

**THE CHALLENGES AND ISSUES OF DIGITALIZATION IN BANKING
INDUSTRY: FROM THE PERSPECTIVES OF EMPLOYEES AND
CUSTOMERS**



BY

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ABSTRACT

Technological advances have revolutionized the way banks perform their financial transactions with emphasis on 'Digital Banking'. Like in any emerging technology, there are issues/ challenges exist in adopting or using of digital banking services. In this context, this study has identified certain issues/ challenges pertaining to both customers and employees and investigate the level of challenges among them and the relationships among the challenges due to digitalization in banking industry. To achieve the study objectives, data were collected from 105 bank employees and 100 customers of the selected banks by using questionnaires. The collected data were analyzed using univariate, cross-tabulation, and bivariate analysis.

The findings of the study revealed that some of the challenges are at elevated levels and some are at moderate levels for both parties and the degree of the challenges varies depending on their personal characteristics of the respondents. And also, state bank employees and customers are highly facing the challenges compared to private sector banks' customers and employees. Furthermore, some of the challenges have strong positive relationships with another challenge and, one challenge leads to create another challenge.

The findings of the study are expected to help both the researchers and practitioners. This study adds knowledge for existing literature to fill the research gaps exist in the related topic. In addition, results of the current study can provide practical implications for banks' top managers to know about what extent the challenges are seen among customers and employees to take corrective actions.

Keywords: Digitalization, Bank, Challenges, Customers, Employees

TABLE OF CONTENTS

ACKNOWLEDGMENT	I
ABSTRACT	II
LIST OF TABLES	XIV
LIST OF FIGURES	XVIII
LIST OF ABBREVIATIONS	XIX
Chapter-1: INTRODUCTION	1
1.1 Background of the study.....	1
1.2 Research Problem/ Research Gap.....	3
1.3 Research Questions.....	5
1.4 Research Objectives.....	6
1.5 Significance of the Study.....	6
1.6 Scope of the Study.....	7
1.7 Organization of Chapters.....	7
1.8 Chapter Summary.....	8
Chapter-2: LITERATURE REVIEW	9
2.1 Introduction.....	9
2.1.1 Digitalization in Banking Industry.....	9
2.2 Challenges and Issues Faced by Employees due to the Digitalization in the Banking Industry.....	10
2.2.1 The Requirement for More IT Knowledge and Skills/ Skill Deficiency/ Techno Complexity.....	12
2.2.2 Employees Adaptability to Change.....	12
2.2.3 Lack of Experience and Training/ Training Exposure.....	12
2.2.4 Job Reduction/ Unemployment/ Job Security.....	13
2.2.5 Challenges to Career Planning.....	13
2.2.6 Pressure and Stress/ Techno-Stress.....	14
2.2.7 Digitalization Increases Individual Workload and Responsibility.....	14

2.2.8 Difficulty in Achieving Work Efficiency/ Work Management.....	14
2.2.9 Ample Time for Skill Transformation/ Techno-uncertainty/ Reskilling.....	15
2.2.10 Cyber Security/ Techno-insecurity.....	15
2.3 Challenges and Issues Faced by Customers due to the Digitalization in the Banking Industry.....	17
2.3.1 Lack of Knowledge/ Lack of Customer Awareness.....	18
2.3.2 Lack of Ease of Use / Difficult to Handling Technology/ Complexity.....	19
2.3.3 Lack of Trust and Security.....	19
2.3.4 Fear Factor.....	20
2.3.5 Lack of Confidentiality, Authentication, and Privacy.....	20
2.3.6 Less Satisfaction.....	21
2.3.7 Difficulties in Implementation of Global Technology.....	21
2.3.8 Less Interaction with Humans.....	22
2.3.9 Lack of Availability of Personal Services.....	22
2.3.10 Lack of Intuitive User Interfaces and Instructions about How to Use Digital Banking Services.....	22
2.4 Comparison between Employee and Customer Perspectives.....	24
2.5 Model Development.....	26
2.6 Chapter Summary.....	27
Chapter-3: CONCEPTUALIZATION AND OPERATIONALIZATION.....	28
3.1 Introduction.....	28
3.2 Conceptualization.....	28
3.3 Conceptual Framework.....	28
3.4 Definitions of Variables and Concepts of Employees.....	30
3.4.1 Digitalization.....	30
3.4.2 Job reduction or Unemployment.....	30
3.4.3 Challenge to Career Planning.....	30
3.4.4 Pressure/ Stress.....	30
3.4.5 Increasing Workload.....	31

3.4.6 Lack of Work Efficiency/ Work Management.....	31
3.4.7 Ample Time for Skill Transformation.....	31
3.4.8 Cybersecurity Issues.....	31
3.4.9 Difficulty in Technology Adoption.....	32
3.4.10 Requirements for More IT Knowledge.....	32
3.4.11 Lack of Training.....	32
3.5 Definitions of Variables and Concepts of Customers.....	34
3.5.1 Digitalization.....	34
3.5.2 Lack of Knowledge.....	34
3.5.3 Fear Factor.....	34
3.5.4 Lack of Ease of Use.....	34
3.5.5 Lack of Privacy.....	35
3.5.6 Lack of Security and Trust.....	35
3.5.7 Less Satisfaction.....	35
3.5.8 Lack of Availability of Personal Services.....	35
3.5.9 Difficulty in Technology Adoption.....	36
3.5.10 Less Interaction with Humans.....	36
3.5.11 Lack of Intuitive User Interfaces.....	36
3.6 Operationalization.....	36
3.7 Theoretic Support for the Conceptual Model.....	39
3.8 Chapter Summary.....	40
Chapter-4: RESEARCH METHODOLOGY.....	41
4.1 Introduction.....	41
4.2 Research Philosophy.....	41
4.3 Research Approach.....	42
4.4 Research Strategy.....	42
4.5 Methodological Choice.....	42
4.6 Time Horizon.....	43
4.7 Research Site / Area Selection.....	43

4.8 Population of the Study.....	43
4.9 Sampling Technique/ Method and Sample Size.....	44
4.10 Method of Data Collection and Source.....	45
4.11 Research Instrument.....	45
4.12 Source of Measurement.....	46
4.13 The Pilot Study.....	46
4.14 Validity and Reliability of Instruments.....	47
4.14.1 Validity.....	47
4.14.2 Reliability.....	47
4.15 Unit of Data Analysis.....	48
4.16 Method of Data Analysis & Evaluation.....	48
4.16.1 Objective One and Four.....	49
4.16.2 Objective Two and Five.....	49
4.16.3 Objective Three and Six.....	51
4.17 Data Presentation.....	52
4.18 Ethical Consideration.....	52
4.19 Chapter Summary.....	52
Chapter-5: DATA PRESENTATION AND ANALYSIS.....	53
5.1 Introduction.....	53
5.2 Data Presentation and Analysis of Employees' Perspective.....	53
5.2.1 Analysis of Reliability of Employees.....	53
5.2.2 Analysis of Personal Information of Employees.....	54
5.2.2.1 Distribution of Banks.....	54
5.2.2.2 Distribution of Gender.....	54
5.2.2.3 Distribution of Age.....	55
5.2.2.4 Distribution of Level of Education.....	55
5.2.2.5 Distribution of Job Experience.....	56
5.2.2.6 Distribution of Job Position.....	56
5.2.2.7 Distribution of Acceptance of the Technology Up-gradation.....	57

5.3.2.5 Distribution of Current/ Job Position.....	93
5.3.2.6 Distribution of Monthly Income.....	93
5.3.2.7 Distribution of Using Digital Banking Services.....	94
5.3.3 Data Presentation and Analysis of Research Objectives.....	94
5.3.3.1 Objective Four.....	95
5.3.3.1.1 Frequency Distribution of Ranking of Customers’ Challenges.....	95
5.3.3.1.2 Ranking the Challenges of Customers by using Kendall’s Coefficient of Concordance Test (W).....	96
5.3.3.2 Objective Five.....	97
5.3.3.2.1 Frequency Distribution of Scaling the Customers’ Challenges.....	97
5.3.3.2.2 Descriptive Statistics of Study Variables of Customers....	98
5.3.3.2.3 Frequency Distribution level of Digital Banking of Customers’ Challenges.....	99
5.3.3.2.3.1 Lack of Knowledge/ Awareness.....	99
5.3.3.2.3.2 Fear Factor.....	99
5.3.3.2.3.3 Lack of Ease of Use.....	100
5.3.3.2.3.4 Lack of Confidentiality and Authentication...100	
5.3.3.2.3.5 Lack of Trust and Security.....	101
5.3.3.2.3.6 Less Satisfaction.....	101
5.3.3.2.3.7 Lack of Personal Service.....	102
5.3.3.2.3.8 Difficulty in Adoption of G-Technology.....	102
5.3.3.2.3.9 Less Interaction with Humans.....	103
5.3.3.2.3.10 Lack of Intuitive User Interfaces.....	103
5.3.3.2.4 Cross Tabulation.....	104
5.3.3.2.4.1 Gender of the Customers and Challenges.....	104
5.3.3.2.4.2 Age of the Customers and Challenges.....	105

5.3.3.2.4.3 Level of Education of the Customers and Challenges.....	106
5.3.3.2.4.4 Current/ Job Position of the Customers and Challenges.....	107
5.3.3.2.4.5 Monthly Income of the Customers and Challenges.....	108
5.3.3.2.5 Details of Challenges and their Scoring Level among different groups.....	109
5.3.3.2.5.1 Gender of the Customers.....	109
5.3.3.2.5.2 Age of the Customers.....	110
5.3.3.2.5.3 Level of Education of the Customers.....	112
5.3.3.2.5.4 Current/ Job Position of the Customers.....	113
5.3.3.2.5.5 Monthly Income of the Customers.....	115
5.3.3.2.6 Comparison of Challenges between Banks.....	117
5.3.3.2.6.1 Frequency Distribution of State and Private Banks.....	117
5.3.3.2.6.2 Frequency Distribution of Scaling among State and Private Banks.....	118
5.3.3.2.6.3 Comparing the Mean Values of Challenges between State and Private Banks.....	120
5.3.3.2.6.4 Relative Weights of Customers' Challenges in State Banks.....	121*
5.3.3.2.6.5 Relative Weights of Customers' Challenges in Private Banks.....	122
5.3.3.3 Objective Six.....	124
5.3.3.3.1 Relationship among the Challenges of Employees.....	124
5.4 Chapter Summary.....	126
Chapter-6: DISCUSSION ON FINDINGS.....	127
6.1 Introduction.....	127

6.2 Discussion on Employees' Perspective.....	127
6.2.1 Discussion on Personal Information of Employees.....	127
6.2.1.1 Bank of the Respondents.....	127
6.2.1.2 Gender of the Respondents.....	128
6.2.1.3 Age Group of the Respondents.....	128
6.2.1.4 Level of Education of the Respondents.....	128
6.2.1.5 Job Experience of the Respondents.....	128
6.2.1.6 Job Position of the Respondents.....	129
6.2.1.7 Acceptance of the Technology Upgradation among Employees...	129
6.2.2 Discussion on Research Information of Employees.....	129
6.2.2.1 Discussion on Research Objective One.....	129
6.2.2.2 Discussion on Research Objective Two.....	130
6.2.2.2.1 Discussion on Descriptive Statistics of the Study Variables of Employees.....	130
6.2.2.2.2 Cross Tabulation.....	133
6.2.2.2.2.1 Gender of the Employees and Challenges...	133
6.2.2.2.2.2 Age of the Employees and Challenges.....	134
6.2.2.2.2.3 Level of Education of the Employees and Challenges.....	136
6.2.2.2.2.4 Years of Experience of the Employees and Challenges.....	138
6.2.2.2.2.5 Job Position of the Employees and Challenges.....	140
6.2.2.2.3 Details of Challenges and their Scoring Level among different groups.....	140
6.2.2.2.3.1 Gender of the Employees.....	140
6.2.2.2.3.2 Age of the Employees.....	141
6.2.2.2.3.3 Level of Education of the Employees.....	142
6.2.2.2.3.4 Years of Experience of the Employees.....	143

6.2.2.2.3.4 Job Position of the Employees.....	143
6.2.2.2.4 Comparison of Challenges between Banks (State Banks vs Private Banks).....	144
6.2.2.3 Discussion on Research Objective Three.....	145
6.3 Discussion on Customers' Perspective.....	148
6.3.1 Discussion on Personal Information of Customers.....	148
6.3.1.1 Bank of the Respondents.....	149
6.3.1.2 Gender of the Respondents.....	149
6.3.1.3 Age Group of the Respondents.....	149
6.3.1.4 Level of Education of the Respondents.....	150
6.3.1.5 Current/ Job Position of the Respondents.....	150
6.3.1.6 Monthly Income of the Respondents.....	150
6.3.1.7 Usage of Digital Banking Services of the Respondents.....	150
6.3.2 Discussion on Research Information of Customers.....	150
6.3.2.1 Discussion on Research Objective Four.....	151
6.3.2.2 Discussion on Research Objective Five.....	151
6.3.2.2.1 Discussion on Descriptive Statistics of the Study Variables of Customers.....	152
6.3.2.2.2 Cross Tabulation.....	155
6.3.2.2.2.1 Gender of the Customers and Challenges....	155
6.3.2.2.2.2 Age of the Customers and Challenges.....	156
6.3.2.2.2.3 Level of Education of the Customers and Challenges.....	156
6.3.2.2.2.4 Current/ Job Position of the Customers and Challenges.....	157
6.3.2.2.2.5 Monthly Income of the Customers and Challenges.....	157
6.3.2.2.3 Details of Challenges and their Scoring Level among different groups.....	158

6.3.2.2.3.1 Gender of the Customers.....	158
6.3.2.2.3.2 Age of the Customers.....	158
6.3.2.2.3.3 Level of Education of the Customers.....	159
6.3.2.2.3.4 Current/ Job Position of the Customers.....	159
6.3.2.2.3.4 Monthly Income of the Customers.....	160
6.3.2.2.4 Comparison of Challenges between Banks (State Banks vs Private Banks).....	160
6.3.2.3 Discussion on Research Objective Six.....	162
6.4 Chapter Summary.....	165
Chapter-7: CONCLUSIONS AND RECOMMENDATIONS.....	166
7.1 Introduction.....	166
7.2 Conclusions of the Research Objectives.....	166
7.2.1 Conclusion of Objective One.....	166
7.2.2 Conclusion of Objective Two.....	167
7.2.3 Conclusion of Objective Three.....	172
7.2.4 Conclusion of Objective Four.....	173
7.2.5 Conclusion of Objective Five.....	174
7.2.6 Conclusion of Objective Six.....	178
7.3 Contribution of the Study.....	179
7.4 Recommendations for this Study.....	179
7.5 Limitations of the Study.....	181
7.6 Directions for Future Research.....	181
LIST OF REFERENCES.....	182
APPENDIX 1- Research Questionnaire of Employees.....	193
APPENDIX 2- Research Questionnaire of Customers.....	196