Analyzing the Role of Organizational Culture in Enhancing Employee Adaptability in a Dynamic Digital Era

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Abstract

In the ever-evolving digital era, organizations are faced with major challenges in maintaining their sustainability and competitiveness. The ability of an organization to adapt to technological and market changes is one of the main factors that determine the success of an organization. A flexible and supportive organizational culture plays an important role in improving employee adaptability to the ever-evolving digital dynamics. This study aims to analyze the role of organizational culture in improving employee adaptability in the dynamic digital era. The method used in this study is a literature study with a qualitative approach, collecting data from various scientific articles, books, journals, research reports, and other documents relevant to the topic of organizational culture and employee adaptability. The results of the study indicate that an organizational culture that supports collaboration, innovation, open communication, and employee empowerment can improve employee adaptability to rapid technological and market changes. An organizational culture that prioritizes continuous learning and a willingness to innovate has been shown to greatly support the success of organizations in facing digital transformation. This study also found that transformational leaders who support change can accelerate the adaptation process. Overall, an organizational culture that supports change and employee self-development is the main key in facing the challenges of the digital era.



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INTRODUCTION

In facing the increasingly dynamic digital era, organizations worldwide are confronted with challenges to maintain sustainability and competitiveness. Organizations that can adapt to technological and market changes tend to be more successful in maintaining their performance and relevance (Handayani & Wibowo, 2021). One of the key factors influencing an organization's success in adapting is its organizational culture. A flexible and change-supportive organizational culture is crucial for employees' ability to quickly adapt to the evolving digital dynamics (Darmawan et al., 2023).

Organizational culture refers to the shared values, beliefs, and practices that guide how people within an organization interact with each other and with external stakeholders. It is a critical component of any organization, as it shapes behavior, communication, and decision-making.

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According to Wahjono (2022), organizational culture plays a pivotal role in transforming the mindset and work ethics of individuals, aligning them with the organizational goals. Organizational culture is not static; it evolves over time, influenced by leadership, environment, and internal dynamics. In this regard, culture becomes a living entity that dictates the behavior of all members within the organization (Rohman & Wahjono, 2022). Furthermore, a strong organizational culture can lead to enhanced collaboration, motivation, and overall organizational performance.

The importance of organizational culture in achieving optimal performance has been widely discussed in various studies. Hasanah et al. (2024) emphasized that organizational culture influences not only internal dynamics but also the effectiveness of leadership within an organization. Leaders who align their practices with the organizational culture can create a work environment conducive to innovation and growth (Hasanah & Efendi, 2024). Similarly, Santoso and Fiernaningsih (2021) argue that organizational culture, when nurtured properly, becomes a tool for achieving strategic objectives, especially when combined with transformational leadership (Santoso et al., 2021). These studies underline the fact that organizational culture is not only about maintaining traditions but also about adapting and evolving in response to changing business environments. The ability to adapt one's organizational culture is crucial for long-term success and sustainability.

Organizational culture refers to the values, norms, and habits that develop within an organization and influence how people operate and interact (Fauzi & Purbasari, 2024). In the digital era, organizational culture becomes the key to creating an environment that supports rapid changes and continuous innovation. Organizations with a culture that emphasizes innovation, collaboration, and adaptability are more prepared to face technological transformations (Taufik et al., 2023). This is highly relevant given the importance of organizational culture in increasing employee engagement and motivation, which in turn boosts overall performance (Rahmasari, 2023).

As technology advances, the role of organizational culture in supporting change and employee adaptation becomes even more important. Employee adaptability is one of the determining factors for an organization's success in an increasingly interconnected and technology-driven world (Harto et al., 2023). In this context, organizational cultures that emphasize learning and innovation can facilitate employees in developing the necessary skills to operate in a constantly changing environment (Luvita & Toni, 2022). Therefore, cultures that focus on digital adaptation are crucial in preparing employees for an era of uncertainty.

The urgency of this research arises from the fact that the ongoing digital transformation demands organizations to pay more attention to their internal culture. Although many organizations implement new technologies, not all of them succeed in managing this change. One of the key factors for successful digital implementation is an organizational culture that encourages collaboration, continuous learning, and flexibility in managing change (Sastra & Wijaya, 2023). This research aims to understand how organizational culture can enhance employee adaptability in the digital era and how such culture can be managed to better support digital transformation.

Previous studies have shown that a healthy and adaptive organizational culture can encourage employees to be more prepared to face technological changes. For instance, research by Wulandari et al. (2023) found that cultures promoting collaboration and effective communication in digital organizations can accelerate the adaptation process to market and technological changes. However, few studies have explored the role of organizational culture in the context of dynamic digital transformations in Indonesia, particularly regarding its impact on employees' adaptability.

The purpose of this study is to analyze the role of organizational culture in enhancing employee adaptability in the dynamic digital era. This study also aims to provide insights into how organizational culture can be optimized to support digital transformation in a broader context. By

focusing on industries in Indonesia, this research is expected to make a significant contribution to the development of theory and practice in human resource management in the digital era.

METHOD

The research method used in this study is qualitative research with a literature study type. Literature study is an approach used to collect, analyze, and synthesize information from various sources relevant to the research topic that focuses on the role of organizational culture in improving employee adaptability in the dynamic digital era. The main data sources in this study are various scientific articles, books, journals, research reports, and other documents that discuss organizational culture, employee adaptability, and the challenges of digitalization in the organizational context. Data collection techniques are carried out through systematic literature searches using trusted academic databases, such as Google Scholar, JSTOR, and ProQuest, as well as references from existing libraries. This process aims to obtain valid and relevant data to answer the research objectives. Furthermore, the data analysis method used is thematic analysis, which will identify and group the main themes related to organizational culture and employee adaptability in the digital era. This analysis was conducted by reviewing in depth various previous research results, then compiling the existing findings to provide a more comprehensive picture of the influence of organizational culture on employee adaptability in a work environment that is increasingly influenced by digital technology (Creswell, 2021; Moleong, 2019).

RESULT AND DISCUSSION

The data found is the result of a selection of various related articles that examine the influence of organizational culture on employee adaptability in facing rapid changes in the digital era. This study aims to provide insight into how organizational culture can support employees to be more adaptive and ready to face the challenges that continue to develop in the digital world.

Table 1. Literature Review

No.	Article Title	Author	Years
1	Ethical Corporate Image Management on Organizational Profitability: A Study of Commercial Banks in Nigeria	Ogbari, E. M., Olujobi, O. J., Ufua, D. E., Olokundun, A. M., Fagbemi, P. T.	2022
2	Emergency Remote Teaching amidst Global Pandemic: Voices of Indonesian EFL Teachers	Nugroho, A., Haghegh, M., Triana, Y.	2021
3	El portafolio digital en la docencia universitaria	Serfati, M.	2020
4	Degree and factors of burnout among emergency healthcare workers in India	Baruah, A., Das, S., Dutta, A., Das, B., Sharma, T., Hazarika, M.	2019
5	The Effect of Competence Financial Manager, Internal Control System, and Utilization of Technology Information on the Quality of Financial Report	Amaliyah, A. R., Apriyanto, G., Sihwahjoeni, S.	2019

In a study conducted by Ogbari et al. (2022), it was found that ethical corporate image management can affect organizational profitability, especially in the banking context in Nigeria. This finding highlights the importance of a healthy relationship between organizational culture and public

image. Organizations that prioritize ethics in their operations, such as by strengthening a publication strategy that focuses on shared values, can increase customer loyalty and profitability. In relation to employee adaptability, this study shows that an organizational culture that emphasizes ethical values tends to create a more stable work environment and supports innovation. When employees feel that they are working in an ethically valued environment, they are more likely to adapt quickly to changes, including those caused by new technologies.

Another study conducted by Nugroho et al. (2021) revealed the major challenges faced by English language teachers in Indonesia during the COVID-19 pandemic, especially related to the implementation of distance learning. This study shows that teachers who are able to adapt quickly to new technologies, such as digital platforms and social media for teaching, are better able to overcome the difficulties that arise. Openness to technological learning and the ability to design interactive classroom activities are important factors that support adaptability. These findings underscore the importance of an organizational culture that supports continuous learning and digital skills in the face of rapid change (Nugroho et al., 2021).

A study by Baruah et al. (2019) provides insight into the level of burnout experienced by healthcare workers in India, which is influenced by the length of working hours, employment status, and personal factors such as family support. These findings are relevant to organizational culture, as a culture that supports employee mental well-being and provides adequate rest periods can reduce burnout levels and increase employee readiness to adapt to change. This study suggests that organizations that care about employee mental well-being are more likely to have a workforce that is better prepared and able to face digital challenges or other changes (Baruah et al., 2019).

Serfati (2020) presents findings on the use of digital portfolios in higher education, showing how digital tools can help evaluate and develop teaching skills. This study underscores the importance of technology in supporting improvements in the quality of education, which in turn reflects how the use of technology can improve employee efficiency and adaptability in the workplace. In an organizational context, the use of digital tools such as portfolios can increase productivity and support adaptation to evolving technological changes (Serfati, 2020).

A study by Amaliyah et al. (2019) regarding the influence of financial manager competence, internal control systems, and utilization of information technology on the quality of financial reports shows that well-implemented information technology can increase efficiency in financial management. This finding is relevant to an organizational culture that supports the use of appropriate technology to improve work quality and efficiency. Employees who work in an organizational culture that supports the use of technology will be better prepared for change, including in terms of implementing new technology to improve work performance and quality (Amaliyah et al., 2019).

Discussion

The Role of Organizational Culture in Improving Employee Adaptability

Organizational culture plays a central role in improving employee adaptability, especially in the face of rapid change and ever-evolving technology in the digital era. As an element that shapes the way of thinking, acting, and interacting in an organization, organizational culture creates an environment that allows employees to not only survive, but also thrive in the face of new challenges. A culture that is flexible and open to change allows employees to feel more prepared to adopt innovations and adapt to the demands that arise due to digital transformation.

A culture that encourages innovation and creativity is one of the key factors that increases employee adaptability. Organizations that foster creativity give employees the freedom to explore new ideas and seek unconventional solutions. In an environment that supports experimentation and

considers failure as part of the learning process, employees feel empowered to try new things without fear of failure. For example, large technology companies such as Google and Microsoft have created a culture that allows employees to develop innovative ideas through programs such as "20% Time" at Google, which provides dedicated work time for employees to work on side projects that they consider have the potential to make a difference. Such policies not only enhance creativity but also accelerate the process of adapting to new technologies, as employees feel involved in the development of larger technologies and business processes. In this context, a culture of innovation serves as a bridge for employees to adapt to rapid change.

In addition, a culture of open communication is essential in creating a transparent relationship between management and employees, which in turn facilitates easier adaptation to change. When communication is open, employees feel more comfortable sharing ideas and providing input. This reduces the uncertainty that often occurs when new technologies are adopted, as employees can easily seek information or assistance regarding the changes taking place. For example, companies like Zappos, known for their very open organizational culture, encourage employees to express their ideas during any change process that is undertaken. Clear communication about the company's vision and direction of change helps employees understand the long-term goals and motivates them to be actively involved in the process.

Employee empowerment is another cultural element that plays a significant role in increasing adaptability. Organizations that give employees the freedom to make decisions and innovate often see an increase in employee engagement and initiative. By giving employees more control over their work, organizations strengthen the sense of individual responsibility, which increases the motivation to adapt to change. For example, a company like Netflix is known for its high level of employee empowerment. By giving employees autonomy in decision-making and flexibility in their work, Netflix creates a culture that encourages employees to continually grow and adapt, both in the context of changing technology and market dynamics.

In addition, transformational leadership also plays a very important role in shaping a culture that supports adaptability. Leaders who have a clear vision of the future and are able to inspire employees to follow changes are important examples in creating a culture that is responsive to new technologies. Leaders who support employees in the adaptation process, as well as provide clear direction regarding the direction and goals of the organization, help reduce uncertainty and increase employee confidence in facing change. For example, Satya Nadella, CEO of Microsoft, has succeeded in changing the company's culture by focusing on the values of inclusivity and collaboration, and prioritizing continuous learning in facing digital transformation. In recent years, Microsoft has successfully transformed into one of the leaders in cloud technology, thanks to transformational leadership that has led the company through major digital changes.

The importance of continuous learning cannot be ignored in an organizational culture that supports adaptability. In an increasingly digital world, continuous learning and skills development are one of the determining factors for employees to stay relevant to technological changes. Organizations that support continuous learning facilitate employees with the necessary training to improve their technical skills, such as digital literacy or other relevant skills. Companies like IBM, which have long emphasized continuous learning, provide various training and development programs that allow employees to improve their skills in the face of technological changes. This not only makes employees more adaptable to change, but also increases their confidence in utilizing new technologies.

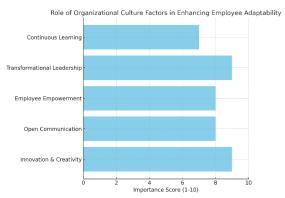


Figure 1. Role of Organizational Culture Factors in Enhancing Employee Adaptability

The chart highlights the critical role of organizational culture in enhancing employee adaptability to digital transformations. Innovation & Creativity and Transformational Leadership are identified as the most important factors, with the highest scores, indicating their strong influence on enabling employees to adapt to rapid technological changes. These elements foster an environment of flexibility and support, essential for embracing new technologies. On the other hand, Continuous Learning, while important, receives a slightly lower score, suggesting that it plays a supportive role rather than being the primary driver in adapting to digital changes. Overall, the findings emphasize the need for a culture that prioritizes innovation, open communication, and leadership to facilitate employee adaptability.

Overall, an organizational culture that encourages innovation, open communication, employee empowerment, transformational leadership, and continuous learning is essential in increasing employee adaptability. By creating an environment that supports these aspects, organizations can ensure that employees are not only able to survive in the digital era, but also able to thrive and innovate, ultimately supporting the success of the organization's digital transformation.

Organizational Culture and Digital Transformation in Indonesia

The adoption of digital transformation in Indonesia's industries is fraught with challenges, despite the rapid advancement of technology. While many companies recognize the importance of integrating digital technologies into their operations, they still struggle with adjusting their organizational culture to meet the demands of digitalization. Several factors contribute to the complexity of aligning organizational culture with the needs of a digital landscape, and understanding these factors is essential for organizations aiming to succeed in their digital transformation efforts.

A significant challenge facing Indonesian organizations is technology readiness and infrastructure. The adoption of digital technologies is often hindered by limitations in infrastructure and technology preparedness across various sectors. While urban areas in Indonesia may have relatively advanced digital infrastructure, rural regions still lag behind, creating a disparity that affects the nationwide digital transformation efforts. Organizations with a culture that promotes flexibility and innovation are better equipped to overcome these challenges. For instance, tech companies like Go-Jek and Tokopedia, which started in Indonesia's fast-growing digital economy, have built cultures that embrace change, enabling them to innovate continuously and adapt to the evolving technological landscape. Their success demonstrates how organizations that support an innovative mindset and cultivate a culture of continuous improvement are better able to navigate the technological infrastructure constraints.

Another challenge is the level of acceptance toward change within organizational cultures. In many traditional organizations, there is a strong resistance to change, especially when it involves the

integration of new technologies that disrupt established processes. Cultures that are more rigid and hierarchical can create barriers to the digital transformation process because they discourage risk-taking, experimentation, and open communication, all of which are critical for navigating the complexities of digitalization. However, organizations that foster a culture of experimentation, where employees are encouraged to embrace failure as part of the learning process, tend to have a smoother transition to digital practices. For example, Bank Negara Indonesia (BNI), one of Indonesia's largest banks, has invested significantly in its digital transformation, incorporating a culture of agility and innovation. Their successful implementation of digital banking services highlights the importance of a culture that encourages change and adaptation to new digital systems.

Furthermore, local cultural influences play a significant role in shaping the way digital transformation is approached in Indonesia. The Indonesian business culture is often hierarchical, with decision-making concentrated at the top levels of management, and relationships and respect for authority are highly valued. This hierarchical structure can pose challenges when implementing digital transformation strategies, which often require more decentralized and collaborative decision-making processes. The implementation of digital tools, especially those requiring cross-functional teams, demands a shift toward more flat and inclusive organizational structures. Companies like Gojek have successfully navigated this cultural barrier by fostering a more collaborative and transparent work culture, which encourages teamwork and cross-functional collaboration. As they scaled their services, Gojek had to overcome traditional hierarchical structures by embracing flexibility and promoting a more inclusive culture that supported collaboration across different teams and divisions. This shift enabled the company to adapt quickly to technological advancements and customer demands.

In sum, the interplay between organizational culture and digital transformation in Indonesia is complex and multifaceted. While technology readiness and infrastructure challenges remain, companies that embrace a culture of innovation, openness to change, and inclusivity are better positioned to successfully implement digital strategies. The influence of local cultural values, such as respect for hierarchy, presents both a challenge and an opportunity for companies to evolve their internal structures and management approaches in ways that facilitate greater collaboration and faster digital adoption. As more Indonesian companies transition into the digital age, the importance of aligning organizational culture with digital transformation cannot be overstated.

Optimizing Organizational Culture to Support Digital Transformation

This study also provides insights into how organizational culture can be optimized to more effectively support digital transformation. Several recommendations for optimizing organizational culture include:

- 1. Focus on Openness to Innovation: Organizations need to develop a culture that is more open to change and innovation. This can be achieved by giving employees the space to experiment with new technologies without the fear of failure.
- 2. Targeted Training and Development: Organizations must provide relevant and continuous training to enhance employees' digital skills. Additionally, leadership development programs should also focus on learning how to manage digital transformation.
- 3. Empowering Employees through Technology: An organizational culture that empowers employees to make decisions based on data and technology will enhance their adaptability to rapid changes.
- 4. Integration of Technology into Daily Business Processes: Integrating technology into employees' daily activities will make them more comfortable and confident in using digital tools. Therefore,

it is important to align technology with existing workflows and not just adopt technology for technology's sake.

Contribution to Human Resource Management Theory and Practice

This research has the potential to make significant contributions to human resource management theory and practice, particularly in the context of employee adaptability in the digital era. A deeper understanding of how organizational culture influences employees' ability to adapt will help human resource managers design more effective strategies to address digital transformation. Some of the contributions include:

- 1. Development of Employee Adaptability Theory: This study can offer additional insights into the theory of employee adaptability, emphasizing how organizational cultural factors can play a role in enhancing employees' ability to adapt to technological changes.
- 2. More Integrated Managerial Practices: By understanding the role of organizational culture in supporting adaptability, companies can design more integrated policies and practices in change management and digital transformation.
- 3. Supporting Digitalization in Indonesia: This research will also contribute to understanding how organizational culture can be optimized to support digitalization in Indonesia, addressing specific challenges within Indonesian industries.

CONCLUSION

This study shows that organizational culture plays a very important role in improving employee adaptability in the digital era. Organizations that have a culture that supports collaboration, innovation, open communication, and employee empowerment are better able to overcome the challenges faced in digital transformation. In addition, an organizational culture that encourages continuous learning and acceptance of change also contributes greatly to improving employee readiness to face digital dynamics. Transformational leaders who can inspire and provide clear direction are also very influential in creating an environment that supports adaptation to technological change.

Practical Suggestions

Organizations need to develop a culture that is more open to change and innovation. Empowering employees by providing the freedom to experiment and supporting continuous learning will increase their adaptability. In addition, organizations must ensure that their leaders can direct and support employees in undergoing the change process, so that they feel safe and motivated to adapt to new technologies.

Research Suggestions

Further research should be able to conduct direct case studies on organizations undergoing digital transformation to see in real terms how organizational culture affects employee adaptability. Research can also expand the scope to various industrial sectors and countries, so that the findings obtained are more general and applicable. In addition, further research could explore the influence of organizational culture on other aspects such as job satisfaction and employee performance in the face of digital change.

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