

Analysis of Digital Work Culture and Professional Leadership to Improve HR Performance Through Compensation as a Variable Mediating in The Era of Transformation Bank Indonesia

Muhammad Ichsan Ramadani ¹⁾ & Widiyanto ²⁾

¹⁾ Faculty of Economic, Universitas Islam Sultan Agung (UNISSULA) Semarang, Indonesia, E-mail: muhammadichsanramadani.std@unissula.ac.id

²⁾ Faculty of Economic, Universitas Islam Sultan Agung (UNISSULA) Semarang, Indonesia, E-mail: widiyanto@unissula.ac.id

Abstract. *HR performance has a very important role, this is because the success of a company is greatly influenced by the performance of its human resources. One of the factors that influences HR performance in the era of transformation is digital work culture. In addition to work culture factors, professional leadership can influence HR performance. Compensation has an important role in improving employee performance, where one of the reasons someone works is because they want to meet their living needs. The type of research used in this study is explanatory research with quantitative methods. The research sample was 130 Indonesian bank employees with purposive sampling technique. Data collection techniques used questionnaires. Data analysis techniques include descriptive statistics, Structural Equation Modeling (SEM) analysis. Research results 1) digital work culture has a positive significant effect on compensation based on p value $0.003 < 0.05$ and T-Statistics value $(3.329) > 1.96$, 2) professional leadership has a positive significant effect on compensation based on p value $0.001 < 0.05$ and T-Statistics value $(3.459) > 1.96$, 3) digital work culture has a positive significant effect on HR performance based on p value $0.000 < 0.05$ and T-Statistics value $(4.345) > 1.96$, 4) professional leadership has a positive significant effect on HR performance based on p value $0.008 < 0.05$ and T-Statistics value $(2.662) > 1.96$, 5) compensation has a positive significant effect on HR performance based on p value $,006 < 0.05$ and T-Statistics value $(2.858) > 1.96$, 6) compensation plays a role in mediating the positive significant influence of digital work culture on HR performance based on ap value of $0.041 < 0.05$ and a positive T-Statistics value $(2.256) > 1.96$, 7) compensation plays a role in mediating the positive significant influence of professional leadership on HR performance based on ap value of $0.048 < 0.05$ and a positive T-Statistics value $(2.052) > 1.96$.*

Keywords: *Bank Indonesia; Compensation; Improve HR Performance; Professional Leadership.*

1. Introduction

Human resources (HR) are a crucial factor in any organization or company. In the context of human resource management, for all management activities to run smoothly, a company must have knowledgeable and highly competent employees and strive to manage the company optimally to improve employee performance (Cahyadi et al., 2023). Employee performance is the outcome or achievement of employees, assessed in terms of quality and quantity based on work standards set by the organization (Rahmawati & Cahyadi, 2024).

Human resource performance plays a crucial role, as a company's success is heavily influenced by the performance of its human resources (Roring, Tewal & Walangitan, 2023). Good human resource performance, demonstrated through their ability to carry out tasks according to their authority and responsibilities, is essential to achieving a bank's strategic goals (Pratama et al., 2024). However, the gap researchers found was the fluctuating processing of Rupiah currency in Bank Indonesia's Cash Management Department (DPU), particularly in the Cash Services Division (DLK).

Table

Processing Rupiah Money Using a Banknote Sorting Machine (MSUK) at Department of Money Management (DPU) Bank Indonesia

Year	Sheet
2018	561,782,554
2019	594,754,161
2020	401,722,623
2021	346,744,516
2022	766,808,000
2023	696,342,736
2024	648,375,837

Source: (Bank Indonesia, 2025)

In general, currency processing using Banknote Sorting Machines (MSUK) has shown a fluctuating trend over a seven-year period. This is evident in the increase and decrease in the number of notes processed in each period. An increase occurred in 2019, reaching 594,754,161 notes. Then, a drastic decline occurred in 2020 and 2021, reaching 346,744,516 notes due to COVID-19. In 2022, the number of notes processed significantly increased to 766,808,000 notes. However, in 2023 and 2024, the number of notes processed using MSUK decreased again, reaching 648,375,837 notes. This decline in currency processing could also indicate a decline in the performance of DPU human resources, particularly in the Cash Services Division (DLK).

Human resource performance plays a crucial role because employee efficiency is crucial to the success of any banking activity. Therefore, banks need to identify factors that influence their human resources to achieve optimal performance (Sewang et al., 2024). One factor influencing human resource performance in the transformation era is a digital work culture (Putri, Afriyani & Ulum, 2024).

Digital work culture is the values, beliefs, and norms adopted by an organization, and consists of various attributes or beliefs that encourage and support the use of technology to complete work effectively (Ferdian & Rahmawati, 2019). Digital work culture can help employees do their jobs more efficiently, so it can be said that digital culture can help employee performance. Shaughnessy (2018) said that HR must be able to adapt quickly through the transition to a digital work culture, which is a major change for established businesses, they must be able to understand and explain culture in the context of values and workflows that make the way of working shift to the digital era through social media, networking skills, and digital communication technology.

In response, Bank Indonesia (BI) has developed five visions for the Indonesian Payment System (SPI) 2025 and a blueprint for the SPI 2025, encompassing five key initiatives that are increasingly relevant as payment system policy navigators and guarantee the central bank's function in the digital era. Therefore, BI's human resources must be able to adapt quickly to technological changes and continuously improve their skills to remain relevant in a rapidly changing work environment.

In addition to work culture factors, professional leadership can influence human resource performance. Professional leadership is defined as the ability to provide guidance to subordinates when carrying out a task (Ismaniyati et al., 2025). A professional leader must also understand and firmly believe in all aspects of the work (Suryanti, 2021). Leaders in the digital era must be professional and able to utilize technological advances to create efficient and effective work processes in their work environment. A leader's inherent professionalism can influence the surrounding work environment (Noviyani, 2021). Because leadership is fundamentally the focal point of change in activities and the process of a group achieving specific goals, professional leadership can lead to improved human resource performance (Kurniawan, 2024).

Research gap the results obtained by researchers show inconsistent results, where there is research stating that digital work culture and professional leadership have an impact on HR performance (Hikmah, Indriyani & Adji, 2022; Putri, Afriyani & Ulum, 2024; Suparman & Sugiyanto, 2022; Imaniyati et al, 2025), on the other hand, there are research results stating that digital work culture and professional leadership have no impact on sales performance (Lamere, Kirana & Welsa, 2021; Imawan, Muttaqien & Hendratmoko, 2023; Nugroho et al, 2024).

The gap above requires a solution. This study includes compensation variables as a solution to this gap. The inclusion of compensation variables as variables Mediating Based on the results of previous studies, it is explained that compensation influences HR performance (Mujahid et al, 2022; Apriyadi, Seran & Sastrawan, 2023; Hemalia, Affrian & Jumaidi, 2024).

Compensation plays a crucial role in improving employee performance, as one reason people work is to fulfill their basic needs. A person will work optimally to receive compensation commensurate with their performance. Employees must be motivated to fulfill their needs and desires to achieve organizational (government agency) goals (Hamalia, Affrian & Jumaidi, 2024). This can be achieved by providing high wages, targeted incentives,

or even rewards for high-performing employees (Achmad, Rares & Plangiten, 2023). Compensation is a right that must be given to employees in exchange for their performance. Compensation is crucial for employees because it represents the result of their performance in fulfilling their basic needs (Apriyadi, Seran & Sastrawan, 2023).

Based on the background that has been explained, the researcher is interested in conducting research with the title "Analysis of Digital Work Culture and Professional Leadership to Improve HR Performance through Compensation as a Variable" Mediating in the Era of Bank Indonesia Transformation".

2. Research Methods

The type of research used in this study is explanatory research with quantitative methods. According to Sugiyono (2018), explanatory research is a type of research that aims to explain the position of the variables studied and the influence between one variable and another. This quantitative method is used to examine predetermined populations and samples, data collection using research instruments, and quantitative/statistical data analysis, with the aim of testing predetermined hypotheses. Based on this theory, this type of explanatory research is used to examine the influence of digital work culture and professional leadership on improving HR performance through compensation as a variable. Mediating in the era of Bank Indonesia's transformation.

3. Results and Discussion

3.1. Description of Respondent Characteristics

Based on amount the sample obtained was 130 employees in the Money Management Department of Bank Indonesia. The characteristics of the respondents related to gender, age and length of service can be seen in the tables below:

Table

Respondent Characteristics

Characteristics	Amount	Percentage
Gender:		
Man	128	98.5%
Woman	2	1.5%
Total	130	100%
Age:		
31 – 40 years old	79	60.8%
41 – 50 years old	33	25.4%
> 50 years	18	13.8%
Total	130	100%
Term of Service:		
6 – 10 years	50	38.5%
11 – 15 years	31	23.8%
16 – 20 years	9	6.9%
> 20 years	40	30.8%
Total	130	100%

Based on table it shows that as many as 98.5% employee at the Money Management Department of Bank Indonesia are men, this explains that men have responsibilities as heads of families so the need for work is very high. Age characteristics show that as many as 60.8% of respondents are aged 31-40 years, this age is mature and productive adulthood. Data regarding length of service shows that 38.5% have worked for 6-10 years, this indicates that the respondents are employees who have worked for a long time.in the Department of Money Management of Bank Indonesia.

3.1.1. Variable Description

Description of intended variables to translate respondents' responses based on the results obtained from 130 respondents' answers to the measuring indicators for each variable. The scoring technique used in this study is with a maximum score of 5 and a minimum of 1, so the respondent response index is calculated using the following formula:

Interval = (Maximum Value – Minimum Value) / Category

Interval = (5 – 1) / 3 = 1.3

Thus the interval is explained as follows:

1.00 – 2.29 = Low

2.30 – 3.59 = Currently

3.60 – 5.00 = Tall

The descriptive analysis of each variable (digital work culture, professional leadership, compensation and HR performance) is explained in detail as follows:

3.1.2. Digital Work Culture

Description of Digital Work Culture

Code	Indicator	STS	TS	KS	S	SS	Mean	Criteria
BD1	<i>Innovation</i>	0	0	9	60	61	4.40	Tall
BD2	<i>Data-Driven Decision-Making</i>	0	0	12	63	55	4.33	Tall
BD3	<i>Collaboration</i>	0	1	6	62	61	4.41	Tall
BD4	<i>Open Culture</i>	0	0	5	69	56	4.39	Tall
BD5	<i>Digital First Mindset</i>	0	0	5	69	56	4.39	Tall
BD6	<i>Agility and Flexibility</i>	0	0	4	70	56	4.40	Tall
BD7	<i>Customer Centricity</i>	0	0	4	69	57	4.41	Tall
Average							4.39	Tall

Based on table, it shows that the respondents' responses regarding digital work culture had an average of 4.39, which indicates that On average, respondents gave an agreement response to the statements in the questionnaire, this shows that in the Money Management Department of Bank Indonesia has a strong digital work culture. Respondents' responses regarding collaboration and customer centricity were the highest indicators, with a mean value of 4.41 (high) each. This indicates that employees' work in the Money Management Department of Bank Indonesia can be resolved by involving coordination and cooperation across work units/departments and Bank Indonesia creating a website to facilitate access and information for Customers/Stakeholders. Then the response regarding *Data-Driven Decision-Making* obtained a mean value of 4.33, which is the lowest indicator in this

variable, but is still in the high category. This shows that Bank Indonesia's policies are based on accurate facts and data.

3.1.3. Professional Leadership

Professional Leadership Description

Code	Indicator	STS	TS	KS	S	SS	Mean	Criteria
KP1	<i>a sense of purpose and direction</i>	0	0	6	73	51	4.35	Tall
KP2	<i>Friendlyness and affection</i>	0	1	14	71	44	4.22	Tall
KP3	<i>Integrity</i>	0	2	22	61	45	4.15	Tall
KP4	<i>Technical mastery</i>	1	1	15	62	51	4.24	Tall
KP5	<i>Decisiveness</i>	1	2	13	68	46	4.20	Tall
KP6	<i>Intelligence</i>	1	0	15	67	47	4.22	Tall
KP7	<i>Faith</i>	0	2	16	67	45	4.19	Tall
Average							4.22	Tall

Based on table, it shows that the respondents' responses regarding professional leadership have an average value of 4.22, which indicates that On average, respondents gave an agreement response to the statements in the questionnaire, this shows that in the Money Management Department of Bank Indonesia have high professional leadership. Respondents' responses regarding *a sense of purpose and direction* is the highest indicator with a mean value of 4.35 (high). This shows that the work leadership in the Department of Money Management, Bank Indonesia is optimistic in implementing programs and work culture. Then the response regarding *integrity* obtained a mean value of 4.15, which is the lowest indicator in this variable, but is still in the high category. This shows that leadership in the Money Management Department of Bank Indonesia is honest and transparent towards all parties.

3.1.4. Compensation

Compensation Description

Code	Indicator	STS	TS	KS	S	SS	Mean	Criteria
KO1	Wages	1	3	17	69	40	4.11	Tall
KO2	Incentive	1	5	20	67	37	4.03	Tall
KO3	Bonus	1	7	29	58	35	3.92	Tall
KO4	Allowance	0	3	17	65	45	4.17	Tall
KO5	Leave	0	6	8	47	69	4.38	Tall
KO6	Facility	0	6	6	32	86	4.52	Tall
Average							4.19	Tall

Based on table, it shows that the respondents' responses regarding compensation have an average value of 4.19, which indicates that On average, respondents gave an agreement response to the statements in the questionnaire, this shows that in the Money Management Department of Bank Indonesia have high compensation. Respondents' responses regarding *facility* is the highest indicator with a mean value of 4.52 (high). This shows that Bank Indonesia provides health insurance facilities for all employees. Then the response regarding *bonus* obtained a mean value of 3.92, which is the lowest indicator in this variable, but is still in the high category. This shows that Bank Indonesia provides bonuses based on a fair target system reference.

3.1.5. HR Performance

HR Performance Description

Code	Indicator	STS	TS	KS	S	SS	Mean	Criteria
KSDM1	Number of Jobs	0	0	2	61	67	4.50	Tall
KSDM2	Quality of Work	0	0	4	68	58	4.42	Tall
KSDM3	Punctuality	0	0	3	62	65	4.48	Tall
KSDM4	Initiative	0	1	4	77	48	4.32	Tall
KSDM5	Mental agility	0	0	2	63	65	4.48	Tall
KSDM6	Collaboration Skills	0	2	0	59	69	4.50	Tall
Average							4.45	Tall

Based on table, it shows that the respondents' responses regarding HR performance have an average value of 4.45, which indicates that On average, respondents gave an agreement response to the statements in the questionnaire, this shows that in the Money Management Department of Bank Indonesia have high HR performance. Respondents' responses regarding the number of jobs and cooperation skills is the highest indicator with a mean value of 4.50 (high). This shows that In certain fields, employees in the Bank Indonesia Money Management Department are able to complete work according to the set targets and can complete work in the form of teamwork. Then the response regarding initiative obtained a mean value of 4.32, which is the lowest indicator in this variable, but is still in the high category. This shows that Employees in the Money Management Department of Bank Indonesia carry out ideas and initiatives for more effective work.

3.2. The Influence of Digital Work Culture on Compensation at Bank Indonesia

Research results show that digital work culture has a significant positive effect on compensation. Companies are required to adapt to changes to survive. For example, the development of digital technology has brought a new culture to companies (Azra et al., 2024). Digital work culture is the values, beliefs, and norms adopted by an organization, consisting of various attributes or beliefs that encourage and support the use of technology to complete work effectively (Ferdian & Rahmawati, 2019). Digital culture is driving changes in how companies operate, including how they compensate employees.

Shaughnessy (2018) stated that HR must be able to adapt quickly through the transition to a digital work culture, which is a major change for established businesses. They must be able to understand and explain culture in the context of values and workflows that make the way of working shift to the digital era through social media, networking skills, and digital communication technology. A digital work culture can increase compensation, a potential mechanism is the implementation of digital technology by technology-based companies has contributed to a digital work culture and compensation. Companies that implement digital technology tend to want employees who can improve their skills in the field of digitalization and employees with digitalization skills can increase the compensation given by the company to them according to their skills (Yuan et al, 2023).

Companies with a strong digital culture tend to offer more competitive and innovative compensation to attract and retain digital talent. A digital culture can facilitate more efficient work, intelligent use of technology, and easier collaboration, thereby increasing

employee productivity. A digital culture that encourages experimentation and the use of new technologies can open up opportunities for new ideas and increase innovation, which may be recognized with higher compensation.(Martínez-Caro, 2020). A digital work culture can help employees perform their jobs more efficiently, so it can be said that a digital culture can improve employee performance. A strong digital culture will increase productivity and innovation to maintain a company's competitive advantage. A digital culture is also crucial for empowering and engaging all employees in attracting talent (Microsoft, 2018).

3.2.1. The Influence of Professional Leadership on Compensation at Bank Indonesia

Research results show that professional leadership has a significant positive effect on compensation. Professional leadership is defined as a leader's ability to provide guidance to their subordinates when carrying out a task (Ismaniyati et al., 2025). One criterion of professional leadership is considering the interests of all members under their leadership, including the compensation received by those members (Badura et al., 2022). Compensation is based on the work results achieved in carrying out the work, whether done individually or in a group.

Professional leadership shows a fair attitude and will know better what work is appropriate to be given to its team members and how much compensation is appropriate to be given to its members according to their contribution and hard work (Liden et al, 2025).Professional leadership fosters a positive work environment, increasing employee motivation and well-being. This results in improved performance and productivity, which can then be offset by better compensation. The better the professional leadership, the better the compensation (Jiang et al., 2021).

Professional leaders apply the principles of fairness and transparency in compensation. Employees feel valued and recognized for their contributions, which increases job satisfaction and loyalty (Bertay & Uras, 2020). Professional leadership encourages improved employee performance through various means, such as providing training, support, and effective communication. Improved performance implies increased productivity and company revenue, which can be used to increase employee compensation. Compensation provided by the company also influences employee work discipline. The greater the compensation provided, the greater the employee's efforts to improve their performance and work discipline (Sari, Zamzam & Syamsudin, 2020).

3.2.2. The Influence of Digital Work Culture on Bank Indonesia's HR Performance

The results of the study indicate that digital work culture has a significant positive effect on human resource performance. Digital culture is the values, beliefs, and norms adopted by an organization, and consists of various attributes or beliefs that encourage and support the use of technology to complete work effectively (Buvat et al., 2017). People who use digital technology in companies can assist with current work, because humans cannot be separated from all electronic devices (Ferdinan & Rahmawati, 2019). Digital culture can help

employees perform their work more efficiently, so it can be said that digital culture can help employee performance (Putri, Afriyani & Ulum, 2024).

By leveraging digital technology and creating a work environment that supports innovation and creativity, companies can increase efficiency, productivity, and employee engagement, ultimately improving overall company performance (Putri & Ferdian, 2021). The use of digital technology can simplify work processes, reduce manual work, and increase efficiency. This, in turn, increases employee and company productivity. A digital culture can increase employee engagement by providing them with opportunities to learn, develop new skills, and contribute to significant change. A digital culture can also influence the way employees work, interact, and communicate. This can encourage improved employee relationships and create a more positive work environment (Ferdian & Rahmawati, 2019).

This is in line with research by Putri, Afriyani, & Ulum (2024), which shows the influence of digital culture on employee performance at PT. Fokus Ritel Nusaprima Palembang. This is in line with research by Ferdian and Rahmawati (2019), which shows that digital culture also has a positive influence of 39.5% on employee performance at YPT. Companies should maintain and improve the implementation of digital culture through several methods such as brainstorming activities or focus group discussions that can develop employee potential to improve their performance. Previous research by (Putri & Ferdian, 2021) The results show that digital culture has a significant positive influence on employee performance.

3.2.3. The Influence of Professional Leadership on Bank Indonesia's HR Performance

Research results show that professional leadership has a significant positive effect on human resource performance. Leadership is a crucial factor in an organization because it significantly determines its success or failure (Irwanta & Aribowo, 2025). Professional leadership can create attractive job opportunities and work environments, delegate responsibility, and implement sound regulations (Hartog & Hoogh, 2024). Professional leaders have the ability to motivate employees, encourage them to achieve optimal results, and increase work enthusiasm, so that HR performance increases (Salju, 2023).

Leadership has a dominant strategy in increasing work productivity, both at the individual, group, and organizational levels (Asy'ari & Indiyati, 2023). Professional leaders have the ability to motivate employees, encourage them to achieve optimal results, and increase work morale, thereby improving human resource performance (Yikwa, Wenda & Sugiharti, 2023). Effective leaders are able to create a positive work environment, motivate employees, provide clear direction, and develop human resource potential, ultimately increasing human resource efficiency and productivity, and helping organizations achieve their goals.

Professional leadership that provides clear direction, adequate support, and facilitates employee professional development tends to create a productive and satisfying work environment. This is in line with research by Yikwa, Wenda, & Sugiharti (2023), which found that professional leadership positively impacts employee performance. This is consistent with research by Nugroho et al. (2024), which shows that leadership positively impacts

employee performance. Research by Husniati, Indris, and Alam (2021) also indicates that leadership positively impacts employee performance.

3.2.4. The Influence of Compensation on Bank Indonesia's HR Performance

The results of the study indicate that compensation has a significant positive effect on HR performance. Compensation is one of the most influential and widespread forms of motivation and directly influences employee attitudes and behaviors towards the company (Corgnet et al., 2019). Compensation, also known as appreciation, is a form of reward given to employees as a reward for their contributions to the company or organization (Firmandari, 2019). Compensation is very important for employees because it is the result of their performance to fulfill their life needs (Apriyadi, Seran & Sastrawan, 2023).

Compensation provided to employees as a company obligation is fulfilled on time, fairly, and based on work results (Purnawati, Heryanda & Rahmawati, 2020). Compensation not only affects a company's survival but can also provide motivation or purpose for employees to participate in improving their individual abilities (Wandi et al., 2022). The level of compensation positively influences employee attitudes, and higher compensation leads to higher levels of employee effort, which positively impacts company performance (Bertay & Uras, 2020).

The results of this study align with research by Wandu et al. (2022), which showed that compensation has a significant positive effect on employee performance. This is in line with research by Arifudin (2019), which showed that compensation has a significant positive effect on employee performance. It was concluded that adequate and fair compensation will increase work motivation, productivity, and job satisfaction, which in turn impacts employee performance. Conversely, low or unfair compensation can reduce performance, motivation, and job satisfaction.

3.2.5. The Role of Compensation in Mediating the Influence of Digital Work Culture on HR Performance

The results of the study indicate that compensation plays a role in mediating the significant positive influence of digital work culture on HR performance. Digital work culture is the values, beliefs, and norms adopted by an organization, and consists of various attributes or beliefs that encourage and support the use of technology to complete work effectively (Ferdian & Rahmawati, 2019). Digital work culture can help employees do their jobs more efficiently, so it can be said that digital culture can help employee performance. A strong digital work culture can increase motivation and job satisfaction, which will then have an impact on improving performance (Ferdian & Rahmawati, 2019). A digital work culture that encourages innovation, collaboration, and the use of technology can increase employee motivation and job satisfaction.

Compensation that aligns with a digital work culture, such as flexible compensation, performance-based benefits, and recognition for digital contributions, can strengthen motivation and job satisfaction (Artanto, 2022). Increased motivation and job satisfaction, thanks to a strong digital work culture and appropriate compensation, can improve human

resource performance, including efficiency, productivity, and innovation (Suprananda, Prasetyo & Utari, 2023). Compensation acts as a mediator because the influence of a digital work culture on human resource performance occurs through increased motivation and job satisfaction, which are then reinforced by compensation.

A strong digital culture creates a dynamic, technology-driven work environment that encourages innovation. Employees with a strong digital culture tend to be more creative, proactive, and able to adapt to technological changes, ultimately improving their performance (Nguyen & Freeman, 2021). Fair and performance-based compensation can further motivate employees to work harder and be more productive (Agustina & Andriani, 2022). A strong digital culture can encourage companies to provide better compensation to employees who demonstrate high performance and adapt to new technologies. Companies that implement a digital culture can use digital platforms to provide training, share information, and facilitate collaboration between employees (Jackson & Feeney, 2021). Furthermore, companies can also provide better compensation to employees who successfully implement innovative ideas or use new technologies to improve work efficiency.

Research from BCG (2021) shows that companies with a strong digital culture have better employee performance because they are better able to adapt and innovate. By influencing digital culture through compensation, companies can improve employee motivation, job satisfaction, and overall performance. Employees who feel valued and receive appropriate compensation are more motivated to give their best for the company (Khaira, Triyonggo & Sukmawati, 2023). A strong digital work culture and fair compensation are two important factors that support each other in improving employee performance. Companies that are able to create a strong digital culture and provide appropriate compensation will have more motivated, high-performing, and loyal employees.

3.2.6. The Role of Compensation in Mediating the Influence of Professional Leadership on HR Performance

The results of the study indicate that compensation plays a significant role in mediating the positive influence of professional leadership on HR performance. Professional leadership plays a crucial role in improving performance, both for individuals and organizations. Professional leaders have the ability to inspire, guide, and motivate their teams to achieve better results, focusing on team development, providing constructive feedback, and recognizing achievements (Choirullah & Ramadhan, 2024). Professional leaders are able to create a positive work environment where employees feel valued and motivated to work hard (Sinaga et al., 2023). They can use various strategies, such as providing constructive feedback, recognizing achievements, and creating a supportive work culture..By creating a positive and supportive work environment, professional leaders can help increase productivity and efficiency (Salju, 2023). They can also employ various strategies, such as setting clear targets, providing constructive feedback, and regularly monitoring performance.

Good professional leadership, combined with adequate compensation, can significantly improve employee performance (Sari & Hassanuddin, 2024). Good compensation, whether in the form of salary, benefits, or bonuses, motivates employees to work harder and increases productivity (Jamil & Hegiarto, 2024). Effective leadership, such as providing clear direction, creating a positive work environment, and providing constructive feedback, also plays a crucial role in boosting employee performance. A professional leader can, for example, provide constructive feedback to employees who have not met targets, help them develop action plans to improve performance, and reward their achievements (Yikwa, Wenda & Sugiharti, 2023). They can also create a collaborative work environment, where employees can share ideas and experiences and work together to achieve common goals.

Professional leadership fosters a positive work environment, increasing employee motivation and well-being. This results in improved performance and productivity, which can then be offset by better compensation. Professional leaders apply the principles of fairness and transparency in compensation. Employees feel valued and recognized for their contributions, which increases job satisfaction and loyalty (Bertay & Uras, 2020). The better the professional leadership, the better the compensation (Jiang et al., 2021). The right leadership style, such as transformational leadership, tends to foster higher team morale, creativity, and long-term performance, ultimately resulting in better compensation (Daeli et al., 2024).

4. Conclusion

Based on several analytical studies and discussions, the following conclusions can be drawn:

1. Digital work culture has a significant positive impact on compensation, with a stronger digital work culture leading to higher compensation. A strong digital work culture can increase efficiency, collaboration, and innovation in the workplace. This can lead to increased compensation.
2. Professional leadership has a significant positive effect on compensation, with stronger professional leadership leading to higher compensation. Professional leaders typically possess broader skills, knowledge, and experience, which leads to higher compensation levels.
3. A digital work culture has a significant positive impact on HR performance, with a better digital work culture leading to higher HR performance. A strong digital work culture encourages technology adoption, enhances collaboration, and facilitates innovation, ultimately leading to improved performance.
4. Professional leadership has a significant positive effect on HR performance, with the better the implementation of professional leadership, the better HR performance. Good professional leadership can create a positive work environment, motivate team members, provide clear guidance, and provide constructive feedback, all of which, in turn, can improve HR performance.
5. Compensation has a significant positive effect on HR performance, with higher compensation leading to higher HR performance. Employees who perceive their compensation as appropriate and fair tend to be more productive at work, leading to optimal performance.
6. Compensation plays a significant role in mediating the positive influence of digital work culture on human resource performance. A strong and positive

digital work culture creates a conducive work environment, and compensation commensurate with employee contributions encourages employees to perform better. 7. Compensation plays a role in mediating the significant positive influence of professional leadership on HR performance. Well-implemented professional leadership can motivate employees to perform better, and when coupled with compensation commensurate with their efforts, performance will significantly improve.

5. References

Journals:

- Achmad, R.A.P., Rares, J.J., & Plangiten, N.N. (2023). Pengaruh Kompensasi Terhadap Kinerja Pegawai Di Dinas Pendidikan Daerah Provinsi Sulawesi Utara. *Jurnal Administrasi Publik*, 9(3), 81-89.
- Agustina & Andriani, (2022). Analisis Motivasi Kerja Dalam Memediasi Pemberian Kompensasi Terhadap Kinerja Pegawai (Studi pada PT. BPR Tanggo Rajo Perseroda di Kuala Tungkal). *Jurnal Manajemen Terapan dan Keuangan (Mankeu)* Vol. 11 No. 03, Bulan Tahun 2022.
- Badura, K.L., Galvin, B.M., & Lee, M.Y. (2022) Leadership Emergence: An Integrative Review. *Journal of Applied Psychology*, 107 (11), 2069 - 2100 , <https://doi.org/10.1037/apl0000997>
- BCG. (2021). How to Drive Digital Culture in Your Company. Boston Consulting Group. Diakses dari <https://www.bcg.com/>
- Chin, W.W. (2018). The Partial Least Squares Aproach to Structural Equation Modeling. *Modern Methods for Business Research*, 295, 336.
- Choirullah & Ramadhan, (2024). Peran Kepemimpinan Dalam Meningkatkan Kinerja Tim. *Jurnal Bintang Manajemen (JUBIMA)* Vol.2, No.2 Juni 2024 E-ISSN : 2963-4830; P-ISSN : 2963-6035, Hal 29-38 DOI: <https://doi.org/10.55606/jubima.v2i2.3042>.
- Daeli et al, (2024). Pengaruh Kepemimpinan Transformasional, Budaya Organisasi, Dan Motivasi Kerja Terhadap Kinerja Karyawan Di Perusahaan Manufaktur. *Jurnal Tadbir Peradaban*. VOLUME 4, NOMOR 2, MEI 2024.
- Deep, G. (2023). Digital transformation's impact on organizational culture. *International Journal of Science and Research Archive*, 10(0), 396-401. <https://doi.org/10.30574/ijsra.2023.10.2.0977>
- Ferdian, A., & Rahmawati, A. (2019). Pengaruh Budaya Digital Terhadap Kinerja Karyawan Di Yayasan Pendidikan Telkom (Studi Kasus Kantor Badan Pelaksana Kegiatan YPT). *Journal of Management and Business Review*. 16(2), 129-148.
- Hair, J.F., Sarstedt, M., Hopkins, L., & Kuppelwieser, V.G. (2019). Partial Least Squares Struktural Equation Modeling (PLS-SEM): An Emerging Tool in Business Research. *European Business Review*, 26(2), 106-121

- Hartog, D.N.D., & Hoogh, A.H.D. (2024). Cross-Cultural Leadership: What We Know, What We Need to Know, and Where We Need to Go. *Annual Journal of Organizational Psychology and Organizational Behavior*, 11 (1), 535 – 566. <https://doi.org/10.1146/annurev-orgpsych-110721-033711>
- Imawan, I.K., Muttaqien, Z., & Hendratmoko, S. (2023). Pengaruh Disiplin, Budaya Kerja, Pelatihan dan Pengembangan Kerja Terhadap Kinerja ASN Kelurahan di Kecamatan Mojoroto. *Digital Bisnis: Jurnal Publikasi Ilmu Manajemen dan E-Commerce*, 2(1), 211-224.
- Jackson, C. L., & Feeney, M. K. (2021). The dark side of digital culture: How constant connectivity impacts work-life balance and employee performance. *Journal of Organizational Behavior*, 42(2), 222-240.
- Khaira, N., Triyonggo, Y., and Sukmawati, A. 2023. Examining the Mediating Role of Digital Culture on Digital Talent in the Telecommunication Sector. *Jurnal Aplikasi Manajemen*, Volume 21, Issue2, Pages 439–454. Malang: Universitas Brawijaya. DOI: <http://dx.doi.org/10.21776/ub.jam.2023.021.02.13>.
- Lamere, L., Kirana, C., & Welsa, H. (2021). Analisis Pengaruh Gaya Kepemimpinan Dan Etos Kerja Terhadap Kinerja Karyawan Melalui Motivasi Sebagai Variabel Moderating. *Bisma: Jurnal Manajemen*, 7(2).
- Martínez-Caro, E., Cegarra-Navarro, J. G., & Alfonso-Ruiz, F. J. (2020). Digital technologies and firm performance: The role of digital organisational *Technological Forecasting & Social Change*, 1-10. <https://doi.org/10.1016/j.techfore.2020.119962>
- Nguyen, A., & Freeman, C. (2021). Digital culture and generational dynamics in the workplace: Insights from Millennials and Generation Z in tech companies. *Journal of Organizational Digital Transformation*, 7(1), 32-47
- Palilingan, F.F., Saerang, D.P.E., & Rumokoy, L.J. (2024). The Effect Of Leadership Style, Work Motivation, And Career Development On Employee Performance At Badan Pusat Statistik Provinsi Sulawesi Utara. *Jurnal EMBA*, 12(1), 351-362.
- Roring, I.J., Tewal, B., & Walangitan, M.D.B. (2023). Analisis Perbedaan Kinerja Pegawai Asn Dan Thl Pada Dinas Pendidikan Daerah Provinsi Sulawesi Utara. *Jurnal EMBA*, 11(4), 1479-1488.
- Salju, (2023). Peran Motivasi Dan Kepemimpinan Dalam Meningkatkan Prestasi Kerja Kerja Karyawan. *Jurnal Ilmiah*. Volume 20 Nomor 1 April 2023.
- Sari & (Hassanuddin, 2024). Pengaruh Kepemimpinan Dan Kompensasi Terhadap Kinerja Karyawan Di Yayasan Tinta Emas Indonesia. *Jurnal Ilmiah Ekonomi Dan Manajemen* Vol.2, No.2 Februari 2024 e-ISSN: 3025-7859; p-ISSN: 3025-7972, Hal 312-324 DOI: <https://doi.org/10.61722/jiem.v2i2.970>.
- Wandi, D., Kahpi, H.S., Fidziah., & Abidin, Z. (2022). Pengaruh Kompensasi terhadap Kinerja Karyawan di Perusahaan Jasa Pengiriman di Kota Serang Indonesia. *Journal of*

Management and Business Review, 19(1), 80-91.
<https://doi.org/10.34149/jmbr.v19i1.235>

Yikwa, Y., Wenda, C.Y., & Sugiyarti, G. (2023). The Influence of Leadership Style and Work Motivation on Employee Performance with Job Satisfaction as an Moderating Variable (Study at Prima SR Hotel & Convention Yogyakarta). *SOSHUMDIK*, 2(3), 106-123. <https://doi.org/10.56444/soshumdik.v2i3.1057>

Yuan, S., Zhou, R., Li, M., & Chengchao. (2023). Investigating the Impact of Digital Technology Adoption on Employee Compensation. *Technological Forecasting and Social Change*, 195(10), <https://doi.org/10.1016/j.techfore.2023.122787>

Zarkasi. (2023). The Influence Of Competence, Leadership Style, And Career Development On Performance Employee Bps West Java. *SEIKO : Journal of Management & Business*, 6(1), 659-668.
<https://journal.stieamkop.ac.id/index.php/seiko/article/view/3097>

Books:

Abdillah, W., & Jogyianto. (2021). *Partial Least Square (PLS) Alternatif SEM dalam Penelitian Bisnis*. Yogyakarta: Andi Offset.

Cahyadi, N., Saptohadi, J., Alkadrie, S. A., Megawati, & Khasanah. (2023). *Manajemen Sumber Daya Manusia*. CV Rey Media Grafika.

Fatah, N. (2019). *Landasan Manajemen Pendidikan*. Bandung: Remaja Rosdakarya.

Ferdinand, A. (2019). *Metode Penelitian Manajemen: Pedoman Penelitian untuk Penulisan Skripsi Tesis dan Desertasi Ilmu Manajemen*. Semarang: Badan Penerbit Universitas Diponegoro

Ferdinand, A. (2019). *Metode Penelitian Manajemen: Pedoman Penelitian untuk Penulisan Skripsi Tesis dan Desertasi Ilmu Manajemen*. Semarang: Badan Penerbit Universitas Diponegoro

Ghozali, I., & Latan, H. (2020). *Partial Least Square: Konsep, Teknik dan Aplikasi Smart PLS 4.0 M3*. Semarang: Badan Penerbit Universitas Diponegoro.

Sugiyono. (2019). *Metodelogi Penelitian Kuantitatif dan Kualitatif dan R&D*. Bandung: Alfabeta.

Sulistiyani, A.T. (2018). *Kepemimpinan Profesional: Pendekatan Leadership Game*. Jakarta: Gava Media

Tead, O. (2018). *The Art of Leadership*. New York: McGraw-Hill Book Inc.