TECHNOLOGY ADAPTABILITY AS A MODERATING VARIABLE OF THE INFLUENCE OF DIGITAL COMPETENCE ON WORK MOTIVATION ON EMPLOYEE PERFORMANCE

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Abstract

In the rapidly evolving landscape of the fourth industrial revolution, the interplay between human capability and technological integration has become the primary determinant of organizational success. This study investigates the impact of digital competence on employee performance, with a specific focus on the mediating role of work motivation and the moderating effect of technology adaptability. As organizations transition toward fully digitized workflows, the mere possession of digital skills may no longer suffice to guarantee high performance; instead, the psychological drive and the fluid ability to adapt to new technological tools play a crucial role. Utilizing a quantitative approach with Structural Equation Modeling (SEM), this research analyzes data from professional employees across various sectors. The results indicate that digital competence significantly enhances work motivation, which in turn acts as a robust predictor of employee performance. Furthermore, the findings reveal that technology adaptability significantly moderates the relationship, suggesting that employees who are more agile in embracing new technologies derive higher motivational benefits from their digital skills. This study provides a comprehensive framework for Human Resource Management (MSDM) to design training programs that balance technical proficiency with psychological resilience and adaptability in the digital era.

Keywords: *Digital Competence, Work Motivation, Employee Performance, Technology Adaptability, Moderating Variable.*

1. INTRODUCTION

The contemporary global economy is undergoing a profound transformation characterized by the fusion of digital, physical, and biological systems, commonly referred to as Industry 4.0. In this environment, the traditional metrics of employee performance are being redefined by the ability to navigate complex digital ecosystems. According to Smith and Johnson (2024), the shift toward digital-centric operations has made digital competence a fundamental prerequisite for professional survival, rather than a specialized skill set. However, as organizations implement increasingly sophisticated technologies, a significant gap has emerged between the availability of technological tools and the actual performance output of the workforce. This discrepancy suggests that technical skills alone do not automatically translate into superior performance without considering the underlying psychological and adaptive mechanisms.

Employee performance remains the cornerstone of organizational sustainability and competitive advantage in a volatile market. High-performing employees are characterized not only by their technical output but also by their ability to innovate and solve problems within a digitized framework. As noted by Miller (2023), performance in the digital age is increasingly dependent on the synergy between human intellect and algorithmic support. When employees possess the necessary digital competence, they can execute tasks with greater precision and efficiency, thereby contributing to the overall strategic goals of the firm. Nevertheless, the link between competence and performance is often indirect, necessitating a deeper look into what drives an employee to apply their skills effectively.

Work motivation serves as a critical internal engine that directs and sustains an individual's efforts toward achieving organizational objectives. In the context of digital transformation, motivation is often fueled by the feeling of mastery over modern tools. According to Brown and White (2024), digital competence enhances self-efficacy, which is a primary driver of intrinsic motivation; when employees feel capable of handling digital tasks, they are more likely to engage deeply with their work. This motivational boost acts as a mediator that channels technical ability into consistent performance. Without a high level of motivation, even the most digitally skilled employees may fail to reach their full potential, especially when faced with the repetitive or demanding nature of high-tech work environments.

The concept of digital competence encompasses more than just basic computer literacy; it involves the strategic, critical, and creative use of technology to achieve professional outcomes. Garcia (2023) argues that digital competence includes information management, digital content creation, and problem-solving in virtual environments. As these competencies become more ingrained in job descriptions, they fundamentally alter the psychological contract between the employer and the employee. Employees who perceive themselves as digitally competent are generally more resilient and motivated, as they feel better equipped to handle the uncertainties of a technology-driven market. This sense of empowerment is essential for maintaining high performance levels during periods of rapid organizational change.

However, the rapid pace of technological innovation introduces a significant challenge: the constant need for adaptation. This is where "Technology Adaptability" becomes a crucial variable in the performance equation. Technology adaptability is defined as the willingness and ability of an individual to adjust their cognitive and behavioral patterns in response to new technological demands. According to Tan and Rahman (2023), adaptability acts as a filter that determines how effectively digital competence can be utilized to sustain motivation. Employees who possess high digital competence but low adaptability may experience "technostress," which can deplete their motivation and negatively impact their performance. Conversely, those who can pivot quickly between different platforms and tools are likely to maintain high motivation even when the technological landscape shifts.

In the post-pandemic era, the reliance on remote work and digital collaboration tools has highlighted the varying degrees of adaptability among the workforce. The sudden transition to virtual environments revealed that technical knowledge is static, while adaptability is dynamic. Lee (2022) points out that employees who successfully navigated the digital shift were those who viewed technology not as a static burden, but as an evolving asset. This mindset reinforces the moderating role of adaptability; it enhances the positive effects of competence on motivation. For an adaptable employee, every new technological update is seen as an opportunity for growth, which sustains the motivational drive necessary for high performance.

The theoretical framework of this study is rooted in the Self-Determination Theory (SDT) and the Technology Acceptance Model (AM). SDT suggests that competence is one of the three basic psychological needs that foster motivation. When technology adaptability is

high, the "competence" felt by the employee is not easily threatened by new updates, thus keeping the "motivation" stable. Roberts (2023) emphasizes that in an era of "perpetual beta" where software and processes are constantly updated adaptability is the bridge that prevents skill obsolescence. Without this bridge, the motivation derived from current digital skills would rapidly decay as those skills become outdated, leading to a decline in overall performance.

Furthermore, the impact of digital competence on performance through motivation is highly sensitive to the organizational culture. Organizations that foster a "learning-by-doing" approach to technology tend to see higher levels of adaptability among their staff. Wilson (2024) suggests that when the environment supports risk-taking with new digital tools, employees' adaptability increases, which in turn strengthens the link between their digital skills and their drive to perform. This creates a virtuous cycle where competence breeds motivation, and adaptability ensures that this motivation is sustained regardless of technological disruptions. Thus, the role of adaptability as a moderator is not just an individual trait but a critical organizational variable.

The phenomenon of "digital fatigue" also necessitates the study of these variables. Continuous exposure to digital platforms can lead to burnout if the employee lacks the adaptive strategies to manage the cognitive load. Nguyen and Patel (2022) found that employees with high technology adaptability are better at managing digital workloads, which prevents the erosion of work motivation. In this sense, adaptability protects the motivational gains achieved through digital competence. By acting as a buffer against the negative externalities of digitization, technology adaptability ensures that the positive influence of digital skills on performance remains intact over the long term.

In many developing economies, including Indonesia, the push for digital transformation in both public and private sectors has been aggressive. However, the focus has predominantly been on hardware and software procurement, often neglecting the "humanware" aspect specifically the adaptability of the lecturers, civil servants, and corporate employees. Thompson (2023) argues that the failure of many digital initiatives is due to a lack of focus on the psychological readiness of the users. Understanding how adaptability moderates the relationship between competence, motivation, and performance is therefore essential for creating sustainable digital policies that do not overwhelm the workforce.

Finally, this research aims to provide a more nuanced understanding of the digital performance model. Previous studies have often looked at digital competence and performance in isolation, but few have integrated work motivation as a mediator and technology adaptability as a moderator in a single comprehensive model. As stated by Davis (2024), the future of Human Resource Management lies in the ability to harmonize technical skills with adaptive psychological traits. By exploring these relationships, this study seeks to offer actionable insights for managers to enhance employee performance in an increasingly complex and digitally saturated world.

2. RESEARCH METHODS
Research Design

This study uses a quantitative approach with an explanatory survey method to test the causal relationship between the variables studied. The research design focuses on examining the effect of digital competence on employee performance through work motivation as a mediating variable, and the role of technology adaptability as a moderating variable. According to Creswell and Creswell (2022), a quantitative approach is most appropriate when researchers want to objectively test theories by examining relationships between statistically measurable variables to generate accurate generalizations.

Population and Sampling

The population in this study includes all employees in organizations that have fully implemented digital-based work systems. The sampling technique used *probability sampling* with a *simple random sampling* method to provide an equal opportunity for each member of the population to be selected. Based on the provisions of Hair et al. (2022), the ideal sample size for *Structural Equation Modeling* (SEM) analysis ranges from 100 to 200 respondents, or at least ten times the number of variable indicators used in the research model to ensure the stability of statistical estimates.

Data Collection and Instruments

Primary data was collected through an electronic questionnaire distributed to respondents via a digital platform. The research instrument was developed using a 1-5 Likert scale, ranging from "Strongly Disagree" to "Strongly Agree." Each item in the questionnaire is derived from operational indicators of variables validated by previous research. Taylor (2023) emphasizes the importance of using standardized instruments to minimize measurement error and ensure high reliability of collected data in the context of a digital work environment.

Data Analysis Technique

The data analysis technique used *Partial Least Squares Structural Equation Modeling* (PLS-SEM) with the help of statistical software. The analysis was carried out in two main stages: evaluation of the measurement model (*outer model*) to test validity and reliability, and evaluation of the structural model (*inner model*) to test hypotheses and the strength of the relationship between variables. According to Smith (2023), PLS-SEM is a very powerful analytical tool for testing moderation and mediation models simultaneously, especially in human resource management research involving complex psychological interactions.

Research Hypotheses

Based on the framework of thought and background that has been presented, this study formulates the following hypothesis:

1. H1: Digital competence has a positive and significant effect on employee work motivation. This hypothesis is based on the assumption that technological mastery increases employees' confidence and self-efficacy in completing tasks. Brown and White (2024) stated that individuals with high digital competence tend to be more motivated because they feel they have full control over their work tools in the digital age.

2. H2: Work motivation has a positive and significant effect on employee performance. Motivation is an internal drive that directs employee behavior toward achieving organizational goals. Miller (2023) argues that highly motivated employees will demonstrate superior dedication and work performance compared to those who work without strong motivational drive.

3. H3: Digital competence has a positive and significant impact on employee performance. Mastering digital technical skills directly enables employees to work faster, more accurately, and more efficiently. According to Garcia (2023), digital competence is the fundamental asset that determines the quality of employee work *output* in a modern, fully automated work environment.

4. H4: Work motivation mediates the relationship between digital competence and employee performance. Digital competence not only directly impacts performance but also improves performance by initially boosting work enthusiasm. Roberts (2023) explains that improving digital skills creates job satisfaction and motivation, which in turn drives sustained performance improvement.

5. H5: Technological adaptability moderates the effect of digital competence on work motivation. The effect of digital skills on motivation will be stronger if employees have a high ability to adapt to technological change. Tan and Rahman (2023) assert that adaptability acts as a booster*;* flexible employees will be more easily motivated by digital advancements than those who are resistant to change.

3. RESULT AND DISCUSSION
Results

This study involved 450 respondents from various industrial sectors that have integrated with digital technology. Data analysis was conducted using a *Partial Least Squares*-based structural equation model (PLS-SEM) to test the strength of the relationships between variables and the effects of mediation and moderation. Prior to hypothesis testing, an evaluation of the measurement model (*outer model*) was conducted to ensure the validity and reliability of the instrument.

Table 1
Measurement Model Evaluation: Reliability and Validity

Variable	Cronbach's Alpha	Composite Reliability (CR)	AVE
Digital Competence (X)	0.885	0.912	0.724
Work Motivation (M)	0.864	0.895	0.680
Employee Performance (Y)	0.910	0.932	0.775
Technology Adaptability (Z)	0.842	0.878	0.642

The results in Table 1 show that all variables have *Cronbach's Alpha* and CR values above 0.70, and AVE values above 0.50. According to Hair et al. (2022), these results confirm that all research constructs have a level of reliability and convergent validity that meets the requirements for further analysis. Next, hypothesis testing was conducted to examine the structural relationships (*inner model*), as summarized in the table below:

Table 2
Path Coefficients and Hypotheses Testing

Hypotheses	Path Relationship	Coefficient (β)	T-Statistics	P-Values	Result
H1	Digital Competence → Motivation	0.455	9,210	< 0.001	Supported
H2	Motivation → Performance	0.512	10,450	< 0.001	Supported
H3	Digital Competence → Performance	0.325	6,840	< 0.001	Supported
H4	Dig. Comp → Motive → Perf	0.233	5,120	< 0.001	Supported
H5	Dig. Comp * Adaptability → Motive	0.185	3,240	0.002	Supported

Based on Table 2, it was found that digital competence has a significant effect on work motivation (B= 0.455, p < 0.001) and employee performance (B = 0.325, p < 0.001). Work motivation has also been shown to have a strong influence on performance (B = 0.512). Interestingly, the results of the moderation test (H5) showed an interaction coefficient value of 0.185 with a significance of p = 0.002. This proves that technological adaptability empirically strengthens the relationship between digital competence and employee work motivation.

Discussion

The Direct Link: Digital Competence, Motivation, and Performance

The findings of this study confirm that in the era of digital transformation, digital competence is no longer merely a peripheral technical skill, but rather the core of employee self-efficacy. The positive influence of digital competence on work motivation (H1) indicates that employees who feel proficient in using digital devices tend to have higher self-confidence in completing complex tasks. Brown and White (2024) argue that technological mastery reduces psychological barriers to work, thereby creating a work flow *state* that increases satisfaction and internal drive.

Furthermore, the relationship between work motivation and performance (H2) indicates that psychological drive remains a key determinant of organizational *output*, despite the significant impact automation has had on work processes. Motivated employees tend to be more proactive in exploring technological features to improve the quality of their work. Miller (2023) adds that motivation in digital ecosystems often stems from pride in mastering cutting-edge tools, which is then translated into work performance that exceeds the company's minimum standards.

The Mediating Role of Work Motivation

The results of H4 provide strong evidence that work motivation acts as a partial mediator. This means that digital competence can directly improve performance through technical efficiency, but its impact will be much greater when it successfully stimulates work motivation. Roberts (2023) explains that digital skills without motivation will only result in mechanistic performance. Conversely, when competence stimulates motivation, employees will demonstrate greater creativity and resilience in facing digital challenges, ultimately resulting in more sustainable performance.

Technology Adaptability as a Critical Moderator

One of the most significant findings in this study is the role of technological adaptability as a moderating variable (H5). The data show that the influence of digital competence on motivation will reach an optimal point in employees with a high level of adaptability. For adaptable employees, technological change is seen as an opportunity for growth, not a threat. Tan and Rahman (2023) emphasize that adaptability functions as a psychological "signal amplifier"; without adaptability, even high digital competence can lead to exhaustion (*digital burnout*) because employees feel constantly chased by endless technological updates.

This interaction between competence and adaptability explains why two individuals with the same level of digital skills can exhibit different motivations. Individuals with high adaptability will more quickly integrate new skills into their work routines with pleasure, thus maintaining stable motivation. Conversely, for those with low adaptability, the process of learning new competencies can actually decrease motivation due to resistance to change.

Garcia (2023) argues that adaptability is a mental defense mechanism that allows employees to remain competitive without losing their passion for work amidst technological disruption.

Implications for Human Resource Management (HRM)

These findings have profound practical implications for human resource management, particularly in training program design. Organizations should not only focus on technical training (*hard skills*) for digital competency, but should also integrate the development of *soft skills* related to cognitive flexibility and technological adaptability. Wilson (2024) suggests that companies create a work culture that supports technological experimentation to foster employee adaptability. By increasing adaptability, companies can ensure that their investments in digital competency development will yield maximum motivational and performance impact.

In the post-pandemic context, where work environments are increasingly decentralized, the synergy between competency, motivation, and adaptability is key to talent retention. Thompson (2023) noted that employees tend to leave organizations that demand high digital standards but fail to provide adequate adaptive support. Therefore, understanding the moderating dynamics of technology adaptability is crucial for organizational leaders to create a healthy and productive digital work environment, where technology serves to empower people, not burden them psychologically.

4. CONCLUSION

This study concludes that employee performance in the digital era is not solely determined by technical mastery, but is the result of a complex interaction between competence, psychological drive, and adaptive flexibility. The research findings prove that digital competence significantly increases work motivation, which in turn acts as a vital mediator in improving overall performance. This confirms that digital skills provide a sense of empowerment *to* employees, but this impact will only manifest into superior performance if employees have an internal desire to apply these skills in their tasks.

Furthermore, the role of technological adaptability as a moderating variable is a key finding that clarifies the dynamics of modern work. Employees with high levels of adaptability are able to convert their digital competencies into much stronger work motivation than those who are resistant to change. In accordance with the theory proposed by Tan and Rahman (2023), adaptability acts as a catalyst that maintains stable work morale amidst constant technological disruption. Therefore, the integration of technical capabilities (competence) and mental readiness (adaptability) is the key formula for human resource success in facing future industrial challenges.

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