and organizational variables that can either support or restrict creativity in the workplace. Individual variables that can support employee creativity include motivation, abilities, and skills. Organizational variables that can support employee creativity include organizational culture, leadership, and resources. Research by Adhika et al. (2022)

found that employee performance in cooperative institutions in North Denpasar District is strongly linked to employee creativity levels. Similarly, Syahmirza & Prawitowati (2022) also illustrate that employee creativity has a significant positive effect on employee performance. Based on these research findings, it can be concluded that employee performance can be increased through creativity. Employees can increase their creativity by seeking and implementing new ideas, especially those obtained through the utilization of information technology and superior support.

H₃: Employee creativity has a significant positive effect on employee performance.

The Impact of Digital Leadership on Employee Performance with Employee Creativity as a Mediator

Digital leadership refers to a leader's ability to utilize information technology to achieve common goals within an organization. Effective digital leadership can positively impact employee performance by enhancing employee creativity (Zhu et al., 2022). Employee creativity is the ability of employees to generate new ideas that are beneficial to the organization. Creative employees will perform better in problem-solving and generating new innovations, ultimately improving employee performance (Syahmirza & Prawitowati, 2022). Based on research that has been conducted, both digital leadership and employee creativity have a positive influence on employee performance (Adhika et al., 2022; Artüz & Bayraktar, 2021; Hidayat et al., 2023; Syahmirza & Prawitowati, 2022). However, digital leadership can strengthen the influence of employee creativity on employee performance. This is because digital leadership can provide motivation, support, and opportunities for employees to develop their creativity (Zhu et al., 2022; Putra et al., 2023).

H₄: Employee creativity can serve to mediate the relationship between digital leadership and employee performance.

Based on the hypothesis, the conceptual framework of the developed research model is in Figure 1.

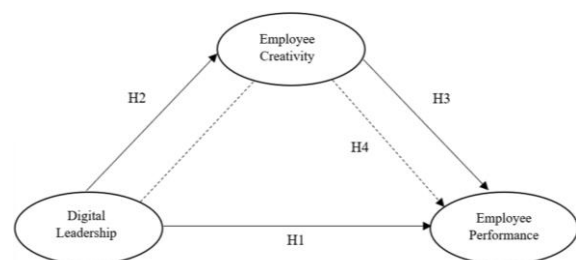


Figure 1. Research Model Conceptual Framework
Source: Adhika et al. (2022), Artüz & Bayraktar (2021), Naveed et al. (2023), Putra et al. (2023), Sulhan et al. (2023), Syahmirza & Prawitowati (2022), Zhu et al. (2022).

METHOD

This study is quantitative research where numerical data is analyzed to test predetermined hypotheses (Sugiyono, 2019). The sampling technique used is non-probability sampling, specifically purposive sampling, where sample selection does not provide equal opportunities for every member of the population to be chosen as a sample. Sample selection is done with prior consideration to facilitate the researcher (Sugiyono, 2019). The sample in this study consists of employees working in companies in East Java aged between 27 and 42 years old, with a total sample size of 135 individuals, of which 30 are designated as a small sample. Primary data, obtained directly from the source, namely respondents (Sugiyono, 2019), were collected using a questionnaire distributed online via Google Form. Variable measurements were conducted using a Likert scale ranging from 1 to 5. Data was processed using SmartPLS 3.0 application, analyzing exogenous variables such as Digital Leadership and endogenous variables such as Employee Creativity and Employee Performance.

RESULTS AND DISCUSSION

This study utilized data from 135 respondents, predominantly women, with a percentage of 60 percent. The majority of respondents were aged between 27-31 years old, comprising 62.96 percent of the sample, while in terms of education, the majority were high school or vocational school graduates, accounting for 44.44 percent. The majority of respondents were domiciled in Sidoarjo Regency, which also served as the primary workplace location, with a percentage of 54.07 percent, while the majority of respondents' workplaces are at the Al Islam H.M. Mawardi Hospital, with a percentage of 19.26 percent.

The initial testing using 30 small samples aims to test the level of validity and reliability. Convergent validity testing requires construct variables with AVE values > 0.5 to be considered valid. From the results of the convergent validity test on the small sample, AVE values for all construct variables were found to be > 0.5 , indicating that all construct variables are valid. The AVE value for each construct variable is presented in Table 1.

Table 1. AVE Value Result

Construct Variables	AVE	Criteria
Digital Leadership (DL)	0.655	Valid
Employee Creativity (EC)	0.631	Valid
Employee Performance (EP)	0.629	Valid

Another test of convergent validity, utilizing the loading factor value, requires statement items with a loading factor > 0.7 to be considered valid. The results of the convergent validity test, conducted three times on small sample sets, revealed that the loading factor values for statement items DL01,

KK02, KK04, KK06, KK07, KK11, KK12, KK18, KK19, KK21, KK22, and KK23 were < 0.7 , hence deemed invalid, and these statement items should be eliminated. The loading factor values for each statement item are presented in the Figure(s) 2, 3, and 4 also Table 2.

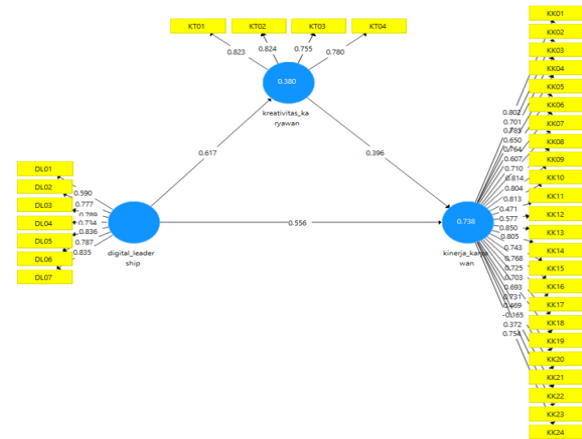


Figure 2. Results of the First Test on the Outer Model with Small Sample

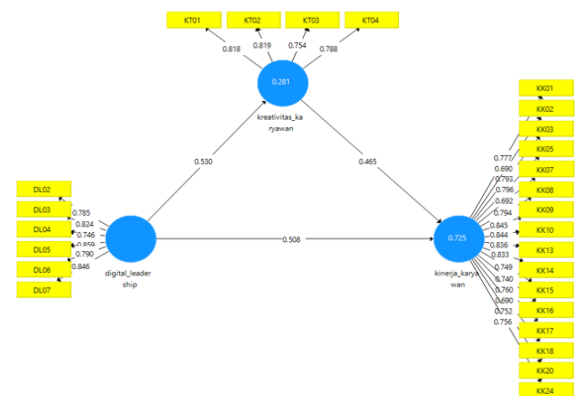


Figure 3. Results of the Second Test on the Outer Model with Small Sample

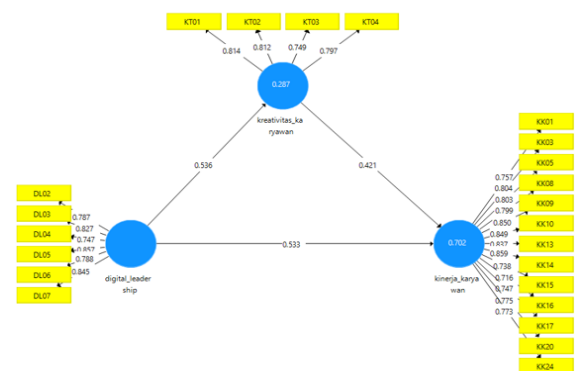


Figure 4. Results of the Third Test on the Outer Model with Small Sample

Table 2. Loading Factor Value

Construct Variables	Statement Items	Loading Factor
Digital Leadership (DL)	DL01	0.590
	DL02	0.787

Construct Variables	Statement Items	Loading Factor
Employee Creativity (EC)	DL03	0.827
	DL04	0.747
	DL05	0.857
	DL06	0.788
	DL07	0.845
	KT01	0.814
	KT02	0.812
Employee Performance (EP)	KT03	0.749
	KT04	0.797
	KK01	0.757
	KK02	0.690
	KK03	0.804
	KK04	0.650
	KK05	0.803
	KK06	0.607
	KK07	0.692
	KK08	0.799
	KK09	0.850
	KK10	0.849
	KK11	0.471
	KK12	0.577
	KK13	0.837
	KK14	0.859
	KK15	0.738
KK16	0.716	
KK17	0.747	
KK18	0.690	
KK19	0.693	
KK20	0.775	
KK21	0.469	
KK22	-0.165	
KK23	0.372	
KK24	0.773	

Reliability testing requires construct variables to have composite reliability and Cronbach's alpha values > 0.7 to be considered reliable. The reliability test results on the small sample indicate that the composite reliability and Cronbach's alpha values for all construct variables are > 0.7 , thus indicating that all construct variables are reliable. The composite reliability and Cronbach's alpha values for each construct variable are presented in Table 3.

Table 3. Composite Reliability and Cronbach's Alpha Values

Construct Variables	CR	CA
Digital Leadership (DL)	0.919	0.895
Employee Creativity (EC)	0.872	0.814
Employee Performance (EP)	0.957	0.951

Refinement of the Structural Model

Based on the results of the previous small-sample testing, further testing of the structural model was conducted by eliminating 12 invalid statement items and using data from a total of 105 samples. The convergent validity test results using the AVE values indicated that the AVE values for all construct variables were > 0.5 , thus all construct variables were deemed valid. The AVE values for each construct variable are presented in Table 4.

Table 4. AVE Values After Deletion

Construct Variables	AVE	Criteria
Digital Leadership (DL)	0.691	Valid
Employee Creativity (EC)	0.609	Valid
Employee Performance (EP)	0.673	Valid

The results of the convergent validity test using loading factor values indicated that the loading factor values for all statement items were > 0.7 , thus all items were considered valid. The loading factor values for each statement item are presented in Figure 5 and Table 5.

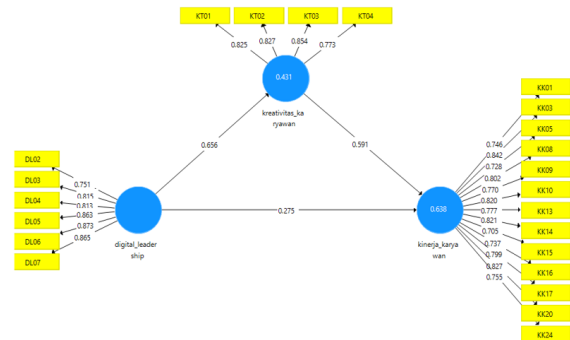


Figure 5. Results of the Outer Model Test on the Large Sample

Table 5. Loading Factor Values After Deletion

Construct Variables	Statement Items	Loading Factor
Digital Leadership (DL)	DL02	0.751
	DL03	0.815
	DL04	0.813
	DL05	0.863
	DL06	0.873
	DL07	0.865
	Employee Creativity (EC)	KT01
KT02		0.827
KT03		0.854
KT04		0.773
Employee Performance (EP)	KK01	0.746
	KK03	0.842
	KK05	0.728
	KK08	0.802
	KK09	0.770
	KK10	0.820
	KK13	0.777
	KK14	0.821
	KK15	0.705
	KK16	0.737
	KK17	0.799
	KK20	0.827
	KK24	0.755

The reliability test results indicated that the composite reliability and Cronbach's alpha values for all construct variables were > 0.7 , thus all construct variables were deemed reliable. The composite reliability and Cronbach's alpha values for each construct variable are presented in Table 6.

Table 6. Composite Reliability and Cronbach's Alpha Values After Deletion

Construct Variables	CR	CA
Digital Leadership (DL)	0.930	0.910
Employee Creativity (EC)	0.892	0.838
Employee Performance (EP)	0.948	0.946

Inner Model Evaluation

The analysis of the inner model using R-Square was conducted to assess the strength of the influence of digital leadership and employee creativity variables on millennial employee performance in East Java. The R-Square values denote the strength levels of the model, namely: 0.75 (strong model); 0.50 (moderate model); and 0.25 (weak model). The R-Square values are presented in Table 7.

Table 7. R-Square Values

Construct Variables	R-Square	Description
Employee Creativity (EC)	0.431	Medium
Employee Performance (EP)	0.638	Strong

Table 7 shows that employee creativity has an R-Square value of 0.431. This indicates that digital leadership influences employee creativity by 43.1 percent, while the remaining 56.9 percent is influenced by other variables not examined or variables outside the scope of this study. The R-Square value of 0.431 also signifies that the strength of digital leadership in influencing employee creativity is at a moderate level. Another result indicates that employee performance has an R-Square value of 0.638. This suggests that digital leadership and employee creativity together influence employee performance by 63.8 percent, with the remaining 36.1 percent influenced by other unexamined variables or variables outside the scope of this study. The R-Square value of 0.638 also indicates that the strength of digital leadership and employee creativity in influencing employee performance is at a strong level.

Hypothesis Testing

Hypothesis testing is employed to determine the direct influence of the exogenous variable, digital leadership (DL), on the endogenous variables, which are employee creativity (EC) and employee performance (EP). The results of the hypothesis testing are presented in Table 8.

Table 8. Hypothesis Testing of Path Coefficient

	Path Coef.	T-Stat	P-Value
DL → KK	0.275	3.254	0.001
DL → KT	0.656	10.923	0.000
KT → KK	0.591	7.524	0.000
DL → KT → KK	0.388	5.511	0.000

Table 8 shows that the Path Coefficient (β) value for the correlation between digital leadership and employee performance (DL → EP) is 0.275, with a t-value of 3.254 and a p-value of 0.001. The positive path coefficient indicates a positive influence of digital leadership on employee performance. The t-value greater than 1.96 and the p-value less than 0.05 indicate a significant influence of digital leadership on employee performance. The results of hypothesis testing reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1), thus concluding that digital leadership has a significant positive effect on millennial employee performance in East Java.

The Path Coefficient (β) value for the correlation between digital leadership and employee creativity (DL → EC) is 0.656, with a t-value of 10.923 and a p-value of 0.000. The positive path coefficient indicates a positive influence on the relationship between digital leadership and employee creativity. The t-value greater than 1.96 and the p-value less than 0.05 indicate a significant influence on the relationship between digital leadership and employee creativity. The results of hypothesis testing reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1), thus concluding that digital leadership has a significant positive effect on millennial employee creativity in East Java.

The Path Coefficient (β) value for the correlation between employee creativity and employee performance (EC → EP) is 0.591, with a t-value of 7.524 and a p-value of 0.000. The positive path coefficient indicates a positive influence on the relationship between employee creativity and employee performance. The t-value greater than 1.96 and the p-value less than 0.05 indicate a significant influence on the relationship between employee creativity and employee performance. The results of hypothesis testing reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1), thus concluding that employee creativity has a significant positive effect on millennial employee performance in East Java.

The Path Coefficient (β) value for the mediating effect of employee creativity on the relationship between digital leadership and employee performance (DL → EC → EP) is 0.388, with a t-value of 5.511 and a p-value of 0.000. The positive path coefficient indicates a positive mediating effect of employee creativity on the relationship between digital leadership and employee performance. The t-value greater than 1.96 and the p-value less than 0.05 indicate a significant mediating effect of employee creativity on the relationship between digital leadership and employee performance. The results of hypothesis testing reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1), thus concluding that employee creativity mediates the relationship between digital leadership and millennial employee performance in East Java.

The Influence of Digital Leadership on Employee Performance

The research findings indicate that digital leadership significantly influences the performance of millennial employees in East Java. This signifies that leaders who possess a vision of digitalization and advocate for digital transformation can increase the performance of millennial employees both qualitatively and quantitatively.

The significant positive influence of digital leadership on the performance of millennial employees in East Java in this study implies that the digital leadership skills possessed by superiors can motivate and increase employee productivity through their digitalization vision. Superiors who can utilize digital technology or information technology and understand its advancements ultimately develop a vision for digitalization and are capable of promoting digital transformation concepts and understanding among millennial employees to be applied within the company. Millennial employees who have grown and developed in the digital era are undoubtedly capable of adapting to the digital transformation implemented by their superiors.

These findings align with the results of research conducted by Artüz & Bayraktar (2021) and Hidayat et al. (2023), which indicate that digital leadership partially has a significant influence on employee performance.

The Influence of Digital Leadership on Employee Creativity

The research findings indicate that digital leadership has a significant positive impact on the creativity of millennial employees in East Java. This suggests that superiors who possess a vision for digitalization and embrace digital transformation are capable of enhancing the ability of millennial employees to utilize information technology to discover and implement various new ideas or concepts.

The significant positive influence of digital leadership on the creativity of millennial employees in East Java in this study means that the digital leadership skills possessed by superiors can motivate and encourage millennial employees to creatively discover, generate, and implement new ideas or concepts as solutions to work-related issues using information technology. Millennial employees who routinely engage in such activities ultimately become role models for other coworkers, thereby motivating them to utilize information technology.

This finding is in line with the results of research conducted by Zhu et al. (2022) and Putra et al. (2023), where leaders with a digital mindset were able to encourage and increase employee creativity through the use of digital technology in the company.

The Influence of Employee Creativity on Employee Performance

The results of the study showed that employee creativity has a significant positive influence on the performance of millennial employees in East Java. This indicates that millennial employees who can use information technology to generate new ideas or solutions will improve employee performance both qualitatively and quantitatively.

The significant positive effect of employee creativity on the performance of millennial employees in East Java in this study means that the ability to utilize information technology to generate new ideas, concepts, or new solutions, can motivate and encourage millennial employees to work passionately and responsibly, thereby enabling them to complete their work on time and be able to meet high work standards. The ability to utilize dynamic information technology will help employees face changes and overcome any shifts well. Employees who are creative in utilizing information technology can become role models for other employees by demonstrating sympathy and empathy towards colleagues who face difficulty in dealing with work-related issues and are happy to share knowledge about the benefits of information technology, resulting in satisfaction within themselves for having assisted other colleagues. Employees who serve as role models for their peers will be able to work well in team settings through coordination and communication in managing and guiding coworkers.

This finding is consistent with the results of research conducted by Adhika et al. (2022) and Syahmirza & Prawitowati (2022), which show that employee performance is strongly influenced by the level of employee creativity in utilizing information technology.

The Influence of Digital Leadership on Employee Performance Mediated by Employee Creativity

The research findings showed that employee creativity can mediate the relationship between digital leadership and millennial employee performance in East Java. This suggests that improving the performance of millennial employees aligns with the implementation of digital leadership which is encouraged through increasing employee creativity in utilizing information technology.

The ability of employee creativity to mediate the relationship between digital leadership and millennial employee performance in East Java implies that digital leadership can encourage millennial employees to utilize information technology to generate new ideas. These new ideas can improve the performance of millennial employees. Digital leadership is a leadership style that utilizes information technology to achieve organizational goals. Digital leadership can motivate millennial employees to use information technology

to improve performance. Information technology can help millennial employees access a broader range of information and resources, as well as communicate and collaborate more efficiently. This can boost millennial employees' creativity as they have more opportunities to learn, experiment, and solve problems in new ways.

Creative millennial employees tend to be more productive, innovative, and capable of generating useful new ideas. The creativity of millennial employees can increase work productivity because they tend to find new ways to complete tasks more efficiently, quickly, and effectively. In addition, the creativity of millennial employees can increase innovation as they can generate new ideas that can benefit the company, hence increasing job satisfaction as they feel more satisfied with their work. This finding is supported by research results from Hidayat et al. (2023) and Artüz & Bayraktar (2021), which have shown that digital leadership has a significant and positive influence on employee performance. On the other hand, digital leadership also has a positive relationship with employee creativity, as shown by the research of Zhu et al. (2022) and Putra et al. (2023). Other research results by Adhika et al. (2022) and Syahmirza & Prawitowati (2022) show that employee creativity also has a positive and significant influence on employee performance. Based on the relationships among these variables, it can be stated that employee creativity can serve as a mediator that strengthens the relationship between digital leadership and employee performance. Through this research, it can be concluded that employee creativity indeed acts as a mediator that strengthens the relationship between digital leadership and employee performance.

Conclusion

Digital leadership has a significant positive influence on the performance of millennial employees in East Java. This shows that superiors with strong digital leadership skills can improve the performance of millennial employees, both qualitatively and quantitatively. Effective digital leadership can provide motivation, support, and opportunities for employees to develop their skills and knowledge in utilizing information technology. This can increase employee creativity, which in turn can improve employee performance. The low rating of the assumption that the superiors are digital experts indicates that the superiors within the company do not fully possess digital capabilities. A suggestion that can be given to companies is to provide training for superiors to develop digital skills.

Employee creativity also has a significant positive influence on the performance of millennial employees in East Java. This indicates that increasing the creativity of millennial employees will have an impact on their performance. Creative employees

will be more capable of generating innovative new ideas. These new ideas can be used to improve productivity, quality, and customer satisfaction. The low rating of the assumption that millennial employees can become role models indicates that employees do not yet fully possess the skills and creativity to utilize information technology. A suggestion for the company would be to provide training and develop the creativity of millennial employees, as well as support the vision of digital transformation within the company.

Employee creativity can mediate the relationship between digital leadership and millennial employee performance in East Java. This shows that employee creativity can strengthen the influence of digital leadership on improving the performance of millennial employees. Employee creativity can increase the effectiveness of digital leadership in improving employee performance. Creative employees will be more capable of utilizing information technology to generate innovative new ideas. The low rating of the assumption that employees enjoy working outside their main job indicates that millennial employees have a heavy workload, leading to reluctance to take on responsibilities outside their main job. A suggestion that can be given to companies would be to provide rewards in various forms so that employees feel interested and challenged to adopt additional tasks.

This study has limitations where the research only measures employee performance based on digital leadership and employee creativity factors, which account for only 42.5 percent of the total influence. Additionally, the research sample size is relatively small, consisting of 135 respondents compared to the total millennial workforce in East Java, which amounts to 5.57 million people. Therefore, future research is expected to be expanded by incorporating other variables and increasing the sample size. This would ensure a more even distribution of samples, thus enabling the research findings to better reflect the conditions in East Java at large. Consequently, the results of this study can serve as a reference for companies in East Java or other regions seeking to improve the performance of millennial employees.

REFERENCES

- Adhika, N. R., Salain, P. P. P., Puspitawati, N. M. D., Rismawan, P. A. E., Rihayana, I. G., & Arsha, I. M. R. M. (2022). Pengaruh kreativitas terhadap hubungan kepuasan kerja dan kinerja karyawan pada koperasi di Kecamatan Denpasar Utara. *Widya Manajemen*, 4(2), 101-110. <https://doi.org/10.32795/widyamanajemen.v4i2.2215>
- Anwar, A., Yasmin, R., & Kashif, S. (2022). The impact of employee engagement on the job performance by the mediating role of creativity: The moderating role of leader-member exchange. *City University Research Journal*, 12(2).

- Artüz, S. D., & Bayraktar, O. (2021). The effect of relation between digital leadership practice and learning organization on the perception of individual performance. *Istanbul Ticaret Üniversitesi Sosyal Bilimler Dergisi*, 20(40), 97-120. <https://doi.org/10.46928/iticusbe.761479>
- Badan Pusat Statistik. (2023). *Keadaan kerja angkatan kerja di Indonesia Februari 2023*. Badan Pusat Statistik.
- Choiri, E. O. (2020, July 21). *10 faktor yang paling mempengaruhi kinerja karyawan*. Qwords. Retrieved from: <https://qwords.com/blog/faktor-yang-paling-mempengaruhi-kinerja-karyawan/>
- Creator Media. (2024, April 4). *Faktor-faktor yang mempengaruhi kinerja karyawan*. Creator Media. Retrieved from: <https://creatormedia.my.id/faktor-faktor-yang-mempengaruhi-kinerja-karyawan/>
- Farhaq, N. C., & Yulianti, E. (2024). Pengaruh digital leadership terhadap kinerja karyawan dimediasi oleh perilaku kerja inovatif karyawan milenial. *PUBLIC POLICY; Jurnal Aplikasi Kebijakan Publik dan Bisnis*, 5(1), 394-411. <https://doi.org/10.51135/PublicPolicy.v5.i1.p394-411>
- Gonlepa, M. K., Dilawar, S., & Amosun, T. S. (2023). Understanding employee creativity from the perspectives of grit, work engagement, person organization fit, and feedback. *Frontiers in Psychology*, 13, 1012315. <https://doi.org/10.3389/fpsyg.2022.1012315>
- Hidayat, F., Sumantri, S., Rumengan, A. E., Wibisono, C., & Khaddafi, M. (2023). The effect of digital leadership, information technology and digital competency on employee performance in the digital era: Mediating role of job satisfaction. *International Journal of Advances in Social Sciences and Humanities*, 2(2), 144-151. <https://doi.org/10.56225/ijassh.v2i2.204>
- Kell, H. J., & Motowidlo, S. J. (2012). Deconstructing organizational commitment: Associations among its affective and cognitive components, personality antecedents, and behavioral outcomes 1. *Journal of Applied Social Psychology*, 42(1), 213-251. <https://doi.org/10.1111/j.1559-1816.2011.00874.x>
- Mahardhika, D. P., & Wulansari, P. (2023). Pengaruh lingkungan kerja terhadap kinerja karyawan PT. Taspen (Persero) Kantor Cabang Utama Semarang. *E-Proceedings of Management*, 10(2), 946-954.
- Naveed, M. A., Iqbal, J., Asghar, M. Z., Shaikat, R., & Seitamaa-Hakkarainen, P. (2022). Information literacy as a predictor of work performance: The mediating role of lifelong learning and creativity. *Behavioral Sciences*, 13(1), 24. <https://doi.org/10.3390/bs13010024>
- Putra, R. E., Neswardi, S., Primadona, P., Jumyetti, J., & Yuanita, I. (2023). Impact of digital leadership on small medium enterprises resilience: The mediating role of employee creativity. *AMAR (Andalas Management Review)*, 7(1), 35-61. <https://doi.org/10.25077/amar.7.1.35-61.2023>
- Shin, J., & Grant, A. M. (2021). When putting work off pays off: The curvilinear relationship between procrastination and creativity. *Academy of Management Journal*, 64(3), 772-798. <https://doi.org/10.5465/amj.2018.1471>
- Sugiyono, S. (2019). *Metode penelitian kuantitatif, kualitatif, dan R&D*. Alfabeta.
- Sulhan, M., Indriyani, F., & Nuraeni, N. (2023). Pengaruh transformational leadership, empowering leadership dan digital leadership terhadap kinerja karyawan. *Eqien-Jurnal Ekonomi dan Bisnis*, 12(02), 231-241. <https://doi.org/10.34308/eqien.v12i02.1413>
- Syahmirza, J., & Prawitowati, T. (2022). Peran kreativitas dan keterikatan karyawan sebagai pemediasi pada pengaruh kepuasan kerja terhadap kinerja karyawan milenial. *INOBIIS: Jurnal Inovasi Bisnis dan Manajemen Indonesia*, 5(4), 536-552. <https://doi.org/10.31842/jurnalinobis.v5i4.249>
- Yolanda, P., Widiana, H. S., & Sari, E. Y. D. (2022). Kinerja karyawan: Faktor-faktor yang memengaruhi. *Jurnal Diversita*, 8(2), 148-157. <https://doi.org/10.31289/diversita.v8i2.5788>
- Zhu, J., Zhang, B., Xie, M., & Cao, Q. (2022). Digital leadership and employee creativity: The role of employee job crafting and person-organization fit. *Frontiers in Psychology*, 13, 827057. <https://doi.org/10.3389/fpsyg.2022.827057>