

THE INFLUENCE OF AN INNOVATIVE ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE AT PT BRI ASURANSI INDONESIA IN THE ERA OF DIGITAL TRANSFORMATION

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Abstract

This study examines the influence of innovative organizational culture on employee performance at PT. BRI Asuransi Indonesia amid an era of digital transformation. The rapid advancement of digital technologies has fundamentally altered the competitive landscape of the insurance industry, requiring organizations to foster cultures that embrace innovation, agility, and continuous learning. Drawing on the organizational culture theory of Schein (1985) and the competing values framework of Quinn and Rohrbaugh (1983), this research employs a quantitative approach using a survey-based design. Primary data were collected from 120 employees across departments including underwriting, claims, information technology, and human resources using stratified random sampling. A structured questionnaire with 35 items was administered, and the data were analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS) via SmartPLS 4.0 software. Findings indicate that innovative organizational culture exerts a significant positive effect on employee performance ($\beta = 0.612$, $p < 0.001$). Sub-dimensions of innovative culture—namely risk-taking orientation, cross-functional collaboration, continuous learning, and digital leadership—collectively account for 68.4% of the variance in employee performance. Digital transformation readiness was found to mediate the relationship between innovative culture and performance, reinforcing the importance of aligning cultural values with digital strategic objectives. The study contributes to the growing body of literature on organizational behavior in digital contexts and offers practical implications for HR practitioners and organizational leaders within the Indonesian insurance sector.

Keywords: Innovative Organizational Culture, Employee Performance, Digital Transformation, PT. BRI Asuransi Indonesia, SEM-PLS.

A. INTRODUCTION

The insurance industry in Indonesia has entered a new era characterized by rapid technological disruption, evolving customer expectations, and intensifying market competition. Both state-owned enterprises and private insurance providers are required to implement comprehensive digital transformation initiatives to remain relevant and competitive. PT BRI Asuransi Indonesia, a subsidiary of Bank Rakyat Indonesia, one of Southeast Asia's largest state-owned banks, is no exception. In recent years, the company has made substantial investments in digital infrastructure, artificial intelligence-based underwriting systems, and online claims processing platforms.

However, technological investment alone does not guarantee organizational success. A substantial body of research in organizational behavior and strategic management suggests that an organization's culture is equally important—if not more critical—in determining organizational performance (Cameron & Quinn, 2011; Denison, 1990). Organizational culture shapes how employees perceive their roles, engage with innovation, and respond to organizational change. In the era of digital transformation, an innovative organizational culture—characterized by openness to experimentation, tolerance for risk, and a strong emphasis on continuous learning—has become increasingly essential.

Despite the growing body of research on organizational culture and performance, a significant gap remains in the literature regarding the specific dynamics of innovative organizational culture within Indonesian insurance companies undergoing digital transformation. Most existing studies focus on the manufacturing, banking, or technology sectors, leaving the insurance industry relatively underexplored. Furthermore, only a limited number of empirical studies have examined how digital transformation readiness mediates the relationship between organizational culture and employee performance in the Indonesian context.

Accordingly, this study aims to: (1) analyze the dimensions of innovative organizational culture at PT BRI Asuransi Indonesia; (2) assess the level of employee performance among both digital and non-digital roles; (3) examine the direct effect of innovative organizational culture on employee performance; and (4) evaluate the mediating role of digital transformation readiness in the relationship between organizational culture and employee performance.

The significance of this study is twofold. From a theoretical perspective, it extends organizational culture theory by examining its application within the context of digital transformation in an emerging market. From a practical perspective, the findings provide actionable insights for human resource professionals and organizational leaders at PT BRI Asuransi Indonesia, as well as similar institutions, on leveraging organizational culture as a strategic driver to enhance employee performance during digital transformation initiatives.

B. LITERATURE REVIEW

Organizational culture is broadly defined as the shared values, beliefs, assumptions, and behavioral norms that govern how members of an organization interact with one another and with external stakeholders (Schein, 1985; Amrita, 2018). According to Schein's three-level model, organizational culture is manifested through artifacts (visible structures and processes), espoused values (stated strategies and goals), and underlying assumptions (unconscious beliefs that are taken for granted). This multi-layered conceptualization highlights the complexity of cultural change and emphasizes the importance of addressing culture at all organizational levels when pursuing organizational transformation.

Building on this foundation, Cameron and Quinn (2011) developed the Competing Values Framework (CVF), which classifies organizational culture into four archetypes: Clan, Adhocracy, Market, and Hierarchy. Among these, the Adhocracy culture is most closely aligned with the concept of an innovative organizational culture, as it is characterized by entrepreneurship, creativity, and a willingness to take calculated risks. Organizations with a strong Adhocracy culture prioritize innovation, adaptability, and external growth, enabling them to respond effectively to dynamic business environments.

An innovative organizational culture refers to an organizational climate that encourages and rewards the generation, adoption, and implementation of new ideas, processes, and products (Martins & Terblanche, 2003). Its key dimensions include: (1) risk-taking orientation, defined as the extent to which employees are encouraged to experiment without fear of failure; (2) cross-functional collaboration, reflecting the degree of knowledge sharing across

departments; (3) continuous learning, encompassing both formal and informal mechanisms for skill development and knowledge acquisition; and (4) digital leadership, representing managerial support for technology-driven innovation.

Extensive empirical evidence supports the positive relationship between an innovative organizational culture and organizational performance (Leal-Rodríguez et al., 2014; Naranjo-Valencia et al., 2011). Organizations that foster an innovative culture tend to achieve higher levels of product and process innovation, stronger employee engagement, and superior financial performance. In the context of digital transformation, an innovative organizational culture has been identified as a critical enabler of successful technology adoption and organizational agility (Vial, 2019).

Employee performance is a multidimensional construct comprising task performance, contextual performance, and adaptive performance (Campbell, 1990; Pulakos et al., 2000). Task performance refers to employees' proficiency in carrying out their core job responsibilities. Contextual performance encompasses discretionary behaviors that contribute to organizational effectiveness beyond formal job requirements, such as organizational citizenship behaviors. Adaptive performance reflects employees' ability to adjust to changing work environments, a dimension that has become increasingly important in the era of digital transformation.

Within the insurance industry, employee performance is commonly assessed using Key Performance Indicators (KPIs) such as policy processing speed, claims settlement accuracy, customer satisfaction scores, and compliance with regulatory standards. Digital transformation has introduced additional performance dimensions related to digital literacy, data-driven decision-making, and proficiency in utilizing organizational digital systems.

Digital transformation is defined as the process through which organizations fundamentally reshape their business models, operational processes, and customer engagement by strategically adopting digital technologies (Westerman et al., 2014). In the financial services sector, digital transformation encompasses the implementation of cloud computing, big data analytics, artificial intelligence (AI), and Application Programming Interfaces (APIs) to improve operational efficiency and customer experience.

Scholars argue that organizational culture can function as both an enabler and a barrier to digital transformation initiatives (Kane et al., 2019; Sia et al., 2016). Specifically, organizations with an innovative culture that promotes agility, experimentation, and cross-functional collaboration are better positioned to leverage digital technologies to enhance organizational performance. Accordingly, this study conceptualizes digital transformation readiness as a mediating variable in the relationship between innovative organizational culture and employee performance.

Based on the theoretical review, the following hypotheses are proposed:

- H1: Innovative organizational culture has a positive and significant effect on employee performance at PT BRI Asuransi Indonesia.
- H2: Digital transformation readiness mediates the relationship between innovative organizational culture and employee performance.

C. RESEARCH METHODOLOGY

This study employed a quantitative cross-sectional survey design. A quantitative approach was selected to enable statistical testing of the proposed hypotheses and to facilitate the generalization of the findings to the target population. The cross-sectional design was considered appropriate because the study aimed to capture a snapshot of organizational culture and employee performance at a specific point in time during the ongoing digital transformation of PT. BRI Asuransi Indonesia.

Table 1. Respondent Characteristics

Characteristics	Category	Percentage (%)
Gender	Male	129 (58,6%)
	Female	91 (41,4%)
Education	Diploma	63 (28,6%)
	Bachelor's Degree (S1)	104 (47,3%)
	Master's Degree (S2)	53 (24,1%)
Age Group	< 25 years	32 (14,5%)
	26–35 years	95 (43,2%)
	36–45 years	67 (30,5%)
	> 45 years	26 (11,8%)
Department	Underwriting	54 (24,5%)
	Claims	52 (23,6%)
	Information Technology	59 (26,8%)
	Human Resources	55 (25,0%)
Tenure	< 3 years	74 (33,6%)
	3–7 years	86 (39,1%)
	> 7 years	60 (27,3%)

Source: Processed by the researcher, 2026

The target population comprises all permanent employees of PT. BRI Asuransi Indonesia headquartered in Jakarta, Indonesia, totaling 485 individuals distributed across four functional departments: Underwriting (n=120), Claims (n=115), Information Technology (n=130), and Human Resources (n=120). Stratified random sampling was employed to ensure proportional representation from each department. Using Slovin's formula with a 5% margin of error, the minimum sample size was set at 220 respondents. A total of 245 questionnaires were distributed; 230 were returned, yielding a response rate of 93.9%. After excluding incomplete responses, 220 valid questionnaires were retained for analysis.

Data were collected using a structured, self-administered questionnaire consisting of four sections. The Innovative Organizational Culture scale was adapted from the Organizational

Culture Assessment Instrument (OCAI) developed by Cameron and Quinn (2011) and supplemented with items from Martins and Terblanche (2003), resulting in 14 items covering four sub-dimensions. The Employee Performance scale was adapted from Campbell (1990) and Pulakos et al. (2000), comprising 12 items that cover task, contextual, and adaptive performance dimensions. Digital Transformation Readiness was measured using 9 items adapted from Westerman et al. (2014) and Kane et al. (2019). All items were rated on a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Content validity was established through an expert review by three academics specializing in organizational behavior and human resource management.

Data analysis was conducted using Structural Equation Modeling–Partial Least Squares (SEM-PLS) via SmartPLS 4.0. PLS-SEM was selected over covariance-based SEM due to its suitability for complex models involving formative constructs, smaller sample sizes, and exploratory theory development (Hair et al., 2019). The analysis was conducted in two stages: (1) assessment of the measurement model, covering composite reliability ($CR \geq 0.70$), average variance extracted ($AVE \geq 0.50$), and discriminant validity via the Heterotrait-Monotrait (HTMT) ratio; and (2) assessment of the structural model, involving path coefficient estimation, bootstrapping (5,000 iterations) for significance testing, and the coefficient of determination (R^2) to evaluate explanatory power. Mediation was tested following the procedure outlined by Preacher and Hayes (2008).

D. RESULT AND DISCUSSION

Of the 220 valid respondents, 58.6% were male and 41.4% were female. The majority (47.3%) held a bachelor's degree (S1), followed by diploma holders (28.6%) and master's degree holders (24.1%). The largest age group was 26–35 years (43.2%), reflecting a relatively young workforce at PT. BRI Asuransi Indonesia. Regarding tenure, 39.1% had worked at the company for 3–7 years, and 27.3% for more than 7 years, indicating a stable and experienced workforce with substantial organizational socialization.

Table 2. Measurement Model: Loading Values, Composite Reliability, and AVE

Construct / Indicator	Loading	CR	AVE	α
Innovative Organizational Culture (BOI)		0,891	0,621	0,863
Risk-Taking Orientation (BOI1)	0,751			
Cross-Functional Collaboration (BOI2)	0,802			
Continuous Learning (BOI3)	0,843			
Digital Leadership (BOI4)	0,829			
Digital Transformation Readiness (KTD)		0,874	0,597	0,841
Digital Literacy (KTD1)	0,788			
Agile Process Adoption (KTD2)	0,763			

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Data-Driven Decision Making (KTD3)	0,801			
Employee Performance (KK)		0,904	0,634	0,882
Task Performance (KK1)	0,841			
Contextual Performance (KK2)	0,812			
Adaptive Performance (KK3)	0,778			

Source: Processed by the researcher, 2026

Note. CR = Composite Reliability; AVE = Average Variance Extracted; α = Cronbach's Alpha. All loading values are significant at $p < 0.001$.

The measurement model demonstrates satisfactory reliability and validity. All construct loading values exceed the 0.70 threshold, with composite reliability (CR) values ranging from 0.821 to 0.904, surpassing the recommended minimum of 0.70. Average variance extracted (AVE) values range from 0.512 to 0.634 all above the 0.50 threshold—thereby confirming convergent validity. Discriminant validity is confirmed via the HTMT criterion; all HTMT ratios fall below the 0.85 threshold. Overall, these results indicate that the measurement model possesses adequate psychometric properties.

Table 3. Discriminant Validity – HTMT Ratios

Construct	BOI	KTD	KK
Innovative Organizational Culture (IOC)	—		
Digital Transformation Readiness (DTR)	0,612	—	
Employee Performance (EP)	0,724	0,683	—

Source: Processed by the researcher, 2026

Note. Values represent the Heterotrait-Monotrait (HTMT) ratio. All values < 0.85 confirm discriminant validity. BOI = Innovative Organizational Culture; KTD = Digital Transformation Readiness; KK = Employee Performance.

The structural model results provide strong support for the proposed hypotheses. Innovative organizational culture exerts a significant positive direct effect on employee performance ($\beta = 0.612$, $t = 9.847$, $p < 0.001$), thereby confirming H1. The coefficient of determination (R^2) for the employee performance construct is 0.684, indicating that innovative organizational culture and digital transformation readiness collectively explain 68.4% of the variance in employee performance.

Table 4. Structural Path Coefficients and Hypothesis Testing Results

Hypothesis / Path	β	SE	t-value	p-value	Decision
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H1: BOI → KK (Direct)	0,612	0,062	9,847	< 0,001	Supported ✓
	0,548	0,058	9,448	< 0,001	Supported ✓
H2a: BOI → KTD	0,334	0,061	5,475	< 0,001	Supported ✓
	0,183	0,037	4,946	< 0,001	Supported ✓

Source: Processed by the researcher, 2026

Note. β = standardized path coefficient; SE = standard error; t-values obtained via bootstrapping (5,000 iterations); two-tailed significance. ✓ = Supported at $p < 0.05$.

Regarding mediation (H2), the indirect effect of innovative organizational culture on employee performance via digital transformation readiness was statistically significant ($\beta = 0.183$, 95% CI [0.112, 0.254]), as confirmed by bootstrapping analysis. These partial mediation results indicate that digital transformation readiness reinforces the positive influence of innovative culture on performance, while the direct effect of the culture remains independently significant.

Table 5. Path Coefficients: BOI Sub-dimensions on Employee Performance

BOI Sub-dimensions	β	SE	t-value	p-value	f ² (Effect Size)
Continuous Learning → KK	0,284	0,051	5,569	< 0,001	0.215 (Large)
Digital Leadership → KK	0,241	0,055	4,382	< 0,001	0.178 (Medium)
Cross-functional Collaboration → KK	0,198	0,053	3,736	< 0,001	0.142 (Medium)
Risk-taking Orientation → KK	0,147	0,057	2,579	0,010	0.091 (Small)

Source: Processed by the researcher, 2026

Note. f² = Cohen's effect size: 0.02 (small), 0.15 (medium), 0.35 (large). All paths are significant at $p < 0.05$.

Among the sub-dimensions of innovative culture, continuous learning exhibited the strongest path coefficient regarding employee performance ($\beta = 0.284$, $p < 0.001$), followed by digital leadership ($\beta = 0.241$, $p < 0.001$), cross-functional collaboration ($\beta = 0.198$, $p < 0.001$), and risk-taking orientation ($\beta = 0.147$, $p < 0.01$). These findings indicate that learning-oriented and leadership-supported innovation has a significant impact during PT. BRI Asuransi Indonesia's current transformation phase.

The significant positive relationship between innovative organizational culture and employee performance (H1) aligns with the organizational culture literature (Cameron &

Quinn, 2011; Denison, 1990; Naranjo-Valencia et al., 2011). These findings confirm that within the environment of PT. BRI Asuransi Indonesia which is undergoing digital transformation a cultural orientation toward experimentation, learning, and collaborative problem-solving directly enhances employees' ability to perform across task, contextual, and adaptive dimensions. These findings are particularly meaningful given Indonesia's collectivist cultural context, where collaborative cultural values can interact synergistically with innovation-oriented organizational norms.

Table 6. Summary of Model Fit and Predictive Accuracy

Kriteria	Nilai	Ambang Batas / Tolok Ukur
R ² – Kinerja Karyawan	0,684	≥ 0,26 (Substansial)
R ² – Kesiapan Transformasi Digital	0,300	≥ 0,26 (Substansial)
Q ² (Relevansi Prediktif – KK)	0,421	> 0 (Memadai)
SRMR	0,063	< 0,08 (Kecocokan Baik)
NFI (Normed Fit Index)	0,924	> 0,90 (Kecocokan Baik)
VIF (maks, semua indikator)	2,14	< 3,30 (Tidak Ada Multikolinearitas)

Source: Processed by the researcher, 2026

Note. R² benchmarks according to Cohen (1988): 0.26 = substantial. Q² > 0 indicates predictive relevance (Stone-Geisser criterion). SRMR < 0.08 = acceptable fit.

The confirmed mediating role of digital transformation readiness (H2) extends existing literature by identifying the mechanism through which culture influences performance in a digital context. Organizations with an innovative culture appear better prepared to build digital capabilities encompassing digital literacy, agile processes, and data-driven decision-making that transform cultural orientation into measurable performance improvements. These findings align with Kane et al. (2019), who argue that digital maturity is closely linked to cultural readiness.

The prominence of continuous learning and digital leadership as performance drivers reflects the evolving nature of competency requirements in digital insurance operations. As PT. BRI Asuransi Indonesia expands its digital product portfolio and automated service channels, employees who continuously enhance their digital competencies supported by digitally literate leaders demonstrate superior adaptive performance, a capability that is crucial in a volatile market environment.

E. CONCLUSION

This study provides empirical evidence that an innovative organizational culture is a significant positive determinant of employee performance at PT. BRI Asuransi Indonesia in the era of digital transformation. Four dimensions of innovative culture—continuous learning, digital leadership, cross-functional collaboration, and risk-taking orientation—collectively contribute to enhancing employees' task, contextual, and adaptive performance. Digital

transformation readiness is confirmed as a partial mediator in this relationship, indicating that the culture-performance pathway is partially channeled through the organization's digital capability-building processes. These findings contribute to organizational behavior theory by extending the culture-performance nexus into the context of digital transformation within the Indonesian insurance industry. The results affirm that cultural transformation is not merely a complement to digital investment but a prerequisite for realizing the performance benefits of such investments.

Based on these findings, the following recommendations are proposed. For organizational practitioners at PT. BRI Asuransi Indonesia and similar institutions: First, leadership development programs should explicitly integrate digital leadership competencies, emphasizing data-driven decision-making, digital empathy, and change communication. Second, continuous learning needs to be institutionalized through a structured learning ecosystem combining formal digital upskilling programs, peer-based learning communities, and access to curated digital learning resources. Third, cross-functional collaboration should be fostered through agile project structures that regularly bring together underwriting, IT, claims, and commercial teams to co-develop digital solutions.

For future research, a longitudinal design is recommended to capture the dynamics of culture and performance throughout the entire arc of digital transformation. Comparative studies across multiple Indonesian insurance companies would enhance the generalizability of the results. Furthermore, a qualitative approach could uncover micro-level cultural mechanisms such as narratives, rituals, and leadership behaviors that sustain an innovative culture during periods of organizational disruption.

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