AN ONLINE BANKING EFFECTIVENESS: EMPLOYEES PERSPECTIVE AT COIMBATORE

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Abstract

There are many factors influencing the need of technology in growing economy of our country. In this research, the researcher has aimed to analyze the online banking effectiveness of Employees in Coimbatore. Online banking effectiveness depends on the employee behaviours, learning attitude and training program. The adoption to changing technology influences the outcome of online banking success. The internal environment factor forces the individual behaviour and acknowledge towards acceptance of training programs. In non-metro cities have the issues to reach the digital transaction. In this research bring out that the relationship between online banking and the adoption of employees with their personal characteristics, working attitude and training support. Questionnaire used to gather data from 127 bank employees. Those employees were selected on basis of random sampling method. Data analysis has been done with percentage analysis, z-test, F-test and regression analysis. From the study that concluded, personal behaviours and training significantly contributing for the success of online bank.

Intex terms: Online banking effectiveness, Employees perspective, technology changes, training effectiveness, behaviour analysis

I.   INTRODUCTION

The importance of technology was felt in the Indian banking sector in late 1990s, in order to fasten the customer service and satisfaction, data maintenance and reporting. In 1988, Reserve Bank of India set up a Committee on computerization in banks headed by Dr. C. Rangarajan recommended technology to be included for better banking services. According to Boston Consulting Group (BCG), in digital India, the number of customers opting for online banking is expected to double to reach 150 million users by 2020, from the current 45 million active urban online banking users. Also, the cost of acquisition and cost of servicing are reduced. This can substantially improve customer level profitability and can add to retail profit pool by $3 – 3.5 billion by 2020.

FFIEC (2003) defined that "E-banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic and interactive communication channels". Core Banking Solution (CBS) enabled banks to increase the comfort feature to the customers as a promising step towards enhancing customer convenience through Anywhere and Anytime Banking. The report of RBI shown for the year 2016-17, 2,22,475 Automated Teller Machines (ATMs) and 25,29,141 Point of Sale devices (POS) was upgraded. Implementation of electronic payment system such as NEFT (National Electronic Fund Transfer), ECS (Electronic Clearing Service), RTGS (Real Time Gross Settlement), Cheque Truncation System, Mobile banking system, Debit cards, Credit Cards, Prepaid cards have all gained wide acceptance in Indian banks. These are all remarkable landmarks in the digital revolution in the banking sector. Online banking has changed the face of banking and brought about a noteworthy transformation in the banking operations.

Mean time, the continuous changes in industry, impact the working environment. Chachadi,A.H. (2003) mentioned that manpower management is undoubtedly the most important and the most sensitive areas of management so it should be handled with utmost care and diligence. In the present transition mode bank are facing so many challenges that's why continuous change must be adopted as a culture and appropriate institutional arrangements must be made to facilitate it. To understanding the new technology of the end users will impact on effective customer services. The problems of the study sort out with defined objectives.

II.   REVIEW OF LITERATURE

Fishbein & Ajzen (1975) analysed the Theory of Reasoned Action (TRA). In that theory shown that how behavioural influence the external factors. The behavioural of the employees controlled into the mix in recognition that an individual's beliefs about the extent to which they can control a particular outcome of requiring considerable effort, resources, etc.

Garg, I.K. (2003) forward-looking approach for a long-term vision must focus on building human resources in a continuous cycle of competency and development. Stuart (2011) found that for small businesses, the lack of easy –to -use, standardized and inexpensive interfaces between payment solutions and accounting costs of adoption electronic payments are barriers. Verkatesh et al (2003) analysed that user acceptance of information technology; toward a unified view, the theory explains user intentions to use an information systems and subsequent usage behaviour, and further holds that four key constructs; performance expectancy, effort expectancy, social influence and facilitating conditions.

The theory postulates that age, gender, experience, ease of use, voluntariness of use are posited to moderate the impact of the four constructs on usage intentions and behaviour and challenges facing adoption of technology.

The updated TAM, also called TAM2, extended the original TAM by including subjective norm as an additional predictor of intention in the case of mandatory system use. Furthermore, TAM2 incorporated additional theoretical constructs including social influence processes and cognitive instrumental processes.
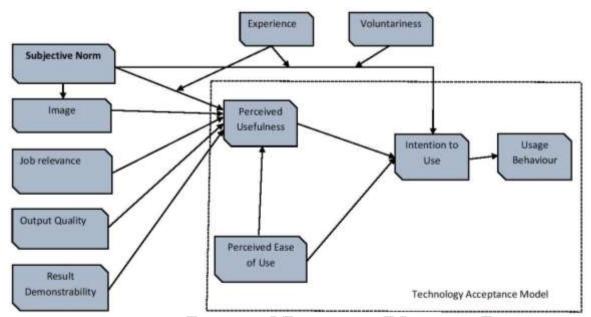

Figure: 1 Updated Technology Acceptance Model (Venkatesh and Davis 2000)

Armstrong (2010) defined that human skills that force the possesses. It is an investment for developing people (education, training, health) and that these investments increase an individual productivity. According to Gerald (2011) human skill can be skill acquired and observable expertise in performing tasks. Knowledge is acquired information used in performing tasks.

III. OBJECTIVES OF THE STUDY

To analyse the personal characteristics of the employees and online banking effectiveness

To understand the difficulties of employees' effectiveness with and online banking effectiveness

IV. RESEARCH METHODOLOGY

It has been collected from the 127 bank employees through structured questionnaire, which has been analysed with Z-test, F-test and regression. Simple random techniques were used to collect the data.

V. DATA ANALYSIS & INTERPRETATION

Table: 1 Respondent Profile

Demographic characteristics	Frequency (total 127)	Percentage (%)
Gender		
Male	81	63.7
Female	46	36.3
Age		
Less than 25 years	34	26.6
25-35	48	37.4
36-45	29	22.6
46-55	11	8.4
Above 55	5	4.0
Education level		
Up to School	9	7.0
UG	63	49.6
PG	39	30.7
Professional courses	4	3.1
Certificate / Diploma	7	5.5
Any other qualification	5	3.9
Category of Job		
Manager	12	9.4
Executives	61	48.0

Officers	27	21.2
Clerks	16	12.5
Others	11	8.6
Years of experience		
Less than 5 years	37	29.1
6 to 10 years	32	25.1
11 to 15 years	35	27.5
Above 16years	23	18.1

It is observed from the socio-demographic background that 63.7 percent of the respondents are male, 37.4 percent of the respondents are in the 25-35 age category , 48 percent of the respondents are positioned as executives, 49.6 percent of the respondents have undergraduate education, 29.1 percent of the respondents having less than 5 years working experience.

Personal Characteristics and online banking effectiveness

Table: 2 Age and opinion scores of Online banking effectiveness

Age group (in years)	Number of Respondents	Percent	Mean	Std. Deviation	Std. Error
Less than 25 years	34	26.6	3.6178	0.69373	0.04943
25-35	48	37.4	3.5859	0.71840	0.04676
36-45	29	22.6	3.9526	0.64713	0.10498
46-55	11	8.4	2.9526	0.54137	0.04568
Above 55	5	4.0	2.0125	0.57892	0.04567

The mean score of the respondents belonging to age group 36 – 45 years category was found to be higher (3.9526) in Online banking effectiveness. The ANOVA was used to test the significance of difference between the mean scores of the five categories of respondents. The null hypothesis was framed as: There is no significant difference between age of the respondents and their opinion regarding Online banking effectiveness

Table: 3 Significance of difference in opinion between age and Online banking effectiveness: F-test

Source of Variance	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1.764	4	0.682	1.381	0.052
Within Groups	211.14	122	0.494		

The calculated value of F (0.052) was greater than the table value (2.99) at 5 percent level of significance and the hypothesis is accepted. Hence it is concluded that there is significant difference between age of the respondents and their opinion regarding Online banking effectiveness.

Gender and opinion regarding Online banking effectiveness

Table: 4 Gender and opinion scores of Online banking effectiveness

Gender	Number of Respondents	Percent	Mean	Std. Deviation	Std. Error
Male	81	63.7	3.3299	0.43546	0.03681
Female	46	36.3	3.1426	0.36747	0.06547

The mean score of male respondents (3.3299) was found to be higher than the mean score of female respondents (3.1426) in Online banking effectiveness. The Z-test was used to test the significance of difference between the mean scores of two categories of respondents.

The null hypothesis was framed as follows: There is no significant difference between gender of the respondents and their opinion regarding Online banking effectiveness.

Table: 5 Z-test for significant difference between gender of the respondents and opinion regarding Online banking effectiveness

Categories compared	Z - Value		Level of Significance
	Calculated value	Table value	
Male and Female	0.452	1.96	5%

As the calculated value of Z (0.452) was less than the table value (1.96) at 5% level of significance and the hypothesis was accepted. Therefore, it is concluded that there is no significant difference between the gender of the respondents and their opinion regarding Online banking effectiveness.

Category of Job and opinion regarding Training and Development given to employees in e-banks

Table: 6 Category of Job and opinion scores of Training and Development in e-banks

Category of Job	Number of Respondents	Percent	Mean	Std. Deviation	Std. Error
Manager	12	9.4	3.6257	0.40845	0.15780
Executives	61	48.0	3.4286	0.62130	0.08459
Officers	27	21.2	3.7841	0.51202	0.06201
Clerks	16	12.5	2.5835	0.37638	0.04339
Others	11	8.6	3.0215	0.42135	0.01542

The mean score of the officers (user) was found to be higher (3.7841) in Training and Development Factor in e-banks. The ANOVA was used to test the significance of difference between the mean scores of five categories of respondents. The null hypothesis was framed as: There is no significant difference between category of the job of the respondents in the banking and their opinion regarding Training and Development Factor in e-banks.

Table: 7 Significance of difference in opinion between category of the job in the bank and Training and development in e-banks: F-test

Source of Variance	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	2.014	4	0.524	2.468	0.045
Within Groups	130.297	124	0.393		

The calculated value of F (2.468) was less than the table value (0.045) at 5% level of significance and the hypothesis was accepted. Hence it is concluded that there is significant difference between category of the job in the bank and Training and development in e-banks

g) Educational qualification and opinion regarding Behavioural Factor in e-banks

Table: 8 Educational qualification and opinion scores of Behavioural Factor in e-banks

Educational qualification	Number of Respondents	Percent	Mean	Std. Deviation	Std. Error
High school	9	7.0	3.5102	0.60113	0.08588
Certificate or Diploma	7	49.6	3.4981	0.67153	0.09224
Undergraduate	63	30.7	3.5175	0.77424	0.05330
Post Graduate	39	3.1	3.5443	0.64675	0.05145
Professional courses	4	5.5	3.6213	0.56981	0.04541
Any other qualification	5	3.9	3.1254	0.5647	0.2972

The mean score of the professional courses was found to be higher (3.6213) in Behavioural Factor in e-banks. The ANOVA was used to test the significance of difference between the mean scores of six categories of respondents. The null hypothesis was framed: There is no significant difference between educational qualification of the respondents and their opinion regarding Behavioural Factor in e-banks.

Table: 9 Significance of difference in opinion between Educational qualification and Behavioural Factor in e-banks: F-test

Source of Variance	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	0.119	5	0.040	3.215	0.034
Within Groups	232.350	122	0.498		

The calculated value of F (3.215) was greater than the table value (2.60) at 5% level of significance and the hypothesis was rejected. Hence it is concluded that there is significant difference between educational qualification of the respondents and their opinion regarding Behavioural Factor in e-banks.

j) Experience and opinion regarding Training and Development Factor in e-banks

Table: 10 Experience and opinion scores of Training and Development Factor in e-banks

Experience	Number of Respondents	Percent	Mean	Std. Deviation	Std. Error
Less than 5 years	37	29.1	3.4153	0.75581	0.04920
6 to 10 years	32	25.1	3.3623	0.62234	0.04503
11 to 15 years	35	27.5	3.4020	0.74178	0.11183
Above 16years	23	18.1	3.1245	0.6541	0.12546

The mean score of the respondents of less that 5 years experience category was found to be higher (3.415) in Training and Development Factor in e-banks. The ANOVA was used to test the significance of difference between the mean scores of three categories   of   respondents.

The null hypothesis was framed as: There is no significant difference between experience of the respondents and their opinion regarding Training and Development Factor in e-banks.

Table: 11 Significance of difference in opinion between experiences and Training and Development Factor in e-banks: F-test

Source of Variance	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	0.975	3	0.487	0.985	0.374
Within Groups	131.494	124	0.495		

The calculated value of F (0.985) was less than the table value (2.99) at 5% level of significance and the hypothesis was accepted. Hence it is concluded that there is no significant difference between experience of the respondents and their opinion regarding Training and Development Factor in e-banks.

Understand the difficulties of employees' effectiveness with and online banking effectiveness

The regession analysis shows that the final regression model with difficulties faced by employees to work with e-channels opinion as a dependent variable is found to be statistically significant (F = 32.755, p < 0.05). The explanatory power of this model, as reported by the adjusted R^2 value is 0.582. This suggests that 58.2 per cent of the variability in the difficulties faced by employees to work with e-channels and online banking effectiveness are predicted by the independent variables in the regression model.**Hypothesis:** There is no significant relationship between the employees' difficulties to work with e-channels and online banking effectiveness.

Table: 12 Summary of Regression Analysis – Online banking effectiveness

Model	R	R²	Adjusted R²	Std. Error of the Estimate	F – ratio
Difficulties faced by employees to work with e-channels	0.716ᵃ	0.582	0.537	0.23122	20.694

Coefficients

Online banking effectiveness	Un standardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	0.832	0.120		6.732	0.000
Helped in reducing work stress	0.002	0.011	0.008	2.054	0.038
Helped to do routine work more efficiently	0.007	0.010	0.022	0.766	0.444
Increased interest in work	0.012	0.010	0.064	2.035	0.042*
Increased level of motivation	0.019	0.010	0.054	1.914	0.052
Increased level of job satisfaction	0.014	0.011	0.061	2.150	0.032*
Effective Training	-0.005	0.008	-0.024	-0.732	0.506
Enhanced technical skills	0.000	0.007	-0.005	-0.055	0.966
Increased effectiveness at job	0.011	0.009	0.031	1.275	0.141
Organized training programmes increased confidence levels	-0.008	0.009	-0.021	-0.446	0.685
Internet banking is helpful in product offerings	-0.009	0.008	-0.023	-0.580	0.532

Note: *$p<0.05$: **$p<0.01$; ***$p<0.001$

The 't' value and the significance level indicates that factors are significantly contributing to these factors; Helped in reducing work stress, Increased interest in work, Increased level of job satisfaction and Increased level of motivation

VI. CONCLUSION

Online banking effectiveness has brought about a change in the working environment among employees. It provided the employees with diverse customer services with customer satisfaction. New technologies such as the internet (paytm, google pay aitel money and mobile technology) have become the most convenient method for the consumer to engage in online banking. These services were not possible without employees of this industry. This research shows that new innovation and technology changes significantly impact on the employees. The banking sectors should providing training program, behaviour analysis and enough number of employees to assist online banking services encourage non-metro cities customer satisfaction.

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