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The Effect of Transformational Leadership and Digital Literacy on Employee Performance Through Employee Agility As A Mediation Variable in The Education Office of South Sulawesi Province

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ABSTRACT

This study aims to analyze the influence of Transformational Leadership and Digital Literacy on Employee Performance, both directly and through Employee Agility as a mediating variable at the South Sulawesi Provincial Education Office. This study uses a quantitative approach with an explanatory research type. The study population consisted of 358 Civil Servants (PNS), with a sample of 78 respondents determined using the Slovin formula. Data were collected through questionnaires and analyzed using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) method. The results showed that Transformational Leadership had a positive and significant effect on Employee Performance, Digital Literacy had a positive and significant effect on Employee Performance, and Employee Agility had a positive and significant effect on Employee Performance. Transformational Leadership and Digital Literacy were also proven to have a positive and significant effect on Employee Agility. Furthermore, Employee Agility was unable to significantly mediate the effect of Transformational Leadership on Employee Performance, so the mediation hypothesis was rejected. Conversely, Employee Agility positively and significantly mediates the influence of Digital Literacy on Employee Performance with a partial mediation pattern. This finding suggests that improving Employee Performance can be supported by strengthening Transformational Leadership, enhancing Digital Literacy, and developing employees' abilities to be proactive, adaptive, and resilient in facing organizational change.

INTRODUCTION

The development of digital technology has transformed organizational work processes, including those in the public sector. Governments are no longer solely required to provide administrative services; they must also deliver fast, integrated, transparent, and data-driven services. The success of this transformation is heavily influenced by the readiness of human

resources, a supportive work environment, and employees' ability to utilize technology and adapt to evolving work systems. The OECD (2021) emphasizes that digital transformation in government requires employees who understand the potential of technology, data, and digital systems to improve work performance and public services.

In Indonesia, digital government transformation is reinforced through Presidential Regulation No. 95 of 2018 concerning Electronic-Based Government Systems. This policy encourages central and regional government agencies to utilize information and communication technology in government administration and public services. This requires Civil Servants not only to master administrative tasks but also to be able to use technology, learn new systems, adapt to changing policies, and maintain high-quality performance in an increasingly dynamic work environment.

The South Sulawesi Provincial Education Office is a regional government agency with strategic responsibility for managing and providing educational services. The success of educational program implementation is greatly influenced by the organization's ability to manage employees, coordinate, utilize technology, and achieve performance targets. Service performance achievements for 2025 show that six of the eight indicators have met or exceeded the targets, while two indicators are still below target. Participation of citizens aged 4–18 with disabilities in special education reached 82.73%, while participation of citizens aged 16–18 in secondary education reached 83.68%. Meanwhile, the use of information and communication technology-based secondary education services has reached 106.49%.

These variations in achievement indicate that the organization's service success has not been uniform. This condition cannot be directly attributed to low individual employee performance, as organizational achievements are also influenced by budget, policies, infrastructure, regional conditions, and community participation. However, program implementation, data management, inter-unit coordination, technology utilization, and work completion remain highly dependent on employee contributions. Therefore, employee performance is a crucial aspect that needs to be considered in supporting the success of educational services.

Employee performance describes an employee's ability to produce quality work that is timely, effective, and responsible, and contributes to the achievement of organizational goals. This performance is not formed by a single factor, but is influenced by a combination of employee abilities, motivation, and opportunities. From the Ability–Motivation–Opportunity Theory perspective, performance can improve if employees have the abilities that meet job demands, the motivation to produce the best work, and the opportunities and organizational support to utilize these abilities. Edgar et al. (2020) showed that abilities, motivation, and opportunities at both the individual and organizational levels are positively related to performance achievement.

In this study, Digital Literacy represents the ability aspect because it shows the employee's capacity to access, manage, evaluate, and use digital technology to complete work. Transformational Leadership represents the motivation and opportunity aspects because leaders

can provide vision, inspiration, support, intellectual stimulation, trust, and space for employees to learn and take initiative. The combination of ability, motivation, and opportunity is expected to form Employee Agility as an employee's ability to be proactive, adaptive, and resilient in facing change, which can then improve Employee Performance.

Transformational leadership is one factor that can influence employee performance. Transformational leaders not only perform administrative functions but also provide role models, build a shared vision, provide motivation, encourage new thinking, and pay attention to employee development needs. Lai et al. (2020) showed that transformational leadership can increase employee engagement in work, which in turn contributes to improved task performance and helping behavior.

Research on the influence of transformational leadership on employee performance still shows mixed results. Kusumah et al. (2021) found that transformational leadership has a positive and significant effect on employee performance. Similar results were presented by Afriani et al. (2023), who showed that leadership that provides inspiration, individual attention, intellectual stimulation, and role models can improve employee performance. However, Meiryani et al. (2022) found that transformational leadership did not have a significant effect on employee performance. This difference indicates an empirical gap, indicating that the effectiveness of transformational leadership can depend on job characteristics, communication patterns, work situations, and employees' ability to respond to change.

Beyond leadership, digital literacy is becoming an increasingly important individual factor in government organizations. Digital literacy extends beyond the ability to use devices or applications, but also encompasses the ability to manage information and data, communicate through digital media, solve problems, and use technology safely and responsibly. Employees with strong digital literacy are better able to access information quickly, reduce administrative errors, facilitate communication, and complete work more effectively and efficiently.

Chong and Zainal's (2024) research shows that digital literacy has a positive and significant impact on performance, both directly and through employee agility. Satriawan et al. (2025) also found that digital literacy can improve employee performance directly and indirectly through employee agility. However, Muhadib et al. (2023) found that digital literacy partially had no significant impact on employee performance. These differences in findings indicate that digital capabilities do not necessarily automatically improve performance if the use of technology is not integrated with tasks, work procedures, training, and organizational needs.

In the context of the South Sulawesi Provincial Education Office, the need to improve digital literacy is increasingly relevant because various services have adopted information technology, such as educational ICT technical services, technology-based learning development, electronic documentation, activity publication, and the use of information and communication technology devices. Despite the development of ICT-based services, gaps in technology mastery and application remain at the employee level. This suggests that the

achievement of digital services at the organizational level does not necessarily reflect equitable digital capabilities across individuals.

Another factor thought to determine employee performance is employee agility. Employee agility reflects an employee's ability to respond quickly to change, take initiative, learn new ways of working, collaborate, adapt, and remain effective under uncertain conditions. Petermann and Zacher (2022) showed that workforce agility is positively related to task performance, innovative performance, and organizational citizenship behavior. In particular, adaptability and resilience are important aspects in maintaining performance when an organization faces change.

The need for Employee Agility is increasingly important at the South Sulawesi Provincial Education Office because changes in education management policies and standards can impact planned programs. Employees must be able to learn new procedures, adapt work methods, collaborate, take initiative, and remain effective when policies and work systems change. Therefore, adaptive, proactive, and resilient abilities are essential characteristics to support sustainable performance.

In this study, Employee Agility was placed as a mediating variable because Transformational Leadership and Digital Literacy are thought to influence employee performance beyond just direct impact. Transformational leaders can shape more agile employees by providing vision, motivation, support, and intellectual stimulation. Employees who feel supported and given opportunities to develop will be more open to change, take more initiative, and adapt more quickly to job demands. This agility can then support better performance.

Chong and Zainal (2024) found that Employee Agility mediates the relationship between Transformational Leadership and task performance and contextual performance. Satriawan et al. (2025) also showed that Transformational Leadership influences Employee Performance directly and through Employee Agility. However, Meilinda et al. (2025) found that Employee Agility did not significantly influence Employee Performance. These findings indicate that Employee Agility's ability to explain the relationship between leadership and performance is still inconsistent.

Digital Literacy is also expected to improve employee performance through the development of employee agility. Employees who are able to access, manage, evaluate, and utilize digital technology will more easily learn new systems, solve problems, and adapt to job changes. Chong and Zainal (2024) and Satriawan et al. (2025) showed that digital literacy can improve performance through employee agility. Wijaya et al. (2024) also found that digital competence has a positive and significant effect on employee agility, while the direct effect of digital competence on performance was insignificant. In this study, employee agility was shown to be a full mediator.

The phenomenon at the South Sulawesi Provincial Education Office demonstrates a link between leadership, digital literacy, and employee adaptation needs. Education staff motivation to develop themselves and enhance their professionalism remains suboptimal, while human

resource quality improvement programs are not yet fully effective. At the same time, the use of technology in education services continues to evolve, and employees are required to adapt to changes in work systems and educational policies. This situation suggests that improving performance requires leadership support, digital skills, and employee agility simultaneously.

Based on this study, several research gaps are identified. First, there is an empirical gap because research results regarding the influence of Transformational Leadership and Digital Literacy on Employee Performance are still inconsistent. Second, there is a mechanism gap because Employee Agility has not always been proven to explain the mechanism of the relationship between Transformational Leadership and Digital Literacy on Employee Performance. Third, there is a contextual gap because most previous research was conducted in the manufacturing, technology, higher education, and private sector organizations, while testing in local government organizations in the education sector is still relatively limited.

The novelty of this research lies in the integration of Transformational Leadership as a leadership factor, Digital Literacy as an individual capability factor, Employee Agility as adaptive behavior, and Employee Performance as a work outcome in one research model in public sector organizations. Employee Agility is placed as a mediator in two paths simultaneously, namely the relationship between Transformational Leadership and Employee Performance and the relationship between Digital Literacy and Employee Performance. The model is also used to expand the application of Ability–Motivation–Opportunity Theory in explaining employee performance in government environments facing the demands of digital transformation.

This study uses a quantitative approach with Structural Equation Modeling–Partial Least Squares (SEM-PLS) analysis. The study aims to analyze the influence of Transformational Leadership and Digital Literacy on Employee Performance, the influence of Employee Agility on Employee Performance, the influence of Transformational Leadership and Digital Literacy on Employee Agility, and the role of Employee Agility in mediating the influence of Transformational Leadership and Digital Literacy on Employee Performance at the South Sulawesi Provincial Education Office.

RESEARCH METHODS

This study uses a quantitative approach with an explanatory research method to examine and explain the influence of Transformational Leadership and Digital Literacy on Employee Performance through Employee Agility as a mediating variable. Data collection was conducted using a survey method using a questionnaire and a cross-sectional design, as data were obtained from respondents within a single research period.

The study was conducted at the South Sulawesi Provincial Education Office located in Makassar City in July–August 2026. The study population was all 358 Civil Servants (PNS) at the South Sulawesi Provincial Education Office. The sample size was determined using the Slovin formula with a 10% error rate, resulting in 78 respondents.

The research data consists of primary and secondary data. Primary data was obtained through questionnaires distributed to respondents, while secondary data was obtained through organizational documents, performance reports, personnel data, organizational structures, and other supporting information. The questionnaire was structured as a closed-ended statement using a five-point Likert scale, ranging from strongly disagree to strongly agree.

The operationalization of the research variables is presented in Table 1.

Table 1. Operationalization of research variables.

Variables	Operational Definition	Indicator
Transformational Leadership (X1)	Employee perceptions of leadership's ability to provide role models, inspiration, intellectual stimulation, and individual attention to encourage the achievement of organizational goals.	Idealized influence; inspirational motivation; intellectual stimulation; individual attention
Digital Literacy (X2)	The ability of employees to access, evaluate, manage, communicate, and utilize information and digital technology safely and responsibly to support their work.	Information and data literacy; communication and collaboration; digital content creation; digital security; problem solving
Employee Agility (Z)	The ability of employees to anticipate and respond to change proactively, adapt work behavior to new demands, and remain effective in the face of pressure and uncertainty.	Proactivity; adaptability; resilience
Employee Performance (Y)	The ability and behavior of employees in carrying out main tasks, adapting to change, and making positive contributions to achieving organizational goals.	Task performance; adaptive performance; contextual performance

Transformational Leadership Indicators refer to Cheng et al. (2023), Digital Literacy refers to Vuorikari et al. (2022), Employee Agility refers to Cai et al. (2018), while Employee Performance refers to Pradhan and Jena (2017).

The data were analyzed using descriptive statistical analysis and Structural Equation Modeling–Partial Least Squares (SEM-PLS) with the help of SmartPLS 4. Descriptive statistical analysis was used to describe the characteristics of respondents based on gender, age, education level, length of service, and work unit, as well as to determine the tendency of respondents' answers to each variable through frequency distribution, percentage, and average value.

SEM-PLS analysis was conducted through evaluation of the measurement model (outer model) and the structural model (inner model). The outer model evaluation was conducted to ensure construct validity and reliability. Convergent validity was assessed based on outer loading values ≥ 0.70 and Average Variance Extracted (AVE) ≥ 0.50. Discriminant validity was evaluated using the Heterotrait-Monotrait Ratio (HTMT) with a value < 0.90, while construct reliability was assessed based on Cronbach's Alpha and Composite Reliability with a value ≥ 0.70.

The inner model evaluation was conducted through the Variance Inflation Factor (VIF), coefficient of determination (R^2), effect size (f^2), predictive relevance (Q^2), and path coefficient. The VIF value was used to evaluate potential collinearity between predictor variables, R^2 was used to determine the ability of exogenous variables to explain endogenous variables, f^2 was used to assess the contribution of each relationship, while Q^2 was used to assess the predictive ability of the model.

Hypothesis testing was conducted using a bootstrapping procedure. The hypothesis was accepted if the t-statistic > 1.96 and the p-value < 0.05 at the 5% significance level. Path coefficients were used to determine the direction and magnitude of the influence between variables.

Mediation testing was conducted through specific indirect effects to determine the role of Employee Agility in mediating the influence of Transformational Leadership and Digital Literacy on Employee Performance. Employee Agility is declared to act as a mediator if the indirect effect is significant. Mediation is categorized as partial mediation if the direct and indirect effects are both significant, while full mediation occurs when the indirect effect is significant while the direct effect is insignificant.

RESULTS AND DISCUSSION

This study involved 78 Civil Servants at the South Sulawesi Provincial Education Office. Respondents were predominantly male (46 people or 58.97%), while female (32 people or 41.03%). Based on age, the largest group was in the 40–50 years range at 38.46%, followed by those aged 50 and above at 35.90%. Based on length of service, the majority of respondents had worked for 10–20 years at 44.87%. While based on education level, the majority were Masters (S2) at 48.72% and Bachelor/Diploma IV at 44.87%. These characteristics indicate that most respondents have a relatively adequate level of education and work experience.

Descriptive Analysis Results

Descriptive analysis shows that all research variables are in the very high category. A summary of the analysis results is presented in Table 2.

Table 2. Results of descriptive analysis of research variables

Variables	Mean	Category
Transformational Leadership	4.27	Very high

Digital Literacy	4.44	Very high
Employee Agility	4.38	Very high
Employee Performance	4.39	Very high

Transformational Leadership received an average score of 4.27. The highest score was given to leaders' ability to encourage employees to find new, more effective ways to complete their work and to provide guidance and support according to their needs. This indicates that intellectual stimulation and individual attention are relatively prominent aspects of Transformational Leadership.

Digital Literacy received an average score of 4.44. The ability to search for and obtain digital information needed for work received the highest score, while the application of digital security received the lowest score. Nevertheless, all aspects of Digital Literacy remained in the very high category.

Employee Agility achieved an average score of 4.38, indicating that employees generally possess proactive, adaptive, and resilient abilities in dealing with job changes. Employee Performance also ranked very high, with an average score of 4.39, indicating employees' ability to carry out tasks, adapt to change, and make a positive contribution to achieving organizational goals.

Evaluation of Measurement Model

The outer loading test results showed that all indicators had values above 0.70. The outer loading values for Transformational Leadership were in the range of 0.770–0.810, Digital Literacy 0.713–0.801, Employee Agility 0.704–0.831, and Employee Performance 0.766–0.823. Thus, all indicators met the convergent validity criteria.

The results of the AVE and construct reliability tests are presented in Table 3.

Table 3. Results of convergent validity and construct reliability

Variables	AVE	Cronbach's Alpha	rho_A	Composite Reliability	Information
Transformational Leadership	0.627	0.802	0.805	0.871	Valid and Reliable
Digital Literacy	0.552	0.797	0.799	0.860	Valid and Reliable
Employee Agility	0.578	0.734	0.745	0.804	Valid and Reliable
Employee Performance	0.627	0.703	0.701	0.835	Valid and Reliable

All constructs had an AVE above 0.50 and Cronbach's Alpha, rho_A, and Composite Reliability above 0.70. Thus, all constructs met the criteria for convergent validity and internal reliability.

Discriminant validity has also been fulfilled as shown in Table 4.

Table 4. HTMT test results

Relationship between variables	HTML	Information
Transformational Leadership ↔ *Employee Agility*	0.878	Valid
Employee Performance ↔ *Employee Agility*	0.890	Valid
Employee Performance ↔ Transformational Leadership	0.833	Valid
Digital Literacy ↔ *Employee Agility*	0.872	Valid
Digital Literacy ↔ Transformational Leadership	0.798	Valid
Digital Literacy ↔ Employee Performance	0.838	Valid

All HTMT values were below 0.90. The highest value was found in the relationship between Employee Performance and Employee Agility at 0.890, while the lowest value was found in the relationship between Digital Literacy and Transformational Leadership at 0.798. These results indicate that each construct has adequate empirical differences.

Structural Model Evaluation

The VIF test showed values between 1.721–2.031. All values were at a low level, indicating no multicollinearity problem in the structural model.

The results of the R^2, f^2, and Q^2predict tests are presented in Table 5.

Table 5. Results of structural model evaluation

Testing	Variables/Relationships	Mark	Information
R^2	*Employee Agility*	0.482	Moderate
R^2	Employee Performance	0.566	Moderate
f^2	Transformational Leadership → *Employee Agility*	0.149	Small
f^2	Transformational Leadership → Employee Performance	0.067	Small
f^2	Digital Literacy → *Employee Agility*	0.180	Currently
f^2	Digital Literacy → Employee Performance	0.063	Small
f^2	*Employee Agility* → Employee Performance	0.177	Currently
Q^2predict	*Employee Agility*	0.435	Have *predictive relevance*
Q^2predict	Employee Performance	0.440	Have *predictive relevance*

The R^2 value of Employee Agility of 0.482 indicates that 48.2% of the variation in Employee Agility can be explained by Transformational Leadership and Digital Literacy, while the remaining 51.8% is influenced by factors outside the model. Employee Performance obtained an R^2 value of 0.566, which means that 56.6% of the variation in Employee Performance can be explained by Transformational Leadership, Digital Literacy, and Employee Agility.

Based on f^2, the largest contribution is from Digital Literacy to Employee Agility at 0.180, followed by Employee Agility to Employee Performance at 0.177. The Q^2predict values for all

endogenous variables are above zero, namely 0.435 for Employee Agility and 0.440 for Employee Performance. These results indicate that the model has predictive relevance.

Hypothesis Testing

The results of the direct influence test are presented in Table 6.

Table 6. Results of direct influence testing

Hypothesis	Indirect Relationship	Coefficient	T Statistics	P Values	Decision
H6	Transformational Leadership → *Employee Agility* → Employee Performance	0.141	1,844	0.065	Rejected
H7	Digital Literacy → *Employee Agility* → Employee Performance	0.154	1,962	0.050	Accepted

All direct influences are positive and significant, thus H1 to H5 are accepted. The largest coefficient is found in the relationship between Digital Literacy and Employee Agility at 0.400, followed by Employee Agility and Employee Performance at 0.385.

The results of the mediation effect test are presented in Table 7.

Table 7. Results of indirect influence testing

Employee Agility was unable to significantly mediate the effect of Transformational Leadership on Employee Performance because the p-value was 0.065. In contrast, the path Digital Literacy → Employee Agility → Employee Performance obtained a p-value of 0.050 and was right at the 5% significance limit, so H7 was accepted. Because the direct effect of Digital Literacy on Employee Performance also remained significant, Employee Agility acted as a partial mediator in the relationship. CHAPTER IV.

Discussion

The Influence of Transformational Leadership on Employee Performance

Transformational Leadership has a positive and significant effect on Employee Performance with a coefficient of 0.240, a t-statistic of 2.117, and a p-value of 0.034. Thus, H1 is accepted. This finding indicates that the better the implementation of Transformational Leadership, the higher the tendency for increased Employee Performance.

Leaders who can provide role models, motivation, inspiration, intellectual stimulation, and individual attention can encourage employees to perform their jobs more optimally. Opportunities to express ideas and explore new ways to complete tasks also help improve employees' ability to deliver task-oriented, adaptive, and contextual performance.

From the perspective of Ability–Motivation–Opportunity Theory, Transformational Leadership represents both motivation and opportunity. Leaders provide motivation while creating opportunities for employees to develop, take initiative, and utilize their abilities.

These results align with Kusumah et al. (2021) and Afriani et al. (2023), who found that transformational leadership has a positive and significant effect on employee performance. However, these results differ from those of Meiryani et al. (2022), who found no significant effect. This difference indicates that leadership effectiveness can be influenced by organizational characteristics, employee characteristics, communication patterns, and the work environment.

The Impact of Digital Literacy on Employee Performance

Digital Literacy has a positive and significant effect on Employee Performance with a coefficient of 0.236, a t-statistic of 2.111, and a p-value of 0.035. Thus, H2 is accepted. These results indicate that the better an employee's digital skills, the better their ability to perform their work.

Digital literacy enables employees to access and manage information more effectively, communicate and collaborate through digital media, create and manage content, maintain information security, and utilize technology to solve work-related problems. In an increasingly digitalized government work environment, these skills can support the speed, accuracy, and effectiveness of task execution.

Theoretically, Digital Literacy represents the ability aspect of AMO Theory. Digital capabilities provide employees with resources they can use to meet the demands of technology-based work and maintain performance when work systems change.

The findings of this study align with Chong and Zainal (2024) and Satriawan et al. (2025), who showed that digital literacy positively impacts performance. However, these results differ from those of Muhadib et al. (2023), who found that digital literacy had no significant partial impact on employee performance. This difference may occur because the benefits of digital skills on performance depend on their integration with the job, technological facilities, training, and organizational needs.

The Influence of Employee Agility on Employee Performance

Employee Agility has a positive and significant effect on employee performance with a coefficient of 0.385, a t-statistic of 2.737, and a p-value of 0.006. Thus, H3 is accepted. These results indicate that employees who are more proactive, adaptive, and resilient tend to produce better performance.

The ability to adapt to change is crucial at the South Sulawesi Provincial Education Office as employees face changing policies, procedures, technology, and service demands. Agile employees are able to adapt their work methods, learn from new situations, take initiative, and remain effective when faced with pressure or uncertainty.

These findings align with Petermann and Zacher (2022), who demonstrated that workforce agility is positively related to task performance, innovative performance, and organizational citizenship behavior. However, the study's findings differ from those of Meilinda et al. (2025), who found that employee agility had no significant effect on employee

performance. This difference suggests that the benefits of employee agility may depend on job characteristics and organizational support for the adaptation process.

The Influence of Transformational Leadership on Employee Agility

Transformational Leadership has a positive and significant effect on Employee Agility with a coefficient of 0.365, t-statistics of 2.603, and p-values of 0.009. Thus, H4 is accepted.

These results demonstrate that leadership behavior that provides role models, motivation, intellectual stimulation, and individual attention can help employees become more agile in the face of change. When leaders encourage employees to explore new approaches, provide space for expressing ideas, and support employee development, their courage to take initiative and adaptability are strengthened.

These findings support AMO Theory because transformational leadership can provide motivation and opportunities that enable employees to develop adaptive work behaviors. The research findings also align with Chong and Zainal (2024) and Satriawan et al. (2025), which show that transformational leadership can increase employee agility in dealing with change.

In the context of the South Sulawesi Provincial Education Office, leadership support is important because changes in education policies and work systems require employees to be able to move quickly without reducing work effectiveness.

The Impact of Digital Literacy on Employee Agility

Digital Literacy has a positive and significant effect on Employee Agility with a coefficient of 0.400, a t-statistic of 3.326, and a p-value of 0.001. Thus, H5 is accepted. This relationship represents the largest direct influence in the research model.

The ability to acquire and evaluate digital information, use technology to communicate, manage content, maintain information security, and solve problems with the help of technology makes it easier for employees to learn new work systems and adapt to job demands.

From the perspective of AMO Theory, digital literacy is an aspect of ability that provides the foundation for employees to respond more quickly to change. Employees with strong digital skills will more easily learn new applications, adapt work methods, obtain necessary information, and identify alternative solutions to problems.

These findings align with Chong and Zainal (2024) and Satriawan et al. (2025). These findings are further supported by Wijaya et al. (2024), who found that digital competence has a positive and significant impact on Employee Agility. Thus, digital literacy is not only a technical skill but also a resource that supports employee adaptive behavior.

The Role of Employee Agility in Mediating the Effect of Transformational Leadership on Employee Performance

The test results show that Employee Agility is unable to significantly mediate the effect of Transformational Leadership on Employee Performance. The indirect effect coefficient is 0.141, the t-statistic is 1.844, and the p-value is 0.065. Thus, H6 is rejected.

This finding is interesting because Transformational Leadership has been shown to have a significant effect on Employee Agility, and Employee Agility also has a significant effect on Employee Performance. However, when the two relationships were tested as a single indirect pathway, the strength did not reach the required level of significance.

Meanwhile, the direct influence of Transformational Leadership on Employee Performance remains significant. This indicates that, in the context of this study, leadership role models, motivation, intellectual stimulation, guidance, and individual attention have a greater direct impact on employee performance than the development of Employee Agility.

The results of this study differ from Chong and Zainal (2024) and Satriawan et al. (2025), who demonstrated the mediating role of Employee Agility in the relationship between Transformational Leadership and performance. However, these results are closer to those of Meilinda et al. (2025), who showed that Employee Agility is not always the mechanism explaining the influence of leadership on employee performance. This opens up the possibility of other mechanisms such as motivation, work engagement, commitment, or other work behaviors.

The Role of Employee Agility in Mediating the Influence of Digital Literacy on Employee Performance

The test results show that Employee Agility can positively and significantly mediate the influence of Digital Literacy on Employee Performance. The indirect effect coefficient is 0.154, the t-statistic is 1.962, and the p-value is 0.050. Thus, H7 is accepted.

These findings show that Digital Literacy not only improves employee performance directly, but also through increasing employees' ability to be proactive, adaptive and resilient. Employees who are able to utilize digital technology find it easier to learn new applications and work systems, obtain information quickly, solve problems, and adapt their way of working when changes occur.

Because the direct effect of Digital Literacy on Employee Performance remains significant with a coefficient of 0.236 and a p-value of 0.035, Employee Agility acts as a partial mediator. This means that some of the influence of Digital Literacy on Employee Performance occurs directly, while others occur through the development of Employee Agility.

These findings support AMO Theory, as digital skills, as an ability, will result in more optimal performance contributions when translated into agile work behaviors. Within this mechanism, Employee Agility links digital skills to work outcomes through the ability to take initiative, learn, adapt, and remain effective amidst change.

The research findings align with Chong and Zainal (2024) and Satriawan et al. (2025), which show that employee agility mediates the influence of digital literacy on performance. This finding is further supported by Wijaya et al. (2024), who demonstrated that digital skills can improve performance through increased employee agility.

Overall, the study shows that Transformational Leadership, Digital Literacy, and Employee Agility are important factors in improving employee performance at the South

Sulawesi Provincial Education Office. Transformational Leadership exerts a more dominant influence through direct channels, while Digital Literacy works through two channels: directly on employee performance and indirectly through employee agility. These findings demonstrate that digital transformation of public organizations requires a combination of leadership that can motivate employees, adequate digital capabilities, and proactive, adaptive, and resilient work behaviors.

CONCLUSION AND SUGGESTIONS

Conclusion

The results of the study indicate that Transformational Leadership has a positive and significant effect on Employee Performance at the South Sulawesi Provincial Education Office, so H1 is accepted. Digital Literacy also has a positive and significant effect on Employee Performance, so H2 is accepted. In addition, Employee Agility is proven to have a positive and significant effect on Employee Performance, so H3 is accepted. These findings indicate that performance improvement is not only determined by the leadership's ability to provide role models, motivation, intellectual stimulation, and individual attention, but also by the digital capabilities and agility of employees in facing change.

Transformational Leadership has been shown to have a positive and significant effect on Employee Agility, thus H4 is accepted. Digital Literacy also has a positive and significant effect on Employee Agility, thus H5 is accepted. This indicates that the support, inspiration, and development opportunities provided by leaders can encourage employees to be more proactive, adaptive, and resilient. At the same time, the ability to access, manage, evaluate, and utilize digital technology helps employees learn new work systems, solve problems, and adapt to changes in tasks and technology.

In the mediation test, Employee Agility was not proven to significantly mediate the influence of Transformational Leadership on Employee Performance, so H6 was rejected. These findings indicate that the influence of Transformational Leadership on Employee Performance is more direct and is not strong enough when channeled through Employee Agility. Conversely, Employee Agility was able to positively and significantly mediate the influence of Digital Literacy on Employee Performance, so H7 was accepted. Because the direct influence of Digital Literacy on Employee Performance also remained significant, Employee Agility acted as a partial mediator.

Overall, improving employee performance at the South Sulawesi Provincial Education Office requires a combination of transformational leadership, digital literacy, and employee agility. Transformational leadership contributes directly to driving performance achievement, while digital literacy contributes both directly and indirectly by improving employee agility. Therefore, human resource development in public organizations facing digital transformation needs to be directed at strengthening leadership quality, digital capabilities, and proactive, adaptive, and resilient work behaviors.

Suggestion

The South Sulawesi Provincial Education Office needs to continue strengthening the implementation of Transformational Leadership, particularly in improving leaders' ability to provide motivation, direction, support, recognition, and opportunities for employees to develop more effective ideas and work methods. This strengthening is crucial because Transformational Leadership has been proven to have a direct impact on Employee Performance and also increases Employee Agility.

Improving employee digital literacy needs to be done continuously through training, mentoring, and updating knowledge about the applications and technologies used in their work. Particular attention can be paid to digital security, particularly in safeguarding work accounts, devices, and information. Digital skills development programs should also emphasize more than just technical skills, but also focus on the ability to use technology to solve problems, learn new systems, and respond quickly to changes in the workplace.

Employee agility development needs to be strengthened through a work environment that provides opportunities for employees to take initiative, engage in problem-solving, learn new procedures, and adapt to changing policies and technology. This is crucial because employee agility has been shown to influence employee performance and act as a partial mediator in the relationship between digital literacy and employee performance.

In improving employee performance, organizations also need to maintain employee adaptive capabilities so they are able to adjust work methods when faced with changing situations, procedures, policies, and service demands. Because Employee Agility has not been proven to mediate the relationship between Transformational Leadership and Employee Performance, leaders also need to strengthen their direct influence on performance through setting clear targets, effective communication, support for work implementation, recognition for contributions, and attention to individual development needs.

Further research can develop the model by incorporating other variables that have the potential to explain Employee Performance and Employee Agility, such as Work Motivation, Organizational Culture, Perceived Organizational Support, Employee Engagement, Competence, or Work Environment. The research can also be expanded to other public sector organizations with a larger number of respondents to obtain a more comprehensive understanding of the factors that determine Employee Performance in an increasingly dynamic and digitalized organizational environment.

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