



ANALYZING THE IMPACT: STRESS LEVELS AMONG BANK EMPLOYEES IN THE WAKE OF DIGITAL TRANSFORMATION

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Abstract:

This study aims to explore the impact of digital transformation on the stress levels of bank employees and highlight the potential reasons behind this trend. Stress has always been an inherent part of working in the banking sector. With long working hours, demanding targets, and high-pressure environments, it is no surprise that bank employees are often found to be under considerable stress. However, with the advent of digital transformation, the already high stress levels among bank employees have reached new heights. Digital transformation in the banking sector refers to the integration of technology into various aspects of banking operations, such as customer service, transaction processing, and data management. The goal of this transformation is to enhance efficiency, reduce costs, and provide a better experience for customers. While digital transformation has brought numerous benefits for both customers and banks, it has also brought about significant changes in the job roles and responsibilities of bank employees. One of the primary reasons for the increase in stress levels among bank employees in the wake of digital transformation is the fear of job loss. As more and more processes become automated, employees are worried about the security of their jobs. The fear of being replaced by technology is a constant source of stress for employees who are already juggling a heavy workload. This fear is further compounded by the fact that banks are actively investing in automation and AI-powered tools, leading to a sense of insecurity among employees.

In conclusion, digital transformation has undoubtedly brought about numerous benefits for the banking sector. However, it has also had a significant impact on the stress levels of bank employees. The fear of job loss, increased workload, lack of training, and changing dynamics of customer interactions are some of the potential reasons behind this trend. It is essential for banks to acknowledge and address these concerns to ensure the well-being and productivity of their employees. Only with a happy and motivated workforce can banks truly reap the benefits of digital transformation.

Keywords: *Impact, Stress, Bank Employees, Digital Transformation etc.*

INTRODUCTION:

In this modern age of technology, digitalization has emerged as a game-changer in the banking industry. With the integration of digital tools and technologies, banking has undergone a major transformation, making it more efficient, convenient, and accessible for customers. Digitalization in banking refers to the shift from traditional banking methods to digital ones, using advanced technologies like artificial intelligence, machine learning, and data analytics to provide services to customers. The concept of digitalization in banking has been around for a few decades, but it has gained significant momentum in recent years. The widespread adoption of the internet and smartphones has made it possible for customers to access banking services anytime, anywhere. With the rise of fintech companies and digital banks, traditional banks have also been forced to adapt and embrace digitalization to stay relevant in the market. One of the biggest advantages of digitalization in banking is the convenience it offers to customers. With the use of online banking services, customers can perform various transactions and banking activities from the comfort of their homes or offices. This has eliminated the need for physical visits to bank branches and long waiting periods. Customers can now check their account balances, transfer funds, pay bills, and even apply for loans online, saving them time and effort. Moreover, digitalization has also made banking services more efficient and cost-effective for both customers and banks. With the use of digital tools like automated teller machines (ATMs), customers can withdraw cash and make deposits without having to wait in queues at the bank. This has also reduced the need for a large number of bank employees, resulting in cost savings for banks. Additionally, digitalization has enabled faster and more accurate processing of transactions, reducing the chances of errors or delays. Digitalization has also opened up new avenues for banks to interact with their customers. With the use of social media and other digital platforms, banks can now engage with customers in a more personalized and interactive manner. This has allowed banks to gather valuable insights into customer preferences and behavior, enabling them to offer targeted and customized services. Digitalization has also provided banks with an opportunity to market their products and services to a wider audience, creating new business opportunities. Another significant impact of digitalization in banking is the increase in financial inclusion. With the use of digital tools, it has become easier for banks to reach out to customers in remote locations and provide them with banking services. This has enabled people from low-income or rural areas to access financial services, which was not possible with traditional banking methods. Digitalization has also facilitated the growth of online lending platforms, providing access to credit for small and medium-sized enterprises and individuals who previously had limited options.

Despite the numerous benefits, digitalization in banking also brings along some challenges. The increasing threat of cybercrime and data breaches has become a major concern for banks and customers alike. With the transfer of sensitive financial information online, the risk of fraud and identity theft has also increased. Therefore, banks must invest in robust security measures and constantly upgrade their systems to ensure the protection of customer data and safeguard against cyber-attacks.

OBJECTIVE OF THE STUDY:

This study aims to explore the impact of digital transformation on the stress levels of bank employees and highlight the potential reasons behind this trend.

RESEARCH METHODOLOGY:

This study is based on secondary sources of data such as articles, books, journals, research papers, websites and other sources.

STRESS LEVELS AMONG BANK EMPLOYEES IN THE WAKE OF DIGITAL TRANSFORMATION:

The banking industry has undergone a major transformation in recent years with the advent of digitalization. Traditional banking methods have been replaced by advanced technology, and this has resulted in a significant change in the work environment for bank employees. While digital transformation has brought numerous benefits to the banking sector, it has also given rise to a new set of challenges, including increased levels of stress among bank employees. In order to serve customers more quickly and efficiently while using less resources, the banking industry has embraced technology. The banking sector has evolved from paper-based, branch-based institutions to "digitized and networked banking services" as a result of emerging technologies. In contrast to earlier times, broadband internet is inexpensive and facilitates quick and simple data transfers. All banks now use a different accounting and management system due to technology. Furthermore, it is already altering the way banks provide their clients with services. Though the costs associated with integrating all of this technology are high, the benefits are boundless.

In today's world, as technology develops, many industries' ways of attaining outcomes have evolved, and banks are not exempt from this tendency. Because of the aforementioned problems, companies that wish to remain competitive in the market will put a great deal of pressure on their staff to complete tasks on time in order to fulfill deadlines and stay one step ahead of their rivals. Employees may become stressed out as a result, which may have an impact on their performance at work, health, and other areas. The sources of stress at work, the employee's perception of the threat, and the coping mechanisms sparked by the stimulus are all factors in occupational stress. If an employee's coping mechanisms aren't up to par with the demands of their profession, stress might negatively impact their wellbeing.

Techno stress refers to the detrimental psychological effects of people's exposure to new technologies. Techno stress is the result of changed work and cooperation habits brought about by the usage of modern information technologies at home and in the workplace. Ergonomics is the study of how humans react and physically fit with devices in their surroundings. When people are unable to adjust to or manage information technologies in a healthy way, they become techno stressed. It has become necessary to introduce new technologies in response to conditions of a competitive market. Over the past few decades, Indian industry has demonstrated the ability to proactively address market demands and implement substantial reforms.

Organizations that use technology in their operations face difficulties that ultimately lead to techno stress. These negative effects are far-reaching and primarily show themselves as burnout, low confidence, and problems focusing during work. Stressors related to technology can lead to ergonomic hazards, which are bad for employees and their workplaces since they lower productivity. Therefore, it may be argued that in order to minimize techno stress and ergonomic injuries, enhanced ICT training and stress management treatments are crucial procedures for improving both individual and professional well-being.

The way banking services are provided has changed as a result of technology's ongoing growth. Since online and mobile banking are now commonplace, clients need instant access to prompt and effective services. This has greatly increased the demand on banks to stay up with technological advancements and offer clients seamless services. Because of this, bank workers frequently have to put in longer hours and continually improve their skill sets in order to be competitive in the market. Their mental health and general wellbeing may suffer as a result of this additional strain. Along with these other elements, bank employees' stress levels are also influenced by the pressure to reach targets and make more sales. The emergence of digital banking has enabled banks to have more insights into the tastes and behavior of their clientele. Employees are given inflated sales targets based on this data, which can be challenging to meet. Employees are under tremendous pressure to fulfill these goals, and failing to do so can have negative effects on compensation or even lead to termination.

Role ambiguity relates to employee uncertainty about key requirements of their jobs and how they must behave in those jobs. It can be caused by lack of adequate information available. The role ambiguity may result in lower performance in certain jobs because workers do not know how to direct their efforts most effectively. Role conflict comes about when different person with whom an individual interacts with have conflicting expectations about that person's behaviour. Conflict may occur which may provoke pressure when the personal value of an individual does not match the collective value of those he associates with. Role conflict can lead to stress for a person if when meeting one set of expectations makes it difficult to meet other expectations

Mitigating strategies:

Mitigation strategies are crucial in addressing the challenges posed by digitalization on bank employees. As the banking sector undergoes rapid technological changes, proactive measures are essential to foster a resilient and empowered workforce. Here's an in-depth exploration of comprehensive mitigation strategies:

1. Continuous Training and Skill Development:

- **Collaboration with Educational Institutions:** Establish partnerships with educational institutions to facilitate ongoing learning opportunities. This collaboration can provide employees with access to cutting-edge knowledge and emerging trends, ensuring that their skills remain relevant.

- **Holistic Training Programs:** Implement comprehensive training programs that encompass both technical skills and soft skills. This ensures that employees are well-equipped to navigate the evolving digital landscape while also fostering effective communication and adaptability.
- **Internal Learning Platforms:** Create internal platforms or Learning Management Systems (LMS) that offer a repository of training materials, webinars, and interactive modules. This allows employees to engage in self-directed learning, tailoring their educational experiences to their specific needs.

2. Promoting Work-Life Balance:

- **Clear Communication of Expectations:** Establish clear communication channels regarding work expectations, deadlines, and the importance of a healthy work-life balance. Encourage managers to lead by example, emphasizing the importance of taking breaks and respecting non-working hours.
- **Flexible Work Arrangements:** Implement flexible work arrangements, including options for remote work. This empowers employees to manage their schedules effectively, reducing commuting stress and allowing for a more balanced lifestyle.
- **Well-Defined Policies:** Develop and communicate policies that discourage excessive overtime and ensure that employees can disconnect from work during non-working hours. Establishing boundaries helps prevent burnout and promotes overall well-being.

3. Wellness Programs:

- **Mental Health Support:** Introduce mental health support programs, such as counseling services or employee assistance programs. The fast-paced nature of digitalization can contribute to stress and anxiety, and providing resources for mental well-being is essential.
- **Physical Health Initiatives:** Implement initiatives that promote physical health, including fitness programs, ergonomic workstations, and health check-ups. Addressing concerns related to a sedentary lifestyle and digital overload contributes to the overall health and productivity of employees.
- **Wellness Challenges and Incentives:** Organize wellness challenges and provide incentives for participation. This can include steps challenges, meditation sessions, and healthy eating initiatives. Creating a positive and supportive workplace culture enhances employee engagement.

4. Open Communication and Inclusion:

- **Inclusive Decision-Making:** Involve employees in decision-making processes related to digital changes and workplace policies. Inclusive decision-making ensures that the diverse perspectives and experiences of employees are considered, reducing resistance to change.
- **Regular Feedback Channels:** Establish regular feedback channels where employees can express their concerns, provide input, and seek guidance. Open communication fosters a sense of transparency and inclusion, making employees feel valued and heard.

- **Virtual Team-Building Activities:** Facilitate virtual team-building activities to strengthen interpersonal connections. Virtual platforms can be used for informal interactions, fostering a sense of camaraderie and mitigating feelings of isolation in remote work settings.

5. Job Redesign and Reskilling Initiatives:

- **Job Rotation Programs:** Implement job rotation programs that allow employees to gain exposure to different roles within the organization. This not only enriches their skill sets but also promotes a more versatile and adaptable workforce.
- **Reskilling Opportunities:** Provide reskilling opportunities for employees whose roles are affected by automation. Collaborate with educational institutions or online learning platforms to offer courses that align with emerging technologies and industry trends.
- **Career Development Pathways:** Clearly define career development pathways within the organization. Employees should have a roadmap for progression, including opportunities for upskilling, promotions, and lateral movements.

6. Promoting Innovation and Creativity:

- **Innovation Labs and Forums:** Establish innovation labs or forums where employees can collaborate on creative projects. Encourage a culture of experimentation and idea-sharing, allowing employees to contribute to the organization's innovative initiatives.
- **Recognition for Innovative Contributions:** Implement a system for recognizing and rewarding innovative contributions. Acknowledging employees who bring forth novel ideas reinforces a culture of creativity and motivates others to actively participate in innovation.
- **Diversity and Inclusion Initiatives:** Embrace diversity and inclusion initiatives, recognizing that a diverse workforce brings a variety of perspectives. Different backgrounds and experiences contribute to a more innovative and creative work environment.

7. Global Connectivity and Networking:

- **Cross-Cultural Training:** For organizations with a global footprint, provide cross-cultural training to enhance understanding and collaboration among diverse teams. Cultural competence is crucial in a digitally connected, globalized workplace.
- **Virtual Networking Events:** Facilitate virtual networking events that bring together employees from different locations. These events provide opportunities for building professional relationships, sharing experiences, and fostering a sense of unity within the organization.
- **Mentorship Programs:** Establish mentorship programs that connect employees across different regions or departments. Mentorship fosters knowledge exchange, professional development, and a sense of community within the organization.

CONCLUSION:

The digital transformation in the banking sector has undoubtedly ushered in a new era of efficiency and convenience. However, it has not been without its challenges, particularly for the employees navigating this rapid evolution. On the positive side, the integration of digital technologies has the potential to streamline processes, enhance customer experiences, and open avenues for innovation. However, the accompanying demands of upskilling and adapting to novel tools can contribute to elevated stress levels. The fear of job insecurity amidst automation, coupled with the pressure to meet evolving customer expectations, adds a layer of complexity to the work environment.

One significant stressor is the widening skill gap, as employees grapple with the need for continuous learning to keep pace with technological advancements. The simultaneous handling of traditional and digital tasks during the transition phase places a strain on employees, leading to increased workloads and the risk of burnout. Resistance to change further exacerbates stress levels, as individuals contend with the psychological and emotional toll of departing from familiar work routines. While digital transformation promises unparalleled advancements for the banking sector, the human dimension cannot be overlooked. Understanding and mitigating the stressors faced by bank employees are crucial for fostering a resilient workforce capable of thriving in the dynamic landscape of digital banking. Addressing these challenges is not only a strategic imperative for the industry but also a humane approach to ensuring the well-being of those steering the financial institutions into the digital future.

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