

Human-Centric Leadership and Performance in the Digital Era: A Literature Review

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Abstract

The advancement of digital technology has transformed the way organizations operate and manage human resources. Amidst the rapid digital transformation, organizations are required not only to adopt technology but also to maintain a human-centered leadership approach. Human-based leadership emphasizes the values of empathy, trust, ethics, participation, and employee empowerment as the core of the leadership process. This article aims to examine the concept of human-based leadership and its role in enhancing organizational performance in the digital era through a literature review. The method employed involves a literature review of books, journal articles, and scientific publications relevant to the topics of leadership, performance, and digital transformation. The findings indicate that human-based leadership can serve as a balance in the implementation of digital technology, enhancing both individual and organizational performance, as well as creating an adaptive, innovative, and sustainable work environment.

Keywords: Human-Based Leadership, Performance, Digital Era, Digital Transformation, Literature Review

Abstrak

Perkembangan teknologi digital telah mengubah cara organisasi beroperasi dan mengelola sumber daya manusia. Dalam konteks transformasi digital yang cepat, organisasi diharuskan untuk tidak hanya mengadopsi teknologi, tetapi juga untuk mempertahankan pendekatan kepemimpinan yang berfokus pada manusia. Kepemimpinan berbasis manusia menekankan pentingnya empati, kepercayaan, etika, partisipasi, dan pemberdayaan karyawan sebagai inti dari proses kepemimpinan. Artikel ini bertujuan untuk mengkaji konsep kepemimpinan berbasis manusia serta perannya dalam meningkatkan kinerja organisasi di era digital melalui pendekatan studi kepustakaan. Metode yang digunakan adalah telaah literatur terhadap buku, artikel jurnal, dan publikasi ilmiah yang relevan dengan topik kepemimpinan, kinerja, dan transformasi digital. Hasil kajian menunjukkan bahwa kepemimpinan berbasis manusia dapat berfungsi sebagai penyeimbang dalam penerapan teknologi digital,

meningkatkan kinerja individu dan organisasi, serta menciptakan lingkungan kerja yang adaptif, inovatif, dan berkelanjutan.

Kata kunci: *Kepemimpinan Berbasis Manusia, Kinerja, Era Digital, Transformasi Digital, Studi Kepustakaan*

Introduction

The digital era has brought about significant changes in nearly every aspect of corporate operations. Rapid technological advancements have fundamentally altered how companies operate, interact with customers, and manage human resources (Mulyadi, 2025). One of the greatest challenges in the digital era is how organizations can remain relevant and competitive amidst such rapid change. Rapidly evolving technology compels companies to innovate continuously; consequently, they require employees who can adapt quickly, collaborate effectively, and demonstrate creative and innovative thinking (Maryati, 2022). This is where the role of transformational leadership becomes crucial. Transformational leadership is a style that focuses not only on achieving short-term targets and goals but also on empowering employees to grow both personally and professionally. Transformational leaders inspire their employees with a clear vision, encourage innovation, and foster a sense of engagement in the achievement of organizational goals. In this context, transformational leadership goes beyond merely issuing orders or instructions; it is about leaders serving as role models and creating a work environment that supports creativity and open-mindedness (Wujarso, 2023).

Digital leadership does not only involve the use of digital devices. It also covers a wide range of skills, such as effective digital communication, managing virtual teams, understanding disruptive technologies, and data-driven decision making. To transform into leaders in the digital era, leaders must be responsive to developments occurring in society and then provide digital solutions for society's needs that can be provided by the organization (Doli, 2025).

Digitalization has changed the traditional leadership paradigm to be more collaborative and technology-based. According to research, leaders in the digital era must have the ability to utilize information and communication technology effectively to build trust and commitment in teams that work virtually (Putri, 2025). Human-focused leadership has emerged as an approach that makes humans the core of the leadership process. This approach emphasizes important human values such as empathy, fairness, trust, open communication, and respect for individual potential. In the context of the digital era, human-based leadership is increasingly relevant to ensure that the application of technology remains in line with employee needs and welfare leading to various strategy implementations. Digital leadership is gaining increasing attention, highlighting the importance for leaders to develop technology skills and apply technology wisely. Shared leadership has also been explored, revealing its potential to influence team performance and encourage individual initiative and creativity (Kalitanyi, 2024).

The results of empirical research show that the effectiveness of digital

leadership has a positive correlation with increasing organizational performance in various dimensions, including productivity, creativity, and human resource involvement. emphasizing the importance of the humanistic dimension in the digital transformation process, by highlighting the role of leaders in building a work culture that is adaptive to technology. Research by Malik (2024) identified that the success of digital transformation in the industrial sector, especially in textile manufacturing, is largely determined by the leadership's ownership of competencies such as digital vision, cross-functional collaboration, and innovative capacity (Syarqowi, 2025).

Research Methods

This study employs a library research method. Data were gathered from various literature sources—including textbooks, national and international journal articles, conference proceedings, and scientific publications—addressing the topics of leadership, performance, and the digital era. Data collection involved searching for, identifying, and analyzing relevant literature. Data analysis was conducted using a descriptive-qualitative approach, involving the comparison and synthesis of various expert perspectives to gain a comprehensive understanding of the concept of human-centric leadership and its impact on performance in the digital era.

Results and Discussion

Definition of Digital Leadership

Leadership is defined as the ability to guide a company toward achieving its goals and creating a sustainable competitive advantage. To maintain such an advantage, companies require products and technical systems that accelerate and enable production, communication, and cost reduction, alongside the ability to utilize these assets optimally.

Digital leadership is a leadership style focused on implementing digital transformation within an organization. This model offers companies and organizations the opportunity to digitize their work environments and cultures. As a novel approach to leadership in business organizations, digital leadership can be executed optimally when supported by adequate digital platforms. It requires not only that supervisors and managers be proficient in using digital technology to perform their duties, but also that they possess a strategic mindset for cultivating a corporate culture oriented toward employee engagement and performance achievement (Oktavera, 2024).

The Concept of Human-Centric Leadership

Human-centric leadership is an approach that emphasizes the human element when influencing and directing employees. Leaders adopting this style focus not only on target achievement and efficiency but also on developing employee potential and well-being, as well as fostering emotional engagement.

Key characteristics of human-centric leadership include empathy for employee needs, two-way communication, trust, fairness, and empowerment. Leaders who employ this approach view employees as strategic partners rather than mere instruments of production.

Leadership in Enhancing Performance in the Digital Era

The advancement of digital technology has brought about significant and profound changes across various aspects of life, including how leadership is exercised within business organizations. To achieve corporate goals effectively and efficiently, leadership roles should be filled by high-performing individuals within their respective fields. Placing the right individuals in appropriate structural positions can positively influence subordinates in the pursuit of organizational objectives. Leadership is not merely a position but also the ability to influence others (Hutagalung, 2025).

In addition to supporting performance management, digital technology serves as a vital tool for employee learning and development. According to Muhammad (2016), technology enables employees to access learning materials anytime and anywhere. However, the success of this learning depends heavily on individual motivation. Employees with a strong drive to learn will utilize technology to develop their skills and gather as much information as possible. Conversely, a lack of motivation can hinder the potential of technology to enhance employee competence (Sajidah, 2024).

Digital leadership refers to the knowledge possessed by current and aspiring leaders to guide their organizations or businesses through the transformation into the digital era. In the era of Industry 4.0, digital leadership is underpinned by seven characteristics: responsibility, results, information distribution, goals and assessment, handling errors and conflict, managing change, and fostering innovation. The leaders examined in this study are characterized by innovativeness, their attitude toward ICT, their IT-related leadership knowledge, and their approach to risk avoidance.

Companies face the challenge of integrating and implementing digital technology, and no sector is immune to the impact of digital transformation. Rogers (2016) identifies five factors acting as a "burning platform"—or the driving forces behind transformation—namely: Customers, Competition, Data, Innovation, and Values. In the digital economy, digitalization has become a strategic management issue for companies rather than merely a technical one (Priyono, 2023).

There are five dimensions of leadership in the digital era that do not fundamentally replace leadership models from previous eras. Influenced by advancements in information technology, these new leadership dimensions expand upon the traditional understanding of effective leadership by incorporating digital elements into the requirements and responsibilities of

leaders. These five dimensions are:

1. **Digital Literacy.** Leaders must be digitally literate and keep pace with digital technology developments. Furthermore, they must ensure that their subordinates are also digitally literate.
2. **Application of Social and Digital Technologies.** Leaders must be able to recognize the potential of innovative technologies to generate revenue for the company. They must also understand that social and digital technologies can be leveraged internally to enhance communication and collaboration, foster innovation, streamline operations, and improve individual and group performance. Additionally, they must recognize that human resource management can be transformed through social and digital technologies.
3. **Implications of Social and Digital Technologies.** Leaders need to acknowledge that social and digital technologies alter the nature of work and influence how they manage the workforce. Risks associated with digital technology adoption must also be anticipated; for instance, it may lead to reduced reliance on human labor as tasks become automated by technology.
4. **Digitally-Savvy Leadership Style.** Leaders must adapt their leadership styles to align with digital-centric demands and expectations. They need to make significant changes in their mindset, including accepting a loss of control and developing a more inclusive and participatory approach to leadership.

Digital leadership capabilities can drive innovation in the development of new healthcare products and services. In the digital era, leadership characteristics encompass several key aspects:

1. A business focus on creativity and innovation.
2. Digital skills utilized to create competitive advantage through technology and to enhance the value of individual knowledge.
3. The application of digital technology to build robust networks—both domestically and globally—and to ensure collaboration.
4. The ability to inspire loyal participation in achieving a shared vision. Effective digital leadership relies not only on technical skills but also on the ability to foster a culture of innovation, adaptability, and continuous learning. This aligns with the concept of transformational leadership, which emphasizes the importance of inspiring and motivating followers to achieve extraordinary results; in other words, digital leaders possess the ability to rapidly adapt to technological changes and market trends (Hesti, 2024).

Performance in the Digital Era

Performance in the digital era is evaluated not only based on quantitative work results but also on the ability of individuals and organizations to adapt to change, innovate, and collaborate. The digital work environment demands new skills, flexibility, and mental readiness to cope with rapid change. In this context, employee performance is heavily influenced by the prevailing leadership style. Leadership that places excessive emphasis on technical aspects and control can

lead to work-related stress and resistance to change. Conversely, humanistic leadership fosters a sense of security and trust, thereby motivating employees to contribute optimally.

Challenges and Strategies for Human Resource Competency Development in the Digital Transformation Era

Challenges regarding human resource (HR) competencies in the digital era demonstrate that current technological changes have significantly impacted how people work and live. This creates new challenges for organizations in managing HR competencies that align with the demands of the digital age. Regarding the role of data analysis in digital management, effective HR development strategies include technology-based training and education—such as the use of digital platforms to enhance literacy and skills, as suggested by Ridwan (2024). Furthermore, upgrading digital infrastructure is crucial for supporting improved connectivity, as proposed by Rosita (2025).

The implementation of digital technology in human resource management can enhance organizational efficiency and effectiveness. Meanwhile, a harmonious organizational climate—supported by leadership and knowledge transfer—serves as a crucial element in developing a competitive workforce. Digital transformation is also reshaping recruitment and onboarding processes; technology-driven evaluations assist organizations in identifying individual potential, such as through STEAM-based approaches. Faced with these challenges, organizations must provide intensive training and foster a supportive work environment to ensure their workforce can navigate rapid change. Indonesia's workforce must continuously develop its competencies to remain globally competitive. By integrating technology-driven HR development strategies, intensive training, and adaptive leadership, organizations can achieve sustainability without overlooking the human element. Effective synergy between technology and people enables the optimal achievement of organizational goals (Naffis, 2024).

Adaptability encompasses the ability to learn quickly and think creatively when solving problems. Communication skills are vital in the digital era, particularly given the prevalence of virtual interaction. Personnel need strong communication skills across various channels, including email, instant messaging, and other platforms; this also includes the ability to collaborate effectively with teams in a virtual setting. Data analysis skills are a highly valuable asset in the digital era. Employees must be capable of analyzing data effectively and making decisions based on those insights. This skill set includes the ability to understand and process data, as well as the capacity to forecast outcomes based on available information. Time and task management skills are essential as work becomes faster and more complex in the digital era; employees must manage their time and tasks effectively to ensure work is completed both efficiently and successfully.

Key aspects include fostering positive cross-generational dynamics and leveraging technology—along with mastering it—to enhance performance.

Ultimately, all parties must work in synergy to ensure the organization moves in alignment with its vision and mission, mitigates issues that could undermine organizational sustainability, and maximizes resources. This enables the achievement of goals in a balanced manner—without overlooking the people within the organization, who remain a vital resource deserving of humane treatment. According to Mitrofanova et al. (2019), companies face significant challenges when new digital technologies are introduced into HR management, as digital advancements support not only operational HR functions but also managerial ones. The positive impacts of implementing digital-based employee management include improved quality and accelerated HR processes, cost efficiency, a more strategic orientation, and an enhanced corporate image alongside greater trust among HR stakeholders.

The Role of Human-Centric Leadership in Enhancing Performance in the Digital Era

Human-centric leadership plays a significant role in enhancing performance in the digital era through various mechanisms.

1. First, a humanistic approach can boost employee motivation and job satisfaction. Employees who feel valued and supported tend to demonstrate better performance.
2. Second, human-centric leadership fosters employee engagement and commitment during the digital transformation process. Leaders who are communicative and participatory are able to reduce resistance to technological change.
3. Third, human-centric leadership creates an adaptive and innovative organizational culture. An open work environment built on mutual trust empowers employees to confidently share new ideas and innovate (Isa, 2025).

Thus, human-centric leadership serves as a key factor in ensuring that digital transformation is not merely technology-oriented but also focused on performance improvement and organizational sustainability.

Conclusion

It can be concluded that people-centric leadership plays a crucial role in enhancing organizational performance in the digital era. Digital transformation requires leaders not only to master technology but also to embody human values such as empathy, fairness, open communication, and employee empowerment. Leadership that integrates a humanistic approach with digital leadership has been shown to boost employee motivation, engagement, and innovation, as well as adaptability to technological changes. Therefore, the success of digital transformation and the achievement of sustainable performance depend heavily on a leader's ability to balance the use of technology with a focus on the human element as the core of the organization.

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