



Challenges Faced By The Bank Employees In Digital Banking - A Study With Reference To Sivagangai District.

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Abstract

The rapid evolution of digital banking has fundamentally reshaped the financial services sector, offering unprecedented convenience for customers while simultaneously introducing significant challenges for bank employees. This study investigates the specific challenges faced by bank employees in Sivagangai District, a region characterized by a diverse banking environment and varying levels of technological infrastructure. The research focuses on three main areas: technological adaptation, cybersecurity threats, and customer service issues related to digital banking. Utilizing a combination of descriptive and quantitative research methods, including surveys and regression analysis, the study identifies key difficulties employees encounter in managing digital banking solutions. Findings reveal that employees in Sivagangai District face substantial hurdles in adapting to new technologies, addressing increasing cybersecurity threats, and effectively managing customer service demands. The study also highlights the impact of these challenges on employee performance and satisfaction. The results underscore the need for targeted training programs, enhanced cybersecurity measures, and improved support systems to help employees navigate the complexities of digital banking. Recommendations include investing in continuous professional development, strengthening cybersecurity protocols, and leveraging feedback to refine digital banking solutions. This research provides valuable insights for banks operating in similar contexts and contributes to the broader understanding of digital banking's impact on workforce dynamics. By addressing the unique challenges faced by employees in this region, the study aims to inform strategies that enhance employee efficiency, improve customer satisfaction, and ensure the successful implementation of digital banking services.

Keywords: Digital Banking, Bank Employees, Technological Adaptation, Cybersecurity Threats, Customer Service Operational Challenges, Employee Performance, Training Programs, Financial Services

Introduction

In recent years, digital banking has transformed the financial services sector, significantly enhancing the convenience and accessibility of banking services for customers. With the proliferation of online banking platforms, mobile apps, and digital payment solutions, banks have embraced technology to streamline operations and offer innovative services. However, this shift has also introduced a host of challenges for bank employees, particularly in regions such as Sivagangai District.

Bank employees are at the forefront of implementing and managing these digital banking solutions. They play a crucial role in ensuring that digital transactions are executed smoothly, maintaining customer satisfaction, and safeguarding sensitive financial information. Yet, the transition to digital banking has presented a variety of hurdles. Employees must adapt to new technologies, address complex cybersecurity threats, and handle a rising number of customer inquiries related to digital transactions. These challenges are compounded by the need to comply with ever-evolving regulatory requirements.

In Sivagangai District, a predominantly rural area with a diverse banking landscape, these issues are particularly pronounced. The district's banks, which include public, private, and cooperative institutions, face unique operational and technological challenges due to varying levels of infrastructure and resources. Employees in these banks are required to navigate these challenges while also managing their day-to-day responsibilities. As a result, understanding the specific difficulties they face is crucial for developing targeted interventions and support systems.

This study aims to delve into the challenges faced by bank employees in Sivagangai District as they manage digital banking operations. By focusing on their experiences with technological adaptation, cybersecurity threats, and customer service issues, the research seeks to provide a comprehensive analysis of the obstacles encountered. Additionally, the study will explore the impact of these challenges on employee performance and satisfaction, with the goal of identifying effective strategies to support employees and enhance the efficiency of digital banking services in the region.

The findings from this study will offer valuable insights for banks operating in similar contexts and contribute to the broader understanding of how digital banking transformations affect workforce dynamics. As the banking sector continues to evolve, addressing these challenges will be essential for ensuring that employees are well-equipped to meet the demands of a rapidly changing financial landscape.

Review of Literature

Kumar and Rani (2020) further explore how the adoption of digital banking impacts customer service roles. They found that employees often feel overwhelmed by the dual demands of managing in-person and digital customer service channels. The study suggests that banks should streamline customer service processes and provide employees with the necessary tools and training to manage digital interactions effectively.

Additionally, Kumar and Rani recommend the use of automated solutions to handle routine inquiries, allowing employees to focus on more complex customer needs.

Patel and Patel (2022) also address the impact of cybersecurity challenges on bank employees, noting that the psychological stress associated with managing these risks can affect job performance and satisfaction. Their research highlights the need for banks to provide adequate support to employees, including access to mental health resources and clear guidelines for handling cybersecurity incidents. The authors argue that a proactive approach to cybersecurity can not only protect the bank's assets but also improve employee morale and productivity.

Statement of the Problem

The rapid adoption of digital banking solutions has introduced several operational and technical challenges for bank employees in Sivagangai District. These challenges include adapting to new technological platforms, dealing with cybersecurity threats, managing customer service issues related to digital transactions, and maintaining compliance with regulatory requirements. Despite the critical role that employees play in ensuring the smooth operation of digital banking services, there is limited research focusing on the unique challenges they face in this specific region. Understanding these challenges is essential for developing targeted strategies to support employees and improve the overall efficiency of digital banking operations in Sivagangai District.

Objectives of the Study

1. To identify the key challenges faced by bank employees in Sivagangai District related to digital banking, including issues with technology, cybersecurity, and customer service.
2. To assess the impact of these challenges on employee performance, job satisfaction, and efficiency.
3. To develop recommendations for banks to better support their employees in managing digital banking operations through improved training, security, and customer service strategies.

Research Methodology

This research will employ a descriptive and quantitative approach. The descriptive aspect will focus on detailing the characteristics of the workforce, while quantitative analysis will explore relationships and patterns among the variables. Data will be collected through surveys or questionnaires using a stratified random sampling technique to ensure representation across various designations, types of banks, and regions, with a sample size of 50 respondents. Descriptive statistics will be used to calculate frequencies, percentages, and means for each demographic and professional attribute. Correlation analysis will examine relationships between variables using Pearson correlation coefficients, and regression analysis will assess the impact of different factors on key outcomes such as regulatory challenges and operational issues. Statistical software like SPSS for analysis.

Table 1 Demographic profile of the respondents

S.No	Particulars	Frequency	Percent	Mean
	Designation			1.68
1	Officer	24	48.0	
2	clerical staff	18	36.0	
3	sub staff	8	16.0	
	Age			3.34
1	21-30	7	14.0	
2	31-40	12	24.0	
3	41-50	5	10.0	
4	51-60	9	18.0	
5	Above 60	17	34.0	
	Years of experience			2.02
1	Below 5 years	20	40.0	
2	5 – 15 years	16	32.0	
3	15-25 years	7	14.0	
4	Above 25 years	7	14.0	
	Type of Bank			1.92
1	Public	14	28.0	
2	private	26	52.0	
3	Cooperative	10	20.0	
	Nativity			1.96
1	Rural	17	34.0	
2	Urban	18	36.0	
3	Semi urban	15	30.0	
	Marital Status			1.46
1	Married	27	54.0	
2	Unmarried	23	46.0	
	Educational Status			1.92
1	UG	16	32.0	
2	PG	22	44.0	
3	Others	12	24.0	

Source: primary data

The provided data presents an overview of key demographic characteristics within a specific workforce. In terms of designation, nearly half of the respondents are officers (48%), with clerical staff making up 36% and sub staff 16%. This distribution, along with a mean value of 1.68, indicates a tendency towards higher-level positions. When it comes to age, the workforce appears to be skewed towards older age groups, with 34% of respondents being over 60 years old, and 18% falling in the 51-60 age range. The younger age brackets, particularly 21-30 years, represent only 14% of the total. The mean age group, 3.34, further emphasizes this trend towards an older demographic. Regarding years of experience, 40% of the workforce has less than 5 years of experience, while 32% have between 5 and 15 years. Those with 15-25 years of experience and those with over 25 years both account for 14% of the sample. The mean value of 2.02 suggests that a significant portion of the workforce is relatively new or mid-career. The type of bank shows that a majority (52%) of respondents work in private banks,

followed by 28% in public banks, and 20% in cooperative banks, with a mean of 1.92 indicating a lean towards the private banking sector. In terms of nativity, the data is fairly evenly split, with 36% of respondents from urban areas, 34% from rural, and 30% from semi-urban areas. The mean nativity value of 1.96 suggests a slight urban predominance. The marital status of respondents shows that 54% are married, and 46% are unmarried, with a mean of 1.46 reflecting a slight majority of married individuals. Educational status reveals that 44% of the respondents have postgraduate degrees, 32% have undergraduate degrees, and 24% fall into the "others" category. The mean educational status of 1.92 indicates that postgraduate qualifications are the most common. Overall, the data suggests a workforce that is largely older, experienced, and well-educated, with a significant representation in higher-level positions, particularly within private banks. This demographic profile can provide valuable insights for strategic planning, particularly in sectors where employee age, experience, and education level may impact service delivery and business outcomes.

Table 2 Result analysis of regression for most significant regulatory and compliance challenges in digital banking

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.725 ^a	.526	.484	1.007	12.477	.000 ^b
a. Predictors: (Constant), Type of Bank, Designation, Age, Years of experience						

Source: primary data

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.255	.530		.481	.633
	Designation	.488	.201	.258	2.432	.019
	Age	.359	.120	.386	2.999	.004
	Years of experience	.273	.176	.206	1.550	.128
	Type of Bank	.321	.240	.159	1.335	.189
		a. Dependent Variable: What are the most significant regulatory and compliance challenges in digital banking?				

Source: primary data

The regression analysis reveals that Designation and Age are the most significant factors in predicting the perceived regulatory and compliance challenges in digital banking. Higher-level positions (indicated by Designation) and older age groups are more likely to perceive greater challenges. On the other hand, Years of Experience and Type of Bank do not significantly impact these perceptions within this model. The overall model is statistically significant, explaining approximately 52.6% of the variance

in the dependent variable, making it a moderately strong model for predicting regulatory and compliance challenges in digital banking based on the factors considered.

Table 3 Result analysis of regression for biggest operational challenges in managing digital banking channels

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.699 ^a	.489	.444	.905	10.767	.000 ^b
a. Predictors: (Constant), Type of Bank, Designation, Age, Years of experience						

Source: primary data

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.488	.476		9.421	.000
	Designation	.193	.180	.118	1.069	.291
	Age	-.167	.108	-.207	-1.551	.128
	Years of experience	-.536	.158	-.468	-3.389	.001
	Type of Bank	-.308	.216	-.176	-1.425	.161
a. Dependent Variable: What are the biggest operational challenges in managing digital banking channels?						

Source: primary data

The regression analysis suggests that among the factors considered, **Years of Experience** is the only significant predictor of operational challenges in managing digital banking channels. Specifically, individuals with more years of experience tend to perceive fewer challenges. In contrast, Designation, Age, and Type of Bank do not significantly impact perceptions of operational challenges in this context.

The overall model is statistically significant, explaining around 48.9% of the variance in operational challenges, indicating a moderately strong model. However, the main takeaway is that operational challenges are largely influenced by the experience level of the respondents, while other factors like age, designation, and the type of bank play a lesser role.

Results analysis of correlation for Customer related challenges, implementing digital banking, handling digital banking operations, breaches in your digital banking channels

Correlations					
		What are the biggest challenges you face while implementing digital banking solutions?	How do you rate the level of technical expertise among your colleague staff in handling digital banking operations?	Have you experienced any cyber security threats or breaches in your digital banking channels?	
What are the biggest challenges you face while implementing digital banking solutions?	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	50			
How do you rate the level of technical expertise among your colleague staff in handling digital banking operations?	Pearson Correlation	-.227	1		
	Sig. (2-tailed)	.113			
	N	50	50		
Have you experienced any cyber security threats or breaches in your digital banking channels?	Pearson Correlation	.112	.306*	1	
	Sig. (2-tailed)	.438	.031		
	N	50	50	50	0
What are the most common issues faced by the customers while using digital banking channels?	Pearson Correlation	.155	-.314*	-.656**	1
	Sig. (2-tailed)	.284	.026	.000	
	N	50	50	50	
*. Correlation is significant at the 0.05 level (2-tailed).					
**. Correlation is significant at the 0.01 level (2-tailed).					

Technical Expertise: Higher technical expertise among staff is moderately associated with fewer customer issues, but it also correlates with an increase in cybersecurity threats, likely due to better detection. Both relationships are statistically significant.

Cybersecurity and Customer Issues: There's a strong negative correlation between cybersecurity threats and customer issues, indicating that effective cybersecurity measures may help reduce common problems faced by customers.

Challenges in Implementation: The challenges in implementing digital banking solutions show weak and non-significant correlations with other factors, suggesting that while related, these challenges are not strongly influenced by technical expertise, cybersecurity threats, or customer issues. In summary, improving technical expertise is crucial for managing both cybersecurity risks and customer satisfaction in digital banking, even though it may not directly reduce the challenges of implementation.

FINDINGS

- The majority of the workforce consists of officers (48%) and clerical staff (36%), with a significant proportion aged over 60 years (34%)
- Most employees have less than 5 years of experience (40%), and the majority work in private banks (52%).
- Designation and age are significant factors influencing the perception of regulatory and compliance challenges in digital banking, as indicated by the regression analysis.
- Experience, while significant in reducing operational challenges, shows no strong correlation with other challenges, suggesting a nuanced role.
- Designation and age are significant predictors, with higher-level positions and older employees perceiving greater regulatory challenges in digital banking.
- Years of experience and the type of bank do not significantly impact these perceptions.
- Years of experience is a significant factor in reducing operational challenges. More experienced employees tend to perceive fewer operational difficulties.
- Designation, age, and the type of bank do not significantly influence operational challenges.
- There is a moderate positive correlation between technical expertise and the occurrence of cybersecurity threats, suggesting that more skilled staff may better detect or report these threats.
- A significant negative correlation exists between technical expertise and customer issues, indicating that higher expertise leads to fewer customer problems.
- A strong negative correlation between cybersecurity threats and customer issues suggests that effective cybersecurity measures can reduce the problems customers face in digital banking channels.

SUGGESTIONS

1. Invest in continuous training, particularly for older employees and those in higher positions, to equip them with the skills necessary to handle evolving regulatory and operational challenges in digital banking.
2. Tailor training programs to enhance technical expertise, especially in cybersecurity, to mitigate potential threats and improve customer satisfaction.
3. Given the correlation between technical expertise and cybersecurity threats, it's crucial to strengthen cybersecurity protocols and ensure staff are well-prepared to handle these issues.
4. Regular cybersecurity audits and simulations should be conducted to maintain high security standards and minimize breaches.
5. Leverage the experience of seasoned employees to address operational challenges effectively. Their insights can guide the development of more efficient processes and solutions in digital banking.
6. Encourage cross-departmental collaboration to integrate the experience and expertise of different staff levels in tackling complex operational and regulatory issues.
7. Use feedback from customers and frontline staff to drive innovation in digital banking solutions, ensuring that new implementations address the most common issues customers face.
8. Implement user-friendly features and provide clear guidance to customers to enhance their digital banking experience.

CONCLUSION

The combined analysis reveals that while technical expertise and experience play crucial roles in managing digital banking challenges, targeted efforts in training, cybersecurity, and customer-focused innovation are necessary to fully address the operational, regulatory, and customer-related issues. By investing in staff development and leveraging the strengths of experienced employees, organizations can better navigate the complexities of digital banking, ultimately leading to improved efficiency, security, and customer satisfaction.

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