Building a digital workplace in the era of industry 4.0 and the digital economy

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Abstract

In the era of technological disruption or better known as the industrial era 4.0, the transformation of corporate change has become a permanent feature of organizational management. Rapid technological developments trigger technological disruptions plus the COVID 19 pandemic has doubled the disruption effect, making companies rely more on data and information processing systems for their business interests. Using IT to challenge companies to become more sophisticated is "best practice" for organizational change management. Companies are required to be more sensitive to corporate culture and become better after the transformation of change. one of the concerns of the company in the transformation of change is the digital workplace, where the digital workplace is more than a physical workplace, but also includes a work environment and work situation that is very flexible and utilizes technological innovation to create good work productivity. The digital workplace creates a "smart" work environment that provides more flexibility and autonomy so that employees can manage their tasks and collaborate using technological resources regardless of time and place restrictions. This article will discuss in detail how to build a Digital Workplace in the Industrial Age 4.0 and the Digital Economy. Coherently this paper will discuss the main things in building a digital workplace, including: (1). Challenges in introducing digital work, (2). Digital workplace transformation with two sides of the New Ways of Working (NWW). (3). Digital workplace transformation with a reduced – deinstitutionalized logic approach. (4). The dark side of the digital workplace and the hope of reducing the side effects of the digital workplace (5). The digital workplace and company performance

Keywords: Digital workplace; Industry 4.0; Technological development; New Way of Working; Company performance

1. Introduction

In the era of technological disruption or better known as the industrial era 4.0, the transformation of corporate change has become a permanent feature of organizational management. Rapid technological developments trigger technological disruptions plus the COVID 19 pandemic has doubled the disruption effect, making companies rely more on data and information processing systems for their business interests. Investment in information technology (IT) has become an obligation for companies, not something that is still being debated and not "beyond planning" anymore. The goals of companies investing in IT are to increase decision-making capabilities, increase efficiency, and increase productivity, and excel in the industry's business competition (Frey & Osborne, 2017).

Besides IT can improve performance, IT can also become a barrier as a supporter of company performance. Even IT can introduce new problems such as analysis paralysis where managers spend too much time and effort analyzing a problem before action is taken which can prevent a timely response to that problem. There are even companies that spend a lot of resources to collect, organize, and store information that is never used to inform decision making (Christensen, 1997).
Using IT to challenge companies to become more sophisticated is "best practice" for organizational change management. Companies are required to be more sensitive to corporate culture and become better after the transformation of change. In carrying out this change transformation, many companies fail. Many articles and research discuss the consequences of failure to transform change, where not only financial losses but also wasted resources, lost opportunities, and decreased work morale and motivation. Triggers for failure in organizational change management include low change initiatives; change implementation failure because it was too fast and without adequate preparation; as well as C Suite level planning with little input from lower levels (especially the operational level).

To minimize the risk of failure in transforming change, strategic management needs to take advantage of corporate culture support in transformation, involving employees at every level from the start, transformational leadership (strategic thinking and engagement) and the necessary training. Since the 2010s one of the concerns of the company in the transformation of change is the digital workplace, where the digital workplace is more than a physical workplace, but also includes a work environment and work situation that is very flexible and utilizes technological innovation to create good work productivity. The digital workplace creates a “smart” work environment that provides more flexibility and autonomy so that employees can manage their tasks and collaborate using technological resources regardless of time and place restrictions. Derry et al. (2017) explains digital work as follows:

**Table 1 Digital Work Context**

<table>
<thead>
<tr>
<th>Systems</th>
<th>Social</th>
<th>Space</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT and infrastructure (examples)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Videoconference</td>
<td>• Enterprise social media</td>
<td>• Open office spaces</td>
</tr>
<tr>
<td>• Mobile devices</td>
<td></td>
<td>• Desk sharing</td>
</tr>
<tr>
<td><strong>Aim</strong></td>
<td>Speed up collaborative work and support ideation (forming new ideas)</td>
<td>Support collaboration and create new interpersonal connections</td>
</tr>
<tr>
<td>Enable collaboration anywhere, at any time</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Derry et al. (2017)*

Thus digital work (digital work) not only provides new technology, but concentrates a dense human center when designing a flexible workplace by maximizing the potential of technology.

**Table 2 Differences between Traditional Work Designs and Digital Work Designs**

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Traditional work design</th>
<th>Digital work design</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Target</strong></td>
<td>Designing the physical environment augmented with ICT</td>
<td>Transforming work practices enabled by ICT</td>
</tr>
<tr>
<td><strong>Object of study</strong></td>
<td>Automation of top-down defined business processes for efficiency</td>
<td>Understanding practices and providing ICT that supports flexibility</td>
</tr>
<tr>
<td><strong>Role of human</strong></td>
<td>Operating tools and machines</td>
<td>Orchestrating tools and machines</td>
</tr>
<tr>
<td><strong>Human capabilities</strong></td>
<td>Coordinating and efficient handling of tasks</td>
<td>Creativity, problem solving, learning</td>
</tr>
<tr>
<td><strong>Role of ICT</strong></td>
<td>Replacing strenuous human work (machine-centric)</td>
<td>Augmenting human capabilities (human-centric)</td>
</tr>
<tr>
<td><strong>ICT capabilities</strong></td>
<td>Production system</td>
<td>Cyber-physical production system</td>
</tr>
</tbody>
</table>

*Source: Richter et al. (2018)*

With this digital workplace transformation, researchers and practitioners are exploring new approaches to discussing digital workplaces within companies (Dittes et al., 2020). Therefore, this paper will discuss digital workplaces, namely:
• Challenges in introducing digital work
• Digital workplace transformation with two sides of the New Ways of Working (NWW).
• Digital workplace transformation with a reduced – deinstitutionalized logic approach.
• The dark side of the digital workplace and the hope of reducing the side effects of the digital workplace
• The digital workplace and company performance

1.1. Challenges in Developing a Digital Workplace

The first challenge is digital workload overload, where new technologies don't only offer benefits. Digital work, apart from having the advantage of work flexibility, can also cause technostress on employees, where employees become very overwhelmed with the new opportunities offered by digital work. In addition, this digital work makes employees work longer than normal working hours or office hours. So companies are challenged to be able to motivate their employees in using new technology and prevent employees from overdoing it and making mistakes in the behavior of using new technology (Dittes et al., 2020).

The second challenge is how digital work aligns with the prevailing organizational culture and leadership paradigm. Digital work will affect the organizational structure and organizational culture, asking that digital work offers a more autonomous work design (Dittes et al., 2020). In this case the company needs leadership that is open to technological innovation and fosters a culture that supports innovation.

The third challenge is the difference between “digital natives” and “digital immigrants”. Digital natives are employees who understand technological developments and use this technology to work voluntarily. Meanwhile, digital immigrants are employees who are not familiar with new technology and use this technology at work because they have to (Dittes et al., 2020). This third challenge can occur because one company has employees with different generations, so some try to avoid new technology and choose a comfort zone; and some are very enthusiastic about the new technology. Here, companies are challenged to be able to unite digital natives and digital immigrants, by creating a work environment and work policies that support the collaboration of the two generations. In addition, the company facilitates training in the use of technology in stages, especially for employees of the digital immigrant group.

The last challenge is the readiness of top management, where top management is a role model as well as someone who is doing an apprenticeship or learning new technology. In digital work, top management has an obligation to introduce and model the use of new technologies that are beneficial to improve company performance. However, most top management is reluctant to learn and use new technologies (Dittes et al., 2020). Here the company needs top management who has a transformational leadership spirit, namely leaders who try to participate in the transformation of digital work and support the ability of their subordinates to innovate. Companies must provide training that supports top management in innovation.

1.2. Digital workplace transformation with two sides of the new way of working (NWW).

Transformational change in dealing with technological disruptions gave birth to a new world that requires a new way of working – the New Ways of Working (NWW) which was first introduced by Hannes Meyer in 1994 (Aroles et al., 2021). Digital workplace transformation (DWT) such as teleworking, nomadic working, hot-desking, working in coworking spaces, virtual working or mobile working, and enabled by complex information systems and virtual organizational formations (e.g. network companies or internet platforms ). DWT changed the “traditional” way of working to a NWW which emphasizes flexibility, adaptability and dynamism as the fundamental values of new work configurations and replaced paper documents and filing cabinets with 'data objects' and algorithms for information flow and organizational management (Aroles et al., 2021).

NWW is characterized by activity-based work orders, combining and dividing various types of activities into individual cockpits, team tables, lounge areas, silence areas, comfort rooms, meeting rooms and other types of open workplaces (Aroles et al., 2021). In the end, the composition of the workplace within the physical building can be flexibly and virtually connected to various workplaces outside the physical building, namely workscapes and distributed workplaces. There are many different workplaces, including working from home, in dedicated co-working spaces, even while traveling or on vacation. Potentially, the whole world becomes a workplace, where ideally, the workplace can be adapted to the individual work needs of workers and work teams (Leede, 2017).

NWW is like two sides of a coin, where apart from offering positive benefits, it also has a negative side to consider. For many, the contemporary attachment between technology and employees raises both possibility and concern. On the one hand, changing forms of work offer the potential for a greater sense of flexibility and autonomy, for a better balance
between the demands of work and other aspects of life. But besides that, a series of concerns emerged related to the problem of precarity, surveillance, and control (Brivot & Gendron, 2011).

1.3. NWW with new order changes

NWW is relative and means something that is qualitatively different, changes in work practices that are revolutionary and paradigmatic, not evolutionary and partial. However, certain elements associated with the NWW may not, on the time scale, be entirely new. In computer-mediated jobs, employees must constantly improvise and find out how digital innovation translates into their work. For example, in online teaching the teacher observes and creates the dilemma “Digital Panopticon”, where the teacher can see everything where students are often not aware that they are being watched (Hafermalz, 2021). Moreover, most universities and pre-pandemic management teams had little experience with distributed work, and thus struggled with a lack of visibility of colleagues and teams (Leede, 2017; Aroles et al., 2021).

1.4. NWW with job opportunities

NWW exemplifies the demands of the new digital era – a global world where the concept of emerging workspaces and “time without time limits” in the development of a global network society, is related to the widespread application of technology and the development of the internet. This condition is very important for the development of NWW because it allows real-time cooperation in practical work without the need for a physical presence in the same place, or vice versa. So employees can work in the company from home or from the train, can collaborate on the same project from different desks. One can work with colleagues in different parts of the world simultaneously, or work on the same project at different times, as long as the person can connect to the virtual space. The positives relate to the skilled worker experience, where skilled workers are able to use a variety of skills to easily navigate a new world of work, seize opportunities and create their own opportunities when needed. Thus, the higher the technological ability, the more privileged the worker is, that is, the worker can use a high level of agency in forming a professional journey, even to refuse jobs and contracts that are not desirable. Another thing is for the life and situation of low-skilled workers who do not have job security, living wages and decent working conditions from their employment agreements. This new precariat bears the cost of job market flexibility (Brivot & Gendron, 2011; Leede, 2017; Aroles et al., 2021).

1.5. NWW with Activity-Based Working (ABW)

Activity-Based Working (ABW) as a main characteristic of NWW denotes an innovative design of open office spaces with dedicated sections to suit different types of work assignments – hubs for group work, individual quiet places, meeting areas and rooms, lounges, and cafe-style places. ABW assumes the flexibility of working inside and outside the corporate office, including working remotely – at home, from a client or other location. While ABW adoption has been promoted as a new innovative working condition that increases flexibility, collaboration, and worker autonomy and empowerment, growing research reveals that the key drivers in many companies are cost reduction (reduced space and associated costs) and increased efficiency and productivity. However, this also raises new concerns where ABW can be said to be weak in increasing control and supervision (Meel, 2020).

The NWW distinguishes three types of digital workplaces in the (tele)work spatial evolution: home, mobile, and virtual office. In the case of the “home office”, the professional activity takes place in the home, where the two discourses, industrial and household production, meet. In turn, this contributes to a blurring of the lines between work and personal life, often leading to the balance tipping towards work. With a virtual office, professional activities take place in a third space, which usually includes a cafe, restaurant or railroad. The inclusion or reuse of this space is contingent on the development and democratization of wireless technologies that allow remote connections to servers, client databases and e-mail services. In the context of a virtual office, work is done in workspaces; this could, for example, include elevators, parking lots, or even walkways that can be mobilized to read and send email or make phone calls. This third stage implies that each location has the potential to become part of the work routine. The other side of this change concerns the day-to-day operations of professional activities: through technology, both organization employees and independent workers alike can be contacted and contacted instantly at any time, thus potentially suffering from the pressure of having to be constantly on the go. While the fact that workers can access work-related information without spatial or temporal considerations can be hailed as a source of organizational flexibility and agility, it is also a cause of work addiction that can have many adverse effects (Meel, 2020; Aroles et al., 2021).

1.6. NWW with the Covid-19 pandemic

The Covid-19 pandemic has changed the way things work, increasing attention to the NWW. Such a radical transition is even conceivable without the sophisticated virtual working modes offered by, for example, internet platforms such as...
Zoom, Skype or Microsoft Teams. In addition, organizations are relying on individual and collective experiences with online, remote, and mobile work and an emerging understanding of the various forms of NWW that are integrated and accepted across many areas of organizational work. In this regard NWW has helped many people to successfully overcome the Covid-19 crisis. Beyond the most visible relocation of work from corporate offices to employees’ homes, companies are reconfiguring and automating their operations and work processes at a much faster pace than before. For example, companies are adopting a higher percentage of digital interactions with customers; supply chains reconfigured to absorb higher risks; and improved data management and security.

Since the start of the Covid-19 pandemic, NWW has been driven by increased digitalization and automation, based on the wide adoption of AI, machine learning, data analytics and robotics. These technologies have accelerated the transformation of work practices enabling organizations to expand the innovative NWW domain. This trend has raised concerns about the nature and implications of new ways of working and the future of work. Whether working on the frontlines as essential workers or working from home, workers experience intensification of work and increased levels of control and supervision. While these trends had been observed before the pandemic their acceleration during the pandemic and emerging worker responses raises serious questions about the future of work. There are some workers returning to the way they were before the pandemic, there are workers who are hybrid and there are those who are still holding on to full NWW (Aroles et al., 2021).

1.7. Digital workplace transformation with a reduced – deinstitutionalized logic approach

DWT has previously shown how companies are adding new digital technologies to create new workplace routines. However, such an emphasis on additions can hinder knowledge from recognizing that some established technologies and workplace routines must disappear for new ones to emerge (Zimmer et al., 2023). The intended additions include new knowledge and skills regarding the latest technology, the use of new applications, new facilities and infrastructure.

The logic of this addition is carried out by companies (especially incumbent companies), but old traditions that are already strong (established) are maintained, so the tendency to return to old work designs is very high. Below is an image of the add-on logic in a digital workplace transformation.

![Figure 1](image)

**Figure 1** Process model visualizing additional logic for digital workplace transformation (Zimmer et al., 2023)

The additional logic in existing DWT studies seems to ignore the fact that the emergence of new workplace routines – the action patterns that make up the workplace – also involves the erosion of established routines, namely the logic of subtraction. The logic of reduction as removing the technology (or the institutional rules inscribed in this technology) to leave the routine in order to align with the desired transformation goals. Institutional theory, particularly institutional work and the concept of deinstitutionalization, postulates that transformation requires steady erosion,
otherwise there will be no change. Deinstitutionalization suggests that established routines erode over time due to entropy, imprecise randomness, and decline. While this original conception deprives actors of agency for deinstitutionalization, institutional work underlies that actors can indeed disrupt and even deinstitutionalize institutional arrangements. Zimmer et al. (2023) introduced two schemes in the logic of reducing in DWT or deinstitutionalization, namely Abandoning gatekeeping approval routines and Abandoning hierarchy-enacting routines, as explained in the following table:

**Table 3 Concepts explaining the logic of subtraction and the process along with empirical illustrations**

<table>
<thead>
<tr>
<th>Subtraction variables</th>
<th>Effect in subtraction process</th>
<th>Vignette 1: Gatekeeping routine</th>
<th>Vignette 2: Hierarchy-enacting routine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authoring new rules</td>
<td>楽しむ and challenges organisational actors’ assumptions on how to perform workplace routines i.e., workplace routines’ extant aspects.</td>
<td>Narrative storytelling and employees connectedness as DWT goals.</td>
<td>Narrative storytelling and employees connectedness as DWT goals.</td>
</tr>
<tr>
<td>Cessing activities that express the how, when, and why of the intended DWT (e.g., terminating a workplace routine enactment when following the new rule) and narratives that reject heuristics taken for granted institutional rules that conflict with the intended DWT.</td>
<td>Expressing the new rule of no more than two approval steps in every decision-making process.</td>
<td>Expressing the new rule that work requirements should define the device strategy.</td>
<td></td>
</tr>
<tr>
<td>Removing existing workplace technology</td>
<td>Disrupt organisational actors’ actions and interactions that perform the affected workplace routine, which triggers negotiations on these routines’ enactment, i.e., a change in workplace technology’s affordance and constraints.</td>
<td>Rejecting formal approval for business travel, i.e., verbal consent is sufficient.</td>
<td>Rejecting the hierarchical device strategy for it impedes employee connectedness.</td>
</tr>
<tr>
<td>Removing workplace technologies (or parts of respective technologies) that enforce institutional rules which conflict with the intended DWT.</td>
<td>Negotiations over the pattern of action and interaction that causes the workplace routine (i.e., performative aspects) and thus, they alter the workplace routine and reproduction of the intended institutional rule.</td>
<td>Impact and senior management finding workaround to maintain institutional rules on IT device strategies.</td>
<td>Using mobile changes in workplace technology when negotiating with her manager on replacing her work phone.</td>
</tr>
<tr>
<td>Negotiating on enacting affected workplace routine</td>
<td>Organisational actors engage in negotiations in which they draw on the narratives on new rules, rejected institutional rules, and removed workplace technology and their meaning for enacting the affected workplace routine.</td>
<td>New action pattern in line with the new rule emerges.</td>
<td>New action pattern in line with the new rule emerges.</td>
</tr>
</tbody>
</table>

*Table: Zimmer et al. (2023)*

The following is a model of the addition and subtraction logic process in digital workplace transformation according to Zimmer et al. (2023).
In the context of DT, observing various factors both within the company and outside the company triggers the use of this concept of deinstitutionalization (Vial, 2019). The concept of Deinstitutionalization to propose the logic of reduction to the DWT and so on, it can be said that this concept is best suited for the application of the DWT with the aim of transforming change.

The dark side of the digital workplace and the hope of reducing the side effects of the digital workplace

The digital workplace is nothing new anymore, especially after the Covid 19 pandemic, at which time almost all companies implemented work-from-home. Post the Covid 19 pandemic there has been a shift from work-from-home to work-from-anywhere, where many companies have started implementing digital workplaces with no physical space at all and can work anytime and under any conditions. Digital workplaces provide many benefits such as increasing productivity, facilitating communication and collaboration, and reducing waste such as electricity costs, paper use and others (Attaran et al., 2019). Apart from providing many benefits, digital workplaces also have negative effects or are often called dark side effects, some even call it a “technological disease” (Tarafdar & Stich, 2018; Leclercq-Vandelannoitte, 2019). The dark sides of the digital workplace include technostress, becoming addicted, being overworked and anxious (Tarafdar & Stich, 2018; Marsh et al., 2022).

Technostress is a type of stress due to rapid technological developments, lack of standardization of the workplace and a person’s inability to transform technology, causing discomfort both physically and psychologically. According to Tarafdar & Stich, 2018, the following are types of Technostress:

- Techno-overload, where users are forced to use more technology with features and comply with additional rules such as data security.
- Techno-invasion, where users are faced with the use of time outside of working hours and very fast technological changes that create a sense of hopelessness with rapidly changing working conditions and policies.
- Techno-insecurity, where users become insecure when their co-workers are superior in dealing with new technological developments.
- Techno-complexity, where users experience difficulties in learning new technologies that change frequently so that they experience complications in positioning themselves to face technological disruptions.

Users who have an adaptive and positive attitude from the start in dealing with technological disruption will experience lower levels of technological stressors. Therefore, apart from the willingness of employees to use new technology, companies should motivate employees to adapt from the start and provide adequate training.

Technology addiction arises from the pathological use of technology, where users become maladaptive and highly dependent on technology for all aspects of their lives. This technology addiction was increasingly felt during the Covid 19 pandemic, where social media, email, smartphones, laptops became vital aspects of life. The behavior of users who are addicted to technology, will always be glued to the smartphone continuously, which is the first activity when they wake up and the last activity before going to bed. Technology addiction has a negative impact on users and companies. The negative impact on the user is work-life conflict due to addiction to email, chatting and Facebook, causing anxiety and insomnia, mood disorders and autistic and even anti-social behavior. As a result, users experience depression, loneliness and reduced self-esteem. One of the extreme and socially harmful forms of addiction is cybersex and cyberporn which can lead to social isolation and the destruction of family life. Technology addiction also has a negative impact on companies, which can reduce the commitment and work productivity of employees who are addicted to technology. Overall, technology addiction can reduce individual well-being, change social relations and interaction patterns for the worse, have an adverse impact on job performance, and create a significant economic burden (Tarafdar & Stich, 2018).

Overloaded work is the dark side of the workplace, where it is overloaded work communication mediated by technological devices thereby extending employee working time. Answering emails, work chats and online meetings or meetings are all time consuming and often done unconsciously. When employees are overwhelmed and their health is disturbed, they just start to manage their work time better. However, this did not last long, when health conditions began to improve, employees would again extend their working time due to the demands of the digital workplace.

Another dark side of the digital workplace is the anxiety or fear that arises when using computers and the like or when considering using a computer. The following table is a summary of the emergence of anxiety in relation to the digital workplace according to Marsh et al., 2020:

**Table 4** Summary of emergence anxiety in relation to the digital workplace

<table>
<thead>
<tr>
<th>Types of anxiety</th>
<th>Key findings and gaps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generalised anxiety</td>
<td>General state anxiety may mediate between the technology and negative effects but further research is needed.</td>
</tr>
<tr>
<td>Computer or techno anxiety</td>
<td>Anxiety specifically relating to use of computers or technology more generally is found to be related to negative outcomes for individuals including stress. The levers by which such anxieties may be reduced warrants further investigation.</td>
</tr>
<tr>
<td>Information anxiety</td>
<td>Information overload can lead to information anxiety for some individuals, though how and for whom needs further investigation.</td>
</tr>
<tr>
<td>Fear of missing out (FoMO)</td>
<td>Anxiety can also relate to separation from the technology in some form, especially where individuals’ experience emotional attachment to it. Research is so far sparse in this area.</td>
</tr>
</tbody>
</table>

Sumber: Marsh et al., 2020.
1.8. Digital Workplace and Performance

The need for digitalized workplaces became massive during the COVID-19 pandemic, where restrictions on physical interaction were imposed throughout the world and in all aspects of life including worship activities. This forces companies to take advantage of the digital workplace in their business operations. Company dynamic capabilities (dynamic capabilities) play an important role in realizing this digital workplace. The dynamic capabilities in the digital workplace are the company's information technology capabilities, dynamic enterprise innovation capabilities and dynamic digital workplace policies. In the end, the company's dynamic capabilities can affect the company's performance through improving the performance of its employees and the work-life balance possessed by employees. The presence of several breakthrough technologies, such as the Internet of Things, Artificial Intelligence, Machine Learning and Big Data Analytics greatly influences corporate culture, work environment and corporate strategy as well as corporate leadership (Chatterjeea et al., 2023).

By developing dynamic capabilities to improve the capabilities of the digital workplace, it will increase the company's resources, especially employee employability and employee welfare. For this reason, companies must have a digital workplace policy to provide digital infrastructure to employees so that employees can work freely (Khisro et al., 2022). Companies must formulate appropriate policies to minimize the effects of the dark side of the digital workplace. This policy is expected to build work engagement among employees, where employees feel connected to their coworkers, not only to improve social relations, but also to enrich the wealth of employee knowledge (Dery et al., 2017; Chatterjeea et al., 2023). Employees in dynamic digital workplaces that have policies involving employee work engagement tend to exchange more information to update each other, which results in increased employee performance. In addition, this engagement policy helps trigger positive emotions among employees, which impacts the work-life balance of individuals. Work-life balance as an aspect of employee welfare is that employees manage to both their personal and professional responsibilities, and they have sufficient time for their families (Chatterjeea et al., 2023).

1.9. A digital workplace with the right work policies will keep employees

tend to use new technology, this will help employees to work more efficiently and reduce the overall time needed to complete their work, so they have enough time to enjoy with their families. Digital workplaces that utilize technology as an “automated” support tool in company operations will cause changes in job expectations, job design, and employee work resources, and have an impact on employee work engagement. Through digital workplaces, companies offer flexible work, drive productivity beyond the number of hours worked, regularly review workloads, and so on. This can help employees balance their work lives effectively and have an impact on overall company productivity and performance (Salvadorinho & Teixeira, 2023; Chatterjeea et al., 2023).

2. Conclusion

The digital workplace has become an important issue in digital transformation, especially after the Covid 19 pandemic. Companies must prepare a digital workplace either starting now or as soon as possible, because a digital workplace has become a necessity in doing business. For this reason, companies must develop their dynamic capabilities, especially related to company information technology capabilities and dynamic company innovation capabilities. In addition, companies must consider the challenges of the digital workplace so that companies do not experience failure in digital workplace transformation.

The digital workplace has both positive and negative impacts on companies. The positive impact of a digital workplace for companies is increased employee productivity and performance, cost savings (efficiency), increased decision-making ability and excels in business competition. While the negative impacts of a digital workplace are technostress, becoming addicted, becoming overloaded with work and anxiety. Therefore, companies need to create dynamic and appropriate digital workplace policies by paying attention to organizational culture and leadership.

For the digital workplace to work, companies must adopt a new way of working (NWW). The main characteristic of NWW is a digital workplace that prioritizes flexibility and autonomy, based on Activity-Based Working. In addition, digital workplace transformation not only prioritizes the logic of addition, but also needs to consider the logic of subtraction with the concept of deinstitutionalization. This deinstitutionalization concept will erode established work routines so that changes can occur and NWW can also be implemented optimally.

In the end, digital workplaces are expected to improve company performance, according to the benefits offered by digital workplaces, namely increased employee productivity and performance. Companies need to improve their
dynamic capabilities, namely company information technology capabilities and dynamic company innovation capabilities as well as formulate dynamic and appropriate digital workplace policies. With this increase in dynamic capability, it is expected that performance, life balance and employee welfare will increase and have an impact on the company's overall performance.

**Compliance with ethical standards**

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