



The Effect of the Digitalization System on Customer Service Performance in the Banking Business during Post-Pandemic

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ABSTRACT

This research was conducted to find out how the impact of the banking digitalization system on customer service performance in banking business activities. The data in this study used primary data collected by distributing questionnaires, interviews and observations to all Bank Negara Indonesia 46 customer service Palembang areas. The population used is the customer service of Bank Negara Indonesia 46 Palembang area, namely as many as 54 people and the sample taken from this study was taken using the saturated sampling method, namely as many as 54 people. Data analysis was carried out using the validity test, reliability test, simple linear regression test and hypothesis testing using the t test technique. Result show that the impact of digitalization has a positive influence on customer service performance , so that it can take over some of the roles and tasks of customer service) because the digital technology services offered have the features needed for customers to transact simple services in the banking sector without having to go through the customer,

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INTRODUCTION

The development of science and technology is increasing rapidly, including in Indonesia. In the manufacturing, service and production sectors, technology is increasingly being used to improve company performance. Many industries are making changes in their industry, digitizing product production. Along with this, there are changes in organizational practices that accompany it (Manresa, Bikfalvi and Simon, 2021).

The industry in Indonesia is currently undergoing a considerable digital transformation, forcing companies to make adjustments to the technology itself. Digital competence is a requirement for companies today to be able to fulfill their functional responsibilities, without closing the possibility of obstacles from some parties who cannot keep up with this development. quickly (Puspitadewi, 2019). Various industrial sectors in Indonesia are optimizing their digitization. In research conducted by Karami (2018) in a company that utilizes information systems to improve their operational performance,

and their organization. The company feels the influence, and based on the results of the research, to implement digitization, it is necessary to pay attention to data quality, observation, and even document tracking.

Striking changes in the use of information technology in business make a strategic information system capable of creating a competitive advantage. Digitalization presents a portrait of integration between business strategy and information technology. Digitalization in business according to Waspodo et al. (2018) is part of a business strategy as an effort to optimize the resources and competencies of information systems / information technology by marrying a business strategy to achieve the goals and objectives of a business. Digitalization makes it easier for business organizations to carry out activities and access information from anywhere and at any time. Digitalization has an important role in the activities of business organizations to produce products and services that have strong competitiveness and prioritize the principles of effectiveness and efficiency.

Supporting technological infrastructure is considered capable of helping accelerate the movement of the Indonesian economy. This is supported by information on the official website of the Ministry of State Secretary of the Republic of Indonesia (Sugiarto, 2019) which states that technological infrastructure assistance is able to help the community to benefit from achieving efficiency, effectiveness, reducing production costs, and opening up potential for collaboration. Therefore, digital transformation in business should be used as an alternative solution as an engine for new economic growth.

Banking digitalization is something that is unavoidable in various parts of the world. Golden (2017) in his writings on digitization in the banking sector in India concluded "Due to the adoption of this digitalization, the banking sector in India faces some remarkable changes as well as hurdles. As we are in the digital era, it is impossible to avoid growth and services or digital banking. Everyone uses the modern mobile device, called Smartphone, which is used to access the digital banking services to anyone anywhere and at any time. Thus, digital banking is in a place of inevitable today." So it can be concluded that banking digitalization is currently not an option, but has become a necessity if banks want to continue to compete for available market share.

According to the Financial Services Authority Regulation Number 12/POJK.03/2018 it is stated that Digital Banking Services are services for Bank customers to obtain information, communicate, and carry out banking transactions through electronic media that are developed by optimizing the utilization of customer data in order to serve customers more effectively. fast, easy, and in accordance with the needs (customer experience), and can be done completely independently by the customer by paying attention to security aspects. This allows prospective customers and/or bank customers to carry out transactions including registration, account opening, banking transactions (cash withdrawals, transfers and payments), and closing accounts, including obtaining other information and transactions outside of banking products, including financial advice (financial advisory),

It is believed that digitalization in banking will increase efficiency. One of them is using the latest applied technology in running its business. The reasons make perfect sense. Banks as part of the financial industry have a very large volume of interaction with retail customers, where in practice there are still many banks (read; traditional banks) that have not taken much advantage of every new business opportunity due to technological problems. When tested where many digitalized banking systems still do not function like one digital entity, as is the case in many customer-facing entities.

The seriousness of banking in working on digital banking to improve service and quality so that they can remain competitive in a competitive business environment, raises new issues or concerns from the Human Resources (HR) side. The use of technology in several banking services results in reduced work done by humans. The application of digital banking reduces the complicated and time-consuming bank administration process while also reducing or eliminating a number of jobs that are usually done by humans, especially front office work.

With the above conditions, a study is needed to determine the real impact of digital banking on the role of tellers and customer service in banking business activities as the front line in providing services to customers. The study will be carried out on the role of tellers and customer service at the BNI 46 bank Palembang area so that they can show the impact and implementation of the use of banking digitalization on teller and customer service positions in bank business activities.

Digital Technology is a transition from operations that no longer use a lot of human labor. However, it is more inclined to operate systems that are completely automated and sophisticated with computers. The rapid development of digital technology is marked by the presence of a number of various cutting-

edge communication tools, where everyone can process, produce, and send or receive all forms of communication messages, anywhere and anytime. alone, as if without knowing the boundaries of space and time, by itself has spurred the development of the mass media sector, which is part of the communication component. As a result, the invasion of information sourced from the mass media, both print and electronic, began to be felt. Whether we realize it or not, we are currently in a circle full of information. This of course will have certain impacts on the company or its employees, both positive and negative. In order to survive and win the competition in the digital economy, players need to understand the characteristics of the underlying concept because it is very different from the classical economy that is known so far. It is not uncommon for companies to carry out business transformation in order to optimally play in the digital economy arena. This is because to implement it requires a completely new business model. For new companies (start-up companies), getting into this business is usually easier compared to companies that have been established for a long time.

Performance is a term often referred to by managers or leaders to state the condition of the organization or company they manage. At the end of each year, they make a report on the company's performance by mentioning the work program, the implementation of the results achieved, the condition of the resources, and certain obstacles or opportunities found (Amir, 2015)

The term performance is also used to measure the condition of individual employees in an organization or company. Through evaluation of their performance, each employee will be able to determine whether the quality is moderate, high, or very high. Measuring employee performance is very important especially for determining organizational or company policies in the future in order to face business competition. In the current knowledge economy era, there is no other way to build company performance except through sustainable employee performance development (Amir, 2015)

The purpose of this study is to determine the impact and implementation of the application of banking digitalization directly to the functions and duties of customer service in banking business activities at Bank Negara Indonesia 46 Palembang area. In order to get an overview of the direct impact of digitization on the functions and duties of the front office, this research used data originating from customer services that have carried out their duties and functions so far and have had regular procedures in running the banking business.

LITERATURE REVIEWS

Customer Service

With the trend of consumer demand in this modern era, they tend to prefer instant or hassle-free administration issues and others. Therefore, many banks offer products to the public or prospective customers for sale, by simplifying the administration system and the conditions that must be met by customers. This is done by banks, to win potential customers and excel in competition. So that banks need the role of Customer Service to interact and provide services to customers and prospective customers related to the services to be used. The role of Customer Service is considered to be very decisive for the smooth running of the banking business.

Customer Service is any activity intended or intended to provide satisfaction to customers, through services that can meet the activities and needs of customers (Kasmir, 2015). Customer Service plays a very important role in companies and banks. Therefore, the task of Customer Service is the backbone of the operational activities of the banking world. So it can be concluded that the role of Customer Service is to retain old customers so that they remain loyal as our customers through fostering closer relationships with customers. And also trying to get new customers through various approaches as well as convincing customers about the quality of the products they have.

A Customer Service is also expected to be able to provide fast, accurate, kind and friendly service to customers. The good, satisfying and maximum service provided by Customer Service does have an effect on the loyalty of the customer concerned. A good customer service is not only seen from a physical perspective, but also from a non-physical perspective, such as ability and service ethics. Besides that, to retain old customers to continue to buy and consume bank products, but also to be able to attract new potential customers to buy the bank products offered and provide satisfactory service to all customers.

Banking Business

The banking business is one of the business sectors that shows intense competition. The role of banks is very important in the economy of a country as a financial intermediary institution, banks are the cornerstone of community progress and if there were no banks, there would be no progress like today. a country that does not have many good and correct banks is an underdeveloped country. Therefore the progress of a bank in a country can also be used as a measure of the progress of the country concerned. The more advanced a country is, the greater the role of banks in controlling that country. That is, the existence of the banking world is increasingly needed by the government and its people.

Banking Digitization

The fast flow of information through the digitalization system makes it easier for business actors to carry out business processes. According to KBBI, digitization is the process of giving or using a digital system. So far, the implementation of digitization in Indonesia has only been on the transmission channel. Digitization is the process of changing document formats from printed documents to digital ones (Saleh, 2015).

The digital business wave has given birth to a new business paradigm phenomenon with innovative, intelligent and creative intellectual capital. The power of change in the digital era as it is today is not only driven by companies, but also lies in the individuals involved in the rapid development of internet users via mobile devices (Setiawan, 2017).

Departing from the current situation, the company makes management of information systems as the main key in assessing the company's performance. Some of the companies see management opportunities that are easier with the help of digitization in data processing. There are several advantages offered by digitization systems, including, data is easier to manage because it is stored in a form of memory that is easy to transmit and easy to process without affecting the quality of information, more resistant to noise, easier to represent, and relatively lower power consumption. (Sumarna, 2006).

Banking digitalization is something that is unavoidable in various parts of the world. Golden (2017) in his writing on digitization in the banking sector in India concluded "Due to the adoption of this digitalization, the banking igitization of banking certainly has a positive impact on banks and their customers. Transactions that are no longer limited by place and time are a significant advantage for customers, while for banks the increase in income from fee-based income and the decrease in labor costs are among others the positive impacts felt.

Banking digitization also has several challenges in its development. SV Mohana (2018) wrote down some of the shortcomings of banking digitalization, namely Personal relationships between the bank officials and the customers have been minimized due to access from one place. As everything has been mobilized the security in protecting transactions has been reduced in such a case issues regarding transactions have been increased. There is a high risk in making transactions because of identification of theft of encrypted software.

With technological advances that change analog information into digital information, people prefer to use digital information for the following reasons:

1. Easy to search, browse, access and use according to user needs
2. Easy to produce, send, receive, filter, update based on user capabilities
3. The writing format and contents of messages sent are the same as the writing format and contents of messages received
4. Not hampered by long distances, language differences and time differences
5. Sending and receiving messages is very fast and cheap
6. Easy to store and process so it doesn't require a large storage space
7. Easy to apply in various media because the content format of digital information will be the same, either one device with another device. (Asti Marlina, 2018)

Employee performance

Performance is often an actual issue in organizations because performance is the key to the effectiveness and success of an organization. The term performance comes from the word job performance or actual performance (work achievement or actual achievement that someone has achieved). According to Wibowo (2009) performance can be defined as a process or work result. Performance is a process related to how a job takes place to achieve maximum work results. However, the work results themselves represent how performance is manifested in the work environment.

According to Kaswan (2011) performance is the employee's ability to do work that can be improved by focusing on the employee's strengths and understanding the changes needed. Performance in an

organization is carried out by all levels of human resources in the organization, from workers to leaders. Each worker has abilities based on knowledge and skills, competencies appropriate to the job, work motivation and job satisfaction. Apart from that, workers also have personalities, attitudes, and behaviors that can affect their performance in an organization.

The concept of performance can be defined as an achievement of results. That is, the performance of an organization can be seen from the measurement of the extent to which the organization can achieve goals that refer to predetermined goals. Performance is the result of collaboration between members or components within an organization in order to achieve organizational goals (Tsauri, 2014). Based on several opinions about performance, it can be concluded that the definition of performance contains the substance of the achievement of work results by individuals. Thus, performance is a reflection of the results achieved by a person or a group of people.

Effect of Digitalization on Performance

The digitalization process which consists of planning, organizing, implementing, monitoring and evaluating and digitizing input which consists of the quality and quantity of human resources (HR), budget, internet and computer speed, greatly influences the performance of employees in carrying out work and providing public services. Digital transformation creates opportunities for organizations to increase efficiency and innovation. Technology makes public services faster and cheaper so that the application of information technology in public services is a breakthrough (Kudyba et al., 2020). Sociologically, technology has a deeper meaning than equipment. Technology establishes a framework for the non-material culture of a group. If a group's technology changes, then the way of thinking of humans will also experience changes. This also has an impact on the way they relate to others (Ngafifi, 2014)

METHODS

In this study, the population was all BNI 46 employees who work as Customer Service in all Bank BNI 46 Palembang offices, totaling 54 people. The sample in this study was taken using the saturated sampling method, where all members of the population were used as samples. All returned questionnaires and 54 questionnaires can be used for data processing. Statistical analysis used in this study is to use the SPSS program. Research requires an analysis of data and interpretation that will be used to answer research questions to reveal certain social phenomena. Data analysis is a process of simplifying data into a form that is easier to read and interpret. The model that will be used in this research is the causality model or relationship or influence and to test the hypothesis proposed, the analysis technique used is regression analysis

RESULTS AND DISCUSSION

Validity Test Results

The instrument was tested on a sample of a population of 54 people. To test the validity of the researchers distributed a questionnaire to 54 respondents to ascertain whether there were valid or invalid question items from each sub-variable using the SPSS program.

Calculation of the validity test in this study used the SPSS program and the results of the validity test for each variable are described in the following table:

Table 1. Results of the Validity Test of the Digitalization System

X variable	r count	r table	Information
Statement 1	0.567	0.268	Valid
Statement 2	0.703	0.268	Valid
Statement 3	0.525	0.268	Valid
Statement 4	0.336	0.268	Valid
Statement 5	0.465	0.268	Valid
Statement 6	0.572	0.268	Valid

Statement 7	0.459	0.268	Valid
Statement 8	0.506	0.268	Valid
Statement 9	0.323	0.268	Valid
Statement 10	0.610	0.268	Valid
Statement 11	0.642	0.268	Valid
Statement 12	0.335	0.268	Valid

Source: Processed data, 2023

Based on the results of the validity test on the digitization system variable (X) r count for 12 statements is greater than r table at a significance level of 5% which is equal to 0.268. So it can be concluded that all of the statement items are valid.

Table 2 Results of the Digitalization System Validity Test

X variable	r count	r table	Information
Statement 1	0.669	0.268	Valid
Statement 2	0.654	0.268	Valid
Statement 3	0.385	0.268	Valid
Statement 4	0.330	0.268	Valid
Statement 5	0.495	0.268	Valid
Statement 6	0.453	0.268	Valid
Statement 7	0.314	0.268	Valid
Statement 8	0.482	0.268	Valid
Statement 9	0.450	0.268	Valid
Statement 10	0.493	0.268	Valid

Source: Processed data, 2023

Based on the results of the validity test on the employee performance variable (Y) r count for 10 statements is greater than r table at a significance level of 5% which is equal to 0.268. So it can be concluded that all of the statement items are valid.

Research Variable Reliability Test

The results of the reliability test in this study can be seen in the following table:

Table 3 Reliability Test Results

Variable	Total Statement Items	Cronbach's Alpha value	Critical Value	Ket
Digitalization System	12	0.721	0.60	Reliable
Employee performance	10	0.651	0.60	Reliable

Source: Processed data, 2023

The results of the reliability test on each variable show a valueCronbach's Alphawhich is greater than the critical value, namely 0.721, and 0.651 is greater than 0.60. This means that all statements in the questionnaire are declared reliable.

Results of Simple Linear Regression Analysis

Table 4 Simple Linear Regression Test Results

Summary models				
Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	0.904	0.817	0.812	1.215

Source: Processed data, 2023

Based on the results of table 4.4, it is known that the percentage of influence of the independent variable on the value of the dependent variable is the magnitude of the coefficient of determination Rsquareof 0.817 which means that the digitization variable affects customer service performance by 81.7% while the rest are other factors of 18.3% which are not included in this study. And to find out the close relationship between digitization variables on customer service performance, it can be seen from the results of the R value of 0.904, this indicates that there is a very strong relationship between digitalization and customer service performance. Because in the banking world the digitalization system is very important. Between with this system the input and output of data will be easier and faster.

From the results of the simple regression analysis table above, the following equation can be obtained:

Test Results t

Partial testing is used to find out whether there is an influence between the Digitalization system on customer service performance at Bank BNI 46 Palembang Area. The partial test basically shows how far the independent variables individually explain the variation of the dependent variable. The t test is used to test the significance of the effect of each independent variable on the dependent variable. Based on the SPSS calculation results can be seen in the following table

Table 5 Hypothesis Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	std. Error	Betas		
Constant	39,022	7,347		5,311	0.000
Digitalization System	0.184	0.084	0.251	2,194	0.032

Source: Processed data, 2023

From the results of the data processing above, it can be seen that the impact of the digitization system has a significant correlation with customer service performance at BNI 46 Bank Palembang Area with a significance of 0.032 with a t-test value for the Digitalization System of 2.194 and a beta of 0.184. This means that the impact of the digitalization system has a positive influence on customer service performance, so it can be assumed that digitalization indirectly affects some of the roles and tasks of customer service. It is hoped that even though it has assisted employees in carrying out some of the roles and functions, it is hoped that employees will be able to maintain their performance, so that they can compete and continue to contribute to the banking business side by side with digitalization that continues to develop in today's banking world.

The influence of the digitalization system on customer service performance in the banking business

The financial services sector including the banking industry is an essential sector category that is allowed and allowed to continue operating during the Implementation of Restrictions on Community Activities (PPKM). Nonetheless, KThe presence of digital banking services is felt to be very helpful to the community, in this case the bank's customers concerned in accessing banking services. Banking digitalization is felt to have a significant influence on the role of customer service in the banking business, from the results of the processed data it shows that digitization in the BNI 46 Palembang area plays a positive role in the performance of customer service, meaning that part of the role of the front office can be replaced with digitalization. Such as fund transfers, finding out balance information, account mutations, payments, buying credit, replenishing stock RDN accounts, buying credit and other things that are urgent, so that customers no longer need to come to the bank for transactions, just use internet technology and gadgets. Yes, customers can already take advantage of the facilities provided by the BNI 46 Palembang area.

The digitalization process which consists of planning, organizing, implementing, monitoring and evaluating and digitizing input which consists of the quality and quantity of human resources (HR), budget, internet and computer speed, greatly influences the performance of employees in carrying out work and providing public services. Digital transformation creates opportunities for organizations to increase efficiency and innovation. Technology makes public services faster and cheaper so that the application of information technology in public services is a breakthrough (Kudyba et al., 2020). Sociologically, technology has a deeper meaning than equipment. Technology establishes a framework for the non-material culture of a group. If a group's technology changes, then the way of thinking of humans will also experience changes. This also has an impact on the way they relate to others (Ngafifi, 2014)

CONCLUSION

Based on the results of data processing, it is concluded that the researchthe results of processing the partial test data (t test) show that the impact of the digitization system has a significant correlation to the performance of customer service BNI 46 Palembang Area with a significance of 0.032 with a t

X1 test value of 2.194, a beta value of 0.184 This means that the impact of digitalization has a positive influence on customer service performance , so that it can take over some of the roles and tasks of customer service) because the digital technology services offered have the features needed for customers to transact simple services in the banking sector without having to go through the customer, which has been done.

That after the Covid 19 pandemic, banking digitalization was felt to have had a significant influence on the role of customer service in the banking business. Along with various developments in the banking business that are engaged in digital business strategies, the banking business is a solution that can provide innovation and provide a more concrete reference for banking digitalization as well as a policy response to mitigate various challenges and risks from digital banking transformation. so that it is expected to encourage national banking to be more resilient, competitive, and contributive

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