

# Effect of Automation in Banking Sector on Employee's Efficiency

Kamalpreet Singh<sup>1</sup>, Rajinder Kumar Kapil<sup>2</sup>

<sup>1</sup>Research Scholar, Guru Kashi University, Talwandi Sabo

<sup>2</sup>Professor, Guru Kashi University, Talwandi Sabo.

---

## ABSTRACT

Banking sector has introduced so many automation machines in bank for smooth functional of work. The main objective of the study is to analysis the effect of these automated machines on employee efficiency in bank of Malwa region of Punjab. The study is analytical in nature and sample size of 523 respondents' have been taken from customer and bank employees of public sector bank and private sector bank .the collected data is analyzed with the help of various statistical technique such mean, frequency standard deviation, ANOVA. Further it is concluded that most of respondent in government and non-government bank are agree that due to introduction of automation machine their work efficiency have improved and increased but they want more training period for operating these machines efficiently.

**Key words:** Automated Machines, Employee Efficiency In Bank, Public Sector Bank And Private Sector Bank.

---

## I INTRODUCTION

Bank is the place where general people can save the saving for long period and withdraw the money in case of emergency need.in India bank are two type private sector bank and public sector bank . in private sector bank (HDFC , AXIS) bank and public sector bank (SBI ,PNB ,BANK OF BARODA )are most dominate bank and From 1990 banking sector introduced so many automation machines just like ATM, cash deposit machine, pass book printing machine, currency counting machine and FAKE CURRENCY detector machine. With this automation machine the work of bank employee have decease and employees efficiency has increased

## II REVIEW OF LITERATURE

**Varshney (2007)** conducted a study on public sector bank SBI. On the topic: Automation and employee satisfaction. The main purpose of study was to find the job satisfaction of bank employees in various aspects like: age, sex, no. Of dependent, marital status, pay, education. The hypothesis of the study was that there was a strongly relationship between Variables (like: age, sex, pay etc) and employees satisfaction. To achieve this objective 150 questionnaire were made and data was collected by questionnaire method. . The data was analyzed with the help of SPSS v.19. The result of research was that there was no relationship between variable (no. of dependent, marital status, sex, education) and employee satisfaction. But there was a strong relationship between the age and employee satisfaction.

**Zahrani (2011)** conducted study on the topic: impact of e-banking on job security of Saudi national banks. The researcher tries to find out the impact of e-banking on employee job security, electronic funds transfers, internet banking services; automated teller machine and telephone banking were used. The data was collected with questionnaire method, by surveying 250 respondents in selected banks working in Saudi national banks. . But as a result it was seen that there is negative relationship between the employee job satisfaction and new technology (EFT, IBS and ATM etc.). On the other hand there was adverse impact on telephone banking on employee job satisfaction. As a conclusion of study researcher has told that e -banking has increased the bank employee efficiency and the quality of services provided by the Saudi national banks.

**Atiku (2011)** conducted study on the effect of electronic banking on employees' job satisfaction in Nigeria. The objective of this study was to find the level of adoption of e-banking and the level of effects of e-banking have on employee's job security in the Nigerian banking sector. The data for the study was collected by interviewing the staff of four commercial banks in Lagos state of Nigeria. The sample includes 400 employees who were randomly selected by using stratified random sampling technique. For analysis he has used mean and standard deviation. and the customers are satisfied with the services provided by Nigerian banks. On the other hand, electronic banking has created greater challenges to job security of employees in Nigerian banking sector. On the other hand, there is no direct effect on the job o employees' due to electronic banking. The researcher has also suggested that electronic banking should be accepted but it should not form any discomfort in the job security of the employees.

**Saeed (2013)** has researched on the topic: Effects of Performance Appraisals on Employees' Motivation in Pakistani Banking Sector. The main aim of researcher was to find the impact of performance appraisals including promotions, incentives, and benefits on employees' motivation. the study shows that there is a positive effect of incentives on employees' motivation. On the other hand, motivation plays an important role in increasing performance appraisal of employees.

**Abbas (2014)** conducted a study on the Impact of technology on performance of employees in on Allied Bank Ltd, Pakistan. To achieve the objective of study 32 respondents were interviewed by asking various questions regarding work overload, cost saving, processing, information etc. The result of the study was that there is a great impact of new technology on the performance of employees in Allied bank. This study shows that there was decreased of errors, mistakes and the increase in work speed due to automation, which has also reduced the workload of employees and cost of recording transactions.

**Huzaifah Shafique (2014)** performed a study to check the impact of technology advancement on employee performance in banking sector. The main hypotheses of the study; that there is no significant relationship between technological advancement, motivation and training. In this research data was collected with the help of questionnaire method for which 140 questionnaires were distributed among different banks. The researcher found that technological advancement has great impact on motivation and training of employees as well as motivation has great impact on employee performance. But training has no such great impact on employee performance. Moreover the concerned for technological advancement and employee performance.

### III OBJECTIVES AND HYPOTHESES

The main objective of the research paper is to analysis the impact of bank automation on efficiency of employees in Malwa region of Punjab with the **hypothesis** that the respondents do not differ significantly towards the impact of bank automation on efficiency of employees in Malwa region of Punjab.

### IV RESEARCH METHODOLOGY

The present study explored the impact of automation in banking sector on employee efficiency and employees satisfaction. The study used primary data, collected through well-structured questionnaire from 525 respondent engaged in banking sector .Area of the study is Malwa region of Punjab (Ludhiana Patiala Sangror, Mansa, Fazilka, Muktsar, Bathinda) the data were collected with the help of questionnaire prepared with the discussion of experts on five point liker scale i.e. strongly agree, agreed, neutral, strongly disagree and disagree. For analyzing the collected data various statistical techniques such as mean standard deviation and ANOVA have been used.

### V DATA ANALYSIS

Table 1 show that 64.8 per cent of respondents strongly agree that technology and automation in banking sector increased efficiency due to increased processing speed, 30.6 per cent of respondent agree 2;1 per cent are neutral and 1.9 of respondent disagree this statement and .6 per cent are strongly disagree Statistically, there is no significant difference among the respondents of different genders, qualification, age, Residential background status of family nature of organization and marital status. The significant value of the profile of institution is 0.006 (Table 2) indicate that there is a significant difference towards the statement by rejecting the hypothesis that technology in banking sector increase efficiency due to increase processing speed at .05 level of significance.

46.7 per cent of respondents strongly agree that Technology and automation in banking sector help in getting detailed information.44 per cent of respondent agree 8.2 per cent are neutral and 1.0 of respondent are disagree and .2 per cent are

strongly disagree this statement. Statistically, there is no significant difference among the respondents of different profile of institutions, qualification, and age, Residential background status of family nature of organization and marital status. The significant value of the gender is 0.043 indicate that there is a significant difference towards the statement by rejecting the hypothesis that Technology and automation in banking sector help in getting detailed information at .05 level of significance.

32.3 per cent of respondents strongly agree that Technology and automation in banking sector is user friendly.42.4 per cent of respondent agree 17.4 per cent are neutral and 2.9 of respondent are disagree and 5.0 per cent are strongly disagree this statement. Statistically, there is no significant difference among the respondents of different genders, qualification, age, Residential background, nature of organization and marital status. The significant value of the profile of institution is 0.004 indicate that there is a significant difference towards the statement by rejecting the hypothesis that technology and automation in banking sector is user friendly. The significant value of the Status of the family is 0.003 indicate that there is a significant difference towards the statement by rejecting the hypothesis that technology and automation in banking sector is user friendly at .05 level of significance.

44.4 per cent of respondents strongly agree that Technology and automation in banking sector help in efficient time management .38 per cent of respondent agree 13 per cent are neutral and 3.4 of respondent are disagree and 1.3per cent are strongly disagree this statement. Statistically, there is no significant difference among the respondents of different qualification, age, Residential background, nature of organization and marital status. The significant value of the profile of institution is 0.030 indicate that there is a significant difference towards the statement by rejecting the hypothesis that technology and automation in banking sector help in efficient time management The significant value of the gender is 0.029 indicate that there is a significant difference towards the statement by rejecting the hypothesis that technology and automation in banking sector help in efficient time management at .05 level of significance.

41.1per cent of respondents strongly agree that technology and automation in banking sector increased the performance level of employees 39.4 per cent of respondent agree 14.7 per cent are neutral and 4.0 of respondent disagree this statement and .8 per cent are strongly disagree Statistically, there is no significant difference among the respondents of different qualification, age, Residential background, Status of the family, nature of organization, Profile of institutions and marital status. The significant value of the gender is 0.013 indicate that there is a significant difference towards the statement by rejecting the hypothesis that Technology and automation in banking sector increase the performance level of bank employee at .05 level of significance.

53.5 per cent of respondents strongly agree that Technology and automation in banking sector decrease mathematical calculation hence save time 32.1 per cent of respondent agree 11.7per cent are neutral and 2.3 of respondent are disagree and .4 per cent are strongly disagree this statement Statistically, there is no significant difference among the respondents of different gender, qualification, age, Residential background, Status of the family, nature of organization, Profile of institutions and marital status at .05 level of significance.

40.7 per cent of respondents strongly agree that Technology and automation in banking sector help in reducing human.38.6per cent of respondent agree 14.7 per cent are neutral and 3.6 of respondent are disagree and 2.3 per cent are strongly disagree this statement Statistically, there is no significant difference among the respondents of different gender, qualification, age, Residential background, Status of the family, nature of organization, Profile of institutions and marital status at .05 level of significance.

**Table 1:**

Sr. No.	Statement	N/ %	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Total	Mean	S.D.
1	Technology and automation in banking sector increase efficiency due to increased processing speed	N	339	160	11	10	3	523	4.57	.687
		%	64.8	30.6	2.1	1.9	.6	100		
2	Technology and automation in banking sector help in getting detailed information	N	244	230	43	5	1	523	4.36	.690
		%	46.7	44.0	8.2	1.0	0.2	100		

3	Technology and automation in banking sector is user friendly	N	169	222	91	15	26	523	.394	1.029
		%	32.3	42.4	17.4	2.9	5.0	100		
4	Technology and automation in banking sector help in efficient time management	N	231	199	68	18	7	523	4.20	.889
		%	44.4	38.0	13.0	3.4	1.3	100		
5	Technology and automation in banking sector increase the performance level of bank employees	N	215	206	77	21	4	523	4.26	.874
		%	41.1	39.4	14.7	4.0	0.8	100		
6	Technology and automation in banking sector decrease mathematical calculations hence save time	N	280	168	61	12	2	523	4.36	.806
		%	53.5	32.1	11.7	2.3	0.4	100		
7	Technology and automation in banking sector help in reducing human errors	N	213	202	77	19	12	523	4.22	.945
		%	40.7	38.6	14.7	3.6	2.3	100		

**Table 2: ANOVA values**

Sr. No.	Statement	Profile of Institution	Marital status	Nature of organisation	Residential background	Status of family	Age	Qualification
	Degree of freedom	2	1	1	2	1	4	4
1	Technology and automation in banking sector increase efficiency due to increased processing speed	0.006	0.737	0.804	0.256	0.254	0.381	0.485
2	Technology and automation in banking sector help in getting detailed information	0.418	0.522	0.231	0.907	0.901	0.676	0.637
3	Technology and automation in banking sector is user friendly	0.004	0.329	0.184	0.070	0.003	0.955	0.301
4	Technology and automation in banking sector help in efficient time management	0.030	0.537	0.495	0.608	0.974	0.639	0.208
5	Technology and automation in banking sector increase the performance level of bank employee	0.486	0.573	0.761	0.090	0.680	0.810	0.087
6	Technology and automation in banking sector decrease mathematical	0.170	0.792	0.261	0.571	0.398	0.614	0.523

	calculations hence save time							
7	Technology and automation in banking sector help in reducing human errors	0.729	0.579	0.645	0.467	0.888	0.096	0.402

**REFERENCES**

- [1]. Dr.M.G.Varshney (2007) Automation and employee satisfaction in SBI. IOSR Journal of Business and Management (IOSR-JBM) e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 16, Issue 1. Ver. V (Feb. 2014), PP 44-52.
- [2]. Jawad Abbas (2014) Impact of technology on performance of employees in on Allied Bank Ltd. World Applied Sciences Journal. P. 29.
- [3]. Nadeem Maqbool and Huzaifah Shafique (2014) the impact of technology advancement on employee performance in banking sector. International Journal of Human Resource Studies.
- [4]. Abdullah Attia AL-Zahrani (2011) the impact of e-banking on job security of Saudi national banks. (European Journal of Humanities and Social Sciences Vol. 4, No.2. P. 69.
- [5]. Atiku, S. O (2011) the effect of electronic banking on employees' job satisfaction. Adoption of European Journal of Humanities and Social Sciences Vol. 4, No.2. P. 81.
- [6]. Rashid Saeed (2013) the Effects of Performance Appraisals on Employees' Motivation in Banking Sector. Middle-East Journal of Scientific Research 16 (10)
- [7]. A.A. Agboola (2003) the Information Technology, Bank Automation, and Attitude of Workers in Banks. 7(3).