

Transformation in Banks Through E-Banking Services – Employee’s Perception

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ABSTRACT

The revolution of information technology has made a tremendous impact in the banking industry. E-banking services are replacing traditional services and creating a new scale in transformation. There is a paradigm shift in different parameters of transformation. The behaviour of an employee is influenced by his personality, motives and efforts. Improved behavior has better performance and rewards which provides more satisfaction to the employees. A satisfied employee tries to learn and work effectively. The objectives of the study were to study whether there is significant relationship between the demographic profile and nature of bank, to examine the level of agreement by employees on their perception towards transformation and to know the factors influencing employee’s perception towards e-banking services. The findings shows that all the demographic factors have an significant relationship with nature of banks, there is high level of agreement among age, type of bank, gender, educational qualification, experience and annual income and designation alone shows low level of agreement, the three key predictors of employees perception were enhance productivity, convenience and time savings. Recommendation are fresh bank employees who are non-commerce candidate should be given one month training on banking theoretical concepts and the banks should arrange counseling sessions at least once in a year for their employees to reduce their stress level. It is the provision of information or services by a bank to its customers through electronic devices. Employees are benefited on e-banking because of its saving and easy handling transactions.

Keywords: E-banking, Employees, Perception, Transformation.

INTRODUCTION:

The revolution of information technology has made a tremendous impact in the banking industry. The manual process is being converted into computers for doing the transaction processing (Nirmal Prasad, 2005) E-banking services are replaced by traditional services and creating a new scale in transformation. There is a paradigm shift in different parameters of transformation. The very outlook of the banking hall is changing from a clumsy look with counters, books, registers over flowing cupboards, to neat counters with just PC for an operator, and well decorated banking hall. According to Robbins, perception can be defined as ‘A process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment (Stephen, 2000). Perception is not necessarily based on reality, but is merely a perspective from a particular individual’s view of a situation. The employee perception is important too, because it affects working relationship. The behaviour of an employee is influenced by his personality, motives and efforts. Improved behavior has better performance and rewards which provides more satisfaction to the employees. A satisfied employee tries to learn and work effectively. An organization grows with the development of employees. Perception is an important and initial step for developing an organizational behavior especially in service organizations.

LITERATURE REVIEW:

Narasimha Rao 2017 (Narasimha,2017) in his study “Employee perception on Knowledge Acquisition in Andra Bank – A Study” revealed that descriptive analysis of respondents’ opinion on knowledge acquisition in Andra Bank showed that majority extent is done through team meetings, training and development, and centrally coordinated efforts. The study also found that there exist significant difference in the clerical and officer category employees perception as regards knowledge acquisition relating to the sources, team meetings, own knowledge, inputs from top management and updates from immediate supervisor. But in three aspects there exists insignificant difference in training and development, centrally coordinated and the knowledge from external sources.

Nagaraju& Pooja 2017 (Nagaraju,2017) in their study found there is no significant difference between the employees of public and private sector banks with respect to work environment. To find the motivation factor which affect job satisfaction ANOVA test is adopted and it is found that there is no significant difference between public and private sector employees. Regarding the training and development factor which affect job satisfaction all the statement shows there is no significant difference between the public and private sector employees.

Jameela& Salma 2016 (Jameela,2016) conducted a research on employee perception towards e-banking in SBT of Palakkad District and concluded that most of the employees opined that they have greater advantage to attract young customers and less advantage for increasing banks image. The study also concludes that there is no significant difference on age, gender, education and experience on perception level of e-banking.

Rifaya Meera et al 2016 (Rifaya,2016) study focused on employee’s perception towards e-banking services with reference to public sector banks in Sivakasi. To analyse the usage of e-banking services Garrett ranking is adopted and found that mobile banking is frequently used by the employees, website and e-mail are the main sources of knowledge gathering media for the employees. Majority of the respondents opined that introduction of e-banking services is very useful to fulfill their customer needs. The study also reveals that majority of the respondents are agree that there may be a chance of fraud and need for expertise for training to employees.

Timira Shukla & Anita Singh 2014 (Timira,2014) in their study found that the role of the bank is important in promoting the use of technology at workplace. Almost all the respondents agree that the role of management is very critical in promoting the adoption of technology. The factors like training, employee learning, management support and co-ordination demonstrate that employees have positive thought towards technology at work place.

Varshney& Sangeeta Malpani 2014 (Varshey,2014) in their study on job satisfaction of SBI employees in Udaipur of Rajsamad District showed that the concept and factor affecting job satisfaction and their significant relationship with all factors. The commercial banks have embarked on different management strategies as resorts to promote employees job satisfaction.

Ramya et al 2013 (Ramya,2013) examined that majority of the male respondents, aged between 31-40 years, both married and unmarried respondents, respondents having graduate degree and employees having 5-10 years of experience influence customer relationship. The study also found that majority of the respondents prefers ATM services from the selected private and public sector banks.

METHODOLOGY:

The present study is mainly based on the primary and secondary data. Primary data has been collected from the public sector and private sector bank employees in Kanniyakumari district with the help of questionnaire. Stratified random sampling method is adopted for choosing the samples. The sample population of this research includes 500 bank employees of public and private banks in Kanniyakumari district. Out of which 250 employees are from public and remaining 250 from private banks.

OBJECTIVES:

The objectives of this research are,

1. To study whether there is significant relationship between the demographic profile and nature of bank.
2. To examine the level of agreement by employee’s on their perception towards transformation.
3. To know the factors influencing employees perception towards e-banking services.

Demographic Profile:

In social sciences, research personal characteristics of respondents have very significant role to play in expressing and giving responses about transformation of e-banking services, keeping this in mind, in this study a set of demographic profile namely age, gender, educational qualification, designation, experiences and the annual income of the respondents have been examined and presented.

Table 1.1: Relationship of Age, Gender, Educational Qualification, Designation, Experience and Annual Income of Bank Employees

Variables		Nature of bank		Total	χ^2	P. Value
		Public	Private			
Age	Less than 25	46 (18.4)	112 (44.8)	158 (31.6)	44.930*	0.000
	Between 26 to 35	132 (52.8)	73 (29.2)	205 (41)		
	Between 36 to 45	49 (19.6)	45 (18)	94 (18.8)		
	46 and above	23 (9.2)	20 (8)	43 (8.6)		
Total		250	250	500		
Gender	Male	105 (42)	167 (66.8)	272 (54.4)	30.992*	0.000
	Female	145 (58)	83 (33.2)	228 (45.6)		
Total		250	250	500		
Educational Qualification	Under Graduate	118 (47.2)	90 (36)	208 (41.6)	46.602*	0.000
	Post Graduate	75 (30)	143 (57.2)	218 (43.6)		
	Professional	57 (22.8)	17 (6.8)	74 (14.8)		
Total		250	250	500		
Designation	Official	144 (57.6)	108 (43.2)	252 (50.4)	10.369*	0.001
	Clerical	106 (42.4)	142 (56.8)	248 (49.6)		
Total		250	250	500		
Experience	Below 5 years	62 (24.8)	122 (48.8)	184 (36.8)	36.857*	0.000
	6 years – 10 years	70 (28)	57 (22.8)	127 (25.4)		
	11 years – 15 years	46 (18.4)	39 (15.6)	85 (17)		
	Above 16 years	72 (28.8)	32 (12.8)	104 (20.8)		
Total		250	250	500		
Annual Income	Below 2,00,000	107 (42.8)	65 (26)	172 (34.4)	36.392*	0.000
	2,00,000-4,00,000	68 (27.2)	134 (53.6)	202 (40.4)		
	Above 4,00,000	75 (30)	51 (20.4)	126 (25.2)		
Total		250	250	500		

Source: Primary Data

Note: Data in parenthesis is percentage

*Significant at five percent level

The table 1.1 indicates the relationship of age, gender, educational qualification, designation, experience and annual income of bank employees. Under the age group it shows that the highest number of employees falls under the age group of 26-35 years which accounts to 41 percent in the overall sample of both the sectors. When it was observed by individuality of banks, only public sector banks has been rated as the highest number

of employees of 52.8 percent which falls in the same age group of 26-35 years. In the private sector bank, 44.8 percent fall under the age group less than 25years.

Under the gender group, male employees are 54.4 percent and female employees are only 45.6 percent and by individual banks wise also male are the major employees in the private sector banks, and they are 66.8 percent. In the public sector banks, the highest numbers of employees are female which accounts to 58 percent.

In case of educational qualification, overall post graduates accounts to 43.6 percent. Bank wise also the major number of employees are post graduates in private sector banks which accounts to 57.2 percent. In the public sector banks it varies, the highest number of employees is under graduates, that is 47.2 percent.

Regarding designation maximum number of employees belongs to official designation, 50.4 percent were officials and 49.6 percent belongs to clerical category.

As evident from the table, as many as 36.8 percent of the employees fall in the category of below 5 years experience. Same category occurs in private sector bank employees which are of 48.8 percent. In case of public sector bank employees it differs to the category of above 16 years.

Maximum 40.4 percent of the employees are distributed in the annual income range 2 lakh to 4 lakh, the same in private sector bank employees are of 53.6 percent and in public sector it differs to less than 2 lakh range on account of 42.8 percent respondents.

Chi-square test for goodness of fit has been carried out to test the relationship of bank employees with age, gender, educational qualification, designation, experience and annual income. The chi-square test reveals that all the characteristics have a significant influence over public and private sector bank employees since the chi-square values are significant at 5% level.

Level of Agreement by Employee’s on their Perception towards Transformation:

Kendall’s coefficient of concordance helps to determine the level of agreement between the demographical factors and the employee’s perception.

Table 1.2: Age Wise Distribution

Transformation	Kendall’s Coefficient	Chi-square	d.f	P. value
Efficiency Transformation	0.309	1701.036*	10	0.000
Behavioural Transformation	0.229	915.643*	7	0.000
Knowledge Transformation	0.259	1682.895*	12	0.000
Transformation in workload	0.330	1155.317*	6	0.000
Transformation in Organisational Climate	0.268	1204.939*	8	0.000
Transformation in Processing time	0.456	1368.912*	5	0.000

*Significant at five percent level

Table 1.2 shows the Kendall’s co-efficient of concordance is significant for all the transformation variables such as efficiency, behavior, knowledge, workload, organizational climate and processing time. Therefore it is concluded that there is high level of agreement among the different age group of employees towards transformation.

Table 1.3: Type of Bank Wise Distribution

Transformation	Kendall’s Coefficient	Chi-square	d.f	P. value
Efficiency Transformation	0.375	2062.560*	10	0.000
Behavioural Transformation	0.351	1402.372*	7	0.000
Knowledge Transformation	0.327	2127.538*	12	0.000
Transformation in workload	0.445	1558.081*	6	0.000
Transformation in Organisational Climate	0.369	1660.450*	8	0.000
Transformation in Processing time	0.549	1648.375*	5	0.000

*Significant at five percent level

Table 1.3 shows the Kendall’s co-efficient of concordance is significant for all the transformation variables regarding efficiency, behavior, knowledge, workload, organizational climate and processing time. Therefore it is concluded that there is high level of agreement among public and private sector bank employees towards transformation.

Table 1.4: Gender Wise Distribution

Transformation	Kendall's Coefficient	Chi-square	d.f	P. value
Efficiency Transformation	0.370	2036.469*	10	0.000
Behavioural Transformation	0.339	1355.983*	7	0.000
Knowledge Transformation	0.324	2104.762*	12	0.000
Transformation in workload	0.392	1371.169*	6	0.000
Transformation in Organisational Climate	0.354	1594.316*	8	0.000
Transformation in Processing time	0.551	1652.539*	5	0.000

*Significant at five percent level

Table 1.4 shows the Kendall's co-efficient of concordance is significant for all the transformation variables namely efficiency, behavior, knowledge, workload, organizational climate and processing time. Therefore it is concluded that there is high level of agreement among both the gender of employees towards transformation.

Table 1.5: Educational Qualification Wise Distribution

Transformation	Kendall's Coefficient	Chi-square	d.f	P. value
Efficiency Transformation	0.348	1911.323*	10	0.000
Behavioural Transformation	0.248	1144.153*	7	0.000
Knowledge Transformation	0.306	1989.978*	12	0.000
Transformation in workload	0.383	1339.901*	6	0.000
Transformation in Organisational Climate	0.335	1508.619*	8	0.000
Transformation in Processing time	0.508	1523.917*	5	0.000

*Significant at five percent level

Table 1.5 shows the Kendall's co-efficient of concordance is significant for all the transformation variables regarding efficiency, behavior, knowledge, workload, organizational climate and processing time. Therefore it is concluded that there is high level of agreement among bank employees having different educational qualification towards transformation.

Table 1.6: Designation Wise Distribution

Transformation	Kendall's Coefficient	Chi-square	d.f	P. value
Efficiency Transformation	0.369	2028.440	10	0.000
Behavioural Transformation	0.336	1344.376	7	0.000
Knowledge Transformation	0.324	2106.138	12	0.000
Transformation in workload	0.420	1469.089	6	0.000
Transformation in Organisational Climate	0.350	1576.723	8	0.000
Transformation in Processing time	0.542	1627.406	5	0.000

*Significant at five percent level

Table 1.6 carries the data showing designation wise distribution of employees. Categorically the position of the employees has been divided as officials and clericals. Kendall's co-efficient of concordance is insignificant for all the transformation variables regarding efficiency, behavior, knowledge, workload, organizational climate and processing time. Therefore it is concluded that there is low level of agreement among different designation of bank employees towards transformation.

Table 1.7: Experience Wise Distribution

Transformation	Kendall's Coefficient	Chi-square	d.f	P. value
Efficiency Transformation	0.253	1389.562*	10	0.000
Behavioural Transformation	0.172	688.955*	7	0.000
Knowledge Transformation	0.211	1369.865*	12	0.000
Transformation in workload	0.276	964.744*	6	0.000
Transformation in Organisational Climate	0.212	953.810*	8	0.000
Transformation in Processing time	0.414	1243.195*	5	0.000

*Significant at five percent level

Table 1.7 shows the Kendall’s co-efficient of concordance is significant for all the transformation variables regarding efficiency, behavior, knowledge, workload, organizational climate and processing time. Therefore it is concluded that there is high level of agreement among the bank employees based on their experience towards transformation.

Table 1.8: Annual Income Wise Distribution

Transformation	Kendall’s Coefficient	Chi-square	d.f	P. value
Efficiency Transformation	0.337	1853.091*	10	0.000
Behavioural Transformation	0.263	1051.982*	7	0.000
Knowledge Transformation	0.282	1833.871*	12	0.000
Transformation in workload	0.364	1274.002*	6	0.000
Transformation in Organisational Climate	0.295	1326.286*	8	0.000
Transformation in Processing time	0.480	1439.350*	5	0.000

*Significant at five percent level

Table 1.8 reveals the data showing annual income wise distribution of bank employees. Categorically, the annual income of employees has been separated as below 2 lakh, 2-4 lakh and above 4 lakh. Kendall’s co-efficient of concordance is significant for all the transformation variables regarding efficiency, behavior, knowledge, workload, organizational climate and processing time. Therefore it is concluded that there is high level of agreement among employees having different annual income towards transformation.

Factor loading for perception about e-banking services:

The perception of bank employees working in e-banking services has been analysed with the help of factor analysis. The techniques of factor analysis provide a fascinating way of reducing the nature of variables in a research problem to a smaller and more manageable number by combining related ones into factors. This relieves the researchers from the confusion arising through overlapping measures of the same underlying variables.

In the case of the factor analysis, one important aspect is to test the assumptions. The two key techniques used are the Kaiser-Meyer-Olkin (KMO) sampling adequacy test and the Bartlett test for sphericity. The KMO tests the appropriateness of the data, while the Bartlett tests for correlations.

According to Field (2005)¹ the recommended minimum KMO is 0.5 values between 0.5 and 0.7 are considered as average. KMO of values between 0.7 and 0.8 are considered as good, while values above 0.8 are considered as great. Based on the KMO of 0.784 produced in this analysis, it has been justified that the factor analysis was appropriate for this data.

Bartlett’s measure tests the null hypothesis that the original correlation matrix is an identity matrix. For factor analysis to work it is necessary for some variables to have relationships; if the R-matrix were an identity, then all correlation coefficients would be zero. Hence there is a need to test for significance (have $p < 0.05$). A large result indicates that R-matrix is not an identity matrix. Bartlett’s test is highly significant ($p = 0.000$) which indicate that factor analysis is appropriate for this data.

Table 1.9: Rotated Component Matrix for Perception of Employees Towards E-Banking Services

S. No	Perception	Component		
		1	2	3
1	Enhance your competitive position in the market	.834	.026	.009
2	Increase in bank productivity	.816	.228	.231
3	Increase in bank profitability	.782	.202	.182
4	Increase in employee productivity	.684	.083	.000
5	Minimize inconvenience	.463	.721	-.061
6	Facilitates quick responses	.052	.641	.300
7	Offers opportunities to provide additional services	.062	.614	.316
8	Up to date information	.352	.494	.176
9	Make work easier	.292	.227	.818
10	Downsizing of employee requirement	.178	.107	.773

¹ Andy Field 2005, Discovering statistics using SPSS, Sage Publications Ltd, London, p.650

S. No	Perception	Component		
		1	2	3
11	Time saving	.216	.195	.705
12	Innovation in banking products and service	.030	-.149	.667
13	Allows bank to increase customer base	.186	.483	.641
	Eigen Value	5.318	1.641	1.468
	Percent of variation explained	37.985	11.720	10.488
KMO measure of sampling Adequacy : 0.784		Bartlett's test of sphericity: Chi-square value : 3562.900 Df : 91 Significance value : .000		

Extraction Method: Principal component analysis

Rotation Method: Varimax with Kaiser Normaliation

The exploratory factor analysis has been executed to narrate the variables into factors. It classifies the thirteen variables into three factors. All the three factors explain the variables related to perception of bank employees to the extent of 60.193 percent (Table 1.10)

Table 1.10: Key Predictors of Perception Towards Bank Employees

S. No	Perception	Number of variables	Eigen Value	Percent of variation explained	Cumulative percent of variation explained
1	Enhance productivity	4	5.318	37.985	37.985
2	Convenience	4	1.641	11.720	49.705
3	Time Saving	5	1.468	10.488	60.193

Source: Computed Data

The first factor consists of four variables namely; enhance your competitive position in the market, increase in bank productivity, increase in bank profitability, and increase in employee productivity. These variables have loadings of .834, .816, .782, and .684 respectively. These variables have high loadings on Factor I. The Factor I can be called 'Enhance Productivity' to capture the essence of these four variables. The Factor I explains 37.985 percent of variance and the Eigen value is 5.318.

The second factor comprises of four variables namely; minimize inconvenience, facilitates quick responses, offers opportunities to provide additional services and up to date information. These variables have loadings of .721, .641, .614, and .494 respectively. These variables have high loadings on Factor II which can be called 'Convenience' to represent the theme of four variables. It explains 11.720 percent of variance and the Eigen Value is 1.641.

The third factor comprises of five variables namely; make work easier, downsizing of employee requirement, time saving, innovation in banking products and service and allows bank to increase customer base. These variables have high loadings on Factor III which can be called 'Time saving' to represent the theme of these five variables. These variables have loadings of .818, .773, .705, .667 and .641 respectively. Its Eigen value is 1.468 and it explains 10.488 percent of variance.

FINDINGS:

- ❖ The study indicates that the age is a significant factor that is associated with the public and private sector banks .Public sector bank employees are higher in the age group of 26-35, that is 52.8 percent whereas private sector bank employees are higher in the age group of less than 25 that is 44.8 percent respectively.
- ❖ Gender is a significant factor that is associated with the nature of the bank. In case of public sector bank female employees (58 per cent) are higher than the private sector bank employees.
- ❖ It is found that most of the public sector employees are having under graduate qualification (47.2 percent) whereas in case of private sector bank post graduate qualified employees are larger (57.2 percent).
- ❖ Designation is a significant factor which is associated with the nature of banks official cadre employees are highest in public sector bank (57.6 percent) and in private sector bank clerical employees are higher (56.8 percent).

- ❖ With regard to experience, employees in public sector banks are having more experience of above 16 years (28.8 percent) whereas in private sector banks it is below 5 years experience for the employees (48.8 percent). Experience is also significant factor with regards to nature of banks
- ❖ It is known from the study that annual income is a significant factor with the nature of the bank. In public sector bank the employees having below 2,00,000 annual income is higher that is 42.8 percent and in private sector bank it is higher for these employees having annual income between 2,00,000 - 4,00,000 that is 53.6 percent.
- ❖ Kendall's co-efficient of concordance is significant for all the transformation variables regarding efficiency, behavior, knowledge, workload, organizational climate and processing time. Therefore it is concluded that there is high level of agreement among age, type of bank, gender, educational qualification, experience and annual income of bank employees towards transformation.
- ❖ Designation of bank employees shows an insignificant relationship in Kendall's co-efficient of concordance for efficiency transformation, behavioural transformation, knowledge transformation, workload transformation, organizational climate transformation and processing time transformation.
- ❖ This study has brought out or opened the perception of bank employees on e-banking into three heads. Namely, enhance productivity, convenience and time savings. Enhance productivity express the increase productivity in the banks by the employees. Convenience represents the bank employees working convenience in e-banking. Time saving means retaining the employees work the e-banking. Therefore it is proved that these three are the key predictors of the perception towards bank employees.

SUGGESTION:

- ❖ Fresh bank employees who are non-commerce candidate should be given one month training on banking theoretical concepts.
- ❖ The banks should arrange counseling sessions at least once in a year for their employees to reduce their stress level.
- ❖ The training programmes arranged for the employees should be based on the working allotted sections in banking.
- ❖ Bank employees should be given special training on Customer Relationship Management.

CONCLUSION:

Electronic banking is one of the most important channels for the distribution of financial services in every economy which was introduced in 1990s and still it is continuing with its valuable services. E-banking according to Al-Abed is an umbrella term for the process by which a customer may perform banking transactions electronically without visiting a brick and mortar institution. It is the provision of information or services by a bank to its customers through electronic devices. Employees are benefited on e-banking because of its saving and easy handling transactions.

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