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Contemporary Determinants of Human Resource Performance in Islamic Banking: The Roles of Religiosity, Financial Literacy, and Technology Adoption

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Abstract: This study examines the contemporary determinants of human resource (HR) performance in Islamic banking by analysing the roles of religiosity, financial literacy, and technology adoption at Bank Syariah Indonesia (BSI) Bandar Lampung. The study employs a mixed-methods approach with an explanatory sequential design. Primary quantitative data were collected from 86 employees through structured questionnaires, followed by in-depth interviews with five key informants to provide qualitative insights into the relationships identified in the quantitative analysis. Secondary data were obtained from relevant academic literature and institutional sources. Quantitative data were analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM), and qualitative data were analysed using thematic analysis. The findings demonstrate that religiosity, financial literacy, and technology adoption each have a positive and significant direct effect on HR performance. Furthermore, religiosity significantly contributes to HR performance through financial literacy and technology adoption, indicating that these factors function not only as independent determinants but also as mechanisms through which religious values are translated into professional and technological capabilities. The qualitative findings further reveal that religiosity provides an ethical and value-based foundation for employees, financial literacy strengthens the internalisation and application of Islamic economic principles, and technology adoption enhances work efficiency, adaptability, and performance effectiveness. The study concludes that contemporary HR performance in Islamic banking is shaped by the interaction of religious values, financial knowledge, and technological capability, with religiosity emerging as a fundamental determinant. This study contributes to the literature by conceptualising religiosity, financial literacy, and technology adoption as complementary determinants of HR

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performance and by integrating behavioural, financial, and technological perspectives within the contemporary Islamic banking context.

Keywords: Financial Literacy; Human Resource Performance; Islamic Banking; Religiosity; Technology Adoption.

INTRODUCTION

Human resource (HR) performance has become an increasingly important determinant of organisational sustainability and competitiveness in the Islamic banking sector. Unlike conventional banking, Islamic banking operates within a dual framework in which financial professionalism must coexist with Sharia principles, ethical responsibility, and value-based organisational practices. Consequently, employee performance cannot be understood solely through conventional indicators such as productivity, technical capability, or work efficiency. It must also be considered in relation to the extent to which employees internalise Islamic values, understand financial principles, and adapt to technological transformation.[1] This issue has become increasingly significant in Indonesia following the consolidation and rapid development of the Islamic banking industry, particularly after the establishment of Bank Syariah Indonesia (BSI). The transformation of Islamic banking has simultaneously created greater expectations for employees to demonstrate ethical integrity, financial competence, digital adaptability, and organisational effectiveness.

The contemporary transformation of Islamic banking has also changed the nature of human resource management.[2] Digitalisation has accelerated banking transactions, customer services, information processing, and internal organisational processes, requiring employees to develop greater technological adaptability. Recent research on Islamic banking in Indonesia indicates that digitalisation can improve employee performance by

[1] Ramadhian Wijayanti and Mafizatun Nurhayati, 'The Effect of Employee Religiosity and Organizational Culture on Employee Performance with Intrinsic Motivation as a Mediation Variable in Bank Syariah Indonesia (BSI) Ex BNI Syariah Head Office', *European Journal of Business and Management Research* 6, no. 5 (September 2021): 100–106, https://doi.org/10.24018/ejbmr.2021.6.5.1069.

[2] Dhiya Dwi Afifah and Rozi Andrini, 'Transformation of Indonesian Islamic Banking: Opportunities, Challeges, and The Future', *Banque Syar'i: Jurnal Ilmiah Perbankan Syariah* 11, no. 1 (May 2025): 105–120, https://doi.org/10.32678/kbrfmm04.

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increasing operational efficiency and access to information, although it may also generate new workloads and training requirements. Thus, technology adoption should not be viewed merely as an organisational infrastructure issue but also as an important human resource determinant. Employees who are able and willing to integrate technology into their daily activities may respond more effectively to changing customer expectations and increasingly complex banking operations.[3]

At the same time, technological capability alone may not adequately explain employee performance in Islamic banking. The distinctive character of Islamic financial institutions requires employees to operate within an ethical and religious framework. Religiosity can therefore serve as an important intangible resource that influences employees' attitudes, behaviour, commitment, and interpretations of work responsibilities. Empirical evidence demonstrates that religiosity is positively associated with employee performance in Indonesian Islamic banking.[4] For example, research examining employees of an Indonesian Islamic bank after the post-merger transformation found that religiosity significantly influenced social capital, which, in turn, contributed to employee performance. The study demonstrates that religious values can strengthen interpersonal relationships and organisational cooperation, thereby creating conditions that support better performance. Similarly, Hassi, Balambo, and Aboramadan found that spirituality, intrinsic religiosity, and Islamic work ethics are associated with employee job performance, with intrinsic motivation functioning as an important mechanism.[5] These findings suggest that religiosity should be considered not simply as a personal characteristic but as a potentially strategic organisational resource.

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[3] Guntur Wahyudi and Ahmad Budi Susetyo, 'Transformation and Strategy of Islamic Banking in Realizing an Inclusive Economy in the Digital Era', *Rihlah Iqtishad: Jurnal Bisnis Dan Keuangan Islam* 3, no. 1 (February 2026): 30–41, https://doi.org/10.61166/rihlah.v3i1.47.

[4] Nanda Ega Rupita and Rozi Andrini, 'Digital Transformation of Islamic Banking in Indonesia: Opportunities and Challenges in The Modern Islamic Economy', *Joshe Journal of Sharia Economics* 1, no. 2 (December 2025): 108–118, https://doi.org/10.55352/sxer6480.

[5] Abderrahman Hassi, Mohammed Amine Balambo, and Mohammed Aboramadan, 'Impacts of Spirituality, Intrinsic Religiosity and Islamic Work Ethics on Employee Performance in Morocco: The Mediating Role of Intrinsic Motivation', *Journal of Islamic Accounting and Business Research* 12, no. 3 (May 2021): 439–456, https://doi.org/10.1108/JIABR-05-2020-0131.

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The third dimension concerns financial literacy. Employees in Islamic banking are expected to possess adequate knowledge of financial products, risk, transactions, and Sharia-based financial principles. Financial literacy may influence performance because employees with stronger financial knowledge are better positioned to understand products, communicate effectively with customers, make appropriate decisions, and translate Islamic financial principles into professional practice. Nevertheless, empirical evidence concerning the relationship between financial literacy and performance remains inconclusive. A recent study of Islamic banks in Indonesia, for example, found that fintech adoption significantly improved financial performance, whereas financial literacy did not. Although that study examined organisational financial performance rather than individual HR performance, its findings indicate that financial knowledge does not automatically translate into performance outcomes. This inconsistency provides an important reason to examine financial literacy specifically from the perspective of employee performance in Islamic banking.[6]

Previous studies have consequently examined the three dimensions separately or through different conceptual relationships. The first relevant stream of research emphasises religiosity as a determinant of employee performance. The study by Zulkifli et al. examines employee performance in Indonesian Islamic banks through organisational innovation and knowledge sharing, while other research demonstrates the importance of Islamic values and religiosity in shaping employee behaviour and performance.[7] However, this stream tends to emphasise religious or organisational factors without simultaneously incorporating financial literacy and technology adoption as complementary contemporary determinants.

The second stream focuses on religiosity as a contextual or moderating factor rather than as a direct determinant. Yasir et al., for instance, investigate religiosity as a moderator

[6] Hanan Qudah et al., 'Islamic Finance in the Era of Financial Technology: A Bibliometric Review of Future Trends', *International Journal of Financial Studies* 11, no. 2 (June 2023): 76, https://doi.org/10.3390/ijfs11020076.

[7] Zulkifli Zulkifli et al., 'Employee Performance of Sharia Bank in Indonesia : The Mediation of Organizational Innovation and Knowledge Sharing', *Cogent Business & Management* 10, no. 3 (December 2023): 2273609, https://doi.org/10.1080/23311975.2023.2273609.

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of the relationships among organisational culture, work happiness, leadership, and employee performance at Bank Muamalat Indonesia. Their findings indicate that religiosity strengthens the positive relationship between organisational culture and employee performance.[8] This approach is important because it demonstrates that religious values can influence how organisational factors are converted into performance outcomes. However, the study does not examine financial literacy and technology adoption as direct mechanisms through which religiosity may contribute to employee performance.

The third stream concerns digital transformation and technology adoption in Islamic banking. Recent research demonstrates that digital transformation has important consequences for employee engagement and organisational culture, suggesting that technological change requires corresponding human and organisational adaptation.[9] Other research also shows that technology-related factors are increasingly central to Islamic banking performance.[10] Nevertheless, much of this literature examines technology adoption in relation to customer behaviour, organisational financial performance, digital services, or organisational transformation, rather than integrating it with religiosity and financial literacy to explain individual HR performance.

These three streams reveal a significant research gap. First, existing studies tend to investigate religiosity, financial literacy, and technology adoption independently, rather than examining them as complementary determinants of HR performance within a single analytical framework. Second, previous research has frequently focused on organisational performance, customer adoption, organisational culture, or employee engagement, while paying comparatively little attention to the combined influence of religious, financial, and

[8] Yasir Yasir et al., 'Enhancing Employee Performance in Islamic Banking: The Moderating Role of Religiosity', *Share: Jurnal Ekonomi Dan Keuangan Islam* 13, no. 2 (June 2024): 703–738, https://doi.org/10.22373/share.v13i2.24078.

[9] Anggi Amelia et al., 'Digital Transformation in Islamic Banking: Fintech Innovation and Shariah Compliance', *Proceeding International Seminar of Islamic Studies*, no. 0 (March 2026): 1747–1752, https://doi.org/10.3059/insis.v0i0.29536.

[10] Amila Zamzabila Putri and M. Yusril Hafidz Nur Izza, 'Digital Transformation and Islamic Banks' Financial Stability: The Role of Sustainable Economic Growth in Indonesia', *EkBis: Jurnal Ekonomi Dan Bisnis* 9, no. 2 (December 2025): 123–37, https://doi.org/10.14421/EkBis.2025.9.2.3017.

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technological factors on individual employee performance. Third, the existing literature does not sufficiently explain how religiosity can be translated into performance through employees' financial knowledge and technological adaptation. The gap is particularly relevant in the Indonesian Islamic banking context, where employees are simultaneously expected to uphold Sharia values, master financial products, and adapt to rapid digital transformation.

This study addresses the gap by conceptualising religiosity, financial literacy, and technology adoption as contemporary and complementary determinants of HR performance in Islamic banking. The concept of contemporary determinants is important because the interaction between enduring religious values and emerging financial and technological capabilities increasingly shapes the performance of Islamic banking employees. Religiosity provides the ethical and normative foundation; financial literacy provides the knowledge necessary to understand and implement Islamic financial practices; while technology adoption provides the operational capability required to function effectively within a digitally transformed banking environment. Rather than treating these dimensions as isolated predictors, this study examines their direct effects and explores whether financial literacy and technology adoption provide pathways through which religiosity contributes to HR performance.

The empirical context of BSI Bandar Lampung provides a relevant setting for examining these relationships. As an institution operating in Indonesia's increasingly competitive, technology-driven Islamic banking environment, BSI requires employees who can integrate professional performance with Sharia-based values and digital capabilities. The study therefore employs an explanatory sequential mixed-methods design, combining quantitative analysis through PLS-SEM with qualitative investigation to explain the meanings and mechanisms underlying the statistical relationships. This design allows the study not only to determine whether the proposed determinants significantly affect HR performance but also to understand how employees interpret religiosity, financial literacy, and technology adoption in their everyday professional practices.

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Accordingly, the central research question of this study is: How do religiosity, financial literacy, and technology adoption, both independently and through their interrelationships, determine human resource performance in Islamic banking in Indonesia? The novelty of this study lies in three dimensions. First, it integrates religious, financial, and technological perspectives into a unified model of HR performance, thereby extending previous studies that have predominantly examined these factors separately. Second, it positions religiosity as a foundational intangible resource that can be translated into observable employee performance through financial literacy and technology adoption, rather than treating it merely as a moderating or independent behavioural variable. Third, it combines PLS-SEM with qualitative thematic analysis to provide both empirical evidence of relationships and contextual explanations of how those relationships operate within Islamic banking. In this respect, the study moves beyond a conventional predictor-based model toward a more integrated understanding of contemporary HR performance.

The significance of this study lies in both its theoretical and practical aspects. Theoretically, it contributes to the literature on Islamic human resource management by connecting value-based, financial, and technological dimensions within a single explanatory framework. It also strengthens the understanding of religiosity as an intangible organisational resource that can coexist with, and potentially reinforce, contemporary capabilities. Practically, the findings may assist Islamic banking managers in designing HR development strategies that do not prioritise technological competence at the expense of Islamic values or treat religiosity as separate from professional development. Instead, employee development can integrate religious values, financial literacy programs, and technology-based training as mutually reinforcing components of performance improvement. More broadly, the study provides evidence that the future competitiveness of Islamic banking depends not only on technological modernisation but also on the ability of its human resources to integrate faith, financial knowledge, and technological adaptability into effective professional performance.

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METHOD

This study employs a mixed-methods approach using an explanatory sequential design, in which quantitative analysis is conducted first, followed by qualitative inquiry to provide deeper contextual explanations of the statistical findings. The research focuses on employees of Bank Syariah Indonesia (BSI) Bandar Lampung, a population comprising those directly involved in the bank's operational and service activities. A total of 86 employees were selected as quantitative respondents using purposive sampling based on predetermined criteria relevant to the research objectives, while five key informants were selected for the qualitative phase. Primary quantitative data were collected through structured questionnaires measuring religiosity, financial literacy, technology adoption, and human resource performance. Qualitative data were subsequently obtained through semi-structured, in-depth interviews with selected informants to explore how religious values, financial knowledge, and technological adaptation are experienced and applied in employees' professional activities. Secondary data were collected from relevant scholarly literature, institutional reports, and other authoritative sources to support the conceptual and empirical analysis.

Quantitative data were analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM) to examine the direct effects of religiosity, financial literacy, and technology adoption on human resource performance, as well as the theoretically relevant indirect relationships among the variables. The analysis involved assessment of the measurement model through convergent validity, discriminant validity, and composite reliability, followed by evaluation of the structural model through path coefficients, coefficient of determination (R^2), effect size (f^2), predictive relevance (Q^2), and bootstrapping to determine the significance of the hypothesised relationships. Qualitative interview data were analysed thematically through data familiarisation, coding, categorisation, identification of recurring themes, and interpretation. Data validity was ensured through methodological triangulation by comparing questionnaire findings, interview evidence, and relevant secondary sources, while the quantitative instrument was evaluated through established validity and reliability procedures. The integration of

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quantitative and qualitative findings in the final stage strengthens the credibility of the results. It enables the study to explain not only whether religiosity, financial literacy, and technology adoption determine HR performance, but also how these contemporary factors operate within the context of Islamic banking.

RESULTS AND DISCUSSION

Direct Effects of Religiosity, Financial Literacy, and Technology Adoption on Human Resource Performance

The findings demonstrate that religiosity, financial literacy, and technology adoption each have a significant positive effect on human resource (HR) performance in Islamic banking in Indonesia. These results indicate that contemporary employee performance is not determined solely by conventional professional capabilities but by the interaction of ethical orientation, financial knowledge, and technological adaptability. In the context of Islamic banking, this finding is particularly important because employees operate within an institutional environment that simultaneously demands adherence to Islamic principles, financial professionalism, and responsiveness to rapid technological transformation. Accordingly, HR performance should be understood as a multidimensional outcome resulting from the alignment between employees' values, knowledge, and ability to utilise contemporary banking technologies.[11]

The significant effect of religiosity demonstrates that religious values remain relevant to employee performance, even in an increasingly digital, commercially competitive banking industry. Religiosity in this context extends beyond the frequency of religious practices. It refers to the internalisation of Islamic values that influence employees' attitudes, ethical judgments, sense of responsibility, integrity, and professional behaviour. Employees who internalise values such as honesty, trustworthiness, fairness, accountability, and responsibility are more likely to demonstrate behaviours that support organisational objectives. In banking, these characteristics are especially important because employees

[11] Zaki Nur Hamam et al., 'Financial Inclusion as a Mediator of Financial Literacy, Technology Adoption, and Government Policy on MSME Performance', *Airlangga Journal of Innovation Management* 7, no. 1 (March 2026): 163–187, https://doi.org/10.20473/ajim.v7i1.82959.

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manage financial transactions, customer information, institutional resources, and decisions that can have significant economic consequences.[12]

The positive relationship between religiosity and HR performance can therefore be interpreted in terms of the ethical orientation that religiosity provides. When employees perceive their work as a form of responsibility and trust (*amanah*), their motivation is not limited to financial compensation or formal organisational requirements. They may also be guided by an internal moral commitment to fulfil their responsibilities. Such internal motivation can influence punctuality, discipline, customer service, compliance, honesty, and willingness to take responsibility for professional decisions. Religiosity thus functions as an internal behavioural resource that strengthens the quality of employee performance.[13]

This finding is consistent with Suryadi et al. (2023), who demonstrate the relevance of religion and social capital to employee performance in Indonesia's Islamic banking sector following the merger of Islamic banks. Their findings are particularly relevant because the Islamic banking industry has undergone significant institutional transformation. Organisational restructuring and consolidation can create new expectations concerning work systems, organisational culture, and performance. In such circumstances, religiosity may provide employees with a relatively stable normative foundation that helps them maintain commitment and ethical behaviour despite organisational changes.[14]

The relevance of religiosity also stems from Islamic banking's distinctive institutional identity. Islamic banks are expected not merely to provide financial services but also to conduct them in accordance with Islamic principles. Employees therefore represent an important channel through which the institution's Islamic identity becomes

[12] 'View of The Role of Religiosity and Financial Literacy in the Adoption of Islamic Digital Services in Indonesia', accessed 21 August 2026, https://jurnal.ar-raniry.ac.id/index.php/Share/article/view/26315/10685.

[13] Nasiva Avrila Pradita and Daryono, 'Islamic FinTech Adoption Sharia Compliance Gender Trust', *Journal International Economic Sharia* 2, no. 2 (September 2025): 129–144, https://doi.org/10.69725/jies.v2i2.291.

[14] Dyan Fauziah Suryadi et al., 'The Role of Religion and Social Capital on Employees' Performance: An Empirical Study Post Indonesia's Islamic Bank Merger', *Cogent Business & Management* 10, no. 2 (December 2023): 2207676, https://doi.org/10.1080/23311975.2023.2207676.

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visible to customers. If employees hold strong religious values but fail to translate them into professional conduct, the organisation's Islamic identity may remain largely symbolic. Conversely, when religiosity is reflected in transparency, fairness, trustworthiness, and responsible service, it can strengthen customer confidence and institutional legitimacy.[15]

The findings, however, should not be interpreted as suggesting that religiosity alone guarantees high performance. Religious commitment provides an ethical foundation, but employees also require sufficient knowledge and technological capability to perform increasingly complex banking tasks. The significant effects of financial literacy and technology adoption support this observation.[16] Financial literacy has a significant positive effect on HR performance, demonstrating that employees' ability to understand and apply financial knowledge is an important determinant of their effectiveness. In Islamic banking, financial literacy has a particularly important role because employees must understand not only general financial concepts but also Islamic financial products, contractual structures, risk, customer needs, and the principles governing Sharia-compliant transactions. Employees who possess stronger financial literacy are better equipped to interpret financial information, explain products, assess customer needs, identify potential risks, and make informed decisions.[17]

Financial literacy contributes to performance through both cognitive and practical mechanisms. From a cognitive perspective, it improves employees' ability to understand financial information and evaluate alternatives. From a practical perspective, it increases employees' ability to apply that knowledge in customer interactions and organisational decision-making. These capabilities are increasingly important as Islamic banking products become more sophisticated and customers become more financially informed. Employees

[15] Rizaldi Yusfiarto et al., 'Examining Islamic Capital Market Adoption from a Socio-Psychological Perspective and Islamic Financial Literacy', *Journal of Islamic Accounting and Business Research* 14, no. 4 (September 2022): 574–594, https://doi.org/10.1108/JIABR-02-2022-0037.

[16] Mostafa Al-Emran and Charla Griffy-Brown, 'The Role of Technology Adoption in Sustainable Development: Overview, Opportunities, Challenges, and Future Research Agendas', *Technology in Society* 73, no. C (2023), https://ideas.repec.org//a/eee/teinso/v73y2023ics0160791x23000453.html.

[17] 'Impact of Religiosity and Branding on SMEs Performance: Does Financial Literacy Play a Role?', *Journal of Islamic Marketing* 13, no. 12 (July 2021): 2717–2741, https://doi.org/10.1108/JIMA-08-2019-0162.

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who lack adequate financial literacy may struggle to explain products accurately or respond confidently to customer questions, potentially affecting both service quality and institutional credibility.[18]

The increasing complexity of Islamic financial services reinforces the importance of financial literacy. Islamic banking employees must understand various financing and investment mechanisms, risk considerations, regulatory requirements, and digital financial services. Consequently, financial literacy should be understood as a dynamic capability rather than a static body of knowledge. Continuous professional learning is necessary because financial products, regulations, customer expectations, and technologies are constantly evolving. The finding is consistent with Yusfiarto et al. (2023), who emphasise the importance of Islamic financial literacy in understanding financial behaviour and adoption. Their findings demonstrate that financial literacy interacts with socio-psychological factors to shape financial behaviour. In the context of HR performance, this suggests that financial knowledge is particularly valuable when employees can connect technical financial information with the values and behavioural expectations of Islamic finance.

Technology adoption constitutes the third significant direct determinant of HR performance. The positive relationship indicates that employees who effectively adopt and use banking technologies tend to perform better. This result reflects the fundamental transformation of the banking industry, where digital platforms, mobile banking, automated processes, data analytics, artificial intelligence, and integrated information systems have become increasingly important.

Technology adoption can enhance employee performance by increasing efficiency, speed, accuracy, and information accessibility. Routine administrative activities can increasingly be automated, allowing employees to devote greater attention to customer relationships, problem-solving, analysis, and other activities requiring human judgment.

[18] Frank Nana Kweku Otoo, 'Human Resource Management (HRM) Practices and Organizational Performance: The Mediating Role of Employee Competencies', *Employee Relations* 41, no. 5 (June 2019): 949–970, https://doi.org/10.1108/ER-02-2018-0053.

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Digital systems can also facilitate communication and information sharing, enabling employees to respond more quickly to customer needs and organisational requirements. The findings are consistent with Al-Emran and Griffy-Brown (2023), who emphasise the role of technology adoption in improving organisational efficiency, innovation, and sustainable development. In Islamic banking, however, technological transformation requires more than investment in digital infrastructure. Employees must also be willing and able to adopt new systems. Technology therefore becomes an HR issue as much as an information-technology issue.[19]

Technology adoption also reflects employees' capacity for continuous adaptation. Digital banking systems evolve rapidly, meaning that employees cannot rely solely on knowledge acquired during initial professional training. They need to learn new applications, adapt to changing procedures, interpret digital information, and respond to technological disruptions. Employees who demonstrate greater technological adaptability are therefore more likely to remain productive in changing organisational environments. The three significant direct effects demonstrate that three complementary dimensions simultaneously shape HR performance in Islamic banking. Religiosity provides the ethical and motivational dimension; financial literacy provides the cognitive and professional dimension; and technology adoption provides the operational and adaptive dimension. These dimensions are not interchangeable. Rather, they reinforce different aspects of employee performance.[20]

The findings also suggest that contemporary HR performance cannot be adequately explained by technical competence alone. Although competence remains important as a general employee capability, performance in Islamic banking increasingly depends on whether appropriate values, specialised financial knowledge, and technological adaptability support that capability. An employee may possess adequate technical competence but still perform suboptimally if they lack ethical commitment, sufficient financial understanding,

[19] Al-Emran and Griffy-Brown, 'The Role of Technology Adoption in Sustainable Development'.
[20] Yusfiarto et al., 'Examining Islamic Capital Market Adoption from a Socio-Psychological Perspective and Islamic Financial Literacy'.

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or the ability to use contemporary digital systems. This interpretation is important because it places HR performance within the institutional context of Islamic banking. Conventional HR models often assume that employee competence is a primary determinant of performance.[21] However, Islamic banking involves a combination of commercial, ethical, and technological requirements. Employees need not only to know how to perform a task but also to understand its financial implications, its ethical consequences, and the technological systems through which it is implemented.

The direct-effect findings therefore answer the first dimension of the research question by demonstrating that religiosity, financial literacy, and technology adoption independently contribute to HR performance.[22] Religiosity enhances ethical orientation and responsibility; financial literacy enhances professional knowledge and decision-making; and technology adoption enhances efficiency and adaptability. Together, these factors provide a more comprehensive explanation of HR performance than a purely competency-based perspective.

Interrelationships among Religiosity, Financial Literacy, and Technology Adoption in Determining Human Resource Performance

The second dimension of the findings concerns the interrelationships among religiosity, financial literacy, and technology adoption. The results indicate that the contribution of these variables extends beyond their independent effects. Religiosity also influences HR performance indirectly through financial literacy and technology adoption. This finding demonstrates that employee performance is produced through interconnected pathways in which internal values can strengthen the development and application of professional and technological capabilities.

The significant indirect relationship through financial literacy suggests that religiosity can encourage employees to acquire, understand, and apply financial knowledge

[21] Suryadi et al., 'The Role of Religion and Social Capital on Employees' Performance'.
[22] Navis Nailil Munna, Anna Widiastuti, and Sisno Riyoko, 'The Impact of Financial Technology on Employee Well-Being in PDAM Jepara: Mediating Roles of Financial Literacy and Lifestyle', *Golden Ratio of Finance Management* 5, no. 1 (March 2025): 239–251, https://doi.org/10.52970/grfm.v5i1.1099.

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in accordance with Islamic principles.[23] Religiosity provides a normative orientation, while financial literacy provides the cognitive capacity required to translate that orientation into professional action.[24] Employees who perceive financial activities as an ethical responsibility may be more motivated to understand the principles governing Islamic financial transactions.[25] Financial literacy then allows them to apply those principles accurately in their work.

This relationship can be conceptualised as a value-to-knowledge-to-performance pathway. Religiosity establishes the ethical basis for conducting financial activities, financial literacy provides the knowledge required to do so, and HR performance reflects the resulting organisational behaviour.[26] Without financial literacy, religious commitment may remain primarily normative and insufficient to address complex financial situations. Conversely, financial literacy without an ethical orientation may result in technically accurate but insufficiently value-sensitive decision-making. The combination is therefore particularly important for Islamic banking.[27]

This interpretation is supported by Alharbi, Yahya, and Kassim (2022), who identify the relevance of religiosity and financial literacy in explaining performance. Although their study focuses on SMEs, it provides useful conceptual evidence that financial literacy can serve as an important mechanism through which religious orientation contributes to economic outcomes. In Islamic banking, the mechanism can be understood at the

[23] Tunis Abu Bakr Rahman, Widad Mahdi Jasim, and Nooruldeen Mustafa Al-Gburi, 'Legal and Sharia Analysis of Commercial Paper Discounting and Islamic Banking Finance Alternatives', *Nusantara: Journal of Law Studies* 5, no. 1 (February 2026): 84–101, https://doi.org/10.5281/zenodo.18676735.

[24] Muhammad Nanang Choiruddin et al., 'Financial Literacy, FinTech, and Contemporary Innovation in Islamic Economic Law: An Analysis of MSME Performance Sustainability in Indonesia and Malaysia', *MILRev: Metro Islamic Law Review* 4, no. 2 (August 2025): 976–1008, https://doi.org/10.32332/milrev.v4i2.10164.

[25] Huong Thi Dinh et al., 'The Role of AI and Green Human Resource Management in Promoting Green Finance for Sustainable Performance', *Discover Sustainability* 7, no. 1 (2026), https://doi.org/10.1007/s43621-026-03636-5.

[26] Abdallah Ali Mohammad Alrifae et al., 'The Impact of Electronic Human Resource Management on Organizational Performance in the Jordanian Telecommunications Sector with Employee Engagement as a Mediating Variable', *Discover Sustainability* 7, no. 1 (2026), https://doi.org/10.1007/s43621-026-02644-9.

[27] Tiara Dwitiya Said, Goso Goso, and Yusuf Kamaruddin, 'Literasi Keuangan Islam, Kesiapan Teknologi, Dan Komitmen Religius: Penentu Adopsi Fintech Pada Kalangan Dewasa Muda Di Indonesia', *Jurnal Simki Economic* 9, no. 2 (July 2026): 398–411, https://doi.org/10.29407/jse.v9i2.1551.

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employee level: religiosity strengthens the commitment to Islamic economic values, while financial literacy enables employees to implement those values through informed financial decisions. The significant indirect effect through technology adoption reveals another important pathway. Religiosity can contribute to HR performance by encouraging employees to engage positively with technology when it is understood as a means to improve service, efficiency, transparency, and professional responsibility.[28] This finding challenges the assumption that religious values and technological transformation are separate or potentially conflicting domains. Instead, the results indicate that they can be mutually reinforcing.

Employees with strong religious values may perceive technological competence as part of their responsibility to perform their work effectively. Digital systems can facilitate faster services, more accurate transactions, improved information management, and broader customer access.[29] When technology is directed toward these objectives, its adoption can be consistent with Islamic values of responsibility, efficiency, fairness, and public benefit. Religiosity can therefore provide an ethical framework for technology use rather than functioning as a barrier to technological modernisation.[30] Technology adoption subsequently becomes the mechanism through which values are converted into operational effectiveness. Employees who are motivated to fulfil their responsibilities effectively may be more willing to learn new systems and adapt to digital transformation. Once adopted, technology can enhance productivity and service quality. This produces a value-to-technology-to-performance pathway that complements the value-to-knowledge-to-performance pathway identified through financial literacy.

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[28] Yola Puspita Efendi and Anita Wijayanti, 'The Role of Religiosity in Moderating the Decision To Use Sharia-Compliant Insurance Services', *Jurnal Ekonomi Syariah Teori Dan Terapan* 12, no. 4 (November 2025): 472–491, https://doi.org/10.20473/vol12iss20254pp472-491.

[29] Muhammad Bilal Zafar, 'From People to Profits: Examining Human Capital Efficiency in Islamic Banking Through Machine Learning', *Journal of the Knowledge Economy* 17, no. 4 (2026): 9650–9675, https://doi.org/10.1007/s13132-026-03230-0.

[30] Muhammad Iqbal Asyari Lubis, Tuti Anggraini, and Aqwa Naser Daulay, 'Religiosity, Trust, and Literacy Drive Islamic Finance Adoption', *Academia Open* 10, no. 2 (June 2025): 10.21070/acopen.10.2025.11066-10.21070/acopen.10.2025.11066, https://doi.org/10.21070/acopen.10.2025.11066.

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The relationship between religiosity and technology adoption also contributes to the theoretical discussion of technology acceptance in Islamic financial institutions. The Technology-Organization-Environment (TOE) framework provides a useful framework for understanding how technological characteristics, organisational readiness, and environmental conditions affect technology adoption. However, employees remain the ultimately actors in determining whether technology is accepted and effectively used. Their beliefs, motivations, values, and perceptions of organisational purpose may influence their responses to technological change.[31]

Prakash (2025) highlights the strengths and limitations of the TOE framework and the importance of considering additional dimensions when explaining technology adoption. The present findings extend this discussion by demonstrating the relevance of religiosity as a behavioural and normative variable. In Islamic banking, technological decisions are embedded within an institutional culture that includes religious and ethical considerations. Technology adoption should therefore be analysed not only as a technical or organisational phenomenon but also as a behavioural process shaped by institutional values.

The relationship between financial literacy and technology adoption is similarly important. The contemporary meaning of financial literacy increasingly includes the ability to understand financial information presented through digital systems and to use technology appropriately in financial activities. Employees who possess financial knowledge but lack technological adaptability may not be able to apply that knowledge effectively in digital banking environments.[32] Conversely, employees who are highly skilled in using technology but lack financial literacy may operate digital systems efficiently without fully understanding the financial or Sharia implications of their actions.

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[31] Rosita Kusuma Wardani and Budi Sukardi, 'The Mediating Role Of Trust In The Relationship Between Religiosity, Financial Literacy, And Intention To Use Islamic Banking', *IQTISHADUNA: Jurnal Ekonomi Dan Keuangan Islam* 17, no. 1 (June 2026): 23–44.

[32] Fahrettin Pala et al., 'Analyzing the Linkage between Islamic Financial Literacy and Islamic Banking Services Adoption: Evidence from Turkey', *Journal of Islamic Accounting and Business Research* 15, no. 5 (June 2023): 784–817, https://doi.org/10.1108/JIABR-12-2021-0324.

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The interrelationship therefore suggests that financial literacy and technology adoption should be developed simultaneously. Financial training should increasingly incorporate digital financial systems, while technology training should provide sufficient financial context. Such integration can help employees understand not only how a system works but also why particular financial processes are structured as they are. The qualitative findings reinforce these relationships. Religiosity emerges as a moral and ethical foundation for employee behaviour. Financial literacy enables employees to internalise and operationalise Islamic economic values, while technology adoption enhances efficiency and effectiveness.[33] These qualitative interpretations provide a coherent explanation of the quantitative relationships and demonstrate that HR performance in Islamic banking is multidimensional.

The moral role of religiosity is particularly significant because Islamic banking depends on trust. Customers expect financial institutions to manage their funds responsibly and to comply with stated principles.[34] Employees are responsible for translating these institutional commitments into actual behaviour. Religiosity can reinforce ethical decision-making by strengthening employees' internal sense of accountability. Sulaiman et al. (2022) similarly demonstrate the importance of religiosity in workplace ethical decision-making. The present study extends this insight by linking ethical orientation to financial literacy and technology adoption.

Financial literacy provides the cognitive foundation for translating values into practice. Employees need to understand the principles governing Islamic finance before they can apply them consistently. The qualitative findings therefore support the argument that financial literacy is not merely a technical requirement but also a mechanism for

[33] Ibrahem Ali Hammadi et al., 'Compensation for Loss of Opportunity in Electronic Transactions: A Comparative Analytical Study in Light of Contemporary Digital Developments', *Nusantara: Journal of Law Studies* 5, no. 2 (July 2026): 966–991, https://doi.org/10.66325/nusantaralaw.v5i2.324.

[34] Akbar Jalil Al Kareem, 'Public Policy and Economic Transformation: Bridging Growth, Equity, and Environmental Sustainability', *Journal of Nusantara Economy* 4, no. 2 (December 2025): 183–206, https://doi.org/10.66325/nusantaraeconomy.v4i2.386.

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internalising Islamic economic values.[35] Employees who understand the financial and Sharia rationale behind products and procedures are better positioned to communicate them convincingly and apply them responsibly. Technology adoption provides the operational foundation. Employees can use digital systems to process transactions, manage information, communicate with customers, monitor financial activities, and improve service delivery. Technology therefore amplifies the effects of ethical and cognitive resources by providing tools for their implementation at scale.

The integration of these three factors provides a more comprehensive explanation of HR performance than treating them independently. Religiosity answers the normative question of how employees should behave; financial literacy addresses the cognitive question of what employees need to understand; and technology adoption addresses the operational question of how employees can perform effectively in a contemporary banking environment. The findings also have important implications for the Resource-Based View (RBV)—the role of internal resources in sustaining competitive advantage in faith-based organisations. The present study supports this perspective by positioning religiosity as an intangible resource that can contribute to organisational performance.[36] Unlike physical resources or standardised technologies, internalised values are deeply connected to organisational culture and individual behaviour. They can therefore represent a distinctive resource for Islamic banks when aligned with professional capabilities.

At the same time, the study extends RBV by demonstrating that resources generate greater value when they are complementary. Religiosity alone has value, but its contribution can be strengthened when combined with financial literacy and technological capabilities. The competitive significance of these resources therefore lies not simply in their individual possession but in the organisation's ability to integrate them into a coherent HR system.

[35] Fakhrurrazi Amir et al., 'AI-Enabled Mobile Banking Continuance in a Sharia-Based Financial Ecosystem: Security, Trust, User Acceptance, and Islamic Financial Literacy', *Journal of Risk and Financial Management* 19, no. 7 (2026), https://doi.org/10.3390/jrfm19070514.

[36] Nur Amali Aminnuddin and Afiqah Amin, 'Theory of Planned Behavior versus Islamic Financial Literacy: Predicting Shari'ah-Compliant Banking Adoption among Malay Muslims in Malaysia', *Acta Psychologica* 264 (2026), https://doi.org/10.1016/j.actpsy.2026.106558.

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The findings also extend the TOE framework.[37] Technology adoption should be understood as more than a consequence of technological characteristics, organisational readiness, and environmental pressures. Individual values and motivations can influence employees' willingness to adopt technology and the way they use it. Incorporating religiosity into the analysis is particularly relevant for Islamic banks, as institutional identity may shape employees' interpretations of technological change.

The study consequently contributes to a broader theoretical understanding of contemporary Islamic HRM. Islamic HRM should not be conceptualised solely in terms of traditional Islamic work values or ethical behaviour. It must also address the growing importance of financial literacy and technological adaptability. The contemporary Islamic banking employee operates within a hybrid environment in which religious principles, professional financial expertise, and digital technologies are continuously interacting. The practical implications of these findings are substantial.[38] First, Islamic banks should strengthen religiosity-based HR development programs. Such programs should connect Islamic values directly with professional ethics, customer service, compliance, financial responsibility, transparency, and responsible technological use. Religious development should therefore be integrated into organisational culture rather than treated as a separate ceremonial activity.

Second, financial literacy training should become a continuous component of employee development. Training should cover Islamic financial contracts, financial products, risk management, financial analysis, regulatory requirements, and digital financial services.[39] Employees should also be encouraged to continually update their knowledge, as financial markets and technologies change rapidly. Third, Islamic banks

[37] Joseph E. Stiglitz Muller, 'Sustainable Finance and Green Investment: Policy Frameworks and Implementation Challenges', *Journal of Nusantara Economy* 4, no. 2 (December 2025): 88–111, https://doi.org/10.66325/nusantaraeconomy.v4i2.366.

[38] Fahrettin Pala et al., 'Analyzing the Linkage between Islamic Financial Literacy and Islamic Banking Services Adoption: Evidence from Turkey', *Journal of Islamic Accounting and Business Research* 15, no. 5 (2024): 784–817, https://doi.org/10.1108/JIABR-12-2021-0324.

[39] Calista Ananda Putri, Ujang Hanief Mustofa, and Oza Restianita, 'Enhancing Gen Z Employee Retention in Islamic Banking through Gamification and Employee Recognition: The Mediating Role of Work Enjoyment', *Banco* 8, no. 1 (2026): 79–102, https://doi.org/10.35905/banco.v8i1.16641.

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should optimise their digital transformation strategies by integrating technology development with employee development. New technologies should be accompanied by structured training, technical assistance, user support, and change-management programs. Employees need to understand not only how to operate new systems but also how those systems contribute to customer service, organisational efficiency, and Islamic financial objectives.

Fourth, HR managers should develop integrated training models that combine religious values, financial literacy, and technological capabilities. Instead of organising these areas as completely separate programs, banks can develop scenario-based training that requires employees to solve financial and customer service problems using Islamic principles and digital systems.[40] Such an approach would directly reflect the multidimensional performance mechanism identified by this study. Fifth, performance appraisal systems should reflect this multidimensionality.[41] Employee evaluation should incorporate not only productivity but also ethical behaviour, financial knowledge, technological adaptability, customer service, compliance, and continuous learning. This would encourage employees to develop the combination of capabilities required by contemporary Islamic banking.

The findings ultimately answer the research question by demonstrating that religiosity, financial literacy, and technology adoption determine HR performance through both independent and interconnected pathways. Religiosity directly strengthens ethical commitment and responsibility. Financial literacy directly improves professional knowledge and decision-making. Technology adoption directly enhances efficiency,

[40] Muhammad Zulfaris Mohd Salleh et al., 'Harmonization of Islamic Financial Literacy in Understanding the Islamic Banking Services: The Case in Malaysia', in *Contributions to Management Science*, Part F2529 (Springer Science and Business Media Deutschland GmbH, 2024), 9–18, https://doi.org/10.1007/978-3-031-48770-5_2.

[41] Indra Siswanti et al., 'Exploring Financial Behaviours in Islamic Banking: The Role of Literacy and Self-Efficacy Among Jakarta's Bank Customers', *Cuadernos de Economia* 47, no. 133 (2024): 61–72, https://doi.org/10.32826/cude.v47i133.1307.

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productivity, and adaptability.[42] Beyond these direct effects, religiosity strengthens performance indirectly by encouraging financial literacy and technology adoption, demonstrating that values can operate as a foundation for the development and utilisation of other performance-enhancing resources. This integrated interpretation provides an important conceptual contribution. HR performance in Islamic banking is not simply a function of what employees know or what technologies organisations possess. It is a function of how employees' values, knowledge, and technological capabilities are aligned. The most effective HR strategy is therefore one that simultaneously develops ethical internalisation, financial competence, and digital adaptability.

The findings further suggest that modernising Islamic banking should not be framed as a choice between religious identity and technological innovation.[43] The two can coexist when technology is guided by appropriate values and supported by adequate knowledge. Religiosity can provide direction, financial literacy can provide understanding, and technology adoption can provide the means for implementation. Their integration can strengthen both institutional identity and organisational performance. Ultimately, the study establishes that contemporary HR performance in Indonesian Islamic banking is multidimensional and relational.[44] Religiosity provides the moral foundation for employees' understanding of their responsibilities. Financial literacy provides the knowledge required to translate Islamic financial principles into informed professional practice. Technology adoption provides the operational capability necessary to deliver services efficiently in a rapidly changing financial environment. When these three dimensions interact, they create a stronger foundation for employee performance than any single factor can provide.

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[42] Mohamed Albaity and Mahfuzur Rahman, 'The Intention to Use Islamic Banking: An Exploratory Study to Measure Islamic Financial Literacy', *International Journal of Emerging Markets* 14, no. 5 (2019): 988–1012, https://doi.org/10.1108/IJOEM-05-2018-0218.

[43] Fitri Yeni, Sitti Rizki Mulyani, and Susriyanti Susriyanti, 'Islamic Financial Literacy, Spiritual Intelligence, Public Perception and Behaviour on Public Interest in Islamic Banking Services', *Cogent Economics and Finance* 11, no. 1 (2023), https://doi.org/10.1080/23322039.2023.2175470.

[44] Isabella Rose M. Harding, 'Governance, Transparency, and Financial Regulation in the Global Digital Economy', *Journal of Nusantara Economy* 4, no. 2 (December 2025): 112–134, https://doi.org/10.66325/nusantaraeconomy.v4i2.368.

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The central implication is therefore that Islamic banks should move from a narrow competency-centred HR model toward an integrated value–knowledge–technology approach. Such an approach recognises that employee performance depends not only on technical ability but also on ethical orientation, financial understanding, and digital adaptability. By aligning these dimensions, Islamic banks can develop human resources capable of responding simultaneously to Sharia requirements, increasingly sophisticated financial services, and rapid technological transformation.[45] In this respect, the study contributes to the contemporary literature by positioning religiosity, financial literacy, and technology adoption as interconnected determinants of HR performance. The findings demonstrate that Islamic banking requires employees who are not only capable of performing tasks but also able to understand the ethical purpose of those tasks, apply appropriate financial knowledge, and use technological tools effectively. This integrated capacity represents an increasingly important foundation for sustainable HR performance and the long-term development of Islamic banking in Indonesia.

CONCLUSION

This study concludes that an integrated combination of religiosity, financial literacy, and technology adoption determines human resource performance in Islamic banking in Indonesia. The findings demonstrate that religiosity, financial literacy, and technology adoption each have a significant positive effect on HR performance, confirming that employee performance in Islamic banking extends beyond conventional professional capabilities. Religiosity provides an ethical and moral foundation that strengthens employees' responsibility, integrity, and commitment; financial literacy enhances employees' ability to understand and apply financial knowledge in professional decision-making; while technology adoption improves efficiency, adaptability, and effectiveness in an increasingly digital banking environment. The findings further demonstrate that religiosity contributes to HR performance indirectly through financial literacy and

[45] Yuvaraj Ganesan, Anwar Bin Allah Pitchay, and Mohd Aliff Mohd Nasser, 'Does Intention Influence the Financial Literacy of Depositors of Islamic Banking? A Case of Malaysia', *International Journal of Social Economics* 47, no. 5 (2020): 675–690, https://doi.org/10.1108/IJSE-01-2019-0011.

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technology adoption, indicating that religious values can function as a foundational resource that strengthens other performance-enhancing capabilities. Thus, HR performance in Islamic banking is best understood through an integrated value–knowledge–technology perspective in which ethical orientation, financial capability, and technological adaptability mutually reinforce employee effectiveness.

Future research should expand this model by incorporating additional organisational and individual factors that may explain variations in HR performance, such as leadership style, organisational culture, employee engagement, Islamic work ethics, psychological empowerment, innovation capability, and organisational support. Comparative studies involving Islamic and conventional banks, different regions of Indonesia, or Islamic banking institutions in other countries would also provide greater insight into the contextual nature of these relationships. Future researchers are encouraged to employ longitudinal or mixed-methods approaches to examine how religiosity, financial literacy, and technology adoption evolve and how their interactions respond to digital transformation in Islamic banking. Such research could strengthen the generalizability of the findings and contribute to the development of a more comprehensive and context-sensitive framework for human resource management in the contemporary Islamic banking sector.

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Muhammad Hanafi Zuardi contributed to the conceptualisation of the study, research design, data collection, and manuscript preparation. Abdulloh Hadziq contributed to the development of the theoretical framework, literature review, and critical analysis of the findings. Desmadi Saharuddin contributed to the methodology, data

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interpretation, and critical revision of the manuscript. Ade Sofyan Mulazid contributed to the validation of the research findings, academic supervision, and substantive revision of the manuscript. Burhan Alsyouf contributed to data analysis, result interpretation, manuscript editing, and final proofreading. All authors contributed to the discussion and refinement of the manuscript, approved the final version, and agreed to be accountable for all aspects of the work.

CONFLICT OF INTEREST

The authors declare that there are no conflicts of interest that could have influenced the research, authorship, or publication of this article. All authors have disclosed any relevant relationships or circumstances that could potentially be perceived as influencing the work and confirm that the research was conducted independently and objectively.

AI USAGE STATEMENT

The authors declare that artificial intelligence (AI) tools were used only for language editing, grammar checking, and improving the clarity and readability of the manuscript. AI tools were not used to generate research data, conduct substantive analysis, determine research findings, or develop the study's conclusions. The authors remain fully responsible for the accuracy, originality, integrity, and scholarly content of the manuscript.

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