

Leadership Agility and Digital Quotient Influence on Employee Engagement: A Case of PT X and Pinrumah.com

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Abstract - The research aimed to determine whether leadership (leadership agility) and digital intelligence (digital quotient) have an influence on employee engagement. The data collection method was conducted by distributing questionnaires to employees, which obtained a sample of 150 people in pharmaceutical companies and Pinrumah.com. The analysis method was multiple regression analysis using IBM SPSS Statistics 20 software as data processing. The results show that both leadership agility and digital quotient have significant effects on employee engagement.

Keywords: leadership agility, digital quotient, employee engagement

I. INTRODUCTION

In organizations, both manufacturing and services, including fields require leaders with traits such as competence, quality, and high competitiveness. DuBrin (2015) says that a common trait of leaders is their ability to inspire and stimulate others to achieve valuable goals. Leadership can be defined as the trust and support among people to achieve organizational goals. This is considered influential on the development and effectiveness of the information system in a company. Leaders must be able to alter activities that provide motivation and inspiration for workers. Competition in the business world which is currently getting tougher requires leaders with good strategies and skills so that companies can develop and compete. (Bakker & Albrecht, 2018).

In an increasingly advanced technology era,

the majority of organizations or companies will choose leaders who can also follow the current trends. It is considered to affect communication between employees and leaders since they can exchange information, discuss, or do other things in easier ways. Not to mention they also have technological savvy, which is the ability of to use a device or technology properly and correctly to finally provide positive impacts on the environment and society. Nevertheless, a leader is not only seen from the level or only in high organizational positions (Uyun, 2018).

There are two objects in the research. One of them is from pharmaceutical companies in Indonesia that are currently developing. In 2013, the President Director of PT X said that to achieve the target, management would improve existing services while expanding. Maintain the embryo of the business unit in the form of customer service and home delivery of messages between drugs by telephone. The next service is a physical health center where customers can carry out consultations, counseling, and purchase products. There is yoga and zumba dance as well to make consumers even closer and achieve healthier lifestyle. The next service is a health portal that contains health article content. There is also an online pharmacy service that was launched in 2016. The service work system starts from direct meeting between doctors and patients. Prescriptions will be given online, as well as pharmacies in collaboration with PT X will follow up on the recipe. There is also an application for pregnant women for parenting content via chat box technology. This service has partnered with 2.000 doctors and 200 pharmacies across Java. Apart from this, a good digital services for the PT X group or external is also provided. It means in the form of content creation, both

text and video provide assistance for companies that are just entering the digital realm. Almost all health service providers in Indonesia, including insurance, have already used digital services.

Currently the focus of PT X is an acquisition in the sense of how to bring health actors into the digital ecosystem. It is not an acquisition that buys a company, but all the big start-up players start with acquisitions, retention, and monetization. However, in the second half of 2018, PT X launched a new product service that connects laboratories so that patients can order laboratories online and consult services for chronic pain such as stroke and diabetes. This refers to how to bring these health business people into digital and management employees.

In the midst of the recent rapid technological developments, various types of new companies have emerged, one of which is start-up. A start-up is a newly established company which is still in the starting stage. However, the current notion of start-up is starting to be associated with technology-based companies due to the use of technology as their platform. In Indonesia, there are many types of startups that have developed, such as in the property sector, games sector, insurance sector, trade sector and securities sector.

One of the start-up companies engaged in the sale and purchase of property and has been developing at this time is PT Granary Indonesia Property Services (GRANARINDO) or Pinrumah.com. In 2016, Pinrumah.com experienced a decline because the CEO went out of control. The CEO feels the company will continue to run because there are managers in each division. However, the CEO did not check the smooth running of the company periodically causing contract breaks with several property agents and also many employees who resigned or ended their contracts with the company. At that time, Pinrumah.com suffered huge losses, but one employee wanted to maintain the company. After several years, finally the employee was able to revive Pinrumah.com armed with technological knowledge and rearranging several work structures so that Pinrumah.com can survive until now as a fast growing start-up company.

From the description of the two companies, employee engagement is essential as a good thing to show business benefits that must be realized by achieving a higher, solid, and attractive level of engagement. Guapari and Kouzes (2015) state that employee engagement can be realized when leader creates the necessary conditions for employees to be more fully involved in work. Interaction and communication in a work relationship generate extraordinary business benefits and to maintain a positive energy level.

A growing leader is a factor of success in business growth. The two companies have significant differences in leadership. However, the rapid development of technology has encouraged digitization in all aspects, including in the business world. The presence of technology is proven to provide many conveniences for work activities. Leaders are required

to be able to communicate not only physically, but also in communicating through various technologies to be effective and efficient. Companies must also be able to adapt to these changes. For this reason, leaders are very influential and must be brave enough to take risks at any change.

In an current era of technology, it is unfortunate as a leader if they do not take advantage of existing technology. The influence of a leader in digital intelligence is influential on his subordinates if a leader does not have qualified skills in following the progress of digital era, the leader is very likely to be criticized even from his own subordinates that causes less success in leading an organization to achieve predetermined goals.

It can be concluded that the leader has an important role in achieving organizational goals. Not to mention that this is inseparable from the employees they lead, to what extent the characteristics, attitudes and abilities of employees in translating the leader's desire to produce maximum work performance (Cinar, Ege & Karaca, 2020). Leadership is a shared responsibility since several individuals can function as leaders, both with formal and informal assignments. Leadership can shift, depending on whose skills are most relevant. Leadership makes no difference to the idea that leaders actually influence organizational performance and morale is widely believed. DuBrin (2015) states that if a leader is considered responsible and inspirational, this behavior includes involving employees in the company's vision and mission to improve organizational performance.

Employee Engagement is understood as a positive emotional state that is work-related. Rather than a specific, momentary state, engagement is a more persistent cognitive affective state that does not focus on a specific object, event, or situation (Gil-Beltrán, Llorens & Salanova, 2020).

Employee Engagement is assessed using three items from the Utrecht Work Engagement Scale (UWES), namely vigor, dedication, and absorption. Passion refers to a high level of mental energy and resilience at work, a willingness to invest effort in one's work, and a persistence in the face of adversity.

Therefore, it is concluded that employee engagement is work involvement that refers to committed employees and organizations. Employees must be full of energy while doing work (vigor), enthusiastic about work (dedication), and fully concentrate when working (absorption).

Employee engagement is the involvement of employees who are committed to giving something serious to the company. The importance of employee engagement in the company is to make employees more productive, retain employees, increase customer satisfaction, and strengthen the culture and success of the company.

Digital quotient is a new way of thinking in the digital age. In other words, it is about how people start to think differently trying to adjust to the expanding digital environment. The research tries to demonstrate

that digital intelligence differs from other related concepts, such as digital competence, digital literacy, and digital skills, which are mostly acquired through education, learning programs, training and experiences (Hakanen et al., 2019).

Digital quotient has been defined as a comprehensive set of technical, cognitive, metacognitive, and socio-emotional competencies that are based on universal moral values and which enable individuals to face challenges and take advantage of opportunities. Lee, Rocco and Shuck (2019) state that digital intelligence is the solution that allows individuals to face challenges and adapt to the demands of digital life.

In this case, the formation of a leader must follow the current era of globalization and have digital competencies. This term has been used since the 21st century. In the process of the globalization era and the advancement of science. This leads to the emergence of new habits that lead to the formation of one's digital competence, hence digital competence can be broadly defined as the confident, critical and creative use of ICT to achieve goals related to work, employability, learning, recreation, inclusion and/or participation in society.

Leadership agility is an increasingly recognized construct in talent management as a key factor for long-term leadership effectiveness (Yadav & Dixit, 2017). Learning agility is the best predictor of an individual's future performance. Leadership agility is defined as the ability and willingness of an individual to learn new competencies in different conditions in the first place, new experiences can be obtained from deep leadership agility in various conditions (Saputra et al., 2018).

The struggles of organizations around the world to adapt to the world's turbulent economy, underlying this turbulence are two profound global trends that have radically altered the essentials to achieve sustainable success. Accelerate change and foster complexity and interdependence. In this interdependent world, the most successful companies are those that create strong and timely alliances as well as partner effectively with customers, suppliers and other stakeholders.

As time went on, the research aims to gain a more systematic understanding of the relationship between developmental stages and effective leadership. To clarify the current state of knowledge on this topic, a grid is created which maps five stages of adult development against the three action arenas mentioned earlier—pivotal conversations, team initiatives, and organizational change initiatives. When the existing knowledge is put into the grid, it is found that several boxes are essentially blank.

Leadership development programs become priority for most large companies, with very little attention being paid to understanding and developing the specific capacities and skills for agile leadership. In other words. Leadership agility is the ability is to take wise and effective action in complex and rapidly changing conditions.

II. METHODS

The research applies a quantitative research methods. Quantitative research is defined as a method for exploring and understanding meaning by a few individuals or groups of people who are considered coming from social or humanitarian problems. Hence this quantitative research is used to explain how this phenomenon can occur and be formed in the social sphere, more precisely at Pinrumah.com and Company Confidential. The research produces data in the form of numbers which are analyzed using statistical formulas obtained from the results of distributing questionnaires at Pinrumah.com and Company Confidential.

The results of questionnaires are processed using the Statistical Package for the Social Sciences (SPSS) data. The informants are chosen due to their role to fulfill the requirements in the process of filling out the questionnaire.

The research is carried out when the author did an internship in approximately four months. One month is used for data collection and three months is used for processing data. The research is conducted in office environment of PT Granary Property Service Indonesia (Pinrumah.com) on Jl. Petojo Viy 1 No.30A Cideng, Gambir Jakarta Pusat 10150 and Company Confidential.

According to the data from each company, the population of the research consists of 50 employees of the company Pinrumah.com and 100 employees of the pharmaceutical company. The size of the sample is taken from the research population using a random sampling technique.

From the description, it can be considered that the units used are individuals, namely employee respondents who work in pharmaceutical companies, with a total of 100 employees and 50 employee respondents at Pinrumah.com. Each respondent is free to accept or reject the survey, there are no kinship ties, intimidation or gifts of any kind that can reduce the degree of confidence in the quality of the data.

The data collection technique is carried out by distributing questionnaires created using Google Form to employees of pharmaceutical companies and Pinrumah.com. The measurement scale in the research is the Likert scale with a score of 1-5, as described in Table 1.

Table 1 Description of the Measurement Scale

Score	Information
1	Never
2	Rarely
3	Sometimes
4	Often
5	Always

III. RESULTS AND DISCUSSIONS

The data has been tested and passed the classical assumptions so that it can be continued in data processing.

A table that measures how far the dependent variable is explained by the independent variable. The coefficient of determination is explained by the adjusted R square. Table 2 shows that the adjusted R square value is 0,340. The contribution provided by the independent variable (digital quotient and leadership agility) is 34%. The remaining 66% is influenced by other variables that are not described in the research.

Table 3 shows that the significant value of F is 0,000 and is smaller than the probability value of 0,05, which means that both digital quotient and leadership agility have significant influences on employee engagement. Thus, it can be said that the hypothesis proposed in the research is accepted.

Table 4 shows the coefficient value of the multiple linear regression equation listed in column B. The multiple linear regression equation is obtained.

$$Y = 15,814 + 0,268 X_1 + 0,244 X_2 + e \quad (1)$$

From the regression equation, these interpretations are provided: a) The value of a is 15,814. This shows that if the digital quotient and leadership agility value is 0, the Y value (employee engagement) is still 15,814; b) The value of b1 is 0,268. This shows that if the digital quotient has increased in units, the employee engagement variable will increase by 0,268; c) The value of b2 is 0,244 which shows that if leadership agility has an increase in units, the employee engagement variable will increase by 0,244.

From the results of the questionnaire measurement, there is a positive influence between the digital quotient on employee engagement. It can be proven by the results of multiple linear regression testing which shows that the variable (X_1) digital quotient has a Sig. 0,000 result that is smaller than 0,05. It can be concluded that (X_1) digital quotient has a positive effect on (Y) employee engagement.

Moreover, there is a positive influence between leadership agility on employee engagement. The results of multiple linear regression testing which shows that the variable (X_2) leadership agility has a sig 0,000 result that is smaller than 0,05. It can be concluded that (X_2) leadership agility has a positive influence on (Y) employee engagement.

Table 2 Determination Coefficient Test

Model	R	R-Squared	Adjusted R Squared	Std. Error of the Estimate	Durbin Watson
1	0,591*	0,349	0,340	4,066	2,082

- a. Predictors: (Constant), totalLA, totalDQ
- b. Dependent Variabel: totalEE

Table 3 F Test

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1303,151	2	651,576	39,408	0,000'
Residual	2430,509	147	16,534		
Total	3733,660	149			

- a. Dependent Variabel: totalEE
- b. Predictors: (Constant), totalLA, totalDQ

Table 4 T Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constanta)	15,814	2,531		6,248	0,000
totalDQ	0,268	0,069	0,284	3,865	0,000
totalLA	0,244	0,043	0,412	5,617	0,000

- a. Dependent Variable: totalEE

IV. CONCLUSIONS

There is a significant influence between the digital quotient variable on employee engagement. The magnitude of the leader's influence can be seen in employees' attachment to the company and the effectiveness of an employee's work for the company. Not to mention that it is seen through the way the leader finds out the shortcomings of his subordinates and leads the team led to a more positive conclusion. These results are obtained from the respondents that has been working period of 0-15 years and over.

There is a significant influence between the leadership agility variable on employee engagement, namely the size of an employee in the use of technology or the use of technology for the pace of a company in a positive direction. Those in the company can utilize or have expertise in the use of technology, thus it will greatly affect the company.

Several suggestions are provided for companies, employees, and future researchers. Companies need to reconsider regarding providing more career opportunities for innovative employees. They can provide specific assignment opportunities to innovative employees or even by giving promotions. This can make employees feel more appreciated and encouraged to be more innovative. The company is expected to provide more socialization to employees regarding information and company developments. In addition, companies can also help increase employee morale through training programs, planners, and assessments. These certainly can be strategies in producing quality competency values.

Employees are expected to be able to build active involvement in providing creative and innovative thinking ideas, both towards work unit targets, departments, and to company targets. Supported by an open office atmosphere, all employees are also expected to open to ideas since activities that involve many people may stimulate other points of view that can be used as ideas for achieving targets.

For further research, it is hoped that it can expand the retrieval of respondents. Thus, further research can obtain broader results and compare employee performance and its effects from various types of companies in Indonesia. Further research is expected to develop variables other than those in the research which are thought to have strong potential to influence employee engagement.

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