



The Role of the Digital Economy in Increasing Employee Performance

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Abstract: The objective of this research is to test the role of the digital economy on the performance of employees at HDS Furniture Bandung City. This research is done with use approach quantitative. The population of this research is the then Bandung City Furniture HDS employees chosen by purposive sampling, so amount sample is as many as 40 employees. Data collection was carried out through a deployment questionnaire to respondents. Obtained data were then processed and analyzed using multiple linear analyses with SPSS software. Findings This research proves that Digital Platform Capability has an effect positive to performance employee. This study is expected can give contribute especially in the realm of knowledge HR management and sharing company that with managing employees can give good impact to achieve objective company. The activity plan is divided into four stages starting with the first stage month of preparation June. up to the fourth stage in the form of a final report for December 2022. The result of this research shows that in a manner descriptive variable Digital Platform Capability is in a good category.

Keywords: Digital Platform Capability; Employee Performance

INTRODUCTION

The environmental business currently continues to develop and grow in a manner fast. Changes in environment This business is characterized by stress from *stakeholders*, a dynamic environment, the need to answer the issue of sustainability, and demands for consumers, to change technology. To answer and face these conditions, the company can adopt various ways, including of them use digitization. Development Today's digital economy is on a wide range realm, incl business, create business micro, small and medium enterprises (MSMEs) must be capable respond matter to achieve growth maximally. In Indonesia, MSMEs play a role important in the dynamic economy, whose growth covers 95 to 99 percent. MSMEs also absorb enough manpower taken into account in Indonesia (ASEAN, 2012).

Currently, MSMEs provide donations by 30 to 53 percent on income domestic national gross domestic product (GDP) and contribute to exports by 10 to 30 percent (ASEAN, 2012). This figure can be further increased when SMEs take advantage of digitization in business because the internet and progress technology can reduce expenses incurred. According to a study from Bain & Company (2018), 75%, or part of Most MSMEs in ASEAN, including Indonesia, have seen opportunities from digital integration, but only 16% use digital technology and leverage potential.

Compared to company large companies, such as *multinational companies* (MNCs), MSMEs are still far behind in the implementation of digitization of the business. This is because several obstacles cause the digitalization of SMEs hampered. The study conducted by Bain & Company (2018) shows that SMEs that do digitization business can classify into three tiers, that is basic, intermediate, and advanced.

Although use certain *devices* in SMEs are still seldom found, most MSMEs have used their social media presence or *website* to run their business. This is because they see existing opportunities from height internet users in Indonesia. social media considered become an effective and useful *platform* to communicate and deliver service to consumers.

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Digital platform capability is an organization's ability to continuously connect with the business world through online marketplaces (Jun et al., 2021). Cenamor et al. (2019) define digital platform capability as the company's ability to take advantage of the latest advanced digital tools and technologies, as this will be useful for companies to engage in the use of information, communication, and technology-based resources. Digital platforms have provided useful information in the form of forecasting, production information, and customer trends (Warner & Weager, 2019). One topic that is widely discussed by both academics and practitioners is the company's ability to operate digital platforms (Roumani & Nwankpa, 2019). This is because digital platform capabilities have been recognized as a source of competitive advantage in dealing with current digital economy developments. These capabilities enable companies to integrate their core knowledge, leverage their organization's internal and external resources, deal with rapid market changes, and respond to dynamic environments (Ahmed et al., 2022; Cenamor et al., 2019).

Apart from social media, *e-commerce* is also one of the forms of rampant digitization carried out by creative SMEs. Height interest in shopping *online* and the wide scope of consumers who can achieve *e-commerce* makes many SMEs adopt it as a way to find new consumers (UNCTAD, 2016). Besides utilizing existing *e-commerce platforms* such as Shopee, Tokopedia, Lazada, or BukaLapak, many MSMEs are also building their *website* alone. This is done by creative MSMEs to get new customers, and because the use of *e-commerce* can give access and upgrade the potency of MSME growth. Digitization businesses can give various benefits to SMEs. First, with the digitalization of SMEs can expand their business by achieving more customers. Second, digitization can improve or optimize operations, which in the end leads to a decline in cost. The use of social media by MSMEs can also lead to improved connections with customers through a more effective and focused communication process.

Utilization of social media, MSMEs have not fully can develop and utilized digital *platforms* to support business them. Height emergence of various digital *platforms* industry, incl transportation, retail, travel, and services currently not can reduce obstacles to digitization from MSMEs. The digital *platform* should provide ecosystem mature business with affordable costs and uses a *profit-sharing* model, so it doesn't burden MSMEs. Digital *platforms* are also becoming an integral part of SMEs, but in reality, limited they are in control of digital technology so *digital platforms* are not enough utilized properly and correctly.

SMEs at the level base own level lowest adoption of digital technology, and only addressed as tools to facilitate communication and operations business. Meanwhile, MSMEs at the level of medium use digital tools for marketing and improvement sales. MSMEs exist at the level of *advanced* use-up -to-date digitization and are applied to various aspects of the business. A more detailed explanation of each level of digitization of MSMEs is shown in Table 1 below.



Table 1. Levels MSME digitization

Digitization Level	Digital Processes/Tools	Percentage Digitization
Basic: Usage basic digital tools	Microsoft Office, Email, WhatsApp, computer (PC), telephone handheld	56%
Intermediate: Presence in manner <i>online</i>	asocial media, <i>e-commerce</i> sites, tablets, printers	34%
Advanced: Usage of digital tools _ up-to-date, or digitized become part of the business model	ERP, CRM, <i>analytics</i> , <i>big data</i> , automation, pure online corebusiness, <i>scanners</i> , use of centralized servers, <i>imaging devices</i>	10%

Source: (ASEAN, 2012; Bain & Company, 2018)

Table 1 above shows that the majority of MSMEs currently have not utilized digital technology to its fullest. Most of them only use computers and telephones handheld to run their business, meanwhile, use *customized* digital tools still seldom found. There is a digitization business that currently requires MSMEs to run changes in business processes them. Increased understanding of digital technology and ways adoption of individuals in companies is the key to achieving success in digitization.

Based on the description the digitization business's role is important to improve the performance of employees, including SMEs. In Indonesia, research that discusses the influence of both of them sees Still own potential to be explored further. Therefore, this research was conducted to obtain understanding fundamentals of the adoption of digital technology in creative SMEs in the city of Bandung, Indonesia, and see the influence on the performance of employees.

METHODS

In this research, technique election sample was done with non-probability sampling and purposive sampling techniques. The non-probability sampling technique was chosen Because rated can fulfill sampling purposes, not consuming time, and does not need to cost much. This technique is also used Because of the amount of population unknown research with certainty (Cooper & Schindler, 2019). Besides, Therefore, a purposive sampling technique was chosen Because there are criteria certain that must be filled in by respondents. The criteria used is a creative MSME that has stood for at least one year. This is for sure that MSMEs know how to process their operating business, so can give appropriate assessments.

Data analysis used in this study is analysis quantitative, that is data analysis using calculation math or method available statistics. Data analysis by quantitative covers statistics descriptive, assumption test classic, analysis simple linear regression, analysis coefficient correlation (r), analysis coefficient determination, and hypothesis testing

RESULTS AND DISCUSSION

In this study, the author does deployment distributed questionnaires are as many as 30 respondents at HDS Furniture in the city of Bandung. The Digital Platform Capability (X) variable consists of the 8 question items, including regarding: (1) HDS Furniture with easy can access data from IT systems; (2) HDS Furniture made easy with existence connection between IT Partner system and IT System; (3) HDS Furniture assisted with any platform that has ability exchange information realtime with partners; (4) Helped HDS Furniture with the existence of platforms with easy aggregate information relevant from partner databases; (5) The platform HDS Furniture uses with

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easy adapt with new partners; (6) HDS Furniture assisted with platforms with easy expanded to accommodate IT applications or functions; (7) HDS Furniture was built with there is a platform that uses standards accepted by partners; (8) Helped HDS Furniture with the platforms it consists of from multiple modular software components used in business applications other. Of the 8 question items they can summed up in the table under

Table 2. Total Score Digital Platform Capability (X)

No	Indicator	Total Score	Percentage	Category
1	Platform Integration	151.25	49.5%	Good
2	Technology Response Capability	153.75	50.5%	Good
	Amount	305	100%	
	Average	152.50		Good

Source: Processed data (2022)

Based on Table 2, can see that the total score is the average variable *Digital Platform Capability (X1)* is 152.50. This total score is in the range of 136-167 with a good category.

Variable performance employee consists of the 5 question items taken of 5 indicators namely: decline cost, productivity employees, increase probability, quality products and services as well as enhancement customer. The 5 question items can be summed up in the table below:

Table 3. Total Score Total Performance Employee (Y)

No	Indicator	Total Score	Percentage	Category
1	Decline cost	161	20%	Tall
2	Productivity employee	157	19%	Tall
3	Enhancement probability	162	20%	Tall
4	Quality products and services	164	20%	Tall
5	Enhancement customer	169	21%	Very high
	Amount	813	100%	Tall
	Average	162.6		

Source: Processed data (2022)

Based on Table 3, can see that the total average score of the Employee Performance variable (Y) is 162.6. This total score is in the range of 136-167 with category high, that is respondents feel the performance of the organization at HDS Furniture feels good. Besides The indicators that have mark highest is enhancement customers Where have a presentation of 21 % with a total score of 169. meanwhile, the indicator that has mark lowest score is the productivity employee with a percentage of 19% with a total score of 157. Furthermore, testing assumptions composed of classic, normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test

The normality test aims to test whether, in the regression model, variable interfering or residual has a normal distribution. As is known that the t and F tests assume that residual values follow a normal distribution. If this assumption is violated then the statistical test becomes invalid for the amount of sample small.

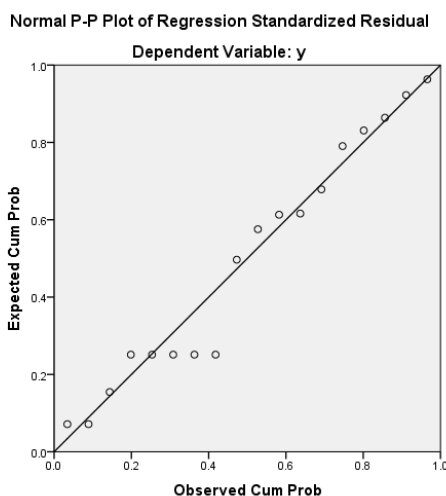


Figure1. Normal PP Plot of Regression Standardized Residual
 Source: Processed data (2022)

From the image above can be known that the data distribution is close to normal because there is not enough deviation conspicuous from the curve as well as normal lines. With thereby assumption normality is fulfilled. Testing multicollinearity aims to test what the regression model found exists correlation between variable free independent. If the variables are independent each other is correlated so these variables are not orthogonal. Orthogonal variables are variable value-independent correlations between fellow variables independent. The same with zero. Autocorrelation Test aims to test whether, in the linear regression model, there is a correlation between error disturbance in period t with error disturbance in period $t-1$ (before). If it happens correlation, then named there is an autocorrelation problem that results in the resulting regression not being good.

Table 4. Durbin Watson Value

DW value	Statistics	Conclusion
1,781	$d_u = 1.577 < 2.320 < 2.423 (4 - d_u)$	Nothing _ autocorrelation

Source: Processed data (2022)

Based on Table 4 above, can be known that Mark *Durbin-Watson* obtained 1.781. To know if there is no autocorrelation so first calculate values of d_u and d_l . Because table *DW* doesn't exist amount sample 18, the researcher uses the amount sample 18(n) with the use mark significant 5%, and total variable independent 2 ($k=2$). So, from the table, *DW* got obtained that mark $d_l = 1.321$ and the value of $d_u = 1.577$.

DW value in this study was 1.781 greater than the upper bound $d_u = 1.577$ and less from $4 - 1.577 = 2.423 (4 - d_u)$. So can conclude ie does not exist autocorrelation or is independent of autocorrelation.

The heteroscedasticity test aims to test whether in the regression model happen inequality *variance* of a residual observation to another observation. If *the variance* of the residual is one observation to other observations remains, then called homoscedasticity, and if different called heteroscedasticity. A good regression model has homoscedasticity or does not occur heteroscedasticity because this data collect representative data of various size (Ghozali, 2016). The following is the picture showing the heteroscedasticity test.

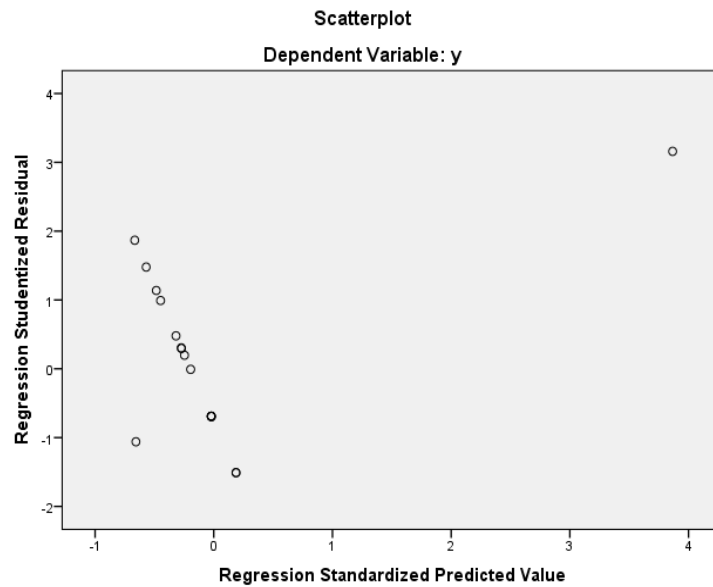


Figure 2. Heteroscedasticity Test
 Source: Processed Data (2022)

In Figure 2 above can be known that dots on the image spread in a manner random above and below number zero, as well as nothing clear pattern. So we can conclude that didn't happen heteroscedasticity in the regression model above.

After performing an assumption test classic, then next analyze regression simple that will be formed as follows:

$$Y = a + bX$$

Description:

- Y = Employee Performance
- a = Constant
- X = *Digital Platform Capability*
- b = Coefficient regression variable independent

Table 5. Simple Linear Regression

Model		Unstandardized Coefficients		Coefficients ^a Standardized		Q	Sig.	Collinearity Statistics	
		B	std. Error	Beta				tolerance	VIF
1	(Constant)	-3,271	.720			-4,544	.000		
	x	.386	.025	.969		15,737	.000	1,000	1,000

a. Dependent Variables: y
 Source: Processed data (2022)

Based on the table got a mark constant from coefficient regression, so can form equality simple linear regression as follows:

$$Y = -3.271 + 0.386X$$



The results of equality regression can be interpreted as follows:

The constant value of -3.271 means that if all variables free (X), ie *Digital Platform Capability* worth 0 then performance employee (Y) will be -3.271. The value of internal control (X) is 0.386, meaning if *Digital Platform Capability* experience enhancement is equal to 1 or better, meanwhile variable free another constant, then performance employee worth of 0.386.

After all the assumptions regression is done, then furthermore is interpret results analyst regression. In working on the regression process, researchers use help *SPSS 16 software for Windows*.

Table 6. Hypothesis Test Results (t)

Model	Coefficients ^a		Q	Sig.	Collinearity Statistics	
	Unstandardized Coefficients B	Standardized Coefficients Betas			tolerance	VIF
1 (Constant)	-3,271	.720	-4,544	.000		
X	.386	.025	.969	15,737	.000	1,000 1,000

a. Dependent Variables: y

Source: Processed data (2022)

From Table 6 above, then can be known that:

t value count from variable *Digital Platform Capabilities* (X) of 15,737, t table value as big 2.100 Then can be concluded that the calculated t value is greater from t table namely $15,737 \geq 2,100$, meaning that H_0 is rejected and H_1 accepted meaning variable *Digital Platform Capability* (X) influential positive and significant to variable performance employee. It means the better the *Digital Platform Capability* so the taller the performance of HDS Furniture employees in the city of Bandung.

Value of sig *Digital Platform Capability* (X) of 0.000 and value sig $\alpha = 0,05$. Then it can be concluded that the sig value, *Digital Platform Capabilities* smaller from mark sig $\alpha = 0,05$, meaning there is a significant influence between variable *Digital Platform Capabilities* (X) against variable performance employee (Y).

Analysis results from the obtained equation showing that *Digital Platform Capability* has a significant influence on performance organization. Variable the give influence of 0.939 or 93.9% against performance organization. Here it means every change in performance 93.9% of employees are affected by *Digital Platform Capability*. The rest are affected by other factors 6.1%. The *Digital Platform Capability* variable has an influence positive significance on the performance of employees, has an average weight of 168.25 and 169 with a range of 168 – 199 which means it tends to be in the very good and very high categories.

The biggest influence is performance attention-grabbing employees is the total score smallest from *Digital Platform Capability* indicators in assessing the risk that is by 149 with a percentage of (16%) which is included in the 'Good' category. Meanwhile, variable performance employees must be considered in this study the total score smallest is productivity employees which is 149 with a percentage of (19%) which is included in the 'Good' category. The connection between *Digital Platform Capability* to performance employee results in IBM SPSS Statistics 16 software processing obtained a coefficient regression of 0.386 or around 0.386% which means there is a connection



between positive and significant Digital Platform Capability towards performance employee by 38.6%.

Based on the results this research can conclude that HDS Furniture already has standard behavior and ethics to be followed by employees. Besides that, HDS Furniture has also done approach management in dealing with risk business, data accuracy, suitability budget, and realization operation. The most important thing here, HDS Furniture also always informs employees about what to expect related to problem integrity and competence. Regardless of the fast development of Furniture Companies in Indonesia, especially in the city of Bandung with its many customers, HDS Furniture remains must do good arrangements or governance. It can be done with improve the appraisal process to quality performance and Digital Platform Capability.

CONCLUSION

This study aims to find out the role of Digital Platform Capability on Employee Performance at several HDS Furniture in the City of Bandung. Based on the results research, then can take then conclusion that the Digital Platform Capability in HDS Furniture can be well said, seen from Platform Integration and Technology Response Capability aspects inside. then for Digital Platform Capability has an effect positive to performance employee. It is influenced by factors good facilities and infrastructure.

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