

## **Impact of Digital Adaptability and Work-Life Balance on Performance at Bank SMBC Cirebon**

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### **Abstract**

*This study aims to analyze the impact of digital adaptability and work-life balance on employee performance at PT Bank SMBC Area Cirebon. It seeks to understand how adapting to digital transformation and balancing professional and personal life contributes to optimizing human resource performance in the banking sector. The research employs a quantitative associative method with a survey approach. Primary data were collected directly through questionnaires distributed to 105 employees using a saturated sampling or census technique. Furthermore, the data were analyzed using multiple linear regression, including validity, reliability, and classical assumption tests, to determine the partial and simultaneous effects of the independent variables. The findings indicate that digital adaptability and work-life balance significantly influence employee performance. The adjusted R-square value shows that these variables contribute 53.8% to the variance in employee performance. In conclusion, higher digital adaptability and a balanced work-life dynamic lead to increased productivity and service quality. Practically, optimizing this performance supports the efficiency of financial intermediation, facilitating faster and more accurate financial access for MSMEs and individuals, thereby fostering a conducive environment for sustainable regional economic development and financial stability in the digital transformation era.*

**Keywords:** *Digital Adaptability, Work-Life Balance, Employee Performance, Banking Sector, Regional Economic Growth.*

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## **INTRODUCTION**

In recent years, the rapid advancement of digital technology has fundamentally transformed workforce management, particularly in the banking sector, which demands speed, accuracy, and technology-based services. This shift compels financial institutions to adopt various digital work systems for both customer service and internal administration. Consequently, employees are required to adapt to these technologies to maintain effectiveness (Kahfi, 2022). However, the increased workload resulting from digitalization can disrupt the balance between professional duties and personal life, potentially affecting overall work performance (Soroya et al., 2022).

Employee performance is a critical determinant of a banking institution's success. High-performing employees can complete tasks according to standards, achieve targets, and provide excellent service. Previous studies have highlighted that employee performance is significantly influenced by digital adaptability and work-life balance. Digital adaptability enables employees to comprehend and utilize technological systems, while work-life balance ensures that employees maintain the physical and mental well-being necessary for sustained motivation (Hasyim & Bakri, 2025).

This research is related to the research by (Dodi Saputra, et al. 2025) The Influence of BI Digital Work Culture, Transfers, and Work-Life Balance on the Performance of Employees of the BI Regional Office of Southeast Sulawesi, This research in the Journal of Management and Business Dynamics directly examines the transition between digital adaptation readiness (through the lack of digital work platforms) and work-life balance in influencing employee performance in banking institutions at a macro level. The Influence of Technological Innovation on Employee Performance in the Pandemic Era: Cases from the Banking Industry in Indonesia

(Sekar Wulan Prasetyaningtyas, et al., 2022), This research from BINUS University empirically proves the role of adopting digital technology innovation on the performance of bank employees in Indonesia by including work-life balance as part of the job satisfaction factor. The Influence of Work Flexibility, Digital Leadership and Work Life Balance on Employee Commitment with Mental Well-being as an Intervening Variable at Bank BTN KC Bangkalan (Asis Riyanto, 2025) Published in Al-Kharaj: Journal of Islamic Finance & Business Economics, this journal focuses on the regional banking ecosystem (KC) facing modern digitalization and how management manages employee work so that work commitment performance remains.

This phenomenon is evident at PT Bank SMBC Area Cirebon, where the intensification of digital work systems has not been fully matched by employee adaptability. Internal data indicates that some employees are still struggling with new systems, while increased workloads have led to longer working hours and complaints regarding work pressure (Gojali & Ardiana, 2024). Although numerous studies have examined the impact of digital adaptability and work-life balance on performance separately, research analyzing these two variables simultaneously within the specific context of regional banking branches remains limited. Therefore, this study aims to analyze the impact of digital adaptability and work-life balance on employee performance at PT Bank SMBC Area Cirebon, providing novel insights for human resource management in the digital era (Verhoef, 2021).

## RESEARCH METHODS

According to experts, especially Sugiyono (2019/2020), quantitative research is a research method based on the philosophy of positivism, used to research certain populations or samples, where data collection uses research instruments, and data analysis is quantitative/statistical with the aim of testing predetermined hypotheses. This research employs a quantitative associative approach to analyze the causal relationship between independent variables (Digital Adaptability and Work-Life Balance) and the dependent variable (Employee Performance) (Duan et al., 2023). The study was conducted at PT Bank SMBC Area Cirebon, Indonesia, from November to December 2025. The population in this study comprised all employees of PT Bank SMBC Area Cirebon, totaling 105 individuals across various divisions, including Micro Business, Customer Service, Teller, Marketing, Back Office, and Managerial roles. The sampling technique used was Saturated Sampling (census), wherein the entire population served as the sample (Soroya et al., 2022).

Data collection involved both primary and secondary sources. Primary data were gathered through online questionnaires (Google Forms) distributed to the respondents. The questionnaire utilized a 5-point Likert Scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Secondary data were obtained from human resource documents, scientific journals, and relevant company archives.

For data analysis, the study utilized Statistical Package for the Social Sciences (SPSS) software. The analysis process included descriptive statistics, validity and reliability tests, and classical assumption tests (normality and multicollinearity) to ensure the data met regression requirements (Abu-Bader, 2021). Hypotheses were tested using Multiple Linear Regression analysis, the Coefficient of Determination ( $R^2$ ), the t-test (partial), and the F-test (simultaneous). The operational definitions and measurements of the variables are presented in Table 1.

Table 1. Variable Measurements

Variable	Operational Definition	Indicators	Scale
Digital Adaptability (X1)	The ability of employees to adjust to technological changes,	1. Understanding digital technology usage. 2. Willingness to learn new technology.	Likert (1–5)

	digital systems, and IT-based work processes.	3. Ability to work in virtual teams. 4. Proficiency in using digital tools/software.	
<b>Work-Life Balance (X2)</b>	The state where an individual feels satisfied and equally engaged in both their work role and personal life role.	1. Time Balance (managing time between work and life). 2. Involvement Balance (psychological engagement in both roles). 3. Satisfaction Balance (satisfaction in both roles).	Likert (1–5)
<b>Employee Performance (Y)</b>	The actual actions or outcomes achieved by employees as part of their contribution to organizational goals.	1. Quality of work (accuracy/standard). 2. Quantity of work (target achievement). 3. Timeliness. 4. Effectiveness (resource use). 5. Independence (initiative).	Likert (1–5)

## RESULTS AND DISCUSSION

The data were collected from 105 respondents at PT Bank SMBC Area Cirebon. Before hypothesis testing, the instrument quality and classical assumptions were verified. The validity test results showed that all items for Digital Adaptability (X1), Work-Life Balance (X2), and Employee Performance (Y) were valid ( $r_{count} > r_{table}$ ). The reliability test indicated that all variables had a Cronbach’s Alpha value greater than 0.70, confirming the instrument's consistency.

The normality test using the One-Sample Kolmogorov-Smirnov test yielded an asymptotic significance value of 0.200 ( $p > 0.05$ ), indicating that the residuals are normally distributed (Okoye & Hosseini, 2024). The multicollinearity test showed that the Tolerance values were above 0.10 and Variance Inflation Factor (VIF) values were below 10 for both independent variables, confirming that there is no multicollinearity between the independent variables .

Multiple linear regression analysis was conducted to determine the effect of independent variables on the dependent variable. The results of the regression analysis and hypothesis testing are presented in Table 2.

**Table 2. Multiple Linear Regression Results**

Model	Unstandardized Coefficients (B)	t	Sig.	Collinearity Statistics (VIF)
(Constant)	8.697	2.93	0.00	
Digital Adaptability (X1)	0.551	5.31	0.00	1.654
Work-Life Balance (X2)	0.572	4.24	0.00	1.654
R Square	0.547			

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<b>Adjusted R Square</b>	0.538
<b>F Value</b>	61.628

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Source: Processed Data (2025)

Based on Table 2, the regression equation is obtained as follows:

$$Y = 8.697 + 0.551 X_1 + 0.572 X_2$$

The Adjusted R Square value is 0.538, indicating that 53.8% of the variance in Employee Performance can be explained by Digital Adaptability and Work-Life Balance, while the remaining 46.2% is influenced by other factors not examined in this study .

The F-test yielded an F-value of 61.628 with a significance level of 0.000 ( $p < 0.05$ ), confirming that Digital Adaptability and Work-Life Balance simultaneously affect Employee Performance.

**The Effect of Digital Adaptability on Employee Performance** The findings demonstrate that Digital Adaptability has a positive and significant effect on Employee Performance ( $\beta=0.551$ ,  $t=5.312$ ,  $p<0.05$ ). This indicates that employees who are more agile in adopting digital technologies—such as mobile banking systems and CRM tools—demonstrate superior performance. This finding aligns with the Technology Readiness Theory Parasuraman, (2020), which posits that technological readiness enhances an individual's capability to complete tasks efficiently. These results corroborate previous studies by Malik & Garg, (2020) and Verhoef et al., (2021), which found that digital competence significantly drives performance in the banking sector. In the context of regional economic development, a digitally adaptable workforce accelerates financial service delivery, reduces operational errors, and enhances the bank's capacity to serve the broader community, thereby supporting financial inclusion.

**The Effect of Work-Life Balance on Employee Performance** The study also reveals that Work-Life Balance significantly influences Employee Performance ( $\beta=0.572$ ,  $t=4.241$ ,  $p<0.05$ ). This supports the Spillover Wayne et al., (2022) , suggesting that positive experiences in the personal domain spill over into the professional domain, reducing burnout and increasing job focus. This result is consistent with findings by Haar et al., (2019) and Wibowo, (2023), who emphasized that a balanced life reduces work-related stress and improves organizational commitment. For the banking industry, maintaining this balance is crucial; it ensures sustainable human capital productivity, preventing the high turnover costs often associated with the high-pressure environment of financial institutions.

**The Simultaneous Effect of Digital Adaptability and Work-Life Balance** Simultaneously, both variables significantly impact performance. This suggests a synergistic relationship: while digital tools provide the *means* for efficiency, work-life balance provides the *energy* and mental clarity required to utilize these tools effectively. This finding supports Ruban et al., (2025), who concluded that digital transformation must be accompanied by human-centric policies to achieve optimal performance. Neglecting work-life balance in the pursuit of digital adaptation could lead to "technostress," which would ultimately negate the productivity gains offered by technology (Molino et al., 2020).

## CONCLUSION

This study confirms that both digital adaptability and work-life balance have a positive and significant influence on employee performance at PT Bank SMBC Area Cirebon. The ability to adapt to digital transformation, when combined with a healthy work-life equilibrium, effectively enhances employee productivity and service quality. Consequently, to foster sustainable economic development, banking institutions must integrate digital competency development with human-centric human resource policies. Management should prioritize

continuous digital training programs to enhance technical proficiency while simultaneously implementing flexible work policies to prevent burnout and maintain a high-performing workforce. For broader applicability, future research should expand the scope across the Indonesian banking industry and explore potential mediating variables such as job satisfaction, organizational commitment, or digital leadership, alongside investigating the long-term effects of hybrid work models on labor market dynamics.

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