

Digital Transformation and Banking Sector Workforce: An Evaluation Study

¹Ms .Priyanka Kadur, ²Dr.Supriya R

¹Research Scholar, Department of Studies in Commerce, Davangere University , Shivagangothri, Davangere.

²Associate Professor and Research Supervisor ,Department of Studies in Commerce, Davangere University , Shivagangothri, Davangere

Abstract

The robust changes in banking sector in kind of Omni channel services and digital transformation has drastically changes in employees' engagement with workforce and it affects each external and internal environment by redesigning internal processes and existing technique. Currently Banking system living within the era of customer choice because the traditional banking is dead ,in this case the difficult task for the banking is to allows the failties to folks and face the digital capabilities. There are many reasons that digital transformation takes place, such as servicing remote areas without physical branches, differentiation from competitors or reduction of operating costs. In any case, there are a lot of doubts about the acceptance of digital technologies and maintain a healthy employees' engagement in banking sector .Thus ,this article examines digital transformation practices and evaluating the impact of digital transformation on banking sector workforce.The study involves public sector bank employees and a randomly selected 35 employees from public sector banks (State Bank of India and Canara Bank)in Davangere District ,shows that the effect of digital transformation on their workforce is found that through the descriptive statistics and pearson correlation, hence its proved that there is a sigificant relationship between the variables mentioned below and there is workforce and stress attached with digital transformation in Indian banking sector.

Keywords: Banking Sector, Omni channel services, Digital Transformation, employees engagement, Workforce.

Introduction

Digital transformation and banking sector workforce is quite different when it is considered as an entity. However have there is high correlation between digital transformation and banking sector workforce after the implementation of digitalization in banking sector. The first aim of the digital transformation is an easy going of customer satisfaction with core banking platform and employee engagement. Digitization is the conversion of data into a digital format with the adoption of technology. Adoption of digitalization is very important for the banking sector.By embracing digitalization, banks can provide enhanced customer services. This provides convenience to customers and helps in saving time. Digitalization reduces human error and thus builds customer loyalty. Today, people have round-the-clock access to banks due to online banking. Managing large amounts of cash has also become easier. Digitalization has also

benefitted customers by facilitating cashless transactions. Customers need not store cash anymore and can make transactions at any place and time because of wide usability of RTGS,NEFT and IMPS are being implemented by Indian banks for fund transaction, the share of retail digital payments is currently 24 per cent of the total payments going through the digital modes like UPI, NEFT, IMPS, prepaid instruments,

credit and debit cards. Three years ago, this share stood at 16 per cent.(BusinessTodayⁱ) Digital influence in the Indian banking sector has been growing faster due to the rising digital footprints in the minds of customer.

Overview of the Digital Transformation in Indian Banking Sector.

Digitalization is that the method of process of storing, transforming, and transferring data into a computer-readable format. In recent years, the banking industry has seen significant transformations. Adoption of cloud, social, mobile, and big data technologies is referred to as digitalization. People can access services whenever and wherever they want in a digital society. According to the Whitepaper study on information and communication, more than 4 billion people use smartphones around the world. The banking industry has been able to expand the number of touchpoints from which they can connect thanks to the internet. Previously, banks and clients could only communicate through physical channels such as branches. The internet and mobile banking, on the other hand, have widened these points of contact.

Digital transformation enables clients to access banking services at any time and from any location. Innovative banking services such as ATM, credit card, debit card, online payment services, online investment, online Demat, Electronic fund transfer, telephone banking, mobile banking, mobile application, wallet, and internet banking have been added to the banks' wallets. This makes banking services such as checking balances, interest calculators, bill payment, mobile recharge, and pension schemes highly complex for customers. Banks may improve customer service by using digitization, which saves time and provides convenience for customers. Human error is reduced, and consumer loyalty is increased as a result of digitization. To keep up with their competition, banks have recently been pushed to spend considerably in digital technology.

Today's Workforce of Employees' of Banking Sector

The worldwide banking industry had already been undergoing tremendous change when the COVID-19 epidemic struck in early 2020. In the previous decade, branch footprints in the United States had dropped by around 20% and by 60% in Nordic countries. People began to anticipate more and more from their online banking services, and their needs were rapidly shifting. In response, banks digitised their front ends and implemented next-generation technologies in their middle and back offices to help save money and deliver better service.

All of these changes have pushed people's concerns to the forefront of bankers' minds. According to a pre-COVID-19 study on the future of work, practically all roles of bank branches are expected to disappear over the next decade. By 2030, the average branch size will have decreased. The worldwide epidemic has expedited these trends and heightened the seriousness of the debate. During the first few months of the crisis, bank HR directors were able to successfully modify their organisations and ways of functioning; banks and their workforces responded admirably. Banks immediately shifted to a digital-first sales and service model, expanded remote guidance, and changed physical distribution. As a result, talent was quickly redeployed from excess teams to shortage teams. Banks are now sorting through the adjustments caused by the COVID-19 issue to determine which are transitory and which are permanent.

Banks have been swiftly and at scale retraining their workforces over the last year, taking advantage of the efficiencies available from skill adjacencies (that is, skill sets from previous roles that are complementary to those required by new roles). They're also putting in place infrastructure to help with upskilling and redeployment (including learning factories and job-matching platforms). In this discussion, the study elaborates on employees' performance in the banking sector, as well as how they might use them to seize an unexpected chance and challenges to build tomorrow's workforce.

Review of Literature

(Profile, 2021) Explained recent changes in the banking sector in the form of digitalization, such as fintech services, crypto currencies, and block chain technology, which have entered everyday life, and these technologies and digital banking have snatched up the next generation of banking jobs. As a result, the number of workers will decline, bank branches will close, and customers will no longer visit the bank.

(Journal, n.d,2020)Analyzes the differences in customer satisfaction with the digitization of the Indian banking sector based on the customer's educational background. A total of 50 clients from the Dindigul district participated in the survey. Consumers believe that digitization has reduced the human interaction between bank employees and customers by allowing access from a single location. This might also be a factor in the rise in unemployment. As a result, the study indicated that for post-digitalization success, more training programs and customer-based education are required.

(Agboola et al., 2019) According to the study, the process of digitalization has an influence on banks, and random sampling was used to pick 370 non-managerial workers from a commercial bank in Nigeria to examine the link between product innovation and the performance of commercial banks in Nigeria. As a result, the findings demonstrated that there is a tiny but substantial beneficial association between product innovation and bank performance.

(Giatsidis & Kamariotou, 2019)According to the survey, digitization has an influence not only on customers but also on personnel who work in a company. As a result, training programs might be employed to improve job efficiency.

Statement of the Problem

Digitalization was introduced in the banking sector for reducing the workload, improving the efficiency, fast and speedy services distribution and moreover for the core banking solutions in the banking sector. The question is whether there is any changes happened in the employees' job satisfaction after the digital transformation. It's a very difficult question to answer. In this context the study has reviewed many research articles, published and unpublished thesis, news related to banking sector and found that very few of them were studied about the digitalization effect in the bank employees' job satisfaction and none of the studies were found in related to the objectives of present research study. The study was concentrated in the a District of Davangere and result would helps the banking sector for the improvement of digitalization, work environment, customer relationship management, training and development, and motivational factor. This Study also assessed the negative factor which arise after the digitalization in the banking sector, thus this will helps the banking sector to eliminate negative factors.

Objective of the Study

1. To Explore the digital transformation in Banking Sector.
2. To Evaluate the Digital transformation and workforce in banking sector.
3. To ascertain the extent to which employees' performance has been influenced by the digitalisation of banking sector.

Research Methodolgy

The quality of any research depends on the way and method of collecting data by adopting suitable research design and adopting appropriate statistical tools. The current study used both primary data and secondary data.

Primary Data

In order to satisfy the purpose of the study, a sample was chosen and a well-structured questionnaire was administered among samples. The primary data was collected about 35 employees with the help of a

structured questionnaire of Indian banking sector.

Secondary Data

The data from secondary sources is collected through books, journals, reports, research studies, internet sources and records from the banking employees in Davangere district.

Research Design

Descriptive research has been conducted for the study that Impact of Digitalization on Indian Banking Sector employees in Davangere district.

Sample Design

For the purpose of 35 public sector banking employees has been chosen for sample respondents using convenience sampling method.

Statistical tool

The statistical tools used for Simple percentage analysis and Pearson Correlation analysis to demonstrate whether variables are correlated or related to each other.

Hypothesis

H0: There is no significant relationship between the employees' workforce and digital transformation in banking sector.

Analysis And Interpretation

Frequency Analysis Table.1 Gender

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	20	57.14	57.14	57.14
Female	15	42.85	42.85	100.00
Total	35	100.0	100.0	

Source: Survey Data

This table shows the respondents division according to the gender. It shows that majority of respondents (57.14%) are male and (42.85%) respondents are females. This implies that selected Banks in Davangere district is not biased in its employment on basis of gender.

Table .2 Age

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 25-35	08	23.0	23.0	23.0
35-45	12	34.0	34.0	57.0
45-55	15	43.0	43.0	100
Total	35	100	100	

Source:Survey Data

This table categorizes respondents based on their age. According to the table, 43 percent of those surveyed are between the ages of 45 to 55, 34 percent are between the ages of 35 to 45, and 23 percent are between the ages of 25 to 35. This means that the banking sector employs people over the age of 50, and despite stress and dilemmas in the workplace, they are willing to serve for a long time if they are motivated enough to stay and be retained in the era of digitalization of banks.

Table.3 Organisation

Organisation (Name of the Bank)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid SBI	19	54.3	54.3	54.3
Canara Bank	16	45.7	45.7	100
Total	35	100	100	

Source: Survey Data

According to the organisation, this table reveals the respondent's division. People working for the State Bank of India account for 54 percent of the workforce, whereas Canara Bank employs 45.7 percent of the workforce. Because the survey was primarily done on SBI and Canara Banks in Davangere District based on the highest branches, this shows that the bulk of respondents are from both SBI and Canara Banks.

General Findings Table.4

I am unable to find proper guidance from concerned authority to work with digital transformation.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	2	5.7	5.7	5.7
Disagree	3	8.6	8.6	14.3
Neutral	2	5.7	5.7	20.0
Strongly Agree	7	20.0	20.0	40.0
Agree	21	60.0	60.0	100
Total	35	100	100	

Source: Survey Data

The table shows that the number of employees willingness to do the work with digital transformation in banking sector, because 60% of the respondents agree that they are unable to find proper guidance from concerned authority or colleagues to work with digital transformation because most of the respondents are fall with the age above 50, and very less number of respondents i.e 5.7 % are agree with ,they are able to find proper guidance to work with digital transformation.

Table.5

Digital transformation in banking sector creates work stress.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	1	2.9	2.9	2.9
Disagree	2	5.7	5.7	8.6
Neutral	5	14.3	14.3	22.9
Strongly Agree	8	22.9	22.9	45.7
Agree	19	54.3	54.3	100
Total	35	100	100	

Source: Survey Data

This table determined the work stress of the the respondents linked with the digital transformation. In this table 54.3% of the bank employees complained that the workload and complexities are high after the implementation of digital transformation in banking sector and it creates so much of work dilemma and work stress .

Table.6 Descriptive Statistics

Descriptive Statistics

	Mean	Std.Deviation	N
--	------	---------------	---

[Digitalization helps to minimize my workload when compared to manual system.]	3.43	.815	35
[Digitalization helps me to provide accurate services to the customers]	3.31	.832	35
[Interacting with applications of digital banking is often frustrating.]	3.80	.868	35
[I am unable to find proper guidance from concerned authority to work with digital transformation.]	4.20	1.232	35
[Digital transformation in banking sector creates work stress.]	4.20	1.079	35
[overall ,I find application /system of digital banking useful in my job.]	3.80	.677	35

Source: Survey Data

Notice that through the above table standard deviation are large relative to their respective means, especially for the responses by the employees' regarding the statements that they are unable to find proper guidance from concerned authority to work with digital transformation and they opined that digital transformation in banking sector creates work stress (Std. Deviation are 1.232 and 1.079). This would indicate high variability among bank employees' in digital transformation intake.

Table .7 Correlation

Pearson Correlation

		Digitalization helps to minimize my workload when compared to manual system.	Digitalization helps me to provide accurate services to the customers .	Interacting with applications of digital banking is often frustrating.	I am unable to find proper guidance from concerned authority to work with digital transformation	Digital transformation in banking sector creates work stress.	Overall, I find application /system of digital banking useful in my job.
Digitalization helps to minimize my workload when compared to manual system.	Pearson Correlation	1	.706**	.125	-.117	-.401*	.320
	Sig.(2-tailed)		.000	.475	.503	.017	.061
	N	35	35	35	35	35	35

Digitalization helps me to provide accurate services to the customers	Pearson Correlation	.706**	1	.293	-.063	-.301	.376*
	Sig.(2-tailed)	.000		.087	.719	.079	.026
	N	35	35	35	35	35	35
Interacting with	Pearson Correlation	.125	.293	1	.341*	.170	-.320
	Sig.(2-tailed)						
	N	35	35	35	35	35	35

applications of digital banking is often frustrating.	Sig.(2-tailed)	.475	.087		.045	.330	.061
	N	35	35	35	35	35	35
I am unable to find proper guidance from concerned authority to work with digital transformation.	Pearson Correlation	-.117	-.063	.341*	1	.854**	.014
	Sig.(2-tailed)	.503	.719	.045		.000	.936
	N	35	35	35	35	35	35
Digital transformation in banking sector creates work stress.	Pearson Correlation	-.401*	-.301	.170	.854**	1	.016
	Sig.(2-tailed)	.017	.079	.330	.000		.927
	N	35	35	35	35	35	35
Overall,I find application /system of digital banking useful in my job.	Pearson Correlation	.320	.376*	-.320	.014	.016	1
	Sig.(2-tailed)	.061	.026	.061	.936	.927	
	N	35	35	35	35	35	35

Source:Survey Data

The above correlation matrix shows that correlation coefficient for every combination of variables so here we have more than two variables so here we have six rows,those are workload

,digital services,frustration,lack of support,work stress,digital banking. Pearson's ρ correlation measures the relationship between two variables or more than two variables .Pearson ρ ranges between +1 and -1 and if 0 indicates no relationship at all.The top left box is the correlation coefficient, it will always between +1 and-1 i.e.like 1,.706,.125,-.117,-.401,.320,and most of variable cases there is a negative correlation with work load and lack of support i.e -0.117,workload and workstress -0.401,customer service and lack of support -0.063,customer service and workstress -0.301 respetively and remaining variables are positively correlated. And in table N denotes sample size i.e. 35.

Notice that the off diagonal correlations are the same because digital banking correlates with work load,customer service,frustration,lack of support and work stress exactly same as workload correlates with stress .in this case it is pretty strong and its indicates that null hypothesis must be rejected because the relationship between relationship between the employees' workforce and digital transformation in banking sector is statistically significant and it is proved by analysis that there is strong relationship between those variables.

Conclusion

The research explore that Digital transformation and Banking Sector workforce selected banks in Davangere. A sample of 35 employees from both State Bank of India and Canara Bank undertakings has been selected for the study. Data have been collected through questionnaires and personal interview designed on a five point Likert scale. Descriptive statistics and Pearson correlation coefficient analysis has been used as the statistical tool to measure the Digital transformation and Banking Sector workforce.

From the result of the study it can be concluded that digital transformation is causes somewhere threat to the organizational goals and lowering overall performance. Further, Work load, customer service,lak of support,inadequate cooperation and workstress are the main causes attached to the digital transformation among employees in Indian banking sector undertakings, which Reduces their work performance.

REFERENCES

1. <https://www.businesstoday.in/technology/news/story/year-ender-2021-digital-payments-ruled-in-2021-digital-lending-to-watch-out-for-in-2022-317371-2021-12-30>
2. Profile, S. E. E. (2021). *Impacts of Digitalization on Banks and Banking*. April. <https://doi.org/10.1007/978-981-33-6811-8>
3. Journal, I., & Scientific, O. F. (2020). *IMPACT OF DIGITAL TRANSFORMATION ON*. 9(01).
4. Agboola, M. G., Awobajo, K. A., Oluwatobi, S. O., & Mosunmola, O. (2019). *Effect of digitalization on the performance of commercial banks in Nigeria* *Effect of digitalization on the performance of commercial banks in Nigeria*. <https://doi.org/10.1088/1755-1315/331/1/012014>
5. Giatsidis, I., & Kamariotou, M. (2019). *Digital Transformation and User Acceptance of Information Technology in the Banking Industry*. July.
6. Amin, 2012; Davis, 1993; Hakim Suhaimi & Bin Abu Hassan, 2019; Legris et al., 2003; Venkatesh & Bala, 2008)
7. Hakim Suhaimi & Bin Abu Hassan, 2019; Legris et al., 2003; Venkatesh & Bala, 2008
8. Bandi S, Angadi M and Shivarama J 2015 Best Practices in Digitisation: Planning and Workflow Processes. *Emerging Technologies and Future of Libraries: Issues and Challenges*. Pp. 332-339.Retrieved from <http://eprints.rclis.org/24577/1/Digitalization%20ETFL-2015.pdf> on 19/01/2019
9. Naseem K 2017, July 06. Why digital banking services are vital to reduce poverty in the developing world. Retrieved from Medium: https://medium.com/@IFC_org/why-digital-banking-services-are-vital-to-reduce-poverty-in-the-developing-world-35ac35758f04
10. Hakim Suhaimi, A. I., & Bin Abu Hassan, M. S., 2019. Determinants of Branchless Digital Banking Acceptance Among Generation Y in Malaysia. *Proceedings of the 2018 IEEE Conference on E-*

Learning, e-Management and e-Services (IC3e), Langkawi, Malaysia, pp. 103–108.

11. Vial, G., 2019. Understanding digital transformation : A review and a research agenda, Journal of Strategic Information Systems (in press) doi:10.1016/j.jsis.2019.01.00
12. Suma Vally K and Hema Divya K , “A Study on Digital payment in India with perspective of consumer’s Adoption”, International Journal of Pure and Mathematics, (2018).