



## Digital Banking: An Overview of Employees in Bank of Baroda, Kerala

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**Abstract:** Banking sector plays a crucial role in the development of Indian economy. Employees and customers are the two precious contributors of the sector. To improve the productivity of the employees, customer satisfaction and profitability, technological adoption is necessary. Therefore, the study mainly focuses on the advent of technological changes on employees in Bank of Baroda, Kerala. A structured questionnaire used for collecting primary information with a sample of 70 employees from two zones. Factor analysis is the important tool used in this study to find out the results. The study reveals that the data taken for the analysis were highly reliable and the variables used are substantially correlated with each other. The major findings come out from the study is that the efficiency of employees working the bank has improved with the help of training and development and customer orientation facilities with the introduction of digital banking.

**Key Words:** Digital banking, Factor analysis, Training and development, Customer Orientation

### 1. INTRODUCTION:

Banks are important institutions in any society as they make a significant contribution to the development of an economy by making it easier to do business. They function not only as oversight of the country's wealth, but also as elementary resources for the economic development of a nation. Banks also benefit to a greater extent from customers. The profitability of banks and customers is increasing day by day with the advent of new technologies. In order to continue to play a strong role in the highly competitive business world, it is necessary for a bank to adopt new technologies. Technological changes have helped employees to increase the productivity through working smart. Nationalized banks perform a vital role in increasing the efficiency of employees through offering training and development programmes as well as customer satisfaction and so on. The wellbeing of the employer is also taken into account.

In 1949 there was a revolution in the nationalization of the banks. The Bank of Baroda was nationalized along with many other banks in 1969 and licensed as a for-profit public sector company. BOB is an international banking and financial service industry owned by the Indian state. Industry based in Vadodara, formerly known as Baroda in Gujarat. It has an extensive global network with 5,481 bank branches and 52,420 employees, based on data 2017 (Bank of Baroda, 2017).

Employees play a decisive role in the further development of a banking industry. For maximum development, they should be aware of the new technologies that are acquired through training programs. They are well trained to make the most of technology that will ultimately drive the bank's progress. Training improves knowledge, skills, traits and competencies, which in turn improves worker performance and the productivity of the organization. It is a service industry where employees use technology to always try to please customers by representing the quality and value of the bank.

### 2. OBJECTIVE:

- ❖ To analyze the advent of technology on employees in Bank of Baroda.

### 3. METHODOLOGY:

The method adopted for the study is Normative Survey. The survey method gathers data for relatively larger number of cases at a particular time. It is not concerned with characteristics of individuals as individuals. It is one of the methods used in the statistical analysis to collect data from a group of population randomly based on a specific subject.



### 3.1 SAMPLE

The study gathered the feedback of the employees who are working in Bank of Baroda in Kerala state. For selecting the sample, Kerala state was divided into two zones such as north zone and south zone. The total sample taken for the study was 70 employees. North zone covers 30 employees from Ernakulam branch, whereas south zone covers 40 employees from the branches of Kollam and Thiruvananthapuram.

### 3.2 DATA

Primary research was conducted using a structured questionnaire. The survey helps to collect information directly from the respondents.

### 3.3 TOOLS USED FOR THE STUDY

The major statistical tool administered for the analysis of employee performance and perception was Factor analysis. Factor analysis is an effective variable reduction method that allows researchers to scrutinize the concepts which cannot effortlessly measure directly. It is a process to take a large number of facts and shrinking it to smaller facts. This analysis is extra practicable and extra understandable.

### 4. RESULTS AND DISCUSSION:

The study provides a clear idea on how the technological advancements, benefits as well as limping on the employee sector. The researcher has dealt with the subject of the study providing ample justifications. The study examines the advancement of the employees with the introduction of technology using the major tool i.e., factor analysis. The information gathered for the study should be analyzed and interpreted as follows.

**TABLE 1: CRONBACH'S ALPHA RELIABILITY STATISTICAL ANALYSIS**

Reliability Statistics	
Cronbach's Alpha	N of Items
.961	15

Cronbach's Alpha is a widely used measure which helps to find out the reliability or internal consistency of combined scores of some items. The general rule of thumb of Cronbach's alpha is that the measurement score 0.70 and above is taken as good, while 0.80 and above score is to be taken as better, and finally 0.90 and above score is taken as the best score. Here, there are 15 items selected for the analysis. The value of Cronbach's alpha was 0.96 which is taken as the reliable score for the analysis of data.

**TABLE 2: KAISER-MEYER-OLKIN AND BARTLETT'S TEST ANALYSIS**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.926
Bartlett's Test of Sphericity	Approx. Chi-Square	1115.201
	df	105
	Sig.	0

The Kaiser-Meyer-Olkin and Bartlett test consider a group of available data as a whole. The value of Kaiser-Meyer-Olkin over 0.5 and Bartlett's test below 0.05 value level of significance represent the level of correlation in the data. In the given data, the KMO value is 0.926 which is more than 0.5 and the Bartlett's test significance level is zero which is less than 0.05. Therefore, the data should be considered as substantially correlated with each other.

**TABLE 3: ROTATED COMPONENT MATRIX**

SL. NO.	Factors	Components	
		Training and Development	Customer Orientation
1	Help in reducing risk	.819	



2	Help to do routine work more efficiently	.813	
3	Increase the efficiency of job	.838	
4	Effective training	.856	
5	Increase the confidence level	.833	
6	Help to identify profitable customers		.901
7	Bank use the web as a tool to improve customer relationship		.895
8	Helpful in product offerings		.895

*Source: Primary Data*

Productivity largely depends on technology. For analyzing the technological influence on the productivity of the employees the researcher taken 15 variables for the study such as technology brings about group cohesiveness, helps to communicate efficiently with peers, response regarding the statement there is a downswing of employees due to emerging technology but efficiency in terms of productivity has increased, helps in reducing risk, help to do routine work efficiently, help in reducing work stress, increase the level of motivation, increase the level of job satisfaction, increase the efficiency of job, effective training, increase the confidence level, help to identify profitable customers, bank use the web as a tool to improve customer relationship, helpful in product offerings, and internet banking carry out more transaction than traditional transaction. From the above 15 variables, 8 variables are highly mutually relatable with each other. This should be categorized under two heads according to the character of the variables. They are training & development and customer orientation. The variables included in both heads are explained as follows:

#### **TRAINING AND DEVELOPMENT FACTORS**

Training and development is the framework for helping bank employees to develop their personnel and organizational skills, knowledge and abilities. The focus of all aspects of human resource development is on improving the most superior work force, so that the organization and individual employees can accomplish their work goals in service to customers. The variables that are included in training and development of employees are those help in reducing risk, to do routine work more efficiently, increase the efficiency of job, effective training and increase the confidence level of employees.

#### **CUSTOMER ORIENTATION OF IT FACILITIES**

Banking is customer oriented service industry. Indian banks have started realizing the business depends upon client services and the satisfaction of the customers. This is compelling them to improve customer service and build meaningful relationship with clients. Customer orientation of IT facilities not only helps to identify the profitable customers but also helpful in product offerings which include bank related services. Bank use the web as a tool to improve the customer relationship with the banking industry.

From the analysis, it has been found that the variables taken into account for the analysis were highly reliable and substantially correlated with each other. Therefore, the researcher noted that the advent of new technology or digital banking helps to improve the efficiency of employees working in the industry.

#### **5. CONCLUSION:**

The banking industry is the back bone of every economy. With the light of information technology, there has been a great impact in the side of employees who are working in the banking industry. Information technology plays as a powerful weapon in the progress of industry. It deals with paperless communication and transferring of funds to the customers. The modern technology also creates safer and secure business transactions through computers. It helps control the risk complexity to both employees as well as customers of the banking industry. Technological improvement in banks lead to time saving, speed and secure transaction, convenient and cheaper way of conducting a business in the



service sector. This paper mainly deals with the perception of employees towards the adoption of technology and to find out the impact on their working pattern. The outcome of the study is that the efficiency and productivity of the employees goes on rising and also the customer orientation facilities were improved because of the advent of digital banking technologies. It is quite evident from the study that enhancing digital banking facility is a must for the rapidly changing economy.

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