

Adoption of digital financial technology and work level performance of employees with special reference to financial institutions in Kottayam district

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Abstract

We are familiar with the word digitalisation and technological innovations in society, in public as well as private sector banks and Non-Financial banking institutions, which is helpful for the society in managing their finance and other finance issues with a simple click from our smart phones or other technological innovations which we named as fin tech refers the application of innovative technologies and business models to provide and automate financial services. It has transformed how consumers and businesses manage their financial operations, offering greater accessibility, speed and efficiency compared to traditional banking methods. Fin tech relies on the number of cutting edge technologies to deliver service and innovate which includes the following technological innovations such as “Artificial Intelligence “ and “Machine Learning”, Block Chain and Distributed Ledger Technology, Big Data Analytics, “Cloud computing”, “Application Programming Interfaces”, and “Internet of Things”. Digital financial technology includes digital payments were as mobile payments via online transfers E.g.: Google Pay, Pay Tm and digital wallets, which facilitates quick and cashless transactions by digital Banking service and also investment management. Digital financial technology a key driver of financial inclusion extending access to financial services to previously unbanked or underserved populations particularly in developing economies. The study should focus on the work level performance of the banking and non-banking financial institution’s employees by the usage of digital financial technology in various public and private sector banking and non-banking finance institutions. The study also introduces new challenges including data privacy concerns, Cyber security risk and the need for robust regulatory frameworks to keep pace with rapid innovation.

Keywords: Digital Financial technology, Efficiency of employees, Work level performance.

Introduction

Digital financial technology in financial institutions refers to the application of innovative software and algorithms to automate, enhance, and transform traditional financial services and operations. This integration has led to new business models; improve operational efficiency, and a more personalized customer experience. The adoption of digital financial technology impacts heavily on the financing sector by enhancing customer experience, provide convenient 24/7 access to service via mobile apps and online platforms, meeting modern consumer demand for speed and the use. Such adoption helps also in the operational efficiency leads to cost reduction, which also helpful for financial inclusion and also helpful in innovative product offerings. It also has some negative impact to the society and individuals like competition in mobile banking apps such as Apple and Google and PayPal etc. Cyber security and data privacy like issue in security, fraud and risks of cybercrime also negatively affects the banking as well as individuals among our society. Work level performance in banking sector driven by factors like compensation, culture leadership, and work-life balance heavily influenced by high workloads, stringent targets, and digital transformation leading to stress but also necessitating strong performance for economic stability and customer satisfaction. Key performance indicators focus on financial metrics, customer service and operating efficiency, with high demands requiring supportive environments, continuous training, and addressing issues like burnout to maintain motivation and productivity.

Literature review

NafisSadik, and Md. Mominur Rahman: The rapid growth of digital financial services has revolutionized the financial landscape in developing countries, including Bangladesh. Despite its growing importance understanding the factors influencing DFS Adoption remains limited particularly when leveraging advanced analytical frameworks. This study investigates the key drivers affecting the adoption of DFS in Bangladesh by employing Structural Equation Modelling and Artificial neural Network Approaches. It identifies the factors financial literacy, trust, access to capital, digital payment usage and digital financial inclusion as significant factors of DFS adoption.

Chen Yan , Abu BakkarSiddik * , Li Yong , Qianli Dong , Guang-Wen Zheng and MdNafizur Rahman : This study aims to examine the effect of fintech adoption on the sustainability performance of banking institutions in an emerging economy as such as Bangladesh. Besides this study also investigates the mediating role of green finance and green innovation in the relationship between Fin tech adoption and sustainability adoption. To examine the relationship between study variables this study used data from 351 employees of banking institutions operations in Bangladesh during the period January to march 2021 using a convenience method of sampling. The findings show that Fin Tech adoption significantly influences green finance, green innovation and sustainability performance.

Md Sharif Hassan Nguyen Hong Mai, Nor Shaipah Abdul Wahab Mohammad Bin Amin MdMaruf Hassan, JuditOl'ah:Decentralized fin tech platform emerge as a viable alternative to the traditional finance system. However the security risksimpledes the widespread adoption among the users. So this paper aimed to investigate the drivers that influence the decentralized Fin Tech platforms adoption intention in the cyber risk environment. Findings indicate the digital literacy, perceived security, social influence, risk tolerance and trust in technology significantly affects generation Z user's intention to adopt decentralized fin tech platforms.

E. Rebekah1 and MohdAfjal: The study investigates the influence of dynamic capabilities like technological, organizational and environmental on bank performance through the mediating role of Digital transformation and Fintech Adoption employing the technology organization environment. Drawing an environment from 325 respondents in Chennai region of India. The findings revealed that technological and organizational capabilities significantly drive digital transformation and fin tech adoption does not directly improve bank performance.

George OkelloCandiyaBongomin John C. MuneneFGSR, Miserere University Business School, Kampala, Uganda , Pierre yourouguo:Premised on the assertion that financial digitalization is currently the panacea and game changer in delivering progress towards the sustainable development goals through universal financial inclusion in developing countries. The purpose of this paper is to establish the moderating effect of transaction tax exemptions in relationship between mobile money adoption and usage and financial inclusion. The findings implicated that all the latent variables of transaction tax exemptions showed significant and positive impact on mobile money adoption and usage to advance financial inclusions in developing countries.

UdullageShanikaThathsarani and Wei Jianguo: Digital inclusive finance as a vital engine for the country high-quality growth provides new impetus for encouraging economic development during looming economic downturn. SMEs play a significant role in economic growth and development particularly in developing countries. The objective of the study is to impact of financial inclusion on SMEs performance on to observe the influence of digital financing on financial inclusion and SME Performance as a mediator to examine how the Technology Acceptance Model supports financial inclusion and SME performance.

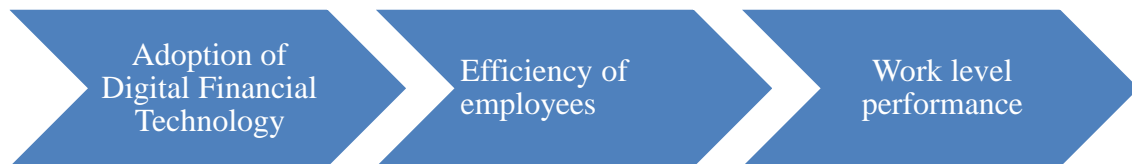
Md. Mominur Rahman · NafisSadik: With growing global attention on sustainability, financial inclusion and decent work, there remains a gap in understand how financial literacy, access to capital and digital payment usage impact both decent work and environmental sustainability. The study shows on the mediating role of decent work in bridging these factors with environmental sustainability. The result shows that financial literacy, access to capital, and digital payment usage positively affects both decent work and environmental sustainability.

MuhammedBasidAmnas, MurugesanSelvamand SatyanarayanaParayitam: Exploring the potential of Financial Technology to promote financial inclusion is the aims of the research. The study concentrated on understanding why people use Fin Tech and how it affects their access to financial services by taking into account the mediating role of digital financial literacy and moderating effects of perceived regulatory support. The result revealed the role of trust, service quality and perceived security are essential in promoting the utilization of Fin Tech services.

FlorentinaKurniasari, NadiahAbd Hamid &ElissaDwi Lestari: The study investigates the impact of financial access, technology updating, and literacy on the performance and sustainability of small and medium enterprises in Indonesia. The research reveals that financial literacy enhances both loan availability and Fin Tech adoption has minimal direct impacts on financial access. Financial literacy also serves as a key mediator in driving SME success when coupled with Fin Tech usage and funding access.

Methodology

Collecting data via various Finance and banking institutions from Kottayam district. Focus on data regarding awareness level, performance levels, satisfaction level, overall performance of the employees and benefits regarding the usage of digital innovations in banking and non-financial institutions. The study attempts to the quantifying effect from collecting data from employees including bank managers, various supervisory and managerial level employees in banking and financial institutions. The data collection was done through questionnaire structured via collecting data through different employees who working among banking and non-banking financial institutions and collect data. The variables include the questionnaire like: Adoption of digital financial technology: Efficiency of employees: employees work-level performance. The data were collected by the method of qualitative survey by preparing questionnaire. The study was descriptive and qualitative as it does not measure in quantitative terms due to confidential data were misused by the banks or financial institutions.



Constructed model of the study

Sample and data collection

The survey conducted by the method of collecting data from employees via banks and financial institutions about five banking and non-banking financial institutions .The required sample respondents for the study took 50 only due to inability of the banks and financial institutions to show their confidential data. The survey assessed the impact of digital financial technology: efficiency levels, satisfaction level of the employees, overall performance of the employees regarding using digital financial technology as an effective method for doing customer services and well as online transactions in an easy manner. The data were collected through Non-Probability Sampling by using the method Chi-Square because there is significant relationship between two variables or if observed results match expected outcomes.

Findings of the study

Descriptive Statistics					
Particulars	N	Minimum	Maximum	Mean	Std. Deviation
Gender	50	1	2	1.50	.505
Age	50	1	3	1.96	.755
Education	50	1	3	2.50	.614

Satisfied with Innovative technologies	50	1	3	1.54	.885
Promotes efficiency level	50	1	1	1.00	.000
Digital inclusion helps in the following manner	50	1	5	2.00	1.498
Cost reduction	50	1	3	1.54	.885
Doing customer services comfortably	50	1	3	1.38	.780
Decision making and financial literacy	50	1	3	1.50	.863
Enhancing productivity	50	1	2	1.02	.141
New skill development	50	1	3	1.14	.405
Trust in digital financial technology	50	1	3	1.72	.948
Overall functioning	50	1	2	1.60	.495
Total	50				

Age of the respondents

Particulars	Frequency	Percentages
20 To 30	15	30
30 To 40	22	44
40 To 60	13	26
Total	50	100

Table: 1

From the above table it shows that age between 20 and 30 are 15 respondents of 30 percentages and age between 30 and 40 age limits shows 22 respondents of 44 percentages and age between 40 and 60 are of 13 respondents of 26 percentages.

Gender of the respondents

Particulars	Frequency	Percentage
Male	25	50
Female	25	50
Total	50	100

Table: 2

From the above table it shows that both 25 from male and female respondents of 50 percentages.

Educational Qualification

Particulars	Frequency	Percentage
SSLC/Plus Two	3	6
Graduate	19	38
Post Graduate Or Above	28	56
Total	50	100

Table: 3

From the above table it shows that the respondents who have SSLC/Plus Two level education are of 3 respondents of 6 percentages, Graduate of 19 respondents of 38 percentages, Post Graduate or above are 28 respondents of 56 percentages.

Satisfaction with digital financial technologies

Particulars	Frequency	Percentage
Yes	36	72
No	1	2
To the some extent	13	26
Total	50	100

Table: 4

From the above table it shows that employees with satisfaction on digital financial literacy are 36 respondents of 72 percentages and employees with not satisfied are 1 employee requiring 2 percentages and to the some extent some are very much impressed by the adoption of digital financial technology are 13 employees of 26 percentages.

Hypothesis of the study

H1: There is significant relationship between digital inclusion and satisfaction level of employees.

H0: There is no significant relationship between digital inclusion and satisfaction level of employees.

Particulars	Value	D.O.F	Level of Significance
Pearson Chi-Square	9.171 ^a	8	.328
Likelihood Ratio	6.837	8	.554
Linear-by-Linear Association	.290	1	.590

From the above table it shows that the level of significance is more than 0.05 the Null hypothesis is accepted that “There is significant relationship between digital inclusion and satisfaction level of employees” and rejects the alternative hypothesis.

H2: There is significant difference between financial literacy and enhanced productivity.

H0: There is no significant difference between financial literacy and enhanced productivity.

Particulars	Value	D.O.F	Level of significance
Pearson Chi-Square	15.986 ^a	2	.000
Likelihood Ratio	5.985	2	.050
Linear-by-Linear Association	6.081	1	.014

From the above table it shows that the Level of Significance is .000 which is less than P-Value of 0.05 the null hypothesis should be rejected that is alternative hypothesis should be accepted that “There is no significant difference between financial literacy and enhanced productivity.

H3: There is significant difference between financial literacy and trust in digital technology.

H0: There is no significant difference between financial literacy and digital technology.

Particulars	Value	D.O.F	Level of Significance
Pearson Chi-Square	8.441	4	.077
Likelihood Ratio	5.294	4	.258
Linear-by-Linear Association	.961	1	.327

From the above table it shows that the level of significance is .077 which is more than 0.05 showing that the null hypothesis should be accepted that “There is significant relationship between financial literacy and trust in digital technology”.

Findings of the study on the basis of hypothesis

1. On the basis of **First hypothesis** that there is significant relationship between digital inclusion and satisfaction level of employees showing that during the usage of digital inclusion in banking and finance companies which helps the employees in doing the work efficiently and increase the work level performance of the employees and also which helps in satisfied with the employees in using digital financial technology.
2. On the basis of **Second hypothesis** that the null hypothesis is rejected cause no difference between financial literacy and enhanced productivity that means on the basis of assumption that we cannot assume that financial education does not leads to enhanced productivity by using there on skills is required for the enhancement of the productivity.
3. On the basis of **Third hypothesis** showing that there is significant relationship between financial literacy and trust in digital technology. Due to the financial education of the employees the respondents are usually trust in digital technology normally using their on skills by their educational qualification.

General Findings

1. Age limit of the respondents starting from 20 to 30 are 15 and 30 to 40 are 22 and 40 to 60 employees are being the range of 13 respondents.
2. Gender of the respondents are equally between 25 for both male and female
3. Educational qualification of the employees are SSLC/Plus two are 3 respondents and graduate are 19 respondents and Post graduate or above are 28 respondents.

4. Adoption of digital technology in banking and finance are usually satisfied with about 36 respondents and 1 employee showing not satisfied and 13 employees are satisfied to the extent of the study.
5. The efficiency level of the employees is increased without any percentages or respondents that 50 employees are also satisfied with efficiency level on the adoption of digital financial technology.
6. The usage of digital inclusion helps in the employees by the following manner that many of them like 36 employees saves time and energy, 3 employees leads to reduce work pressure, and 4 employees of which leads to promotes performance levels, 5 employees are comfort in ability doing works and 6 employees helps in reduced job stress.
7. Adoption of digital financial technology in banking helps in cost reduction for 36 employees and 1 employee does not helps in reducing cost of the works and 13 respondents are highly satisfied with the cost reduction.
8. Comfort ability in doing work is for 40 employees and 1 employee requires no comfort in doing works and 9 respondents are highly satisfied with usage in comfort ability in doing works.
9. Some of the employees are very helpful in making financial literacy and helps in taking better decisions, 1 employee not satisfied with the literacy levels leads to helps in decision making and 12 employees have a neutral decision regarding helps in decision making by the effect of financial literacy.
10. Many of the employees are satisfied with enhancing productivity by the impact of awareness level regarding digital financial technology and 1 employee only does not enhance productivity.
11. The respondents in the study showing that 44 employees have the impact of helping as a new skill development, 5 employees are not satisfied with the digital financial technology as a new skill development and 1 employee have not only never satisfied with the digital financial technology as a new skill development.
12. On the basis of the study 31 employees were satisfied with trust in digital financial technology, 2 employees are not satisfied with trust in digital financial technology and 17 employees are very much satisfied with trust in digital financial technology.
13. On the basis of overall functioning very much impressed by the adoption of digital financial technology are of 20 and followed by 30 employees in neutral satisfaction.

Discussion

On the basis of my study showing my study was confined to Kottayam district and using the qualitative questionnaire is required and needed for the study because that banks and financial institutions are reluctant to conduct study on them that it will spread the confidentiality of the data and many banks and financial institutions are not corporates with us so I could collect only 50 respondents from various banks and non-banking financing institutions. From my study it states that most of the employees are satisfied with the adoption of digital financial technology in banking and financial institutions like which helps the employees in promotes efficiency levels, trust in digital financial technology, helps in overall functioning of the employees during work time etc. from my findings the core area states that adoption of digital financial technology helps employees in very good and efficient manner, adoption of digital financial technology in finance and non-banking financial institutions helps their employees in acquiring as a new skill development.

Conclusion

The findings of the study provide several implications that there is some limitation that many employees and financial institutions reluctant to give their information as it affect the financial institutions goodwill and confidential data. The paper demonstrates that some possible assumptions regarding usage of digital financial technology in banking and financial institutions leads to increase the performance and efficiency level of the employees in highly recommended manner, the impact of digital financial technology also leads to some drawbacks like fraud, malpractices etc. which also harm for the finance companies that the relation between banking and customers is getting much lower now a days. In any way I conclude that so much security, financial literacy, leads it as a new skill development for all the employees and also the customers using this technological adoption.

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