Research Paper

EPRA International Journal of Economic and Business Review-Peer Reviewed Journal
Volume - 13, Issue - 7, July 2025 | e-ISSN: 2347 - 9671| p- ISSN: 2349 – 0187

SJIF Impact Factor (2025): 8.862 || ISI Value: 1.433 || Journal DOI URL: https://doi.org/10.36713/epra2012

DIGITAL-BASED PUBLIC SERVICE INNOVATION IN THE ERA OF GOVERNMENT TRANSFORMATION: THE ROLE OF COMMUNITY SATISFACTION MEDIATION ON EMPLOYEE PERFORMANCE

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ABSTRACT DOI No: 10.36713/epra23478 Article DOI: https://doi.org/10.36713/epra23478

Digital transformation in the government sector has encouraged the emergence of various innovations in public services. This article aims to examine the influence of digital-based public service innovation on public trust in the government, with *public satisfaction as an intervening variable (mediation).* ***Using a quantitative approach, data was collected through a survey of 250 respondents who had used local government digital services. The results of the analysis show that digital innovation has a significant effect on public satisfaction, and this satisfaction significantly mediates the influence of innovation on increasing public trust. These findings underscore the importance of digital innovation that is not only efficient, but also oriented towards user experience and satisfaction.***

KEYWORDS: ***Digital Innovation, Public Service, Community Satisfaction, Public Trust, Government Transformation.***

INTRODUCTION

Background

The era of digital transformation has changed the paradigm of public services around the world, including Indonesia. The Government of Indonesia through the Making Indonesia 4.0 policy and the One Data Indonesia program has committed to realizing a digital government that is efficient, transparent, and responsive to the needs of the community (Pratama, 2019). Digital transformation in the public sector is not only limited to the use of technology alone, but includes fundamental changes in the way governments interact with citizens, internal organizational processes, and sustainable public value creation (Mergel et al., 2018).

Digital-based public service innovation has become one of the top priorities in Indonesia's bureaucratic reform. Various digital platforms such as online one-stop integrated service systems (PTSP), government mobile applications, and digital service portals have been developed to improve the accessibility and quality of public services (Hardjaloka, 2020). However, the implementation of digital technology in public services faces complex challenges that require a holistic approach in understanding the dynamics of the relationship between technological innovation, public satisfaction, and the performance of the state's civil apparatus. Although massive investments have been made in the digitalization of public services, there are several gap phenomena that demonstrate the complexity of implementing digital innovation in the public sector:

1. The Paradox of Digital Investment and Community Satisfaction

Data from the Ministry of State Apparatus Empowerment and Bureaucratic Reform (2023) shows that although Indonesia's public service digitization index has increased by 78% in the last five years, the level of public satisfaction with public services has only increased by 12%. This phenomenon shows a disconnection between technological advances and the perception and experience of public service users.

2. Employee Performance Disparity in the Digital Context

A survey conducted by the State Civil Service Agency (2023) indicates that 67% of civil servants have difficulty operating the new digital system, which has an impact on a 23% decrease in work productivity in the first year of implementation. On the other hand, 33% of employees who successfully adapted showed significant performance improvements, creating a substantial internal performance gap.

3. Inconsistency of the Impact of Digitalization on Service Quality

Research conducted by the Center for Public Service Performance Studies (2023) shows that the implementation of digital systems does not always correlate positively with improving service quality. Some regions with a high level of digitalization actually experienced a decrease in the level of

community satisfaction by 15%, while areas with simpler digital implementation recorded an increase in satisfaction of up to 28%.

Based on a comprehensive literature review, there are several significant research gaps in the context of digital-based public service innovation:

4. Limitations of Mediation Studies in the Context of Digital Government

The majority of previous research has focused on the direct relationship between the implementation of digital technology and the performance of public organizations (Al-Hujran et al., 2021; Twizeyimana & Andersson, 2019). Studies exploring the mediating role of community satisfaction in the relationship between digital innovation and employee performance are still very limited. Research by Chen and Wang (2020) highlights that mediation mechanisms in the context of digital public services require a deeper understanding of how user perceptions and experiences affect employee motivation and performance.

5. Lack of Integrated Models in Digital Innovation Evaluation

Previous studies tend to use a partial approach in analyzing the impact of digitization of public services. Studies conducted by Janssen and van der Voort (2020) show that existing evaluation models have not been able to integrate technology, human, and organizational perspectives simultaneously. This creates a gap in a holistic understanding of how digital innovation really impacts the public service ecosystem.

6. Unclear Feedback Loop Mechanism in Digital Service

Although several studies have identified the importance of user feedback in digital systems (Layne & Lee, 2021), the mechanisms by which public satisfaction can affect employee performance through digital systems are still unclear. A study conducted by Krishnan et al. (2022) shows that the majority of research is still focused on one-way relationships without considering the complexity of multi-way interactions in the context of digital government.

7. Limitations of Research Contexts in Developing Countries

Most of the research on digital public service innovation is conducted in developed countries with high digital infrastructure and literacy levels (Mergel et al., 2018; Cordella & Paletti, 2019). Research exploring the dynamics of digital government implementation in developing countries, especially considering local cultural, social, and economic factors, is still very limited. The study conducted by Ndou (2021) emphasizes the importance of contextualizing digital government research for countries with unique characteristics such as Indonesia.

8. Gaps in Employee Performance Measurement in the Digital Era

Existing employee performance measurement instruments have not fully accommodated changes in work paradigms in the digital era. Research conducted by Bharadwaj and Konsynski (2022) shows that traditional performance metrics are no longer relevant in the context of the digital workplace, but the development of comprehensive measurement instruments is still an unresolved academic challenge.

Problem Formulation

1. How does Digital-Based Public Service Innovation affect Performance Official?
2. How does Government Transformation affect employee performance?
3. How does Public Satisfaction affect Employee Performance?
4. How Digital-Based Public Service Innovation Affects Satisfaction Public?
5. How does Government Transformation affect Public Satisfaction?
6. How does Community Satisfaction mediate the influence of Digital-Based Public Services on Employee Performance?
7. How does Community Satisfaction mediate the influence of Government Transformation on Employee Performance?

Research Objectives

This research aims to:

1. To test and analyze the influence of Digital-Based Public Service Innovation on Employee Performance?
2. To test and analyze the influence of Government Transformation on employee performance?
3. To test and analyze the influence of Public Satisfaction on Employee Performance?
4. To test and analyze the influence of Digital-Based Public Service Innovation on Public Satisfaction?
5. To test and analyze the influence of Government Transformation on Public Satisfaction?
6. To test and analyze the influence of Community Satisfaction mediating the relationship of Digital-Based Public Services on Employee Performance?
7. To test and analyze the influence of Community Satisfaction mediating the relationship between Digital-Based Government Transformation on Employee Performance?

Research Benefits

1. Theoretical Benefits: This research is expected to contribute to the development of digital government theory and public service innovation, especially in understanding the mediation mechanism of public satisfaction in the context of public sector digital transformation.
   Practical Benefits:
   a. For Researchers
2. Academic Capacity Development: This research provides an opportunity for researchers to deepen their understanding of the concept of digital transformation in the public sector, service innovation theory, and the dynamics of the relationship between public satisfaction and employee performance. Through a systematic research process, researchers can develop critical analysis skills on contemporary public administration phenomena.
   1) Mastery of Research Methodology
      Researchers gain practical experience in applying research methodologies relevant to the topic of mediation and causal relationships. This includes the use of advanced statistical analysis techniques, the development of research instruments, and the mastery of quantitative and qualitative approaches in the context of public administration research.

2) Contribution to Theory Development
   This research allows researchers to contribute to the development of theories about the role of mediation in the context of digital public services. The findings of the study can enrich the academic literature on the complex relationship between technological innovation, community satisfaction, and employee performance in government transformation.
3) Increased Academic Credibility
   Through this research, researchers can build an academic reputation in the field of public administration and digital transformation. Publication of research results in scientific journals will improve academic track record and open up opportunities for collaboration with other researchers in the same field.
4) Professional Network Development
   The research process provides an opportunity for researchers to network with government practitioners, academics, and other stakeholders. These interactions can open up opportunities for future collaborative research and broaden researchers' perspectives on practical challenges in the implementation of public service innovations.
5) Deep Understanding of Local Context
   The researcher gained in-depth insights into the dynamics of public services in Indonesia, including challenges and opportunities in the implementation of digital transformation. This contextual understanding becomes valuable capital for future more specific and applicable research.
6) Interdisciplinary Skills Development
   This research allows researchers to integrate perspectives from various disciplines, such as public administration, information technology, organizational psychology, and management. This interdisciplinary thinking ability is invaluable in dealing with the complexity of modern public problems.

b. For Stakeholders
   The results of this research can be used as a reference for the government in designing a strategy for implementing digital-based public service innovations that are more effective and sustainable.

BIBLIOGRAPHY

Digital-Based Public Service Innovation

Osborne, Stephen P. (2021) in *"Public Service Innovation: A Research Handbook"* emphasizes that public service innovation should be understood as a process that involves fundamental transformation in the way public organizations operate and interact with society. This includes the adoption of digital technology as the main enabler of the transformation.

Twizeyimana, Jean Damascene & Andersson, Annika (2019) in their research *"The Public Value of E-Government – A Literature Review"* published in Government Information Quarterly, analyzed the public value of e-government and identified the various dimensions of benefits that society can derive from the digitization of public services.

Digital-based public service innovations have become a new paradigm in modern public administration. The literature that has been reviewed shows that the digitalization of public services is not only about the adoption of technology, but also a fundamental transformation in the way governments operate and interact with society. The successful implementation of digital innovation in public services requires a holistic approach that considers technological, organizational, and human aspects simultaneously.

Based on the above understanding, he concludes that Digital-based Public Service Innovation is an inevitable demand of the times, because everything from the joints of human life today is inseparable from technology to entering the realm of public services that require improving services to the community.
The indicators in this study are:

1. System Integration
2. Connectivity
3. Reduction of Bureaucracy
4. Proactive Service

Government Transformation

Government transformation is a new paradigm in public administration that demands fundamental changes in the way the government delivers public services. This concept covers various dimensions ranging from digital transformation, bureaucratic reform, to the implementation of good *governance principles.* In the Indonesian context, government transformation is becoming increasingly relevant along with the development of information technology and people's demands for more efficient and transparent public services.

Government transformation can be defined as the process of fundamental changes in the structure, processes, and culture of government organizations to achieve more effective and efficient goals in public services. Yazid and Karmila (2024) emphasized that digital government transformation is a systematic effort to integrate information and communication technology in various aspects of government administration. This concept is not only limited to the digitization of services, but also includes a paradigm shift in governance.

Government transformation includes several key dimensions. First, digital transformation involves the use of modern technologies such as big data, *the Internet of Things (IoT),* and artificial intelligence to improve the quality of public services. Second, organizational transformation that includes reform of the bureaucratic structure and human resource capacity development. Third, process transformation that involves simplifying procedures and improving operational efficiency.

Government transformation is an imperative in the modern era which is characterized by rapid technological developments and increasingly high demands of society. The implementation of government transformation requires a comprehensive strategy, a strong commitment from all stakeholders, and an adaptive approach to environmental change. Despite facing various challenges, government transformation opens up great opportunities to create a government that is more efficient, transparent, and responsive to the needs of the community.

Based on the above understanding, he concluded that the transformation of the Government is an effort by the government to better respond to the needs of the wider community which is more agile, fast and flexible and not rigid. This transformation process is a bridge to the state where the desired government is achieved.

The indicators in this study are as follows:
1. Organizational Flexibility
2. Results-Based Management
3. *Paperless Office*
4. Standardization of Procedures

Community Satisfaction

Community satisfaction is a subjective evaluation of an individual's experience of the quality of public services received compared to previous expectations (Zeithaml et al., 2018). In the context of digital public services, public satisfaction reflects the level of fulfillment of users' needs and expectations for electronic services provided by the government (Lean et al., 2019). Community satisfaction is not only measured from the technical aspect of the system, but also from the dimension of human interaction with technology that facilitates access to services (Venkatesh et al., 2016).

Research by Dwiyanto (2017) shows that public satisfaction in digital public services is influenced by the perception of ease of use, speed of response, and reliability of the system. These factors are the main determinants in creating a positive experience for users of government digital services. Digital transformation in public services has changed the paradigm of interaction between government and society, where satisfaction no longer depends only on direct interaction but also on the quality of digital platforms (Janssen & van der Voort, 2020).

Public satisfaction in the era of digital government is also closely related to the concept of citizen experience which emphasizes the holistic experience of users in accessing government services (Mergel et al., 2019). This experience covers the entire user journey from information access, application process, to service completion. Research by Twizeyimana & Andersson (2019) identified that public satisfaction with e-government services has a positive correlation with the level of public trust in the government.

In the Indonesian context, public satisfaction with digital public services is regulated through various regulations and service standards set by the government (Hardjaloka, 2014). The implementation of an effective digital service system can increase public satisfaction through reduced bureaucracy, increased transparency, and better service accessibility (Pratama, 2018). Public satisfaction is also an important indicator in measuring the success of the implementation of the government's digital transformation policy (Silalahi, 2020).

Based on the above understanding, it is concluded that community satisfaction is a psychological factor of the recipient of the service which the stakeholders must consider and as a measure of the extent to which the services provided by an organization or service provider meet or exceed the expectations of the community

The indicators in this study are as follows:
1. Access Speed
2. Information *Completeness*
3. Accessibility
4. Functional *Satisfaction*

Employee Performance

Employee performance in the digital government era is influenced by various factors, including technological competence, work motivation, and organizational support for the implementation of digital systems (Colquitt et al., 2019). Pasolong's research (2018) shows that employee performance in digital public services can be measured through effectiveness, efficiency, and responsiveness in using digital platforms to serve the community. Optimal employee performance in the digital context does not only depend on technical skills, but also on understanding the needs and expectations of the digital service user community (Sedarmayanti, 2017).

The implementation of digital technology in public services requires adaptation of employee performance which includes problem-solving skills, critical thinking, and collaboration in a technology-based work environment (Rivai & Sagala, 2016). Employee performance in digital public services is also influenced by leadership factors that support innovation and organizational change towards digitalization (Wibowo, 2020). Research by Sulistiyani & Rosidah (2019) identified that high employee performance in digital services can increase public satisfaction and create value added in public services.

In the Indonesian context, the performance of public sector employees is regulated through various regulations and competency standards set by the government, including the ability to operate a digital service system (Thoha, 2018). Employee performance measurement in the digital transformation era must include quantitative and qualitative aspects that can describe employees' contributions to the achievement of organizational goals and community satisfaction (Hasibuan, 2017). Effective employee performance in digital public services can be a catalyst in creating good governance and increasing public trust in the government (Dwiyanto, 2017).

Based on the above understanding, it can be concluded that employee performance is the result of work achieved by an employee in carrying out his duties and responsibilities, which is measured based on certain criteria and set time.
The indicators in this study are as follows:
1. Compliance with standard procedures
2. Productivity Levels
3. Understanding *Cyber Scurity*
4. Creativity in *problem solving*

Relationships Between Variables

The Influence of Digital-Based Public Service Innovation on Employee Performance

The digitization process and digitalization input have a major influence on the performance of employees and public services. To improve digital public services, organizations need to increase budgets, numbers, and human resource capacity and establish standard operating procedures. Management also

needs to give appreciation to employees as motivation, especially during a pandemic where work models such as WFH and WFO have an impact on the psychological condition of employees. This is expected to improve the quality of work, reduce errors, and address service user complaints. (Salbiyah, 2024).

The digitalization process, which consists of planning, organizing, implementing, monitoring and evaluating and digitalization inputs consisting of the quality and number of human resources (HR), budget, internet and computer speed, greatly affects the performance of employees in carrying out work and providing public services (Anita Ilyas, 2021). The hypothesis in this study is:
H1: Digital-Based Public Service Innovation has a positive and significant effect on Employee Performance

The Influence of Government Transformation on Employee Performance
Research shows that transformational leadership has a strong positive correlation with employee performance. Characteristics of effective transformational leadership include: Inspirational Motivation: Leaders who are able to inspire a vision of transformation show a positive impact on employee work motivation. Employees who understand the organization's vision tend to perform better.
Intellectual Stimulation: Leaders who encourage innovation and critical thinking create a work environment conducive to performance improvement. Employees feel encouraged to develop creative ideas.
Individualized Consideration: Personal attention to employee development needs increases engagement and loyalty, which has a positive impact on performance. The hypothesis in this study is:
H2 : Government Transformation has a Positive Effect on Employee Performance

The Influence of Public Satisfaction on Employee Performance
Research by Kordić et al. (2022) showed that there was a statistically significant correlation between work performance and two factors measured—job satisfaction and life satisfaction, with job satisfaction and life satisfaction being more significant in determining job performance. Dousin et al. (2019) in their research found that job satisfaction mediates the relationship between employee work-life balance and work performance.

Public satisfaction has a significant influence on employee performance through various mediation mechanisms. These relationships are complex and are influenced by individual, organizational, and contextual factors. Public satisfaction is not only an outcome of employee performance, but also an input that can increase employee motivation and performance. The hypotheses in this study are as follows:
H3: Public Satisfaction has a Positive Effect on Employee Performance

The Influence of Digital-Based Public Service Innovation on Public Satisfaction
In particular, innovation in public institutions can be defined as the application (effort to bring) new ideas in implementation, characterized by a change of steps that are quite large, lasts quite long and is quite general in scale so that in the implementation process it has a considerable impact on organizational changes and organizational relationships. Furthermore, Kasmir in (Pasolong, 2010) stated that good service innovation is a person's ability to provide services that can provide satisfaction to customers with determined standards.

Based on some of these opinions, it can be understood that public service innovation is an update or a new way of implementing public services needed for the development of public services that provide benefits to service users so that public satisfaction can be obtained. The hypothesis in this study is:
H4 : Digital-Based Public Service Innovation has a Positive Effect on Public Satisfaction

The Effect of Government Transformation on Public Satisfaction
Through *e-government* , improvements in public services can also be realized. As stated by Dwiyanto (2011:181), the government bureaucracy can develop the use of Information and Communication Technology (ICT) in carrying out government activities, facilitate government interaction with the community, and encourage accountability and transparency in the implementation of public services. The hypothesis in this study is:
H5 : Government Transformation has a Positive Effect on Public Satisfaction

Community Satisfaction Mediates the Influence of Digital-Based Public Services on Employee Performance
Public satisfaction plays a significant role as a mediator in the relationship between digital-based public services and employee performance. This mediation model shows that the digitalization of public services not only has a direct impact on employee performance, but also through indirect channels through increasing public satisfaction.

This mediation effect occurs through positive feedback mechanisms, increased work motivation, and a higher sense of purpose in employees. Therefore, digital transformation strategies must consider citizen satisfaction as a key indicator of success, not just technical efficiency. (Chen, L., Wang, Y., & Liu, Z. 2022)

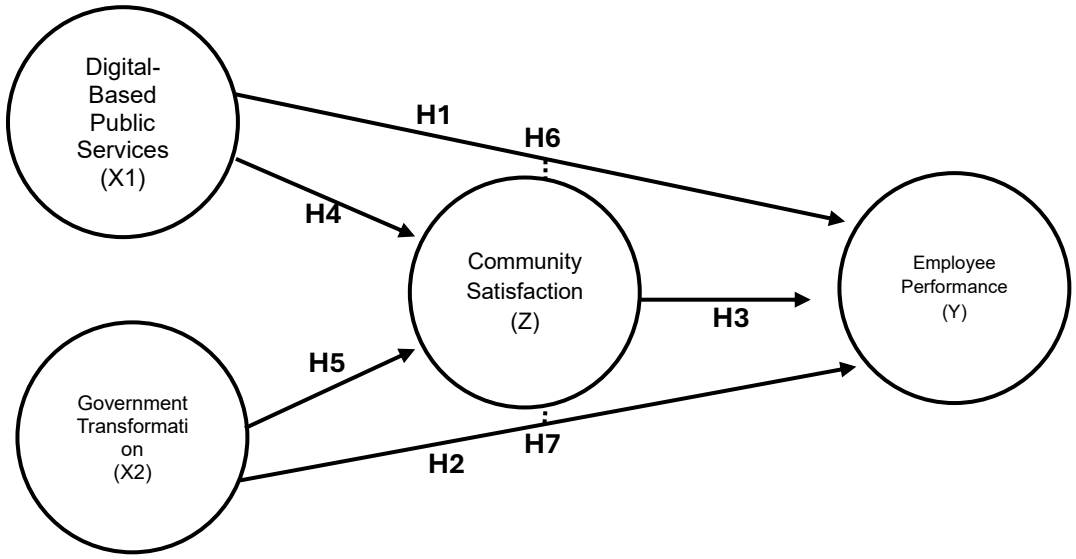
The implementation of a citizen-centric strategy in the digital transformation of public services can create a win-win solution where people get better services, employees have high work motivation, and government organizations achieve optimal performance. The hypothesis in this study is:
H6 : Community Satisfaction can mediate Digital-Based Public Services on Employee Performance

Community Satisfaction Mediates the Influence of Government Transformation on Employee Performance
Alonderiene & Majauskaite (2016) menemukan bahwa employee empowerment not only is indispensable for enhancing job satisfaction but also mediates the relationship between transformational leadership and job satisfaction among nursing staff.

Research by Javed et al. (2022) shows that transformational leadership has a positive effect on affective organizational commitment and job performance through employee engagement mediation. The hypothesis in this study is:
H7: Community Satisfaction can significantly mediate the influence of Government Transformation on Employee Performance

Based on the description above, an empirical model can be made as follows as seen in

Figure 1
Model Empirical



RESEARCH METHODS

Types of Research

According to Creswell (2023, p. 37-40), quantitative research is an approach to prove a theory by measuring several variables used. The measurement of this variable is then analyzed using statistics and has data in the form of numbers. The results obtained are in the form of data that is usually described using tables, graphs, and others. The purpose of this quantitative approach is to prove and develop theories and hypotheses related to an object or phenomenon that is occurring. In this study, the researcher used a type of research with a quantitative type.

Data Source

The data sources in the study are divided into two types, namely primary data and secondary data, which can be explained as follows:

1. Data Primer

According to Sugiyono (2018:456), primary data is a data source that directly provides data to data collectors. The data is collected by the researcher himself directly from the first source or where the object of the research was conducted. The researcher used the results of interviews obtained from informants about the research topic as primary data.

2. Data Skunder

According to Sugiyono (2018:456), secondary data is a data source that does not directly provide data to data collectors, for example through other people or through documents. In this study, the secondary data sources are in accordance with the Labor Law, books, journals, articles related to research topics regarding the internal control system over the payroll system and procedures in an effort to support labor cost efficiency.

Definition of Variable Operationalization

The operational definition can be explained in the following table:

Variable Operationalization Definition Table

Variabel	Variable Operational Definition	Indicator
Digital-based Public Service Innovation (X1)	Digital-based Public Service Innovation is an inevitable demand of the times, because everything from the joints of human life today is inseparable from technology to entering the realm of public services that require improving services to the community	1. System Integration 2. Connectivity 3. Reduction of Bureaucracy 4. Proactive Service
Government Transformation (X2)	Government transformation is an effort by the government to better respond to the needs of the wider community who are more agile, fast and flexible and not rigid. This transformation process is a bridge to the state where the desired government	1. Organizational Flexibility 2. Results-Based Management *3. Paperless Office* 4. Standardization of Procedures
Community Satisfaction (Z)	Community satisfaction is a psychological factor of the recipient of the service which the stakeholders must consider and as a measure of the extent to which the services provided by an organization or service provider meet or exceed the expectations of the community	1. Access Speed *2.* Information *Completeness* 3. Accessibility 4. Functional *Satisfaction*
Employee Performance (Y)	Employee performance is the result of work achieved by an employee in carrying out his duties and responsibilities, which is measured based on certain criteria and set time	1. Compliance with standard procedures 2. Productivity Levels *3.* Understanding *Cyber Scurity* 4. Creativity in *problem solving*

Source : Developed for research, 2025

POPULATION AND SAMPLE

Research Population

Population according to Sugiyono (2017:215) is a generalized area consisting of objects or subjects that have certain qualities and characteristics that are determined by researchers to be studied and then drawn conclusions. Population is not only human but also objects and other natural objects. Population is also not just the number of objects or objects studied, but includes all the characteristics or properties possessed by the subject or object. The population in this study is employees in the Petarukan District Office, Pemalang Regency.

Research Sample

The sample is part of the population used for the study. According to Sugiyono (2017:215), samples are part of the number and characteristics possessed by the population. The total of 51 units in the sample is denoted by notation. Samples can be defined as part of a population that is selected systematically or based on specific criteria to be analyzed in the study. This sample selection emphasizes the importance of inclusion and exclusion criteria in the selection process to ensure that the sample is representative of the population being studied. (Hogan, 2019).

Test Instruments

The data collection technique used in the study was using questionnaires. According to Sugiyono (2017:142), a questionnaire is a data collection technique that is carried out by giving a set of questions or written statements to respondents to be answered. The type of questions in this research questionnaire is closed. Closed-ended questions are questions that expect a short answer or expect the respondent to choose one of the alternative answers from each question that is already available. Every questionnaire question that expects answers in the form of nominal, ordinal, interval, and ratio data, is a form of closed question Sugiyono (2017:143).

RESULTS OF RESEARCH AND DISCUSSION

Convergent Validity Test

The convergent validity test of each indicator on each variable was carried out in two ways. The first way is to test the validity by looking at the *loading factor value*, which can be seen from the *outer loading table*. The basis for determining the validity test of convergence with *outer loading* is that if the *value of the loading factor* is between 0.6-0.7, then it can be said to be valid. The *results of outer loading* can be seen in the following table:

Table 1.
Outer Loading *Results*

	Digital-Based Public Services	Government Transformation	Community Satisfaction	Employee Performance
X1			0,816	
X11	0,829			
X12	0,768			
X13	0,821			
X14	0,835			
X2			0,822	
X3			0,823	
Y1				0,821
Y2				0,833
Y3				0,778
Y4				0,786
Z1		0,761		
Z2		0,756		
Z3		0,776		
Z4		0,764		

Source: Primary data processed, 2025.

The table above shows that from the results of the analysis, the *loading factor* value of each indicator of each variable is greater than 0.70. This result means that every indicator of each digital-based public service variable, government transformation, community satisfaction, and employee performance can be said to be valid.

The second method of convergent validity test is carried out by looking at *the Average Variant Extracted* (AVE) value. The basis for making the decision is that if the AVE value is greater than 0.5, then it is said to be valid. The *results of the Average Variant Extracted* (AVE) can be seen in the following table:

Table 2
Average Variant Extracted *(AVE)* Test Results

Variabel	Average Variance Extracted (AVE)
Digital-Based Public Services	0,675
Government Transformation	0,631
Community Satisfaction	0,612
Employee Performance	0,635

Source : Primary data processed, 2025

The table above shows that from the results of the analysis, the *Average Variant Extracted* (AVE) value of each digital-based public service, government transformation, community satisfaction and employee performance is greater than 0.5. The results can be concluded if each of the measures of each variable is said to be valid.

Discriminating Validity Test

The discriminant validity test is carried out through *the Fornell-Larcker Criterion*, which is by comparing the Average *Variance Extracted* (AVE) square root value of each variable with the correlation between other variables in the model. A variable will be said to be dystically valid if the root value of the AVE or *Fornell-Larcker Criterion* is greater than the correlation value with the other variable. The results *of the Fornell-Larcker Criterion* can be seen in the following table:

Table 3
Hasil *Fornell-Lacker Criterion*

	Digital-Based Public Services	Government Transformation	Community Satisfaction	Employee Performance
Digital-Based Public Services	0,769			
Government Transformation	0,241			
Community Satisfaction	0,234	0,312	0,840	
Employee Performance	0,241	0,351	0,358	0,812

Source : Primary data processed, 2025

The above table is obtained if the value of the *Fornell-Larcker Criterion* or the root of the AVE of each variable is greater than the correlation value between the other variables. This is evidenced by the *Fornell-Larcker Criterion* value of digital-based public services of 0.769, where this value is greater than the correlation value with other variables. This also applies to other variables such as government transformation, community satisfaction, and employee performance, so that each variable measure discriminate can be said to be valid.

Uji *Composite Reliability*

The reliability of the construct shows the accuracy, consistency and precision of a measuring instrument in making measurements. The variable reliability test is performed by looking at *Cronbach's alpha* and *composite reliability values*, and the values of both must be greater than 0.70. The results of *the composite reliability* test can be seen in the following table:

Table 4
Composite Reliability *Results*

	Cronbach's Alpha	Composite Reliability
Digital-Based Public Services	0,734	0,817
Government Transformation	0,721	0,768
Community Satisfaction	0,812	0,786
Employee Performance	0,829	0,816

Source: Primary data processed, 2025.

The table above shows that from the results of the reliability test, *Cronbach's alpha* and *composite reliability* values were obtained from each digital-based public service variable, government transformation, community satisfaction, and employee performance greater than 0.70. This means that every variable used can be said to be reliable, so it is eligible for research.

Test Model

R-Square

The *R-Square* test or coefficient of determination is used to find out the extent of the ability of the independent variables in the model to explain the variation of the dependent variables. The *R-Square* value in this analysis is between zero (0) to one (1). The criteria for the R Square value are 0.67 as a strong model, 0.33 as a moderate model, and 0.19 as a weak model. The results of *the R-Square* test can be explained as follows:

Table 5
R-Square *Results*

	R Square	R Square Adjusted
Community Satisfaction	0,413	0,425
Employee Performance	0,680	0,675

Source : Primary data processed, 2025

The table above shows that the *R-Square value* of the first model is 0.680. This means that digital-based public services, government transformation and public satisfaction can explain the variation in employee performance variables by 68%, while the remaining 32% variation in investment increase variables can be explained by other variables that have not been studied. The *R-Square* value indicates that the first model is a strong model.

The *R-Square value* of the second model is 0.413. This means that digital-based public services and government transformation can explain the variation of community satisfaction variables of 41.3%, while the remaining 58.7% variation of community satisfaction variables can be explained by other variables that have not been studied. The *R-Square* value indicates that the first model is a moderate model.

f-Square

The *f-square value* aims to determine the criteria for the influence of independent variables on dependent variables. For the assessment of the *f-square category* , it is divided into three, namely if the influence value of 0.02 – 0.15 is a weak influence, a value of 0.15 – 0.35 is a moderate influence, and a value of 0.35 or more is a strong influence. The result *of f-square* can be seen in the following table:

Table 7
f-Square *results*

	Community Satisfaction	Employee performance
Digital-Based Public Services	0,229	0,121
Government Transformation	0,310	0,192
Community Satisfaction		0,378

Source: Primary data processed, 2025.

The table above shows that from the results of the analysis obtained, the criteria for the influence of digital-based public services on community satisfaction of 0.229 are included in the moderate influence, digital-based public services on community satisfaction are included in the moderate influence criteria with a value of 0.310. The influence of digital-based public services on employee performance was included in the weak influence criteria with a value of 0.121, the influence of government transformation on employee performance was included in the moderate influence criterion with a value of 0.192, and the influence of public satisfaction on employee performance was included in the strong influence criteria with a value of 0.378.

Path Coefficient

The *Path Coefficient* is used to measure the extent to which digital-based public services, government transformation, and public satisfaction affect employee performance, as well as the extent to which government transformation and digital-based public services affect public satisfaction. The coefficient of this path has values that range from -1 to 1. If the value is in the range of 0 to 1, it indicates a positive influence, while if the

value is in the range of -1 to 0, it indicates a negative influence. The result of the path coefficient can be found in the following table:

Table 8
Hasil *Path Coefficient*

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Digital-based public services -> Employee performance	0,215	0,230	0,074	2,480	0,012
Government transformation -> Employee performance	0,283	0,324	0,125	2,510	0,013
Community satisfaction -> Employee performance	0,415	0,477	0,133	3,514	0,000
Digital-based public services -> Community satisfaction	0,410	0,427	0,122	3,109	0,002
Government Transformation -> Community Satisfaction	0,423	0,431	0,125	3,341	0,001

Source: Primary data processed, 2025.

The table above shows that from the results of the analysis, it was obtained that the variables of digital-based bublik servants, government transformation, and community satisfaction had a positive effect on employee performance. The results also show that the variables of digital-based public services and government transformation have a positive effect on public satisfaction.

Uji Hypothesis

The hypothesis test in this study was used to determine the partial influence of independent variables on dependent variables. The hypothesis test is carried out by comparing the calculated t value with the t table, if the calculated t value is > 1.96 and the p value is < 0.05, then the result is to accept an alternative hypothesis (Ha). If the value of t is calculated < 1.96 and the p value > 0.05, then the result is to accept the null hypothesis (Ho). Based on the *Structural Equation Model Partial Least Square* (PLS) above, it can be seen that the influence between free variables on bound variables can be seen in the following table:

Table 9
Hypothesis Test Results

Variable Influence	T Statistics (|O/STDEV|)	P Values
Digital-Based Bublik Waitress -> Employee Performance	2,450	0,012
Government Transformation -> Employee Performance	2,513	0,001
Community Satisfaction-> Employee Performance	3,454	0,002
Digital-Based Bublik Waitress -> Community Satisfaction	3,109	0,012
Government Transformation - > Community Satisfaction	3,233	0,000

Source: Primary data processed, 2025.

Based on the table above, the results of hypothesis testing regarding the influence of digital-based bublik servants, government transformation, and community satisfaction on employee performance, as well as the influence of digital-based bublik servants and government transformation on community satisfaction can be explained as follows:

H1 : Digital-Based Public Services have a positive and significant effect on employee performance

The statistical t-value of the digital-based bublik server variable on employee performance was 2.450 with a P-value of 0.012. These results show that the statistical t-value is larger than the table t-value of 2.450 > 1.96, and the P value of 0.012 is smaller than 0.05. The decision is to accept an alternative hypothesis, meaning that hypothesis one (H1) which states that digital-based bublik servers have a positive and significant effect on employee performance is statistically acceptable.

H2 : Government Transformation has a Positive and Significant Effect on Employee Performance

The statistical t-value of the variable of government transformation on employee performance was 2.513 with a P-value of 0.001. These results show that the statistical t value is larger when compared to the table t-value which is 2.513 > 1.96, and the P value of 0.001 is smaller than 0.05. The decision is to accept an alternative hypothesis, meaning that the second hypothesis (H2) which states that government transformation has a positive and significant effect on employee performance is statistically acceptable.

H3 : Community Satisfaction has a positive and significant effect on Employee Performance

The statistical t-value of the variable of public satisfaction with employee performance was 3.454 with a P-value of 0.002. The results show that the statistical t-value is larger than the table t-value which is 3.454 > 1.96, and the P value of 0.002 is smaller than 0.05. The decision is to accept an alternative hypothesis, meaning that the third hypothesis (H3) which states that public satisfaction has a positive and significant effect on employee performance is statistically acceptable.

H4 : Digital-Based Bublik Servers have a positive and significant effect on Community Satisfaction

The statistical t-value of the digital-based bublik waitress variable on community satisfaction was 3.109 with a P-value of 0.012. These results show that the statistical t-value is larger

than the table t-value which is 3.109 > 1.96, and the P value of 0.012 is smaller than 0.05. The decision is to accept an alternative hypothesis, meaning that hypothesis four (H4) which states that digital-based bublik servers have a positive and significant effect on public satisfaction is statistically acceptable.

H5: Government Transformation has a Positive and Significant Effect on Community Satisfaction

The statistical t-value of the variable of government transformation on public satisfaction was 3.223 with a P-value of 0.000. These results show that the statistical t-value is larger than the table t-value, which is 3.223 > 1.96, and the P value of 0.000 is smaller than 0.05. The decision is to accept an alternative hypothesis, meaning that hypothesis five (H5) which states that government transformation has a positive and significant effect on public satisfaction is statistically acceptable.

Mediation Test

The mediation test was carried out using the path coefficient value. The intervening test in the study was shown from the coefficient value of *the Specific Indirect Effects* which was carried out using *Smart Partial Least Square* (Smart-PLS). The results of the path analysis of the influence of digital-based bublik servants and government transformation on employee performance through public satisfaction are as follows:

Table 10
Mediation Test Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Digital-Based Bublik Waitress -> Community Satisfaction -> Employee Performance	0,210	0,203	0,087	2,315	0,013
Government Transformation -> Public Satisfaction -> Employee Performance	0,223	0,216	0,093	2,392	0,017

Source: Primary data processed, 2025.

Based on the table above, the digital-based bublik maid mediation test and government transformation on employee performance through public satisfaction can be explained as follows:

H6 : Digital-Based Bublik Servers have a significant positive effect on Employee Performance through Community Satisfaction

The *t-value of the statistic specific indirect effect* of the digital-based bublik server variable on employee performance through community satisfaction was 2.315 and the p values were 0.013 The value showed that the statistical t-value was greater than the t-value of the table 2.315 > 1.96 and the p values of 0.013 were smaller than 0.05. The decision is to accept an alternative hypothesis, meaning that Hypothesis six (H6) which states that digital-based bublik servants have a positive and significant effect on employee performance through community satisfaction is statistically acceptable. These results show that community satisfaction can mediate the influence of digital-based bublik servers on employee performance

H7 : Government Transformation has a significant positive effect on Employee Performance through Community Satisfaction

The *t-value of statistic specific indirect effect* of the variable of government transformation on employee performance through public satisfaction was 2.392 and the p value was 0.017. This value shows that the statistical t-value is greater than the table t-value of 2.392 > 1.96 and the p value of 0.017 is smaller than 0.05. The decision is to accept an alternative hypothesis, meaning that Hypothesis seven (H7) which states that government transformation has a positive and significant effect on employee performance through public satisfaction is statistically acceptable. These results show that public satisfaction can mediate the influence of government transformation on employee performance.

DISCUSSION

The following is a comprehensive discussion based on the results of research on the influence of digital-based bublik servants and government transformation on employee performance, with community satisfaction as an intervening variable:

The Influence of Digital-Based Bublik Servers on Employee Performance

The results of the study showed that digital-based public services had a positive and significant effect on employee performance (t = 2,450; p = 0.012). The better the implementation of digital-based public services, the better the performance of employees. The relationship between the two variables is unidirectional: when the digitization of public services is improved (e.g. through online systems, automation, data integration), then the response, productivity, or effectiveness of employees' work will also improve. In practical terms, these findings imply that digital transformation in public services not only increases public satisfaction, but also triggers internal efficiency, including in discipline, work speed, and accuracy of employee tasks. It can be concluded that the digitalization of public services has a real impact on improving employee performance. This shows that digital innovation not only serves as a technical tool, but also as a driver for more productive work behavior change. Therefore, efforts to reform bureaucracy through digitalization must be seen not only as a transformation of the system, but also as a transformation of work culture in the public sector.

The Effect of Government Transformation on Employee Performance

Government transformation has also been shown to have a significant positive effect on employee performance (t = 2.513; p = 0.001). This shows that the more intensive or progressive the transformation of the government (for example through digitalization, transparency, deregulation, strengthening governance), the performance of employees also increases.

This means that bureaucratic reform is not in vain, but encourages employees to work more effectively, professionally, and adaptively. These findings confirm that government transformation is not only symbolic or administrative. Instead, it reshapes the work orientation of the apparatus, improves the work system, and encourages a more responsive service culture. This indicates that efforts to reform the government system, which include aspects of digitalization, bureaucratic restructuring, and strengthening governance, have a real impact on improving individual performance in public organizations. Employees become more responsive, directed, and able to adjust to the performance standards demanded in modern government. Thus, government transformation is not only an administrative change, but also a strategic instrument in encouraging the professionalism and productivity of civil servants.

The Influence of Digital-Based Bublik Waiters on Community Satisfaction

Digital-based public services also showed a significant positive influence on community satisfaction (t = 3.109; p = 0.012). The more optimal the implementation of digital-based public services, the higher the level of community satisfaction. Digital-based services that are fast, transparent, and easily accessible have been proven to answer the needs of the community more effectively than conventional services. These results reinforce the belief that digital technology in public services is not just a technical tool, but a key strategy to improve the quality of relations between the government and the community. Public satisfaction does not only depend on the results of the service, but also on the convenience, speed, and transparency of the process, all of which are greatly helped through digitalization. This shows that improving the quality of digitalization through easy access, speed of service, and transparency of information significantly increases public satisfaction. Thus, digital services are not only administrative innovations, but also strategic instruments in strengthening public legitimacy and trust in government performance

The Effect of Government Transformation on Community Satisfaction

Government transformation has a significant influence on public satisfaction (t = 3.223; p = 0.000). Government transformation, which includes bureaucratic reform, digitalization, information disclosure, improvement of the supervisory system, and increased public accountability, has a direct impact on increasing public satisfaction with government services and responses. The community feels positive changes when the bureaucratic process becomes: faster, more transparent, more accessible, more responsive to the needs of citizens. These results emphasize that the success of government transformation can not only be measured internally (for example, the performance of civil servants), but also externally, namely public perception and satisfaction. This is empirical evidence that government transformation is really benefited by the public. This shows that systemic innovation in public governance not only increases the internal effectiveness of government, but also creates positive perceptions among citizens. This strengthens the argument that bureaucratic transformation should be directed at real improvements in the quality of interaction between the state and citizens, as well as making public services a space for dialogue between the needs of the community and the institutional capacity of the state.

The Influence of Community Satisfaction on Employee Performance

Public satisfaction proved to be an important determinant in increasing investment (t = 3.454; p = 0.002). Public satisfaction here reflects a positive perception of government performance, public services, social stability, and ease of doing business. When people are satisfied with governance and public services: the social climate becomes stable, public trust increases, economic participation grows, the image of the region or country becomes more investment-friendly. These findings underline that investment policy cannot be separated from socio-political factors, especially citizens' satisfaction with the government. Thus, investment is not just a matter of licensing or fiscal incentives. This proves that socio-political factors, especially the public's positive perception of public services and government performance, are important determinants in creating a healthy investment climate. When people feel satisfied, stability and trust increase, creating more attractive conditions for domestic and foreign investors. Therefore, the investment increase agenda should not only be based on the economy, but also integrated with the strategy to improve the quality of public services and the legitimacy of the government in the eyes of the people.

Digital-Based Bublik Servers have a positive effect on Employee Performance through Community Satisfaction.

The mediation test showed that public satisfaction significantly mediated the influence of digital-based public services on employee performance (t = 2.315; p = 0.013). Digital-based public services not only have a direct impact on employee performance, but also indirectly improve that performance through increasing public satisfaction. In other words, when people feel the convenience, speed, and transparency in digital services, they will be more satisfied with public institutions, and this public satisfaction becomes a psychological and moral encouragement for employees to work better, more responsible, and more motivated. These findings imply that employee performance is not only a matter of internal systems and direct superiors, but is also influenced by external feedback from the community. Therefore, improving digital services is not enough only for technical efficiency, but must be designed to strengthen the positive experience of the public, because the positive reaction of the public also determines the enthusiasm and performance of employees. This emphasizes that the success of digital services does not only lie in the efficiency of the system, but also in how the system shapes the positive perception of the public. When the community is satisfied with the services provided, they indirectly encourage the state civil servants to work better. Thus, community satisfaction is not only an indicator of service results, but also a catalyst for improving employee work ethic.

Government Transformation has a positive effect on Employee Performance through Community Satisfaction.

Similarly, public satisfaction significantly mediated the influence of government transformation on employee performance (t = 2.392; p = 0.017). These results show that government transformations such as digitalization, deregulation, transparency, and accountability have an impact

on improving employee performance through increased public satisfaction. This means that changes in the government system that are felt by the public will increase public trust and satisfaction, which in turn encourages employees to be more motivated, increase service spirit, and foster a sense of professional responsibility. These findings confirm that the effectiveness of government transformation does not stop at the structural or administrative level, but must be reflected in citizens' experiences. Because only when the community feels the benefits, the impact on the internal performance of the government will be stronger and more sustainable. This shows that bureaucratic transformation will have a greater impact on the performance of the apparatus if the change is felt directly by the community. In this case, community satisfaction acts as a psychological and social bridge that strengthens the relationship between institutional change and improved employee performance. Therefore, the success of government reform should be judged not only in terms of internal policies, but also in terms of the extent to which it builds public trust and satisfaction.

CONCLUSION

This research proves that digital-based public services and government transformation have a positive and significant influence on employee performance, both directly and through the mediation of community satisfaction. Digitization of public services has been proven to be able to improve bureaucratic efficiency, facilitate public access to services, and encourage increased professionalism of civil servants. Similarly, government transformation that includes aspects of transparency, accountability, and governance efficiency also has a significant impact on improving the work performance of the apparatus.

Furthermore, public satisfaction is proven not only as a result of bureaucratic services and reforms, but also as a determining factor in strengthening the effect of these two variables on employee performance. These findings show that when people feel satisfied with public services and government processes, they indirectly become motivational and psychological drivers for employees to work better. Thus, the strategy to improve the performance of ASN needs to be seen systemically, including the dimensions of technology, institutions, and public participation as a unit in modern governance.

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