

## **"Some Reflections of Employees Job Satisfaction In The Context of Electronic Banking In India: Issues and Challenges"**

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### **1.1 INTRODUCTION:**

In the growth of economic development, the function of banking sector has always been commendable. It is the potency and input of the banking system can have far-reaching implications on the development of the whole economy. The link between the financial sector and economic growth has been the subject of a large literature. Many researchers have studied that there is strong empirical evidence today of that robust financial markets support economic growth. This is particularly relevant at the present time also when there is a lot of stress in the financial markets globally and consequently a slowdown in the momentum of economic growth. Keeping in view the essence of the banking system, policies are designed for proper regulation of banks. In India, after the nationalization of banks in 1969, the geographical presence of the banking system increased considerably but the profitability and economic viability of various branches were negatively impacted due to increased cost of maintenance and lending to masses at reasonable cost considering the social objective of banking sector in the growth of economy. Despite utmost care taken by Government and banking regulations, many assets or loans of the bank get converted into bad debts and stop generating any income for the bank.

Banking industry is an emerging industry in India, the entry of private sector and foreign banks have brought very essential changes in the banking industry. Employees in the banks take painful efforts to deliver the various needs of its customers. Work deadlines are getting compact and individual jobs are loaded and added with quality output due to work in pressure, it becomes hard to maintain the balance between personal and professional life the output of the banking sector is dependent on the quality of human resource. The basic function of human resource development is to facilitate performance improvement measured in terms of financial indicators of operational efficiency and quality of financial service provided. The twin challenges faced by banks managements are that of retaining the prevailing employees providing a satisfying work environment for all employees. The study attempts to find out all socioeconomic issues related with managing professional and personal life of working women in banking industry. The major objective of this study is to identify

socio economic issues in work life balance in banking industry and to suggest measures to improve work life balance.

Banking sector is the back bone for the economic development of any country and working women, being a considerable part of the society, also played a vital role in the smooth run of banking sector. The study is purely exploratory in nature and seeks to identify the problems faced by women in both the Private and Public sector banks. The phenomenal growth of banks has created massive employment opportunities for the educated unemployed youths of our nation specially women. The women job-seekers find jobs in banks more attractive and more suitable to their nature. Banks also were not only hiring them massively but even welcomed their entry because women have certain innate traits which fit in with the job requirements.

The changing need of customer reflects the expectation of value added service for basic banking requirements. This is made possible in the post liberalization environment where technology enables banks to provide “Anytime-Anywhere-Banking” to the increasingly demanding customers. The new concept of e-banking has broken the barriers of branch banking. Customer whether individuals or corporate no longer have to go to the bank to do their business. It can be done from home and office 24x7 using the PC or the telephone and through the system of Internet banking. Electronic Banking“ means banking done through electronic systems for customer transactions (front office computerization) and internal accounting and book keeping (back office computerization), as against the traditional manual system of banking. It may also include the decision support system for various levels of management and marketing cross-selling through electronic medium. E-banking is a mix of services which include internet banking, mobile banking , ATM kiosks, fund transfer system, real time gross settlement, cash management services, credit/debit/kisan cards/smart cards, operational data for MIS and customer relationship management. Communication channel can be of three types – bit serial, byte serial and parallel. For faster communication, data compressions techniques are used. For secure transmission data encryption techniques are used. E-mail is used for transmission of data from one place to another with speed, accuracy and security. Email can be used over dial-up line or a dedicated line.

## **1.1.1 BANKING IN INDIA AFTER GLOBALISATION**

Every bank is trying to use as much latest technology as it can to facilitate its customers. One of the key features in this regard is internet banking, which a lot of banks are currently providing in India. Though with the passage of time, internet banking trend is increasing in India, but still there are a lot of customers, who hesitate to give their information online, like Debit/Credit card numbers. This is not only at customer’s end, even a lot of banks are still afraid of giving internet banking solution in India. Everyone who has a little knowledge of internet banking knows that all cards with Visa and Orix logo can be used anywhere on

internet for purchase—there are a lot of banks in India issuing credit cards, even debit cards with Visa logo..There are a lot of banks in the list that are facilitating their customers with good online facilities.

With the passage of time, trend is changing but still we are lacking in use of modern technology which must be utilized to save money, problems and most important thing 'Time'. An awareness campaign may be started to make people aware of useful benefits of internet banking, like easy purchase, pay their bills, and make transactions from their offices and home. This thing may give enough awareness to more customers that they may start asking their bank about internet banking. Hope this will work to make the banks to start online services to meet up the present challenges of the world. Internet banking in India is still on its way and hope to have some fruitful advancement in future.

Financial transactions and payments can now be processed quickly and easily in friction of seconds. Latest Developments in Information Technology have also brought along a whole set of challenges to deal with. In simple words, e banking is concerned with doing all these transactions from home or office without visiting the branch; 24 hours, 7 days in a week by using ATM's , telephones, internet and mobiles etc for doing banking services.

The banking environment of today is rapidly changing and the rules of yesterday are no longer applicable. New technologies cannot completely replace the branch network but it can support old methods of delivering the services to their customers.Information Technology has brought drastic change in the day to day functioning of banking operations. It not only brings improvements in their internal functioning and daily routine work but also enable them to provide better customer service efficiently and effectively. By directing various banking transactions through electronic channel and by providing customers direct access to their account

## **1.1.2AUTOMATED TELLER MACHINES (ATM'S)**

Automatic teller machines have transformed the concept of banking in India. It has eliminated the requirement of to stand in long queue and filling of forms for routine banking transaction.However the pressure from private and foreign banks in India to public sector banks has posed a challenging environment. Latest advance banking technology brought up by private and foreign banks have great impact on Indian banking system. These alternative delivery channels includes ATMs, phone banking, internet banking, mobile banking. ATM delivers multiple services 24x7, which is major cause of making it a success in the history of banking industry. In fact, e-banking services became profitable and successful due to various services delivered through ATM's. The management of ATMs involves loading of cash, arrangement of money with bank service of car that delivers cash, providing insurance for all areas such as theft of cash from ATMs. ATMs helps customers in withdrawing cash at anytime, from anyplace.

## 1.1.3 TELEPHONE BANKING/TELE BANKING/PHONE BANKING

Phone banking, telebanking or telephone banking are all the same. In phone banking, banking transaction is done over the telephone. Customers of banks can get information about their accounts, make banking transaction like fixed deposits, money transfer, demand draft, collection and payment of bills etc by using telephones. Telephone banking system uses technology that keeps the cost of delivering the service very low. On the other hand, customers can do the banking work directly from their homes or from their office desk, without being stuck in traffic and without standing in queue for hours and without the need to visit a bank branch or automated teller machine. Telephone banking allows the customers to access their account 24 hours a day, 7 days a week. They can dial in and get the current account information.

## 1.1.4 RBI GUIDELINES FOR MOBILE BANKING

Guidelines define mobile banking as, “doing any banking transaction by using mobile phones by the banks” customer that would include debit/credit of customers account”. After the initial guidelines set by Reserve Bank of India, several relaxation policies have also been made to encourage the use of mobile banking due to continuous change in the environment and priorities of banking customers.

The dependence on information technology is such that the banking business cannot be thought of in isolation without it. Such has been the spread of information technology footprints across the Indian commercial banking sector. Reserve Bank of India defines fraud in the Report of RBI Working Group on Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds which reads as under:

*“A deliberate act of omission or commission by any person, carried out in the course of a banking transaction or in the books of accounts maintained manually or under computer system in banks, resulting into wrongful gain to any person for a temporary period or otherwise, with or without any monetary loss to the bank.”*

## 1.2 REVIEW OF LITERATURE

“Digital” is the new buzz word in all sectors. With other sector, banking is also all around the globe shifting towards digitalization. Banks of all sizes and across all regions are making huge investments in digital initiatives in order to maintain a competitive edge and deliver the maximum to its customers. Adoption of digitalization is very important for the banking sector. By embracing digitalization, banks can provide enhanced customer services. This provides convenience to customers and helps in saving time. Digitalization has transformed manual processes, transactions and activities into digital services. Across all verticals, consumer needs have been met in entirely innovative ways, disrupting existing enterprise

value chains. Digitalization reduces human error and thus builds customer loyalty. Today, people have round-the-clock access to banks due to online banking. Managing large amounts of cash has also become easier. Digitalization has also benefitted customers by facilitating cashless transactions. Customers need not store cash anymore and can make transactions at any place and time. Several commercial banks started moving towards digital customer services to remain competitive and relevant in the race. Banks have benefitted in several ways by adopting newer technologies.

**SinghandMalhotra(2007)**Thestudywasbasedon88banks comprisingofpublic,privateandforeignbankscoveringfinancialyearsfrom1997to 2005.Theresultsofthestudyshowedthatlargebankshavinghighfixedexpenses,high incomeandexpendituretendtousemoretechnology.Bankshadusedinternetbanking asacomplementarychanneltoexistingbranchnetwork.However,theprivateandforeign bankswerequickadoptertointernetbankingthanpublicsectorbanks.Theadoptionof thisinnovationbyotherbanksincreasestheprobabilitythatadecisiontoadaptwillbe madeasithasincreasedtheprofitabilityandproductivityofbanks.

**Kautish(2008)**Peoplepreferredtouseonlinebankingbecauseofitsavailability,better performance,ubiquity,speedanditseffectiveness.Further,theauthordiscussedtwo bankmodelsintegratedbankingmodelwherethebanksprovideinternetbanking servicesasanextensiontotheirbasicserviceslikeATMandphonebanking.So,itisa kindofhybridapproachandtheotherwasstandaloneinternetbankingmodel,wherethe bankstotallyrelyontheonlinechannel.

**SinghandSingh(2002)**Theauthors explainedthatthebanksrequiredadynamicstrategictechniqueforadoptionof innovativetechnology.Ascustomersbecamemoresophisticated,itbecomesimperative forthebankstoconsidertheuseoftechanologytoresponddtothecontinuouschanging requirement.

**IbbotsonandMoran(2003)**Theobjectiveofthestudywastojudgetherelationshipbetweenbanks andtheirsmall corporatetechnologyclientsandthegrowinguseofinternetasadeliverychannelforfinancial services.Theresultsofthestudyindicatedthatthelevelofsatisfactionwiththe-bankswas quitehighaccordingtothosecustomerswhowereusingtelephone,PCandinternet banking.However,someenterpriseswerealreadyintheprocessofdeliveryandalso seemtobesatisfiedwiththeuseofelectronicchannelofdelivery.

**Kassim(2005)**exploredthegrowingneedsandexpectationsoftheconsumersin Qatar.Duetocompetition,thebankshadtoofferabroaderrangeofproductsand servicesatmorecompetitivepricesthroughmoreefficientandconvenientchannels.The studyinvestigatedthediscrepancybetweencustomerexpectationandperceptiontoward E-banking services.

**Lichtenstein and Williamson (2006)** in their research article gave an outlook as to how and which specific factors affect the consumer decision, whether or not to choose internet banking services in the Australian context. The findings of the study brought out that convenience was the main motive for customers to bank on the internet, while there was a range of other influential factors that may be modulated by banks. The research suggested that banks will be able to manage consumer experiences with moving to internet banking only if they understood that such experience involves a process of adjustment and learning over time, and not merely the adoption of new technology.

**Srinivas K T (2013)** emphasis on identify the Non-performing assets at Commercial banks in India. This paper highlights the various general reasons which convert advances/ assets into NPA and also give suitable suggestion on findings to overcome the mentioned problem.

**Singh (2013)** in his paper entitled Recovery of NPAs in Indian commercial banks says that the origin of the problem of burgeoning NPA's lies in the system of credit risk management by the banks. Banks are required to have adequate preventive measures in fixing pre-sanctioning appraisal responsibility and an effective post-disbursement supervision.

**Rai (2012)** in her study on Study on performance of NPAs of Indian commercial banks said that till recent past, corporate borrowers even after defaulting continuously never had the fear of bank taking action to recover their dues. This is because there was no legal framework to safeguard the real interest of banks.

**Liao and Wong (2007)** empirically explored the major considerations associated with internet-enabled banking systems and systematically measured the determinants of customer interactions with banking services. In order to study customers' interaction with internet banking, the respondents were asked to explain the extent of using internet banking services. The results suggested that perceived usefulness, ease of use, security, convenience and responsiveness to service requests significantly explained the variation in customer interactions. Exploratory factor analysis and reliability test indicated that these constructs were relevant and reliable. Confirmatory factor analysis confirmed that they possessed significant convergent and discriminatory validities. Both perceived usefulness and perceived ease of use have significant impact on customer interactions with banking services. Perceived security, responsiveness and convenience also represented the primary avenues influencing customer interactions.

**Sarangapani and Mamtha (2008)** studied the impact of Information Technology on banking sector and its security related aspects. Due to recent developments in banking industry and with introduction of Basel-I and II implementation; customers are more demanding now and it requires innovation in banking services. The researchers found that now the banking industry has been more customer-oriented with unlimited market place, extensive product breadth and e-enabled

services provided to the customers. The IT initiatives in banking industry have resulted in reduction of time. Introduction of negotiated dealings system, screen based trading and RTGS for online settlement of inter-bank transfers of funds had also resulted into safe, secure and quick movements of funds. The authors also studied e-security aspects of banking which posed damage and threat to the existing e-banking system. It includes unauthorized access to computer system or network, stealing information, e-mail bombing, data diddling, denial of service, viruses, etc. The authors concluded that existing legal framework was adequate to meet the challenges of e-banking; and it had become essential to create awareness of e-banking among customers, banks and society.

**The study of Karjaluoto (2002)** further found that Internet technology is the main electronic distribution channel in the banking industry. Factors affecting customer acceptance and adoption of internet banking have been investigated in many parts of the world. On the other hand, not much has been done on this area concerning electronic banking among commercial banks in India. Electronic banking acceptance has gained special attention in academic studies during the past five years as, for instance, banking journals have devoted special issues on the topic. There are two fundamental reasons underlying electronic banking development and diffusion. First, banks get notable cost savings by offering electronic banking services. It has been proved that electronic banking channel is the cheapest delivery channel for banking products once established. Second, banks have reduced their branch networks and downsized the number of service staff, which has paved the way to self-service channels as quite many customers felt that branch banking took too much time and effort. Therefore, time and cost savings and freedom from place have been found the main reasons underlying electronic banking acceptance. Several studies indicate that online bankers are the most profitable and wealthiest segment to banks. Electronic banking thus offers many benefits to banks as well as to customers.

**G. Sivakrishna and S. Venugopal (2010)** has made an empirical study on how e banking helps to improve customer base. The study was also an attempt to analyse the customer perception, customer preferences and customer satisfaction levels towards e banking services. Based on the study, the researchers concluded that with better understanding of customer perceptions, the banks will be able to determine required actions to satisfy the customers.

**Dr. Malhotra (2010)** discusses in her paper that the results show whether the private and foreign Internet banks have performed well in offering a wider range and more advanced services of Internet banking in comparison with public sector banks. She also identifies that the size of the bank, experience of the bank in offering Internet banking, financing pattern and ownership of the bank are found to be the most significant determinants of the successful payment banks.

**Nidhi Chandaran (2011)** also made a conceptual study on need of Payment Banks in India. The study was based on secondary data. The researcher also focused on PPI (Pre-payment Instruments), a conceptual study.

**Dr. Srinivasan, Prof. Subramanian (2012)** has made a detailed conceptual study of Payment Banks. The researchers mainly concentrated on finding an answer to certain questions like who are these payment banks, why do we need Payment Banks when we already have public, private, foreign and cooperative banks, what are the value-added services rendered by payment banks and so on. The researchers concluded there is much possibility in the near future to open more Payment Bank Accounts in addition to their regular bank accounts.

**Rahmath Safeena(2012)** in his study “Technology Adoption and Indian Consumers: Study on Mobile Banking” identified that the evolution of e-banking started from the use of Automatic Teller Machines (ATMs) and telephone banking (Tele-banking), direct bill payment, electronic fund transfer and a wide variety of allied services offered by the modern banking system.

**Vishal R Sandanshive, Dr. Vivek V Katdare(2013)** analyzed the 11 entities functional areas which are approved under In-principle by RBI. The paper also highlighted the benefits for the customers and to the different entities. The main objective of the research was to know the role of payment banks in the process of financial inclusion. The study tells that telecom companies has greater advantage in partnering to the Payment Banks as they have already networks reaching to the rural customers.

**Tavishi and Santosh Kumar (2013)** in their study “An Empirical Study on Technology Adoption by Indian Banks” illustrated the factors influencing the customers to avail internet banking and mobile banking services in India and hence examined the impact of perceived usefulness and perceived risk on the use of internet banking and mobile banking.

**Prema C (2013)** in her research article “Factors Influencing Consumer Adoption of Internet Banking in India”, examined the process of internet banking services and made a detailed study on the benefits of internet banking to the common public. The researcher concluded that it is essential for the banks to create awareness to attract consumers’ attention to internet banking services.

**R. Elavarasi (2014)** in her research paper has identified the bank which provides better e banking services to the customers and also analyzed the satisfaction level of the customers regarding the inter banking website of banks. It is evident that the age, educational qualification, occupation, income level of customers etc., are the factors which influence the usage of e-banking services by customers. The researcher concluded by stating that there is need for increased awareness of the e-banking services among the customers.



**Dr. M.S. Rao (2014)** stresses in his paper that there is a need for constant innovation in the retail banking sector. However, the updated technology and operational efficiency would provide a greater competitive edge for the retail banking business. Furthermore, he emphasized that it is increasingly important for the banks to improve the quality of the customer services and cut off predatory lending strategies, particularly in the area of credit cards interest payment.

**Dr.Uday Singh Rajput (2015)** in his research paper made a conceptual study on the customer perception towards e-banking services. The paper examined whether the customer's choice of banks is influenced by the quality of e-banking services provided by the banks. The study revealed that education, gender and income play a vital role in the internet banking services by the customers. The researcher concluded that the timely up gradation of skills will create greater demand for the online banking by customers.

**VarunKesavan (2015)** has made an attempt to analyse what and how are the innovative services provided by banks to the society. The author also tried to evaluate the benefits of these facilities to the customers and to the banks at large. The researcher concluded by stating that ICT enabled introduction of payment banks have made tremendous impact on the banking sector. He reiterates that priority banking is a symphony of banking benefits and more significantly, the personalized services which brings complete harmony to all the financial needs of a common man.

**Joseph Rozario (2016)** insisted in his paper that the retail banking needs a continuous innovation and up gradation. He also examined that the banks should call for a constant evaluation and revalidation of the internal systems and processes to attain a paradigm shift in bank financing to suit the customer needs.

## Conclusions

The objective of this study was to investigate the factors influencing e-banking adoption among commercial banks in India, and the challenges faced by commercial banks in the adoption of E-banking. This change will include moving from traditional distribution channel banking to electronic distribution channel banking. Given the almost complete adoption of e-banking in developed countries, the reason for the lack of such adoption in developing countries like India is an important research that will be addressed by this study.

Environmental changes create pressure for change in the organization and this means that they have to respond to relevant central change to ensure that they survive. The business benefit of the electronic banking is to generate additional revenue, improve customer service, extend marketing, and increase cost saving. Continuous technology development, particularly information technology revolution of the last two decades of the 20th century has forced the banks to embrace e-banking as a strategy for their sustainable growth in an expanded

competitive environment. E-banking has made the financial transactions easier for the participants and has introduced wide range of financial products and services.

The internet has changed the operations of many businesses, and has been becoming a powerful channel for business marketing and communication. The banking has followed this trend in recent years, and sometimes called E-Banking referring to all banking transactions now completing through Internet applications. Electronic banking has changed the way the banking industry does business by forcing the industry to consider non-traditional channels of delivering services to customers. No doubt in the future, the banking environment will be more study less and will overcome traditional barriers of distance and geographic boundaries. While e-banking has grown rapidly, there is not enough evidence of its acceptance amongst customers.

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