

The Influence of The Work Environment and Digitalization on Employee Performance at The South Panjang Village Office

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ABSTRACT

This study examines the influence of the work environment and digitalization on employee performance at the Kantor Kelurahan Panjang Selatan. This study's background focuses on the difficulties workers encounter in enhancing their performance in the face of swift change, especially with the adoption of digital technology. This study aims to examine the impact of digitalisation and the workplace on employee performance effectiveness. 44 office workers were given questionnaires to complete as part of a quantitative approach to data collection. The analysis's findings demonstrate that employee performance is positively and significantly impacted by the workplace, while digitalisation has a negative but negligible effect. The conclusion of this study confirms that good work environment conditions, including adequate facilities and harmonious social relationships, are very important in boosting employee performance. However, the implementation of digitalization must be supported by human resource readiness to make a positive contribution to performance. These findings indicate the need for more attention to aspects of the work environment and the development of digitalization training to improve overall employee performance.

A. INTRODUCTION

In the current era of digitalization, a conducive work environment and the establishment of digital technology are important factors that affect employee performance in various sectors, including in the public sector. Kantor Kelurahan Panjang Selatan as a government institution that has the responsibility to provide quality services to the community and manage government administrative affairs. However, the challenges in improving employee performance in the office are now increasingly complex with the dynamics of the work environment and the urgent need to adopt digital technology. Employee performance is an individual's ability to carry out their duties and responsibilities effectively and efficiently. Employee quality is the result of a worker's achievements which can be measured through several aspects, namely the quality of work, the quantity produced, and the ability to complete tasks according to a set schedule (Gani, 2009). Based on initial observations at Kantor Kelurahan Panjang Selatan, it is known that the performance of its employees has problems, namely service delays affected by an uncomfortable office environment and manual servants due to the lack of optimal digitalization, at Kantor Kelurahan Panjang Selatan. A study by Hidayat and Mattalatta (2025) indicates that employee performance is greatly influenced by the quality of the work environment and the efficient adoption of digital technology. A conducive work environment, including the availability of adequate infrastructure and optimal spatial planning, contributes to increased motivation and productivity. Meanwhile, the implementation of relevant digital technologies, such as integrated information systems and the provision of digital data regarding administrative services, also plays a crucial role. Consequently, a deep

understanding of the interrelationships of these three components is essential to improve the quality of public services.

A work environment that refers to the conditions and atmosphere in the place where employees perform their duties. The work environment refers to the overall physical and non-physical atmosphere in the workplace. The work environment includes various elements in the work area that have an impact on employees' abilities and carry out their responsibilities, including aspects such as the level of cleanliness, the slope of the floor surface, and the quality of air ventilation (Utami and Marnisah, 2025). The phenomenon that arises is that the work environment in Kantor Kelurahan Panjang Selatan requires a lot of improvement, both from limited work facilities, physical conditions such as dull walls and inadequate facilities creating an uncomfortable atmosphere for employees. According to Jelatu (2024) research, the work environment has a positive and significant effect on employee performance at PT Citra Bakti Persada Makassar, indicating that a good work atmosphere can increase the effectiveness of employee placement. Factors that support the work environment are physical conditions, positive social relationships between employees, and a supportive organizational culture. Meanwhile, according to research by Mahardhika and Khan (2024), the work environment has no effect on the performance of employees in the XYZ provincial representative financial agency due to the lack of clear communication between and employees, less supportive physical conditions, lack of appreciation and recognition of achievements.

On the other hand, digitalization is a transformation process that changes the way organizations operate by utilizing digital technology. Digitalization is a system change from a manual form to a digital format which is a transformation that uses the sophistication of technology and digital-based information through the implementation of an automated and digital-based system. This process involves converting from traditional methods to more modern forms by utilizing advances in digital technology through systematic and programmatic data processing (Hidayat and Mattalatta, 2025). The phenomenon that occurs in the Long Office is that many administrative processes are still carried out manually, such as filling out files and employee attendance. To improve employee performance in the midst of changes in the work environment that continues to move quickly and are pressured to adopt digital systems, such as filling out files and employee attendance. This can cause delays in service and reduce employee productivity. Research by Yayuk & Sundjoto (2025) shows that the positive influence of the implementation of digitalization on employee performance in the procurement of goods/services of the Pasuruan Regency Regional Secretariat. This can be seen from the acceleration of task completion through the optimal use of digital technology, supported by the ability of qualified staff in operating various software for financial reporting, thereby increasing accuracy and work efficiency. Meanwhile, Hidayat & Mattalatta's research (2025) shows that there is a positive but insignificant influence of service Digitalization on employee performance. The results of the study show that the Digitalization of services at the Soppeng Regency PDAM office is not running well, because not all employees understand the Digitalization of services.

Looking at the background and existing phenomena that make the researcher feel interested in conducting research and increasing the importance of the work environment and digitalization well, further research is needed on "The Influence of the Work Environment and Digitalization on Employee Performance at Kantor Kelurahan Panjang Selatan. When described, the main problems studied in this study are as follows: What...the work environment and digitalization have an impact...against...performance of employees in the Kantor Kelurahan Panjang Selatan?

B. THEORETICAL STUDY

Sociotechnical Systems Theory

According to Mumford (2000), Sociotechnical Systems Theory explains that performance in an organization is the result of interrelated interactions between social systems in technical systems. The social system includes the human working in the organization, the relationship between employees, communication patterns, work culture and the overall work environment.

Meanwhile, technical systems are related to technology, work equipment, procedures, and digital systems used to support the implementation of work. This theory emphasizes that organizations cannot achieve optimal performance if they only focus on developing technology without paying attention to social aspects or instead only improve the work environment without adjusting the technical systems used

In the context of modern organizations, the implementation of digitalization is part of a technical system that aims to improve efficiency, speed, and accuracy in work processes. However, the success of digitalization is highly dependent on the readiness of social system conditions, such as the support of the work environment, the ability of employees to use technology, and the existence of good cooperation and communication in the workplace. If digital technology is applied without balancing with a conducive work environment, then, technology can actually cause work obstacles, stress, and decreased employee performance.

Studies by Nikolov and Latkovikj (2025) support this view, showing that organizations that align digital technologies with the work environment report improved HR performance. Employees' positive reactions to digital tools and the regular use of social media show how important human involvement in technology systems is to improve productivity and collaboration. This theory views that employee performance will improve if the social system and technical system are designed and managed in a balanced manner. A harmonious work environment and organizational support help employees adapt to the digitalization being implemented. Conversely, digital systems that are easy to use and fit the needs of work can strengthen the effectiveness of the work environment, thereby creating better well-being in the workplace.

Work Environment

The work environment being a workplace plays a crucial role in the success of an institution or company. The right work atmosphere can improve staff performance and create a sense of feel at home during activities, thus helping the organization achieve its targets. The work area, being a local of the employee's daily activities, needs to be designed as optimally as possible to provide maximum comfort. Good workplace arrangement and design will encourage the smooth implementation of employees' duties (Jelatu, 2024). Based on the view of Marjun (2019), the work environment is divided into two main aspects. First, the physical environment aspect which includes the availability of supporting facilities and infrastructure. Second, non-physical or social aspects that include the dynamics of work relationships, both between leaders and staff and interactions between fellow employees.

According to Sedarmayanti (2017), the work environment refers to all conditions and elements around employees that have the potential to affect their activities, productivity, and well-being at work. The indicators of the work environment include (Sugma, 2022):

- Cooperation between groups: the extent to which employees feel that there is good cooperation among the existing divisions.
- Smooth communication: the extent to which employees feel there is good and open and smooth communication between colleagues and leaders.
- Relationship between subordinates and superiors.
- Work Facilities

Digitization

Digitalization is the process of converting information from analog to digital format by utilizing digital data technology through automated and computerized systems. Digitalization of services is a solution to accelerate the public service system which is often slow and wasteful. Although the implementation of service Digitalization is not always easy for the public, it is important to still do it for their convenience. According to Sager et al (2022), digitalization indicators include:

- Use of Digital Technology
- Training and development



- Digital service integration
- Innovation and creativity
- Flexibility of work environment and data-driven decision-making
- Communication and response

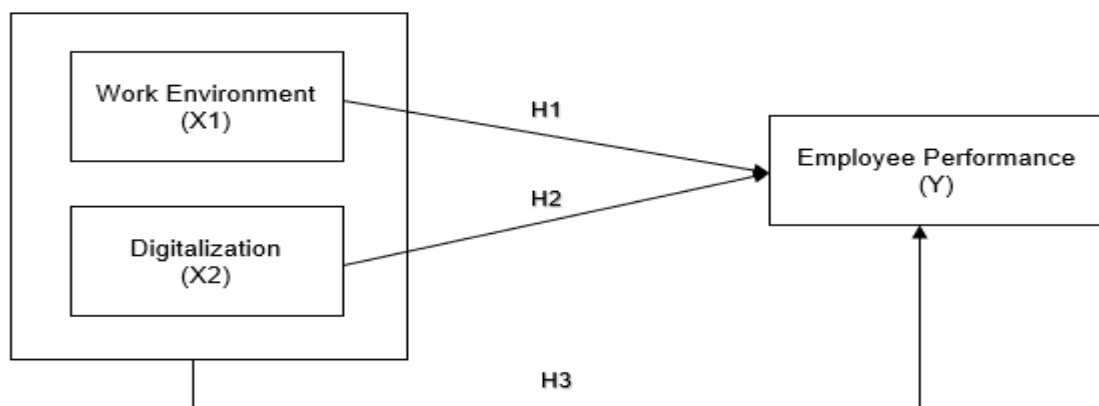
Employee Performance

Employee performance is an achievement that is achieved by an employee through full dedication to produce performance, optimally, taking into account quality, quality, so that they can work effectively, achieve maximum results, and support organizational development (Salsa & Ira, 2025). According to Utami & Marnisah (2025), employee performance is a combination of the quality and quantity of diverse work results of each individual in making their contribution to realize the goals, development direction, and main goals of an organization. So in conclusion, the two definitions can be concluded that employee performance is the result achieved by a worker by exerting all his abilities to produce the best performance, by paying attention to quality aspects, and quality standards, which allow the effective implementation of tasks for the progress of the organization. The employee performance indicators according to (Sugma, 2022) include:

- Working quantity
- Quality of work
- Punctuality
- Effectiveness and independence

Conceptual Framework

In an effort to improve performance, both individual and group performance, the work environment and digitalization are significant variables in improving performance. The following is the conceptual framework used in this study:



Conceptual Framework Drawings

Hypothesis Formulation

A hypothesis can be defined as a proposition that will be tested as a tentative solution to a problem. Based on the existing theoretical framework of thought, the hypotheses proposed are as follows:

Work Environment Affects Employee Performance

The ecological context of the workplace plays a crucial role in optimizing employees' comfort, enthusiasm, and intrinsic drive, which in turn contributes to the enhancement of their performative capabilities. Based on Mumford's perspective through Sociotechnical Systems Theory, organizational performance is the result of a harmonious synchronization between the social systemic and technical systemic components. A conducive work environment facilitates employees to reach their peak performative point. Previous empirical investigations conducted

by Jelatu (2024) definitively confirm the existence of a positive and statistically meaningful correlation between the work environment and employee performative capabilities.

H1: The work environment has a positive and significant effect on employee performance.

Digitalization affects employee performance

Digitalization, which refers to the adoption of digital technology, aims to optimize operational effectiveness and efficiency. The implementation of digital processes allows professionals to complete their tasks with greater speed, accuracy, and flexibility. Consistent with the Sociotechnical System Theory, digitalization is categorized as a technical subsystem that requires alignment with social aspects to achieve maximum employee performance improvement. Empirical findings from previous research conducted by Dewi and Krisnadi (2023) indicate a positive correlation between digitalization and employee performance.

H2: Digitalization has a positive and significant effect on employee performance.

The Influence of the Work Environment and Digitalization on Employee Performance

Based on Sociotechnical Systems Theory, employee performance is influenced by a combination of social systems and technical systems. A conducive work environment as part of the social system and digitalization as part of the technical system needs to be managed in a balanced manner so that employees can work effectively (Mumford, 2000). When the work environment is supportive and digital technology is set accordingly, employee performance will improve optimally. Previous research has shown that the work environment and digitalization have an effect on employee performance (Hidayat & Mattalatta, 2025).

H3 : The Work Environment and Digitalization simultaneously affect employee performance.

C. RESEARCH METHODS

Research Location

Research..this..done..in..Kantor Kelurahan Panjang Selatan is located in South Panjang, Panjang District, Bandar Lampung City, Lampung.

Population and sample

Population refers to the entire object of concern in a study and serves as the main source of data. Based on this definition, a population includes a group of individuals designated by the researcher as the subject of the study. In this study, the population studied is employees and works at the Panjang Village Office. The number of population set for this study is 44 employees.

All workers at Kantor Kelurahan Panjang Selatan were included in the population and saturated sample of the research, which amounted to around 44 people who would be used as saturated samples. Saturated sampling, according to Sugiyono (2022), is a sampling technique in which each member of the population is made part of this research sample (saturated sample).

Data Types and Sources

The type of research in this study is a type of quantitative research. Quantitative research is a systematic scientific method to test theories or hypotheses by measuring variables using numerical data and statistical analysis. The researcher obtained primary data directly from the source through the distribution of questionnaires, and observations, including observing activities at Kantor Kelurahan Panjang Selatan, so as to ensure the accuracy of the information.

Data Collection Methods



According to Sugiyono (2022), data collection can be done through observation, questionnaires, or interviews. In this study, questionnaires were chosen as the main method to collect data from respondents. The questionnaire consists of two types of questions: open-ended and closed-ended. Open-ended questions give respondents the freedom to answer, while closed-ended questions provide more structured answer options. According to (Sugiyono, 2022), closed-ended questions are used to collect data in nominal, ordinal, interval or ratio form, so that it is easy to analyze. The questionnaire in this study was closed, so respondents only needed to choose the right answers, which made the data more structured and easy to understand.

This study also uses questionnaires as the main instrument, with a likert scale of 1-5 to assess respondents' perceptions of social phenomena, both at the individual and group levels whether they tend to agree or disagree with existing statements. According to (Sugiyono, 2022) with this approach, it is hoped that the results obtained will be more relevant and accurate.

Variable Operational Definition

The operational definition of variables is used as a guideline in the measurement of research variables in an objective and systematic manner. It covers meticulous aspects, data collection tools, and observation methods. The operational definition of this research variable can be seen in the following table:

Table of Variable Operational Definitions

Variable	Definition	Indicator
Work Environment	The work environment is the conditions and atmosphere in the location where the employee performs his duties. It includes all the physical and non-physical aspects that exist in the workplace, which can affect an employee's ability to carry out responsibilities. Source: Utami et al., (2025)	1. Cooperation between groups 2. Seamless communication 3. Relationship with superiors 4. Work Facilities Source: Sugma (2022)
Digitalization	Digitalization is the process of converting information from analog to digital format by utilizing digital data technology through automated and computerized systems. Source: Isma (2023)	1. Usage Digital Technology 2. Training and development 3. Digital service integration 4. Innovation and creativity 5. Flexibility of work environment and data-driven decision-making 6. Communication and response Source: Sager et al., (2022)
Employee Performance	Performance is the result of work that can be achieved by a person in an organization both qualitatively and quantitatively, in accordance with authority, duties, and responsibilities in an effort to achieve organizational goals. Source: Shidqi et al., (2023)	1. Working quantity 2. Quality of work 3. Punctuality 4. Effectiveness and independence Source: Sugma (2022)

D. RESULTS AND DISCUSSION

Research Results

Respondent Characteristics

Table of Respondent Characteristics

Variable	Instrument	N	%
Age	17-25 years old	2	5%
	26-30 years	4	9%
	>30 years old	38	86%

Old Work	1-3 years	9	20%
	4-6 Years	25	57%
	>6 years old	10	23%
High School/Vocational School Education Finally		31	70%
	Diploma	1	2%
	S1	12	28%

Source: Researcher-processed data (2026)

Based on the table above, it can be identified that the demographic profile of the participants in this study was examined based on age, duration of work experience, and last level of formal education. From an age perspective, the majority of the study subjects were in the > 30 year category, covering 38 individuals or 86% of the total sample. Furthermore, there were 4 participants (9%) in the age range of 26–30 years, and 2 individuals (5%) who were aged 17–25 years. These observations indicate that the respondent population is dominated by individuals of productive age, who generally have an established level of professional maturity.

Based on the classification of length of service, the majority of participants are segments with a duration of service of 4–6 years, which includes 25 individuals or equivalent to 57%. Participants who have a service period of more than 6 years amounted to 10 people, representing 23%, while participants with work experience ranging from 1-3 years amounted to 9 people, or 20%. This data confirms that most of the participants have accumulated sufficient professional experience.

When viewed from the last level of formal education that was completed, the majority of respondents were graduates of Senior High School (SMA) or Vocational High School (SMK), with a quantity of 31 individuals or 70% of the total participants. Respondents who have Strata One (S1) educational qualifications amounted to 12 individuals, equivalent to 28%, while individuals with Diploma education were recorded as many as 1 person, which represents 2% of the total. These findings indicate that the composition of the participants' education level is dominated by individuals with a high school/vocational education background.

Validity and Reliability Tests

The validity test aims to find out the extent to which each question item in the questionnaire is able to measure the variables to be studied. This test is used to ensure that the research instrument actually measures what should be measuring, so that the resulting data can be trusted. Based on the table of validity test results, it is known that all statement items in the variables Work Environment, Digitalization, and Employee Performance have a calculated r value of > 0. 297 and a significance value < 0.05. This indicates that all statements in the questionnaire are declared valid, because they are able to present the construct being measured.

Table of Validity Test Results

Variable	Indicator	r-count	r-table	Remarks
Work Environment	X1.1	0,707	0,297	Valid
	X1.2	0,678	0,297	Valid
	X1.3	0,784	0,297	Valid
	X1.4	0,644	0,297	Valid
	X1.5	0,776	0,297	Valid
	X1.6	0,589	0,297	Valid
	X1.7	0,744	0,297	Valid
	X1.8	0,746	0,297	Valid
	X2.1	0,775	0,297	Valid
	X2.2	0,762	0,297	Valid
	X2.3	0,644	0,297	Valid



Digitization	X2.4	0,672	0,297	Valid
	X2.5	0,807	0,297	Valid
	X2.6	0,745	0,297	Valid
	X2.7	0,840	0,297	Valid
	X2.8	0,724	0,297	Valid
	X2.9	0,909	0,297	Valid
	X2.10	0,737	0,297	Valid
	X2.11	0,720	0,297	Valid
Performance Employees	Y1.1	0,624	0,297	Valid
	Y1.2	0,861	0,297	Valid
	Y1.3	0,764	0,297	Valid
	Y1.4	0,864	0,297	Valid
	Y1.5	0,876	0,297	Valid
	Y1.6	0,879	0,297	Valid
	Y1.7	0,746	0,297	Valid
	Y1.8	0,846	0,297	Valid

Source: Data processed (2026)

Table of Reliability Test Results

Variable	Cronbach's Alpha	Remarks
X1	0.848	Reliable
X2	0.922	Reliable
Y1	0.924	Reliable

Source: Data processed (2026)

The reliability analysis presented in the table indicates that all variables show Cronbach's Alpha values that exceed the threshold of 0.60. Specifically, the Work Environment variable obtained a score of 0.848, Digitalization 0.922, and Employee Performance 0.924. Based on the criteria put forward by Ghazali (2019), the instrument is considered reliable if Cronbach's Alpha value is greater than 0.60. These findings confirm that all instruments used in this study have an adequate level of reliability and consistency in the measurement of each variable.

Multiple Linear Regression Test

From the table of multiple linear regression test results, it is known that the multiple linear regression equation between independent variables and dependent variables is as follows:

$$Y = 5.642 + 0.501X_1 - 0.033X_2 + e$$

Table of Results of Multiple Linear Regression Test

		Coefficient		t	sig
Models		Unstandardized Coefficients	Standardized Coefficients		
		B	Std. Error		
1	(Constant)	5.642	3.915	1.441	0,157
	Work Environment	0.501	0.152	0.515	3.305
	Digitization	-0.033	0.099	-0.053	0,737

Source: Data processed (2026)

The regression equation has the following meanings:

1. Constant (a) = 5.642, meaning that if the Work Environment (X_1) and the Digitalization variable (X_2) are 0, then the Employee Performance value (Y) is 5.642.
2. The Work Environment Regression Coefficient (X_1) = 0.501, meaning that if the Work Environment increases by 1 unit, then the Employee Performance (Y) will increase by 0.501, assuming other variables remain the same.
3. Digitalization regression coefficient (X_2) = -0.033, meaning that if the Digitalization variable increases by 1 unit, then Employee Performance (Y) will decrease by -0.033, assuming the other variable is considered constant. However, judging from the sig level of > 0.05 , the Digitalization variable has no effect on employee performance.

Partial Test Results (T Test)

Based on the results of multiple regression analysis, a partial test (t-test) was carried out to evaluate the individual impact of each independent variable on employee performance. The critical value of t (t table) of 2.019, which was obtained through the calculation of the degree of freedom (df) as many as 41 at a significance level of 5%, was carried out with a two-way testing approach.

1. The Influence of the Work Environment on Employee Performance

Based on the empirical analysis presented in Table 4, the calculated t-test statistical value is 3.305. This value exceeds the t-test's critical value (t-table) of 2.019 at a significance level of 0.002, which is lower than the general threshold of 0.05. The implication of these results is the acceptance of the alternative hypothesis (H_a) and the rejection of the null hypothesis (H_0). Therefore, academically it can be stated that there is a positive and significant impact of the Work Environment on employee productivity. Quantitatively, these findings imply that the improvement in the quality of the work environment is proportionately correlated with the improvement in performance achieved by employees.

2. The Effect of Digitalization on Employee Performance

Based on the test results in Table 4, it is known that the Digitalization variable (X_2) has a calculated t-value of -0.033 with a significance value of $0.737 > 0.05$. This shows that digitalization has no effect on employee performance. Thus, the alternative hypothesis (H_a) is rejected and the null hypothesis (H_0) is accepted. This means that the increase in digitalization applied in the work environment has not been able to have a real influence on improving employee performance.

Simultaneous Test Results (F Test)

Table of Simultaneous Test Results

	<i>Models</i>	Sum of Squares	Df	Red Squate	<i>F</i>	<i>Sig.</i>
1	Rulesson	130.890	2	65.445	8.668	0.001
	Residual	309.542	41	7.550		
	Total	440.432	43			

Source: Data Processed (2026)

Based on the analysis of variance (ANOVA), the statistical value of the F test calculated was 8.668, with a significance level of 0.001. This significance value is lower than the set threshold of 0.05. These findings indicate that work environment and digitalization factors, when analyzed together, have a significant impact on employee performance. Therefore, the regression model applied in this study is declared valid and suitable for use. Further, these results underscore that the interaction between the work environment and digitalization collectively plays a crucial role in shaping employee performance, although the individual



influences of each of these variables may vary in terms of the direction and magnitude of their impact.

Determination Coefficient Test Results (R²)

Table of Determination Coefficients (R²)

Model Summary ^b			
Models	R	R Square	Adjusted R Square
1	0.545a	0.297	0,263

Source: Processed Data (2026)

The value of R Square of 0.297 was found based on the results of the calculation of the determination coefficient, which is shown in the determination coefficient (R²) table. The results show that the variables of Work Environment and Digitalization contribute simultaneously by 29.7% to the variation in employee performance. Meanwhile, other factors that are not included in the variables discussed in this study affect 70.3% of the variation in employee performance.

Discussion

The Influence of the Work Environment on Employee Performance

The results of the study show that the work environment has a positive influence on employee performance. The work environment has proven to play an important role in improving employee performance. Conceptually, Sociotechnical Systems Theory emphasizes that organizational performance is born from the interaction between social systems which include facilities, relationships between employees, work culture, and communication as well as technical systems in the form of technology and work procedures. A conducive work environment creates social support, smoothens workflows, and lowers psychological burden, so that employees are more focused, motivated, and able to achieve the expected performance standards. These findings are in line with the literature that emphasizes that adequate physical facilities, effective spatial planning, and a work culture that supports collaboration contribute to improved employee performance (Jelatu, 2024). In addition, a harmonious relationship between superiors and subordinates and mutually supportive work dynamics strengthen trust and a sense of security in the workplace, a factor that has been identified as a determinant of performance in various contexts of public and private organizations (Utami & Marnisah, 2025). Therefore, the findings of this study strengthen the hypothesis that the work environment has an influence on employee performance.

The Effect of Digitalization on Employee Performance

The results of digitalization do not affect employee performance. The influence of digitalization on employee performance is not affected when viewed separately, but this does not mean that digital technology is irrelevant. From the theory of Sociotechnical Systems Theory, digitalization is seen as part of a technical system that needs to be aligned with the social system, namely humans and work dynamics. The implementation of digital technology that is not accompanied by the readiness of human resources, adequate training, and proper workflow design can limit the potential for performance improvement. This is consistent with the findings of several previous studies that show that the effects of digitalization on performance are highly dependent on organizational readiness and training, as well as how technology is integrated into daily work practices (Hidayat & Mattalatta, 2025). In addition, the literature also emphasizes that digitalization is not solely about the adoption of new tools, but rather about how these tools integrate with operational needs, work culture, and employee competencies (Isma et al., 2023). So the second hypothesis states that Digitalization of services affects employee performance is rejected. The results of this study show that the

Digitalization of services at Kantor Kelurahan Panjang Selatan has not been running well, because employees at Kantor Kelurahan Panjang Selatan do not all understand the Digitalization of the services provided due to age factors, lack of training, and lack of facilities provided.

The Influence of the Work Environment and Digitalization in a Stealth Manner on Employee Performance

Empirical reviews indicate that the professional milieu contributes positively and substantially to the performance of employee capabilities. Based on the premise of Sociotechnical Systems Theory, organizational capability is a derivation of the mutual interaction between social subsystems including infrastructure, interpersonal relations, cultural ethos, and communication channels and technical subsystems that are manifested in the form of technology and operational protocols. A harmonious work environment will foster a supportive climate, facilitate workflow efficiency, and reduce psychological stress, which in turn will encourage increased employee focus and motivation. In practical terms, resource allocation for adequate facilities, ergonomic workspace design, and fostering a collaborative work ethic coupled with empirically efficient communication have been proven to spur continuous performance improvements. Previous research supporting these findings includes Jelatu (2024) and Marjun (2019) who show that a good physical and spatial work environment and harmonious working relationships improve performance, and Sugiyono (2022) and Utami & Marnisah (2025) who emphasize the role of work culture and communication.

On the other hand, the influence of digitalization on employee performance does not have a partial significant effect because digitalization is part of a technical system that needs to be aligned with the social system, without the readiness of human resources, adequate training, and proper workflow design, the implementation of digital technology does not automatically improve performance. In practical terms, research such as Hidayat & Mattalatta (2025), Yayuk Desi Wahyuni & Sundjoto (2025), Dewi & Krisnadi (2023), and Isma et al. (2023) emphasizes the importance of an ecosystem of continuous training, responsive technical mentoring, and employee involvement from the digital-based workflow design phase so that the implemented devices are truly integrated with operational needs. When digitalization is combined with adequate human readiness and work environment, the technical benefits are more likely to be achieved, although the literature also reminds of the need for periodic evaluations to keep implementation strategies relevant to changing tasks and stakeholder expectations.

E. CONCLUSION AND SUGGESTIONS

Conclusion

Based on a comprehensive analysis and discussion, some conclusions can be formulated as follows:

1. There is a positive and significant influence of the work environment on employee performance at Kantor Kelurahan Panjang Selatan. The implication of these findings is that superior quality of the work environment, spanning both physical and non-physical dimensions, substantially contributes to improved employee performance.
2. Digitalization does not show any significant influence on employee performance. This conclusion indicates that the implementation of digitalization that has been implemented has not succeeded in having a measurable quantitative impact in efforts to improve employee performance.
3. At the same time, both the work environment and digitalization have a significant influence on employee performance. This confirms that the two variables collectively play a crucial role in modulating employee performance, although their individual influences vary

Suggestions

Based on the conclusions of the research, the suggestions that can be given are as follows:



For Kantor Kelurahan Panjang Selatan

1. It is recommended to continue to improve the quality of the work environment, both in terms of work facilities, workspace comfort, and working relationships between employees and between superiors and subordinates, because it has been proven to have a significant effect on employee performance.
2. The implementation of digitalization needs to be accompanied by an increase in the readiness of human resources, such as training and assistance in the use of technology, so that digitalization can be used optimally and have a positive impact on employee performance.

For the Next Researcher

1. It is recommended to add other variables that have the potential to affect employee performance, such as work motivation, leadership, organizational culture, or employee competence, so that it can provide a more comprehensive picture.
2. Further research is also recommended to use different research methods or research objects so that research results can be compared and enrich studies in the field of human resource management.

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