

ABSTRACT

Technological advancements and changes in the business environment demand companies to continuously improve employee performance to maintain competitiveness. One of the strategies implemented by companies is the strengthening of transformational leadership and the digitalization of work systems. However, in practice, the influence of these two factors on employee performance does not always produce effective outcomes. Fluctuations in performance target achievement and low employee engagement at PT. Bumi Sari Lestari indicate that other factors must be considered, one of which is organizational commitment. Therefore, this study aims to analyze the effect of transformational leadership and system digitalization on employee performance, with organizational commitment as a mediating variable.

This research adopts a quantitative approach using the Structural Equation Modeling-Partial Least Squares (SEM-PLS) method, processed with the SmartPLS version 4 software. The sampling technique used is a saturated sample, in which the entire population of 70 permanent employees at PT. Bumi Sari Lestari served as respondents. Data were collected through a questionnaire adapted from validated indicators based on previous theories and research, and were tested for validity and reliability before conducting the structural model analysis. The analysis examined both direct and indirect relationships among the variables and tested the mediating role of organizational commitment.

The results show that transformational leadership has a positive and significant effect on employee performance. System digitalization also has a positive and significant impact on performance. Furthermore, organizational commitment significantly mediates the relationship between transformational leadership and employee performance, as well as between system digitalization and employee performance. Thus, it can be concluded that improving employee performance at PT. Bumi Sari Lestari is influenced not only by the quality of leadership and the implementation of digital systems, but also by the level of employees' emotional attachment and loyalty to the organization. These findings offer practical implications for companies to integrate leadership and digitalization strategies with continuous efforts to build organizational commitment.

Keywords : Transformational Leadership, System Digitalization, Organizational Commitment, Employee Performance