



RESEARCH ARTICLE

Digital Competence, Emotional Intelligence, Transformational Leadership, and Public Sector Performance in Regional Accounting and Finance Divisions: Job Satisfaction as a Mediator

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Abstract

The transition toward electronic-based government systems has disrupted traditional public sector administration, necessitating a re-evaluation of the determinants of bureaucratic performance. This study analyzes the impact of digital competence, emotional intelligence, and transformational leadership on employee performance, specifically investigating the mediating role of job satisfaction within the public sector accounting and finance environment of the Bengkulu Provincial Government. Utilizing a quantitative cross-sectional survey design grounded in Equity Theory, primary data were collected from 177 State Civil Apparatus personnel across 41 Regional Apparatus Organizations, selected through purposive sampling. The empirical data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results demonstrate that digital competence, emotional intelligence, and transformational leadership exert positive effects on job satisfaction. Job satisfaction, in turn, is positively associated with employee performance. Furthermore, mediation path analysis reveals that job satisfaction acts as a complementary mediator in the relationships between both digital competence and emotional intelligence and employee performance. The analysis also uncovers that job satisfaction serves as an indirect-only mediator (full mediation) in the relationship between transformational leadership and performance, indicating that leadership style alone cannot directly drive performance in highly regulated bureaucratic settings without first establishing employee satisfaction. As practical recommendations, government agencies should implement targeted technical training for specific platforms such as the Regional Government Information System (SIPD) and establish structured emotional intelligence and leadership coaching programs to optimize bureaucratic performance.

Keywords

Digital Competence; Emotional Intelligence; Employee Performance; Job Satisfaction; Public Sector; Transformational Leadership.

1 | INTRODUCTION

The era of digital transformation has reshaped the operational paradigms, structural frameworks, and strategic trajectories across all sectors of human activity. Within the specialized realm of public administration, this transformation is viewed as a structural upgrade of how government governance is executed and evaluated by external parties. Specifically, within the public sector, the critical disciplines of accounting and financial management serve as the foundation of fiscal transparency, legal accountability, and ethical government governance. Rapid developments in emerging digital technologies have created strategic opportunities to replace traditional inefficient financial reporting methods. This global paradigm shift is moving governments towards integrated, electronic-based government systems that are designed to mitigate human error and provide real-time fiscal transparency to the general public.

In the context of the Republic of Indonesia, the shift towards a fully digitized public administration system is linked to the decentralization mandates initiated over two decades ago. Law Number 22 of 1999 concerning Regional Government marked a moment in Indonesian administrative history, delegating political authority, administrative responsibility, and financial resources from the central government to localized regional and provincial governments. This decentralization policy was designed to empower local government to independently plan, manage, execute, and account for their localized regional development trajectories. However, the presence of a professional and adaptive state apparatus is an essential prerequisite for regional efficiency. Without the support of technically proficient human resource capacity, this decentralization policy risks triggering inefficiencies in *budget allocation* and systemic failures in the delivery of vital public services.

The systemic challenge of bureaucratic and budget efficiency is visualized within the structural composition of the Regional Revenue and Expenditure Budget (APBD), particularly concerning the heavily scrutinized personnel expenditure component. Personnel expenditure, which constitutes the direct financial compensation, structural allowances, and health benefits provided by the state in exchange for the daily performance of the government apparatus, has historically absorbed a disproportionately large portion of regional fiscal capacities. Recognizing the systemic risk of inefficient bureaucracies draining critical funds, the central government enacted Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments. This regulatory framework mandates that the total allocation of personnel expenditure within any regional APBD must be legally capped at a strict maximum threshold of 30% of the total regional expenditure.

Despite this legislative mandate, empirical realities at the localized implementation level reveal troubling deviations. Specifically, within the Bengkulu Provincial Government, longitudinal fiscal data compiled from the Directorate General of Fiscal Balance reveals a problematic fiscal trajectory. The percentage of personnel expenditure realization against the total regional expenditure in Bengkulu Province has consistently exceeded the legally mandated 30% threshold. Over the five-year period under observation (spanning from 2020 to 2024), this specific personnel expenditure ratio has ranged from 34% to 39% (Directorate General of Fiscal Balance, 2024). This budget proportion serves as a strong indicator of the heavy burden of bureaucratic inefficiency operating within the province. It demands a rigorous evaluation to verify whether such high financial compensation is directly proportional to the labor productivity, the output quality of the civil servants, and their adherence to Government Accounting Standards.

This fiscal imbalance highlights the challenges faced by public sector employees within the Accounting and Finance Divisions of Bengkulu Provincial Government. First, strict regulatory mandates force government accountants to present highly accurate and transparent reports to the Audit Board of the Republic of Indonesia. Second, rapid technological disruption requires all regional financial workflows to integrate seamlessly into centralized platforms like the Regional Government Information System (SIPD). Navigating these complex systems demands advanced digital competence from every State Civil Apparatus. Digital competence in the accounting realm encompasses advanced data literacy, virtual collaboration capabilities, digital content creation following Standard Operating Procedures, and cybersecurity awareness. Recent studies emphasize that digital competence is a key asset in optimizing e-government systems and significantly improves technological understanding and service accuracy in Indonesian local governments (Usman *et al.*, 2025). However, the adoption of technology in government bureaucracy often faces obstacles in the form of skill gaps, organizational resistance, and a lack of digital literacy among civil servants.

Furthermore, the modernization of financial governance driven by technology triggers psychological impacts that cannot be ignored. Public sector accountants are faced with monotonous work routines, drastically increased workloads approaching the budget closing period, and demands for high accuracy. This high-pressure working environment requires employees to possess high resilience and emotional intelligence. Employees must be able to identify, manage, and utilize their own emotions as well as the emotions of their coworkers to avoid mental fatigue (burnout) that can degrade performance.

Beyond individual technical digital competence and psychological emotional regulation, the interconnected dynamics of this bureaucratic environment rely heavily on the guiding role of organizational leadership. Leaders deeply embedded within regional government organizations are required to transcend merely performing transactional, administrative supervisory functions. To successfully guide their departments through technological transitions, they are

encouraged to actively apply a transformational leadership style. Transformational leaders are tasked with inspiring a shared vision, providing continuous intellectual stimulation to outdated operational norms, and offering individualized consideration to help subordinates navigate the difficulties of technological transition and high workloads.

Although the urgency of digital competence, emotional intelligence, and transformational leadership is theoretically recognized as a determinant of performance, previous academic literature presents fragmented and inconclusive empirical findings. For instance, studies conducted by Curado and Santos (2022) and Lindawati and Parwoto (2021) found that transformational leadership does not have a significant direct effect on employee performance. Instead, this effect is claimed to materialize only when mediated by job satisfaction. On the other hand, Romawati *et al.* (2022) found a negative correlation between transformational leadership style and performance in certain contexts. A similar research gap is also found in the digital competence variable. Research by Hidayat *et al.* (2023) demonstrated that digital competence does not directly impact employee performance but must first go through the process of forming job satisfaction. This inconsistency indicates that the relationship between individual and organizational capabilities and performance is not a simple linear one.

To solve this literature gap, this study is built upon the foundation of Equity Theory proposed by Adams and Freedman (1976). This theory assumes that employees rationally compare the contributions they provide (input) with the rewards they receive (outcome) in the workplace. In this study, job satisfaction is integrated as a central mediating variable representing this perception of equity. The originality of this study lies in the comprehensive integration effort between hard skill elements such as technical digital competence and soft skills such as psychological emotional intelligence, as well as organizational factors such as transformational leadership into a unified predictive model. This study extends the research framework of Alwali & Alwali (2022) by incorporating digital competence as a response to the demands of the Fourth Industrial Revolution and the era of e-government bureaucratic reform. The primary objective of this study is to empirically analyze and prove the role of job satisfaction in mediating the relationship between these input factors and the outcome in the form of employee performance in the Accounting and Finance Division of the Bengkulu Provincial Government, thereby providing strategic insights for the formulation of holistic apparatus management policies.

2 | BACKGROUND THEORY

To synthesize a coherent predictive model, this study utilizes Equity Theory as the primary mechanism explaining the non-linear conversion of individual human competencies—both technical and psychological—and external leadership stimuli into objectively measurable bureaucratic performance. Equity Theory, developed by Adams and Freedman (1976), emphasizes the importance of balance between inputs and outputs in the workplace. This theory explains that individuals rationally and psychologically compare the contributions they give to the organization (input) with the rewards they receive (output). When individuals judge that the ratio between input and output is in a balanced or fair condition, a feeling of satisfaction with the job emerges. Conversely, an imbalance between input and output will create a perception of injustice that leads to job dissatisfaction and decreased performance (Judge *et al.*, 2001; Alwali & Alwali, 2022). Alwali & Alwali (2022) explain that employee input includes effort, time, loyalty, flexibility, personal sacrifice, enthusiasm, skills, and trust in superiors. In this study, these inputs are represented by digital competence as a form of technical skill (hard skill), emotional intelligence as a psychological skill (soft skill) in managing emotions and work relationships, and transformational leadership as an organizational factor in the form of support from superiors that shapes employee perceptions of fairness. Meanwhile, output in Equity Theory includes various forms of rewards received by employees, such as salary, allowances, job security, recognition, and a sense of achievement. In this research, Equity Theory is used to explain that digital competence, emotional intelligence, and transformational leadership as input factors indirectly affect employee performance by first forming a perception of fairness. This perceived balance between input and output is reflected in job satisfaction. Job satisfaction then acts as a key factor driving the improvement of employee performance. Therefore, job satisfaction is positioned as a mediating variable explaining the indirect influence mechanism of the balance between input factors and received output, with employee performance as the final outcome of the evaluation process.

Digital Competence and Employee Performance

Digital competence is a fundamental ability that enables employees to optimize the use of technology in completing tasks (Van Laar *et al.*, 2017). Through the lens of Equity Theory, digital competence is seen as a high-quality input in the form of skills and knowledge contributed by employees to the organization (Stevani & Muafi, 2024). When employees possess excellent digital competence, they can minimize technical errors, accelerate work processes, and produce more precise outputs (Hidayat *et al.*, 2023). Referring to the principle of balance, employees who realize they provide high competence inputs will feel responsible for manifesting them into tangible work results. This drive to balance capabilities with achieved results triggers an increase in direct performance. Previous studies support a linear relationship between digital competence and employee performance, finding that mastery of digital technology significantly contributes to

individual productivity (Salsabila & Hermana, 2021).

H1. Digital Competence has a positive effect on Employee Performance.

Emotional Intelligence and Employee Performance

Emotional intelligence is the individual's ability to recognize, understand, and manage their own emotions and those of others to support work effectiveness. In the Equity Theory perspective, emotional intelligence is viewed as a crucial psychological input or soft skill contributed by employees in maintaining work environment stability. Employees with high emotional intelligence invest mental effort to remain calm under pressure, focus on solutions, and maintain harmonious team collaboration (Ramadhona *et al.*, 2022). When employees provide input in the form of good emotional stability, they can reduce disruptions caused by interpersonal conflicts or work stress. This creates an efficiency of mental energy which is then allocated to completing main tasks more productively. Empirical studies support a positive influence between emotional intelligence and employee performance (Sutrisno *et al.*, 2022; Chauhan *et al.*, 2022).

H2. Emotional Intelligence has a positive effect on Employee Performance.

Transformational Leadership and Employee Performance

Digital competence encompasses technical skills, adaptability to new technology, and an understanding of how digital technology can be used to achieve work goals. When employees provide input in the form of capable digital competence, they can adapt quickly to technological changes and complete tasks with high efficiency. The ability to master these work tools brings about feelings of empowerment and self-confidence, which employees feel as a positive internal outcome for their efforts. The creation of balance between the input provided and the ease of completing tasks felt by the employee is what drives an increase in job satisfaction (Stevani & Muafi, 2024).

H3. Transformational Leadership has a positive effect on Employee Performance.

Digital Competence and Job Satisfaction

Digital competence encompasses technical skills, adaptability to new technology, and an understanding of how digital technology can be used to achieve work goals. When employees provide input in the form of capable digital competence, they can adapt quickly to technological changes and complete tasks with high efficiency. The ability to master these work tools brings about feelings of empowerment and self-confidence, which employees feel as a positive internal outcome for their efforts. The creation of balance between the input provided and the ease of completing tasks felt by the employee is what drives an increase in job satisfaction (Stevani & Muafi, 2024).

H4. Digital Competence has a positive effect on Job Satisfaction.

Emotional Intelligence and Job Satisfaction

Emotional intelligence acts as a factor influencing employee job satisfaction. As a soft skill input, employees with high emotional intelligence provide input in the form of the ability to manage their own emotions, respond to pressure calmly, and maintain harmonious interpersonal relationships. This emotional labor creates a conducive work environment with minimal conflict, which employees feel as a positive outcome. The balance between the emotional input given and the psychological comfort received is what makes them feel more satisfied in carrying out their work routines (Ramadhona *et al.*, 2022).

H5. Emotional Intelligence has a positive effect on Job Satisfaction.

Transformational Leadership and Job Satisfaction

According to Bass (1985), transformational leaders create a supportive work environment through individualized consideration and intellectual stimulation, encouraging employees to be actively involved. When leaders apply a transformational style, employees feel valued, heard, and involved in decision-making. In line with Equity Theory, employee involvement and loyalty are viewed as work inputs. When these inputs are balanced with non-material outputs from leaders such as support, recognition, and trust, employees perceive fairness in the employment relationship. This perception of balance directly shapes employee job satisfaction (Curado & Santos, 2022).

H6. Transformational Leadership has a positive effect on Job Satisfaction.

Job Satisfaction and Employee Performance

Job satisfaction in the perspective of Equity Theory is a psychological response that arises towards the balance between the inputs given by employees and the outputs received. When employees judge that the exchange ratio is fair and satisfying, a psychological drive for reciprocity arises. As a result, employees will voluntarily increase their inputs in the form of more productive and quality performance as an effort to repay the fairness they have received from the organization (Judge *et al.*, 2001; Alwali & Alwali, 2022). Previous studies show that job satisfaction encourages employees to work more productively and efficiently (Sutrisno *et al.*, 2022).

H7. Job Satisfaction has a positive effect on Employee Performance.

The Mediating Role of Job Satisfaction

The complexity of organizational behavior shows that individual and structural variables rarely operate in a vacuum. Job satisfaction functions as a psychological mechanism connecting the balance of digital competence input with the output received by employees, producing a final outcome of improved performance. Without job satisfaction, digital competence potentially remains merely a technical ability that is not fully converted into optimal performance (Stevani & Muafi, 2024). Similarly, emotional intelligence allows employees to minimize conflict and work stress, leading to a more positive and fair work environment. The perceived balance between the emotional effort expended and the psychological comfort received forms a high level of job satisfaction, which indirectly boosts performance (Alwali & Alwali, 2022). Regarding transformational leadership, employees feel their efforts are fairly rewarded by leaders providing inspiration and support. Employees who feel satisfied because they are treated well and fairly by their leaders are driven to balance the relationship by increasing their performance input (Curado & Santos, 2022). Based on this logical framework, the mediation hypotheses are formulated as follows.

H8. Job Satisfaction mediates the effect of Digital Competence on Employee Performance.

H9. Job Satisfaction mediates the effect of Emotional Intelligence on Employee Performance.

H10. Job Satisfaction mediates the effect of Transformational Leadership on Employee Performance.

Based on the theoretical foundation and previous research outlined above, the conceptual framework of this study illustrates the complex relationships between the independent variables, the mediating variable, and the dependent variable. Specifically, the framework demonstrates how Digital Competence, Emotional Intelligence, and Transformational Leadership act as inputs that influence Employee Performance both directly and indirectly through the mediating mechanism of Job Satisfaction. Below is the conceptual framework figure.

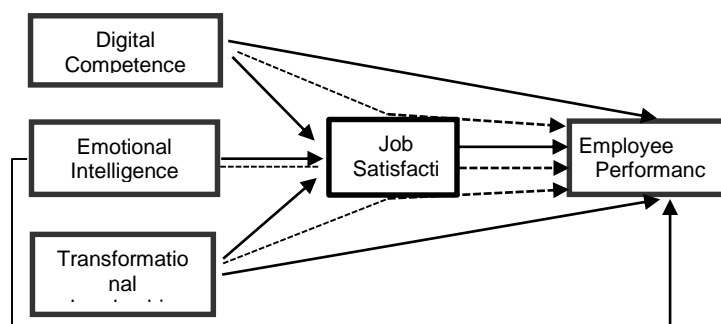


Figure 1: Conceptual Framework

3 | METHOD

This study adopts a quantitative approach with a cross-sectional design. Based on the Bengkulu Governor Regulation No. 21 of 2024 concerning the Position, Organizational Structure, Duties, Functions, and Work Procedures of Regional Apparatus, there are 42 regional apparatus organizations within the Bengkulu Provincial Government. The population in this study comprises all state civil apparatus holding the status of civil servants who work in the Accounting and Finance Divisions across these organizations.

The total initial population identified was 317 employees. The focus on this specific group is based on their central role in the regional financial accountability chain, as they prepare financial reports based on government accounting standards and interact directly with digital e-government systems. To ensure data relevance, the sample selection utilized a purposive sampling method. The inclusion criteria required respondents to be active civil servants currently operating within the accounting and finance division with experience using digital-based regional financial governance systems. Out of the 42 organizations, the Bengkulu Province Liaison Office was excluded. This office functions as the provincial representative office situated in Jakarta rather than Bengkulu, making direct delivery of the research permit and questionnaire unfeasible. Excluding the 7 civil servants stationed at this Liaison Office, the final adjusted target population that met the criteria became 310 employees across 41 organizations.

To guarantee statistical power and ensure the selected sample size was mathematically representative of the adjusted population, the Slovin formula was applied with a margin of error tolerance of 5% (0.05) where n is the sample size, N is the population size, and e is the margin of error. The calculation is as follows.

$$n = \frac{N}{1 + Ne^2} = \frac{310}{1 + 310(0.05)^2} = \frac{310}{1 + 0.775} = 174,64 \approx 175$$

Based on this calculation, the minimum threshold sample size is 175 respondents. Primary data collection was conducted from December 18, 2025, to January 7, 2026. The process began by submitting a research permit from the Bengkulu Province Investment and One-Stop Integrated Services Agency to the 41 organizations, which was subsequently distributed to the echelon of all 41 target organizations. Following clearance, digitized questionnaires were directly distributed to the target personnel utilizing the Google Forms platform to ensure rapid data entry. The sample selection process is summarized in Table 1 below.

Table 1: Sample Selection Process

Criteria	Amount
Total civil servants in Accounting and Finance Divisions across 42 regional apparatus organizations	317
Employees from Liaison Office in Jakarta excluded	(7)
Target Population (Adjusted across 41 organizations)	310
Questionnaires not returned / Unresponsive	(125)
Total Questionnaires Received	185
Incomplete responses / Data outliers	(8)
Total Valid Observations Processed	177

Based on Table 1, out of the 310 targeted employees, 185 individuals participated and filled out the questionnaire. After data screening, 8 responses were identified as outliers and were subsequently removed. The removal of these outliers was based on Cook's Distance diagnostic testing, which is highly recommended for ordinal Likert scale data to prevent influential data points from negatively distorting the structural equation model, ensuring robust and unbiased estimations. As a result, 177 valid observations were processed for data analysis using PLS-SEM.

The measurement of all variables was operationalized using a structured questionnaire instrument with a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). Employee performance was adapted from Williams and Anderson (1991) and Burney and Widener (2009), measured using five statement items evaluating task completion quantity, accuracy, resource efficiency, initiative, and discipline. Digital competence was developed from the Digital Competence Framework for Citizens (DigComp) by Ferrari (2013), using ten items assessing data literacy, digital communication, content creation, cybersecurity, and technical problem-solving. Emotional intelligence was measured using the Wong and Law Emotional Intelligence Scale (WLEIS) (2002), consisting of sixteen items covering self-emotional appraisal, others' emotional appraisal, regulation of emotion, and use of emotion. Transformational leadership was adapted from the Global Transformational Leadership Scale (GTL) by Carless *et al.* (2000), using seven items evaluating role modeling, innovation encouragement, vision articulation, and individual development. Job satisfaction was adapted from Agho *et al.* (1992) and Luthans (2015), using six items capturing satisfaction with the job itself, compensation, promotion, supervision, workgroup, and working conditions.

Quantitative data analysis was systematically executed using a variance-based Structural Equation Modeling (SEM) approach, namely Partial Least Squares (PLS) supported by SmartPLS software. The PLS-SEM algorithm was chosen due to its robustness in estimating highly complex structural models with many latent variables without requiring multivariate normal data distributions. The testing procedure was carried out in two tiered phases: the Measurement Model Evaluation (Outer Model) to confirm reliability and validity, and the Structural Model Evaluation (Inner Model) to test hypothesis paths via bootstrapping with 5,000 subsamples to estimate path coefficients, t-statistics, and p-values.

The direct effect analysis, which measures the immediate impact of independent variables on dependent variables, is conducted based on the benchmarks noted by Hair *et al.* (2022). A p -value < 0.05 serves as the strict threshold for statistical significance for direct effects. Furthermore, the indirect effect or mediation analysis adopts the synthesis approach by Zhao *et al.* (2010). To ensure that theoretically relevant mechanisms are not overlooked, this study utilizes a p -value threshold of < 0.10 specifically for indirect effects. This 90% confidence level is justified for exploratory mediation research (Zhao *et al.*, 2010), as the mathematical product of two paths often yields smaller coefficients that remain crucial for explaining complex relationships within the bureaucratic ecosystem.

4 | RESULTS AND DISCUSSION

4.1 Results

The findings of this study provide a detailed analysis of the factors influencing employee performance within the Bengkulu Provincial Government. This section follows a systematic progression, beginning with the descriptive profile of the participants to establish the professional context. To establish the professional background and credibility of the data source, a comprehensive mapping of the participants' characteristics was conducted. The detailed demographic profile of the 177 respondents who participated in this study is presented in Table 2 below.

Table 2: Respondent Demographic Profile

Characteristics	Category	Frequency	Percentage (%)
Gender	Male	76	42.9
	Female	101	57.1
Age	< 25 Years	4	2.3
	26 - 35 Years	29	16.4
	36 - 45 Years	89	50.3
	46 - 55 Years	55	31.1
Education	High School/Vocational	2	1.1
	Diploma III (D3)	8	4.5
	Bachelor (S1/D4)	123	69.5
	Master (S2)	44	24.9
Tenure	< 1 Year	25	14.1
	1 - 3 Years	60	33.9
	> 3 Years	92	52.0

Based on Table 2, the gender distribution shows a dominance of female employees at 57.1%. In terms of age, more than half of the respondents (50.3%) are in the 36–45 years range, and over 80% of the total sample is over the age of 36, indicating a highly mature workforce. The educational background reveals that an absolute majority (69.5%) hold a Bachelor's degree or Diploma IV, while a significant 24.9% have attained a Master's degree. Furthermore, 52.0% of respondents have served for more than three years in their positions. This mature demographic composition, characterized by high levels of education and stable tenure, indicates that the perceptions provided in the questionnaire have high validity, as the respondents possess significant expertise in managing regional financial accountability and digital government systems.

Moving to the statistical evaluation, the Measurement Model Evaluation (Outer Model) began with a Convergent Validity test, evaluating the Outer Loading values against the theoretical threshold of ≥ 0.70 . This process ensures that each indicator is a reliable representative of its underlying construct. The results of this validation and the internal consistency reliability are provided in Table 3.

Table 3: Evaluation of Convergent Validity and Internal Consistency Reliability

Variable	Retained Items	Outer Loading Range	AVE	Composite Reliability	Cronbach's Alpha
Digital Competence (X1)	7 Items	0.722 - 0.841	0.630	0.918	0.916
Emotional Intelligence (X2)	8 Items	0.765 - 0.820	0.693	0.932	0.926
Transformational Leadership (X3)	7 Items	0.755 - 0.884	0.655	0.869	0.867
Job Satisfaction (Z)	5 Items	0.753 - 0.873	0.607	0.897	0.892
Employee Performance (Y)	4 Items	0.746 - 0.820	0.623	0.802	0.798

To explain Table 3 furthermore, across a three-stage purification process, several indicators from Digital Competence (KD07, KD08, KD09), Emotional Intelligence (KE01, KE02, KE05, KE09, KE10, KE13, KE14, KE15), Employee Performance (KP02), and Job Satisfaction (KK05) failed to meet the standard and were eliminated. Furthermore, Table 3 demonstrates that the final model retained indicators with very strong loading values ranging from 0.722 to 0.884. The Average Variance Extracted (AVE) values for all variables are well above 0.50 (ranging from 0.607 to 0.693), and both Composite Reliability and Cronbach's Alpha values comfortably exceed the 0.70 threshold. This indicates high internal consistency reliability and confirms that the measurement model is robust, with each indicator correlating highest with its parent construct.

Following the validation of the measurement model, the structural model's feasibility was assessed. This evaluation determines how well the theoretical model fits the empirical data and how much variance in the dependent variables is

explained by the independent factors, as summarized in Table 4.

Table 4: Evaluation of Model Fit, Explanatory Power (R^2), and Effect Size (f^2)

Category	Indicator/Path	Value	Decision/Interpretation
Model Fit	SRMR	0.074	Good Fit (< 0.08)
	NFI	0.757	Acceptable
Explanatory Power (R^2)	Job Satisfaction (Z)	0.785	Strong
	Employee Performance (Y)	0.629	Moderate to Strong
Effect Size (f^2)	X1 \rightarrow Z	0.064	Small
	X1 \rightarrow Y	0.104	Small
	X2 \rightarrow Z	0.102	Small
	X2 \rightarrow Y	0.157	Medium
	Z \rightarrow Y	0.028	Small
	X3 \rightarrow Z	0.807	Large
X3 \rightarrow Y	0.002	Very Small	

As shown in Table 4, the structural model's feasibility was tested using the Standardized Root Mean Square Residual (SRMR), resulting in a value of 0.074, indicating a good fit as it is below the 0.08 benchmark. The research model is highly robust, explaining 78.5% of the variability in Job Satisfaction ($R^2 = 0.785$) and 62.9% of the variability in Employee Performance ($R^2 = 0.629$). Regarding the effect size (f^2), Transformational Leadership (X3) exerts a large impact on Job Satisfaction (0.807), while its direct effect on performance is very small, suggesting that leadership primarily influences results through an intervening mechanism. While the effect size for the path from Job Satisfaction to Employee Performance is relatively small ($f^2 = 0.028$), the relationship still needs to be statistically tested to observe its influence.

Hypothesis testing was conducted to evaluate the direct causal paths between the variables. This analysis identifies which factors have a significant and immediate impact on employee performance and satisfaction levels, with the empirical results displayed in Table 5.

Table 5: Results of Direct Effect Analysis

Structural Path	Original Sample (O)	T-Statistics	P-Values	Empirical Decision
H1: X1 \rightarrow Y	0.323	3.603	0.000	Supported
H2: X2 \rightarrow Y	0.374	4.180	0.000	Supported
H3: X3 \rightarrow Y	-0.045	0.502	0.616	Rejected
H4: X1 \rightarrow Z	0.186	2.615	0.009	Supported
H5: X2 \rightarrow Z	0.219	3.068	0.002	Supported
H6: X3 \rightarrow Z	0.584	7.255	0.000	Supported
H7: Z \rightarrow Y	0.219	2.051	0.040	Supported

As shown in Table 5, almost all direct hypotheses (H1, H2, H4, H5, H6, H7) are supported by the data with a high level of significance ($p < 0.05$). Specifically, Digital Competence and Emotional Intelligence were proven to have a significant positive effect on both satisfaction and performance. However, H3 was rejected, as the path from Transformational Leadership to Employee Performance resulted in a negative and statistically insignificant value ($p = 0.616$). This finding suggests that in the bureaucratic context of the Bengkulu Provincial Government, leadership style alone does not automatically translate into higher technical performance without the presence of other motivating factors.

Finally, the evaluation of indirect effects was performed to determine how Job Satisfaction serves as a bridge between the independent variables and performance outcomes. This mediation analysis is crucial for understanding the complex internal dynamics of the organization, as reflected in Table 6.

Table 6: Results of Indirect Effect/Mediation Analysis

Mediation Path	Original Sample (O)	T-Statistics	P-Values	Empirical Decision
H8: X1 \rightarrow Z \rightarrow Y	0.041	1.683	0.093	Supported (Partial)
H9: X2 \rightarrow Z \rightarrow Y	0.048	1.672	0.095	Supported (Partial)
H10: X3 \rightarrow Z \rightarrow Y	0.128	1.897	0.058	Supported (Full)

In the evaluation of indirect effects (Table 6), referring to behavioral science tolerances for exploratory multivariate modeling (Hair *et al.*, 2022), the indirect paths proved significant at $p < 0.10$. Following the Zhao *et al.* (2010) classification, job satisfaction acts as a complementary mediator for H8 and H9, as both the direct and indirect effects are significant and point in the same direction. Crucially, job satisfaction serves as an indirect-only mediator (Full Mediation) for H10, given

that the direct effect of transformational leadership on performance (H3) was found to be non-significant.

4.2 Discussion

The acceptance of H1 confirms that high digital mastery allows the State Civil Apparatus to complete tasks efficiently and accurately, directly translating into superior work output. Within the framework of Equity Theory, digital competence represents a high-quality personal investment provided by the employee. When this skill set is mastered, proficient digital literacy, particularly in navigating the Regional Government Information System, minimizes calculation errors and accelerates the budgeting cycle. The acceptance of H2 validates that emotional intelligence functions as a vital psychological defense mechanism. Applying Equity Theory, emotional intelligence is viewed as a form of psychological effort or soft-skill investment. Employees who can regulate negative emotions effectively maintain their focus, preventing the cognitive depletion that would otherwise hamper their technical performance. Conversely, H3 is rejected, revealing that transformational leadership does not directly improve employee performance in this context. This finding aligns with recent public sector studies in Indonesia (Sentoso *et al.*, 2025) and highlights the structural reality of bureaucratic environments, which are highly rigid and deeply bound by formal regulations and Standard Operating Procedures (SOPs). From an Equity perspective, a leader's motivational approach is an external stimulus that cannot mechanically override the fixed requirements of a nationally standardized financial reporting system like SIPD. Because the professional result is heavily regulated by formal rules, the leadership style lacks a direct path to alter the technical pace of work without an intervening factor.

The acceptance of H4 proves that when employees contribute adequate digital competence as an initial investment, they engineer a highly efficient workflow for themselves. While the effect size for the path from Job Satisfaction to Employee Performance is relatively small ($f^2 = 0.028$), the relationship remains statistically significant, indicating a meaningful predictive contribution. This suggests that the reduction in operational burden is a tangible professional result, creating intrapersonal equity where the effort exerted aligns with perceived working comfort. Essentially, when digital tools such as the Regional Government Information System simplify tasks rather than adding complexity, employees perceive their workload as fairer, which directly increases their job satisfaction. H5 demonstrates that the emotional effort expended by employees to maintain harmony and neutralize crises leads to a sterile, non-toxic environment. Under Equity Theory, employees perceive this peaceful atmosphere as a fair non-material reward for their emotional intelligence. By regulating the social ecosystem of the office, they receive the result of a satisfying workplace, which validates their emotional investment. The acceptance of H6 highlights that transformational leadership has the greatest structural leverage on job satisfaction ($f^2 = 0.807$). When leaders disrupt bureaucratic rigidity by transferring empathy-based rewards, such as intellectual stimulation and individualized consideration, employees believe their loyalty is being reciprocated. In Equity terms, the supportive behavior of the leader is viewed as an organizational provision given to the employee in exchange for their dedication, causing job satisfaction to spike exponentially.

The successful testing of H7 acts as the essential causality bridge. An increase in the job satisfaction index linearly elevates performance metrics, providing operational proof of the principle of reciprocity within Equity Theory. When employees feel that their psychological and technical rights have been met, they morally respond by re-injecting additional effort into the organization. This shift moves the State Civil Apparatus beyond merely fulfilling basic quotas toward demonstrating extra-role behaviors, where they take greater initiative in ensuring the accuracy and accountability of regional assets and finances.

Testing H8 validates that job satisfaction acts as a complementary mediator bridging digital competence and performance. While digital literacy directly speeds up data entry, the mediation path proves that technology mastery also reduces technical frustration and fosters professional pride. In Equity Theory, this means digitalization is not just a tool but an avenue to make the work-life ratio feel more equitable. Without this satisfaction, technology is often perceived as a dehumanizing extra workload, representing an unfair increase in effort without a corresponding professional result. A similar complementary mediator phenomenon is confirmed in H9 regarding emotional intelligence. Affectively adaptive civil servants can directly stay focused under pressure; however, their emotional regulation also sows a communal, healthy work environment. This happiness acts as long-term fuel, protecting them from demotivation. The mediation confirms that emotional intelligence is most effective when it leads to a state of satisfaction, which then sustains high performance in the face of audits by the Audit Board of the Republic of Indonesia. The most transformative finding centers on H10, which identifies an indirect-only mediation mechanism between transformational leadership and performance. In a bureaucratic habitat like the Bengkulu Provincial Government, the vision or charisma of a leader will not impact technical performance if that vision fails to yield a sense of comfort and accommodation. Following the Zhao *et al.* (2010) framework, this indirect-only result proves that managerial efforts only convert into actual performance if the leader successfully engineers the job satisfaction of their subordinates first. According to Equity Theory, only when employees reflect satisfaction over the leadership reward will they reciprocate with superior performance. This confirms that job satisfaction is not an optional side effect of leadership, but the primary channel to bureaucratic performance in a digitized and regulated ecosystem.

5 | CONCLUSIONS AND FUTURE WORK

Technological disruption based on e-government redefines performance prerequisites in the public sector accounting discipline. This empirical study concludes that the performance of the State Civil Apparatus in the financial entities of the Bengkulu Provincial Government is a complex fusion of technical proficiency, psychological maturity, and organizational climate. Digital competence and emotional intelligence are empirically validated as crucial inputs that directly impact performance and simultaneously stimulate job satisfaction. Conversely, transformational leadership is identified as the dominant organizational factor that actively supports the bureaucratic ecosystem. It is proven to possess structural leverage in creating the affective satisfaction required by employees to thrive under regulatory pressure. Holistically, the structural equation modeling results support the application of Equity Theory to the modern civil service. It demonstrates that superior bureaucratic performance is associated with the behavior of rational employees attempting to achieve psychological balance between the contributions they make and the fair treatments they receive from their leadership. Furthermore, job satisfaction is firmly established as a partial mediator that complements individual technical competence, and, crucially, as an indirect-only, full mediator in the process of translating visionary leadership styles into measurable accounting performance.

As strategic policy recommendations, the Bengkulu Provincial Government and similarly structured decentralized entities should implement specific, targeted interventions. First, capacity-building must focus on technical mastery, such as specialized training modules for the SIPD Accounting and Reporting (AKLAP) system to directly alleviate system-induced stress. Second, human resource departments should institute structured emotional intelligence strengthening programs to build resilience against audit pressures. Finally, echelon structural officials must undergo transformational leadership coaching and mentoring. The state must cement the understanding among its leaders that bureaucratic instructions will struggle to improve accounting performance without the leader first successfully establishing a deep sense of relational fairness and job satisfaction among their subordinates. The primary limitations of this study are its geographical restriction to the Bengkulu Provincial Government and its reliance on self-reported psychological data from the civil servants themselves, which may introduce social desirability bias. Therefore, future research should expand this predictive model by incorporating additional variables relevant to Equity Theory, such as financial compensation structures, specific incentives, and organizational culture. Furthermore, expanding empirical observations across diverse provincial governments in Indonesia is highly recommended to validate the universality and reliability of this mediation mechanism.

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