

## **MODERATION EFFECT OF WORK MOTIVATION: THE EFFECT OF DIGITAL COMPETENCY ON BANK EMPLOYEE PERFORMANCE**

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*Performance<sup>3</sup>*

**Abstract:** *This research aims to analyze the influence of digital competence on the performance of Bank Sulsebar employees both directly and using work motivation as a mediating variable. The type of this research is quantitative research with moderated analysis techniques based on the results of distributing questionnaires to 56 employees. The research results show that digital competence has a significant influence on employee performance at Bank Sulsebar. Digital skills and knowledge mastered by employees increase efficiency, productivity, and innovation capabilities in a work environment increasingly dominated by technology. This not only improves the operational effectiveness of the bank, but also helps in meeting and exceeding customer expectations in the digital age. In addition, this study also shows that work motivation plays a role as an important moderation variable in the relationship between digital competence and employee performance. Work motivation affects how effectively employees can apply their digital competencies in daily work. Motivated employees tend to be more proactive in learning new technologies, applying digital knowledge in innovative ways, and working collaboratively, which in turn improves overall performance.*



## **INTRODUCTION**

In today's digital era, digital competence is an important key in business operations, including in the banking sector. The development of information and communication technology has changed the way banks operate and interact with customers (Aswan et al., 2017). Bank Sulsebar, as a financial institution operating in South and West Sulawesi, is no exception to this influence. In this context, understanding the influence of digital competencies on organizational performance is important, especially considering the role of work motivation as a moderation variable (Indriasari et al., 2023).

Digital competencies in the banking sector cover various aspects such as the utilization of information technology, big data management, cybersecurity, and digital services to customers (Fatma et al., 2023). The ability to adopt and utilize digital technologies not only improves operational efficiency, but also helps in creating innovative products and services, as well as improving customer experience. Bank Sulsebar, in the face of increasingly fierce competition, needs to improve its digital competence to maintain and increase its market share (Rhena J & Hardiyono, 2022).

Work motivation is a key factor in determining employee effectiveness and efficiency. In the context of digital competence, work motivation can be a driving or inhibiting factor in the adoption and implementation of new technologies. Motivated employees tend to be more

open to learning and innovation, which is especially important in a work environment dominated by digital technology (Hardiyono et al., 2023).

The moderation variable, in this context, is work motivation that can affect the relationship between digital competence and the performance of Bank Sulsebar. Work motivation can strengthen or weaken these relationships. For example, highly motivated employees may be able to utilize their digital competencies more effectively, thereby improving overall organizational performance (Thaha et al., 2022).

Based on the explanation above, the author is interested in conducting research with the title of the influence of digital competence on employee performance by considering work motivation as a moderation variable is an interesting and relevant topic in today's digital era. Digital competence refers to the abilities and skills possessed by individuals or organizations in using digital technology to achieve certain goals.

## **LITERATURE REVIEW**

### ***Digital Competency***

Digital competence is a concept that encompasses the full range of skills, knowledge, and attitudes required to use information and communication technology (ICT) effectively and responsibly (Rachman et al., 2023). This includes an understanding of IT fundamentals, proficiency in operating digital devices, use of the internet and online communication tools, as well as skills in managing, processing, and analyzing digital information. Digital competence also involves awareness of cybersecurity and ethical issues in the digital world, emphasizing the importance of using technology in a safe and responsible way (HALIK et al., 2023). In today's era, where digital technology continues to evolve and become increasingly integrated in various aspects of life, having strong digital competencies is not only important for professional success, but also for active and effective participation in society (Nasir Rachman et al., 2023).

### ***Work Motivation***

The work motivation of bank employees is a psychological impulse that affects the attitude and behavior of employees in their work environment. These include intrinsic factors, such as personal satisfaction gained from the job itself, a sense of accomplishment, and job challenges. In addition, there are extrinsic factors, such as financial incentives, a supportive work environment, fair management policies, and career opportunities (Sambara et al., 2023; T. Yusuf et al., 2019). This motivation is important in determining the level of employee engagement, productivity, and loyalty to the bank. This is because motivated employees tend to be more dedicated, efficient, and contribute to the overall success of the bank (R. M. Yusuf et al., 2023). In the banking sector, where service quality and operational efficiency are critical, ensuring high work motivation in employees is key in achieving competitive advantage and customer satisfaction (Pardosi et al., 2022).

### ***Employee Performance***

The performance of bank employees is defined as a measure of effectiveness and efficiency with which bank employees complete the tasks and responsibilities assigned to them (Latiep et al., 2022). It covers various aspects such as accuracy and speed in handling financial

transactions, ability to provide quality customer service, accuracy in managing data and records, as well as contributing to the achievement of overall organizational goals. This performance is not only measured based on the results of an individual's work, but also how they collaborate and interact with colleagues and customers, as well as their adaptation to changes and innovations in the banking industry (Halik et al., 2021; Lintang, 2023). The high performance of bank employees is crucial, given their important role in maintaining customer trust and satisfaction, as well as ensuring the stability and sustainable growth of such financial institutions.

## FRAMEWORK AND HYPOTHESIS

Based on the background explanation and literature review, the framework of this research can be seen in the following picture:

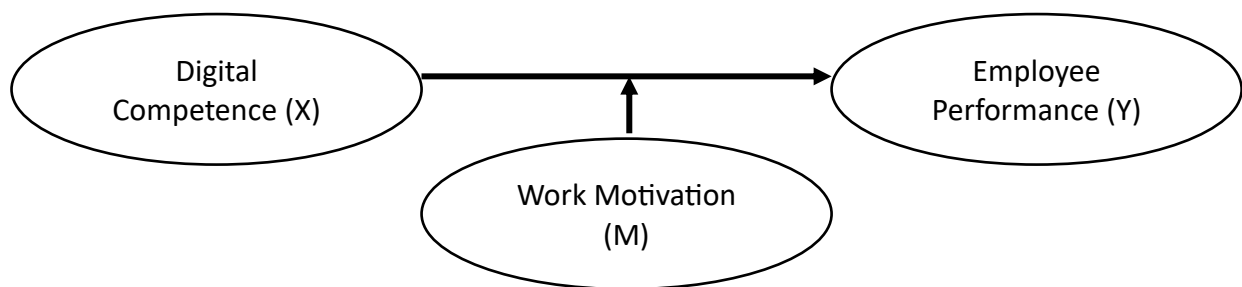


Figure 1. Framework

Based on the above framework, the hypothesis of this research can be described as follows:

- 1) Digital Competence has a significant positive effect on employee performance
- 2) Digital Competence has a significant positive effect on employee performance if moderated by work motivation

## RESEARCH METHODOLOGY

This research will use quantitative methods by collecting data through surveys from employees and management of Bank Sulsebar Mamuju Main Branch with 56 employees as respondents. The survey instrument will be designed to measure digital competence, work motivation, and organizational performance. Statistical analysis will be used to evaluate the relationship between these variables through descriptive statistical analysis and hypothesis testing.

Descriptive Statistics aims to describe the characteristics of the sample and the answers to the research variables. While the hypothesis test consists of linear regression analysis which aims to examine the effect of digital competence on employee performance and a moderation test that uses regression analysis with interaction to assess whether work motivation moderates the relationship between digital competence and employee performance.

## RESEARCH RESULTS AND DISCUSSION

Based on the results of the response data processing of 56 respondents processed using SmartPLS, the results of the hypothesis test can be seen in the following table:

Table 1. Coefficient Value

| Relationships Between Variables                               | Coefficient | P Values | Information         |
|---------------------------------------------------------------|-------------|----------|---------------------|
| Digital Competency = > Employee Performance                   | 0.341       | 0.005    | Hypothesis accepted |
| Digital Competence => Work Motivation => Employee Performance | 0.129       | 0.045    | Hypothesis accepted |

Source: SmartPLS Output (2023)

Based on the table above, the explanation of the results of the research hypothesis test can be described as follows

### 1) The Relationship between Digital Competency and Employee Performance

This relationship has a positive coefficient of 0.341, which indicates a positive and significant influence of digital competence on employee performance. A P-Value of 0.005, which is less than 0.05, indicates that this relationship is statistically significant. Thus, the hypothesis that digital competence affects employee performance is positively acceptable. That is, the increase in digital competence tends to correlate with the improvement of employee performance at Bank Sulsebar.

Increased digital competence tends to correlate with improved employee performance at Bank Sulsebar for several main reasons. First, employees who have good digital competence are better able to utilize technology to increase their work efficiency and productivity. They can use technology-based systems and tools to process data faster, reduce errors, and improve accuracy in their work. Second, digital competence enables employees to be more innovating and responsive to rapidly changing market needs, including in the development of new products and services. Third, with strong digital capabilities, employees can communicate and collaborate more effectively, both inside and outside the organization. This is especially important in work environments that increasingly rely on digital interactions. Finally, digital competencies assist employees in understanding and meeting the needs of increasingly digitally oriented customers, thereby improving service quality and customer satisfaction, which directly impacts the overall performance of the bank.

### 2) The Relationship between Digital Competence and Employee Performance with Work Motivation as a Moderation Variable

In this connection, a lower coefficient (0.129) indicates that when work motivation is used as a moderation variable, the influence of digital competence on employee performance is reduced but remains significant. A P-Value of 0.045, which is still below the threshold of 0.05, indicates that this relationship is also statistically significant. The hypothesis that work motivation moderates the relationship between digital competence and employee performance is also accepted. This indicates that while digital competencies are important, work motivation factors also play an important role in determining how effectively they translate into better employee performance.

Although digital competencies provide employees with the necessary technical skills, work motivation is a key factor that determines how those skills are used. Motivated employees tend to apply their digital competencies more effectively and creatively, looking for innovative ways to improve work processes and customer service.

Motivation can affect the level of employee engagement in learning and developing new digital skills. In an ever-changing world, especially in technology, motivation to keep learning and adapting is essential. Motivated employees are more likely to take the initiative in training themselves with the latest technology, which can improve overall performance.

Work motivation also affects how employees collaborate and interact with colleagues in using digital tools. For example, in projects that require teamwork, high motivation can encourage more efficient use of digital communication and collaboration tools, thereby increasing overall team productivity.

Thus, although digital competencies provide the basis for effective performance, work motivation plays an important role in determining how well those skills translate into high performance. Motivation not only spurs employees to use their abilities to the fullest, but also encourages innovation, continuous learning, and effective teamwork, all critical components of achieving superior performance.

## CONCLUSION

Based on previous analysis and discussion, it can be concluded that digital competence has a significant influence on employee performance at Bank Sulsebar. Digital skills and knowledge mastered by employees increase efficiency, productivity, and innovation capabilities in a work environment increasingly dominated by technology. This not only improves the operational effectiveness of the bank, but also helps in meeting and exceeding customer expectations in the digital age.

In addition, this study also shows that work motivation plays a role as an important moderation variable in the relationship between digital competence and employee performance. Work motivation affects how effectively employees can apply their digital competencies in daily work. Motivated employees tend to be more proactive in learning new technologies, applying digital knowledge in innovative ways, and working collaboratively, which in turn improves overall performance.

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