

Employees of Commercial Banks Learning to Unlearn: A Case Study on The Impact of Electronic Banking in The Commercial Banks of Bangladesh

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ABSTRACT

With the rapid emergence of new technologies in the age of the fourth industrial revolution, technology has affected every area of the business world and the financial sector. Job requirements are changing rapidly in the banking institutions with the inclusion of new technologies and the growing electronic banking sector. The main objective of this study is to find the level of job security that employees of banks have in the banking institutes. The study has been conducted using a 7-point Likert scale questionnaire in order to find out the employee attitude towards job security. The variables analysed in this paper are the effect of automatic teller machine (ATM), internet banking services, electronic money transfer and telephone banking on the overall attitude of employees of the banks towards their job security. The study used regression in SPSS using the responses from 101 respondents and discovered that all variables have a positive relationship with job security instead of a negative correlation. This means employees are not significantly affected by their job security due to emerging technology. The study concluded, the results is due to banks shifting recruiting policy towards hiring more technical workers and conducting training programs for filling the gap in knowledge.

Keywords: Bangladesh, Commercial banks, Electronic banking, Job security, Technology.

1. INTRODUCTION

The survival of businesses in the modern world with its current technological progression significantly related to the rate of adoption of technology. There have been radical and rapid changes to the information and communication technology in the last few years which affected both at a personal level as well as the organizational level (Safeena, Date and Kammani, 2011). Research has shown that electronic banking falls under one of the quickest growing technological revolutions in the banking industry. It has grown to such prominence that it is critical for banks to offer the features of internet banking to their clients in order to survive in today's competitive scenario (Qureshi, Zafar and Khan, 2008).

Electronic banking has been making headways in the banking sectors due to its sheer ability to give banks a competitive advantage and forcing banks to change their typical physical structures and create a bigger and stronger online presence. Electronic banking has been directly linked to customer satisfaction and retention. Customers now consider banks that provide several electronic services as better banks in terms of service quality (Lavuri, 2018). The services that fall under the criteria of Internet Banking can be categorized by four major services which are the use of automated teller machines, telephone banking, electronic fund transfer and internet banking services (Oladejo and Akanbi, 2012). These services have caused the banking sector to revolutionize rapidly and grow substantially. However, amongst the different electronic services available to customers, the customers' perception towards the convenience of the electronic

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channel and the customers' knowledge about the technology and internet have a significant impact upon the frequency of which electronic banking services are being used (Thornton and White, 2001). On the contrary, electronic banking facilitates a lean organization due to the consequential downsizing as fewer employees are needed due to time-saving options and automation provided by electronic banking (Olusegun, Ishola and Hammed, 2011).

Job security has been defined as the combination of multitude of factors such as the feeling of stability of an employee over his tenure in the workplace, high retention rate of the organization, high level of satisfaction for the employee performing the job, and the scope of getting similar jobs with similar income level in the dire case of termination (Wright, 2009). Technology has had a huge impact on the information system. Particularly, it contributes towards deskilling, disciplining and displacing of the workforce in a different organization at a rapid rate. This leads to redundancy in some jobs and requires training and development for the required knowledge to maintain the new technology (Atiku, Genty and Akinlabi, 2011). Therefore, the job security of an employee has a significant relationship with the guarantee of the employee's job contract; when the employee is certain their income will not be hampered over a long period of time and they are assured of continuing satisfaction derived from their work (Bishop, 1992).

As technology progresses rapidly within the banking industry, especially electronic banking services, fewer employees will be required by the banks to maintain their operations, particularly for lower-end clerical jobs, data entry officers and tellers. This will lead to either large scale unemployment in the future or reskilling needs of these employees (The Economic Times, 2019). With the increasing electronic banking, there is considerable risk that it will significantly affect the mindset of the employees regarding their job security leading to decreasing satisfaction from work, decreasing motivation and lower productivity eventually (AL-Zahrani and Almazari, 2015). There is substantial lack of empirical studies on this field and this study will try to bridge that gap by using a research model that will aim to find the connection between electronic banking and the job security of the employees of different banks in Bangladesh. Majority of the research focuses on the impact of electronic banking on customers, however, very few focuses on the impact on the employees. Job security is a concept that is attributed to the behaviour of employees and can vary from different countries. Most of the literature supports our research topic and agrees on the reduction of job security due to an increase in electronic banking. Therefore, the main objective of this study is to determine whether the employees of the banks in Bangladesh are facing a crisis in their mindset as technological progress as alleged by the business world in Bangladesh. This will bridge a significant gap in knowledge as no comprehensive research has been conducted in the context of Bangladesh, and it will be viable to compare how Bangladesh as an emerging market is faring with other countries.

The next section provides further information about electronic banking, job security and discusses the relevant literature in this sector as well as the current scenario in this field in Bangladesh. The following section describes the research model and methodology, which is followed by the data analysis and the results of the survey. This study concludes with a discussion that summarizes the implications of the findings as well as discusses the limitations of the study.

2. LITERATURE REVIEW

2.1 Job Security and Related Concepts

Jimenez and Didona (2017) emphasized the job security of employees as the probability of the employees feel about keeping their job. A higher probability indicates that there is more job security in the workplace. When the feeling of threats increases, it results in an increase in job insecurity as well (Jimenez and Didona, 2017). With automation and internet technology increasing rapidly, there is a need for newer skills related to information technology and growing risks of various skills becoming obsolete in the banking industry. Therefore, when banks

increased their electronic banking services, it also influences the job security of the employees (Atiku, Genty and Akinlabi, 2011).

In a society with continuously expanding and technological innovations at an all-time high, job security has become a prominent concern. Prolonged concern over job security by employees can lead to job-related stressors that decrease job satisfaction and can cause physical ailment. These cause a decrease in performance in the workplace and an increase in absenteeism and leave or even increasing the turnover rate. Moreover, it also creates an adverse relationship with workplace citizenship behaviour as employees feel lack of dedication or loyalty towards the organizations if he/she is in fear of losing his job (Omar *et al.*, 2012).

Ruyter and Burgess (2000) conceptualized job security in the following interpretations:

- **The probability of job loss:** The degree of chance that a person has for dismissal from his current job.
- **The probability of income loss:** The degree of chance that the current job will not bring a similar level of income in the future.
- **The probability of satisfaction loss:** The degree of chance that the current job will not produce the same level of satisfaction in the future.
- **The probability of a successful job search:** The degree of chance of getting another job in case of termination.
- **The probability of successful job search and income/satisfaction maintenance:** The degree of chance of getting another job like the current one in skill requirement and income level in case of termination (de Ruyter and Burgess, 2000).

Hur (2019) in his study about job security with work attitude stated that job security can also be explained as a social contract between an employee and the employer. The moment the employee starts feeling unsafe in their working environment, they begin to feel insecure. However, in different industries, employees have a different level of perception of insecurity in a similar context. Hur (2019) highlighted that due to the complex nature of human behaviour, studies on the perception of job security of employees usually provides mixed and contradicting results (Hur, 2019).

2.2 Electronic Banking and Related Concepts

Electronic banking, defined by various researches boils down to the network of a bank's website, which the customers can use through the internet to gain access to their accounts, obtain information, and use various banking services without the hassle of tertiary peripherals such as letters, faxes, going over to the bank to provide signature for services such as depositing money, taking out cash from the account, transferring money between different accounts or sending money to someone else, getting financial advice, and paying bills electronically instantaneously, thus eliminating the need for clerical staffs and tellers (Muwando and Webb, 2014; Khan, Mahapatra and Sreekumar, 2009). The major benefit that a bank derives from electronic banking is cost-saving and the customers attain the benefits of convenience (Gerrard and Cunningham, 2003).

Electronic banking has spread rapidly in all the countries and it now accounts for over 50% communication between customers and banks (Shirzadi, Montazer and Ahmadpour, 2017). Electronic banking services allows banks to increase their ability to satisfy their customers, save time by reducing paper works and cut costs by reducing the need for the physical presence of an office or employee. Moreover, electronic banking services are now a necessary tool to build good customer relationships (González, Quesada, Picado and Eckelman, 2004). Nevertheless, due to customers dependency on services such as the internet, telephone, ATM, electronic money

transfer and payment to keep up with the competition; it has led to their decreasing usage of traditional banking systems (Khanmohamadi, Khotanlu, Oloum and Nosrati, 2011).

Hence, it is a precarious balance between employee job security and the need for innovations that creates customer-oriented services and technologies. A bank that can come up with a better electronic banking service will gain more customers and in turn, create sustainability. It can range from the creation of electronic channels through which clients can access their bank accounts and ensure the transfer of funds between different accounts or disburse a bill (Roy, 2018). All these functions can be conducted through the internet, smartphone, or even smart televisions nowadays. The combination of internet services with the world wide web creates a whole new virtual environment for the banking clients to conduct their financial activities in an environment which requires no banking employees (Shirzadi, Montazer and Ahmadpour, 2017). The only requirement for the banks is to create a web application through which customers can use banking services from anywhere in the world (Auta, 2010).

Gupta and Yadav (2017) categorized electronic banking into the following categories:

- **Magnetic ink character recognition (MICR) technology:** Cheques are coded with magnetic ink so they can be easily sorted and cleared.
- **Electronic clearing services (ECS):** This service is used for transferring funds from one bank account to another and is used primarily for making payments such as salaries or bills. It uses two types of clearing house known as Electronic Credit Clearing Services and Electronic Debit Clearing Services to facilitate the fund transfer.
- **Automated teller machines (ATMs):** This service provides plastic cards with magnetic strips containing information about the client. The card can be used to withdraw money, check account information, and, other services depending on the rules and regulation of the bank. It enables the customer to use banking services anywhere and anytime.
- **Smartcard banking:** Using electronic cards such as ATM cards; customers can get access to cash and make transactions online or in local stores, restaurants or markets or even pay for transport. A variety of smart cards available for customers such as debit cards and credit cards.
- **Core banking solutions (CBS):** This enables centralization of all the data of the banks allowing bringing all the information under one platform. This allows customers to get services from any branch of the bank.
- **Mobile banking:** Through the means of short message service through mobile phones, it is possible to perform financial transactions by giving instructions through SMS.
- **Telephone banking:** Customers can now gain a variety of services such as acquiring their balance or closing an account just by calling a representative of the bank.
- **Internet banking:** By using the internet, it is viable for customers to conduct a variety of financial transactions from anywhere in the world at any time. It is also known as virtual banking and just needs access to a web page to buy products online, pay bills, to transfer money, or to buy anything from anywhere in the world (Gupta and Yadav, 2017).

2.2.1 Impact of ATM

Automated teller machines have been linked to decreases banking costs due to the fact that it decreases the number of clerks needed by the employees, saves time for both the customer and the employees and thus boosts productivity. It also creates a sense of convenience in customer which helps improve customers' perception of the bank (Auta, 2010).

2.2.2 Impact of Telephone Banking

Telephone banking provides the ability for the customer to conduct multiple numbers of services from anywhere and anytime. Therefore, this creates a perception of useful service in the minds of the customer. Through reducing the amount of work for banks, it results in reducing operational expense for the banks and allows them to provide a better service to the customers. However, it creates the need for more technology-oriented employees in the banks in order to deal with the customers, thus making older conventional skills obsolete (Rehman, Omar, Zabri and Lohana, 2019).

2.2.3 Impact of Internet Banking

Internet banking has been growing worldwide as the scope and reach of internet increases. This has been linked to reducing the costs of banks through the reduction of assets and overhead costs and is seen as a major strategic tool for banks to attract and retain customers. If properly and effectively used, internet banking can increase the performance of the banks. Through proper training and development, employees will be able to provide customers with internet banking services. Performance of a bank cannot be improved by solely providing internet banking services without providing proper training to employees (Stoica, Mehdian and Sargu, 2015).

2.2.4 Impact of Electronic Fund Transfer

Electronic fund transfer has created various opportunities for banks and financial institutes due to the removal of lengthy and complicated cheque clearing process to conduct business transactions. Electronic fund transfer provides banks with the chance to create a banking system without any borders. However, the adoption of electronic fund transfer technology has directly led to the reduction of employees in the banks, especially in the deposit banking department and traditional clerical staff and has caused an increase in demand for employees knowledgeable in the electronic banking system (Mohan, 2015).

2.3 Current Research and Findings of Electronic Banking and Job Security

Shirzadi *et al.* (2017) in their research on different branches of Kermanshah commerce banks have found that electronic banking has a significant effect on job security, and this services even let to early retirement of workers (Shirzadi *et al.* , 2017).

In a study done on the Nigerian banking sector by Olesugun *et al.* (2011), they found that as banks progressed technologically, it directly led to laid off and early retirement of workers as well. Their result also showed that ATMs caused job security problems by the teller officers of bankers of Nigeria (Olesugun *et al.* , 2011).

Gupta and Yadav (2017) in their study on the banking sector in India found that electronic banking has a deteriorating effect on job security, consumer security, chances of fraud, and government misusing the data. Their study also pointed towards the importance of training needs of employees on newer technology (Gupta and Yadav, 2017).

Ian and Agnes (2014) in their study on banks of Zimbabwe found that internet banking has significant relationship in improving the overall operational efficiency by lowering the cost of operation, cost savings due to the need of lower number of physical assets, and decrease in costs as investment in internet banking also decreased the number of employees. Therefore, though banks have improved profitability due to lower costs, it comes at the expense of decreasing the workforce (Ian and Agnes, 2014).

Chukwudi and Amah (2018) also found that overall job security decreases with an increase in technology. They also stated that the increase in technological advancement in banking sectors have been credited to resulting in downsizing in various banks. They also emphasized the increasing importance of knowledge, skills and abilities of employees in all departments of banks as newer technologies continue to replace the older ones (Chukwudi and Amah, 2018).

Al-Zahrani and Almazari (2015) on their research on Saudi national Banks found that electronic banking, specifically ATM, internet banking and electronic fund transfer have a significant relationship between job security. However, telephone banking has no empirical evidence to support the hypothesis and did not affect employee job security (Al-Zahrani and Almazari, 2015).

Atiku *et al.* (2011) in their study to investigate the effect of electronic banking on the employee's job security of banks of Nigeria found data that supported the electronic banking leading to decreasing job security. In fact, they stated that ATMs and online payment system even had the most effect on the reduction of labour in banks and hence were amongst the factor that most significantly affected job security amongst all the factors they analysed (Atiku, Genty and Akinlabi, 2011).

Electronic banking has not only caused a reduction in the workforce, but it also has been linked to causing psychological problems in employees of banks because automation lowers the chances to socialize with others. Besides that, as customers increasingly used electronic banking services, it can be attributed to the creation of a lazy society (Jo Black, Lockett, Winklhofer and Ennew, 2001).

The literature review supports the objectives of this study. However, some research did find that some aspects of electronic banking did not support decreasing job security. Therefore, our research model will be based using items of electronic banking that held both positive and negative results on previous studies and articulate if it has a similar or dissimilar effect on the banking sector of Bangladesh.

3. METHODOLOGY

The methodology is a core component of any research (Brody, 1960). This study has been designed to identify the impact of electronic banking on the job security of employees in the banking industry. This is a descriptive study based on a survey of employees of commercial banks through a questionnaire. Face-to-face interviews are also an important tool for data collection (Callegaro *et al.* , 2014). Short personal interview was also conducted with a group of high-ranking officials (5 employees) of the central bank to gain further data and information on the basis of anonymity since job security is a sensitive issue.

3.1 Survey Instrument

The questionnaire was prepared through a review of similar studies on different countries and pre-testing on a small random sample of employees of different banks to implement proper validity. The questionnaire was separated into two different sections. The first section consists of questions for descriptive analysis that includes the respondent's age group, educational level, gender, and, years of experience. The second section consists of a set of questions aimed to find out the employee perception of their overall job security and their perception towards four electronic banking channels on their job security.

3.2 Sampling and Data Collection:

The survey questionnaire was distributed to 250 employees of commercial banks. This was done using the internet and google document as well as field surveys (Gholamreza Jandaghi, 2019; Jimenez and Didona, 2017). Out of those 250 questionnaires, 101 complete and usable responses for data analysis were returned. It represents a response rate of approximately 40.40%. The questionnaire has been set by using a seven-degree Likert scale consisting of values shown in Table 1.

Table 1 Values for the seven-degree Likert scale

Strongly Disagree	Moderately Disagree	Slightly Disagree	Undecided	Slightly Agree	Moderately Agree	Strongly Agree
1	2	3	4	5	6	7

Since the study is concerned with the relationship between electronic banking services and private commercial banks' job security; all bank employees of Bangladesh's private commercial banks potentially constituted the sampling framework as a population. The study, however, only focused on employees of commercial banks due to limitations on the accessibility of public banks. Table 2 shows the demographic information of the respondent participated in the survey.

Table 2 Demographic information of the respondent

GENDER	MALE	65	64.40%
	Female	36	35.60%
AGE	20-30 years	42	41.60%
	31-40 years	50	6.90%
	41-50 years	7	2 %
	Above 50 years	2	7.04%
EDUCATION LEVEL	Graduate	25	24.80%
	Postgraduate	76	75.20%
	Less than One year	3	2.97%
YEAR OF EXPERIENCES	1 to 3 years	24	23.76%
	4 to 5 years	30	29.70%
	More than 5 years	42	41.58%

3.3 Analysis Method

SPSS 16.0 was used to process the data. Different statistical tools such as mean, standard deviation, F-test and regression analysis were used to analyse the results. For reliability test, Cronbach's alpha and principal component analysis (factor analysis) were conducted. A percentage of results and different crosstab results along with the graphical presentation were also shown to justify the research.

3.4 Research Model

Most of the researches point towards an increase in banking performance, improvement in their efficiency, improved customer perception and overall better financial performance due to reduction in transaction time, less chance of mistakes and cost-saving due to fewer employees needed. However, they all agree that the positive outcomes were obtained at the costs of losing employees. Therefore, it further signifies the importance of the aim of this study to discover the condition of job security of banking employees of Bangladesh, as it has just recently begun the usage of electronic banking services in different banks and there is a lack of studies on this particular topic.

The model used for the research purpose consists of four different types of electronic banking services that are most widely used in Bangladesh. The hypotheses will also be drawn from this model. The model is illustrated in Figure 1.

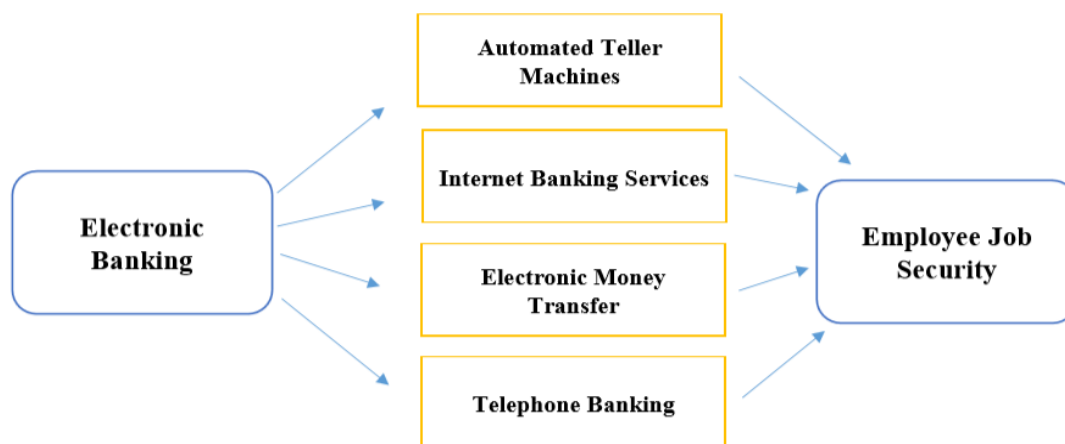


Figure 1. The Research Model.

3.4.1 Telephone Banking

Telephone banking allows clients to conduct economic transactions on the phone without having to visit a bank branch or an ATM, and without the usage of any sort of paper tools. This provides customers with longer operating hours. In addition, some institutions even provide 24-hour services (Auta, 2010).

3.4.2 Automated Teller Machine (ATM)

An automatic transmitter (ATM) is an electronic banking outlet which enables clients, without the assistance of a branch representative or a transferor, to finish fundamental transactions. Credit-card or debit-card access to most ATMs are available to anyone (Investopedia, 2019). Currently, 53 banks operate in the country out of which 51 banks provide ATM transaction services as shown in Table 3 (Statista, 2019).

Table 3 Information related to ATM services

Particulars	June 2019
No. of Debit Card	15758977
No. of Credit Card	1203427
No. of prepaid Card	277498
No. of ATM Booths	10722
No. of POS terminals	52846
NPSB certified Banks for ATM trans.	51 Banks
NPSB certified Banks for IBFT trans.	21 Banks
NPSB certified Banks for POS trans.	50 Banks

3.4.3 Internet Banking

Internet banking also known as online banking gives an image of finance in real-time and eliminates the need to visit a bank in countless cases. The chequebook and other tedious duties prevalent to paper-specific banking may also be balanced. Users can check balance or even track

individual transactions through internet banking or transfer funds (Investopedia, 2019a). In the era of digital transactions, brick and mortar banks are becoming increasingly uncommon, and several client interactions have started to shift to the web (Techopedia.com, 2019).

3.4.4 Electronic Fund or Money Transfer (EFT)

An EFT transaction occurs via a computerized network, either between bank accounts or between accounts in different financial institutions. EFT comprise of direct debit, wire transfers, direct deposits, ATM withdrawals and payment facilities online (Merriam-webster.com, 2019). Banks also provides users with the provision of services, such as payments for utility bill, credit card bill payment, payment for loan payments, and insurance premium payment. There are almost 17 internet banking lakh users as of October 2017 (Bangladesh Bank Annual Report, 2018).

For evaluating the research model, the following issues have been considered;

- Electronic banking has reduced the **demand of tellers for customer services**.
- Electronic banking has reduced the **work pressures** for the tellers.
- Electronic banking has created more **training needs** among bankers.
- Electronic banking has created an **increase in market demand** for bankers.
- Electronic banking has reduced the **dependency of a customer** on tellers and banking officials.

For the dependent variable, the mean values of each category were taken and the value as the overall impact of total electronic banking over the job security was considered.

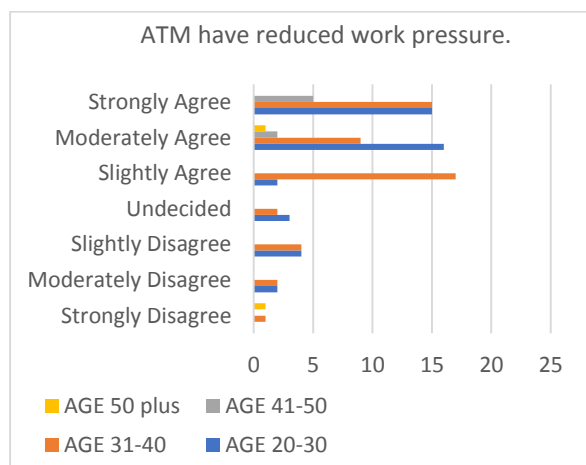
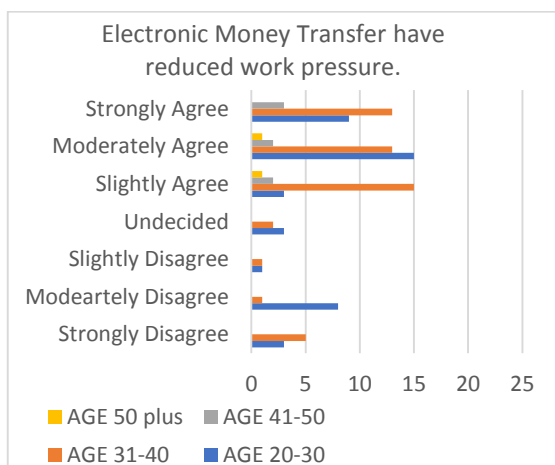
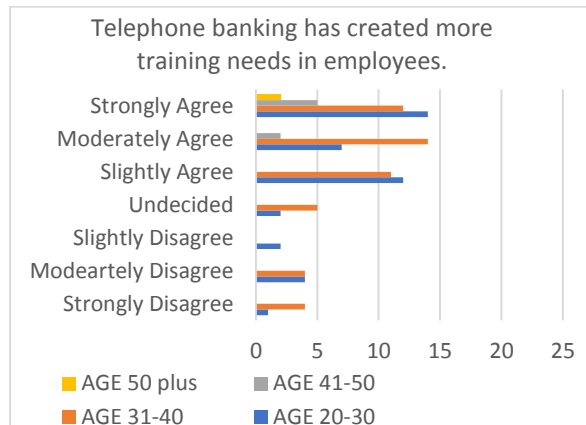
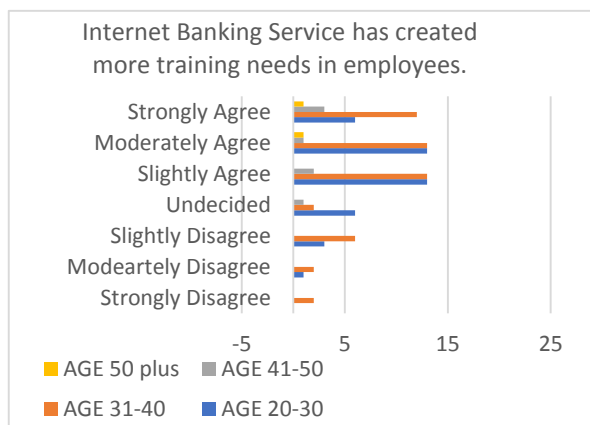
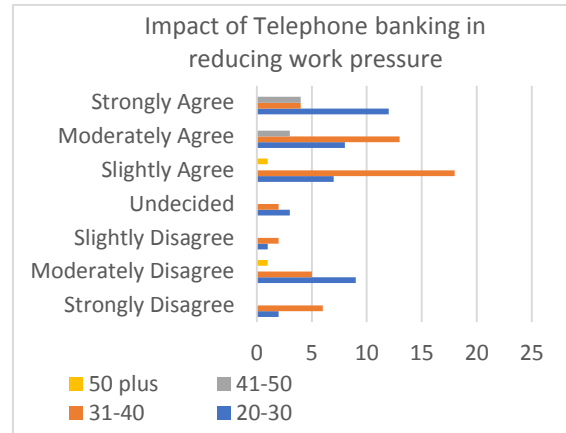
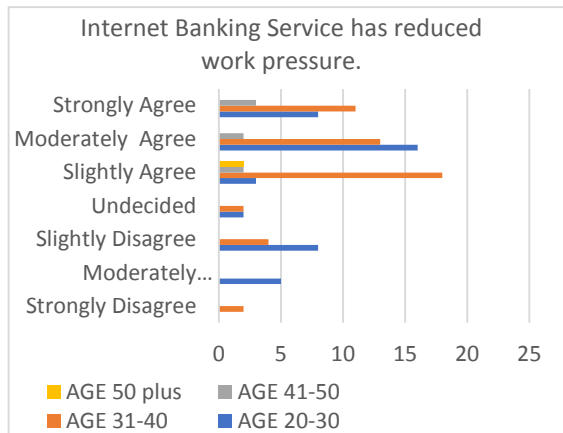
3.5 Hypotheses

For regression analysis the following hypothesis has been established:

- H 1: There is a significant relationship exist between electronic banking and the employees' job security in the Bangladeshi Banks.
- H 1.1: Automated Teller Machines significantly affects the employees' job security in the Bangladeshi Banks
- H 1.2: Internet Banking services significantly affects the employees' job security in the Bangladeshi Banks
- H 1.3: Electronic Money Transfer significantly affects the employees' job security in the Bangladeshi Banks
- H 1.4: Telephone banking significantly affects the employees' job security in the Bangladeshi Banks

4. RESULTS AND FINDINGS

4.1 Graphical analysis



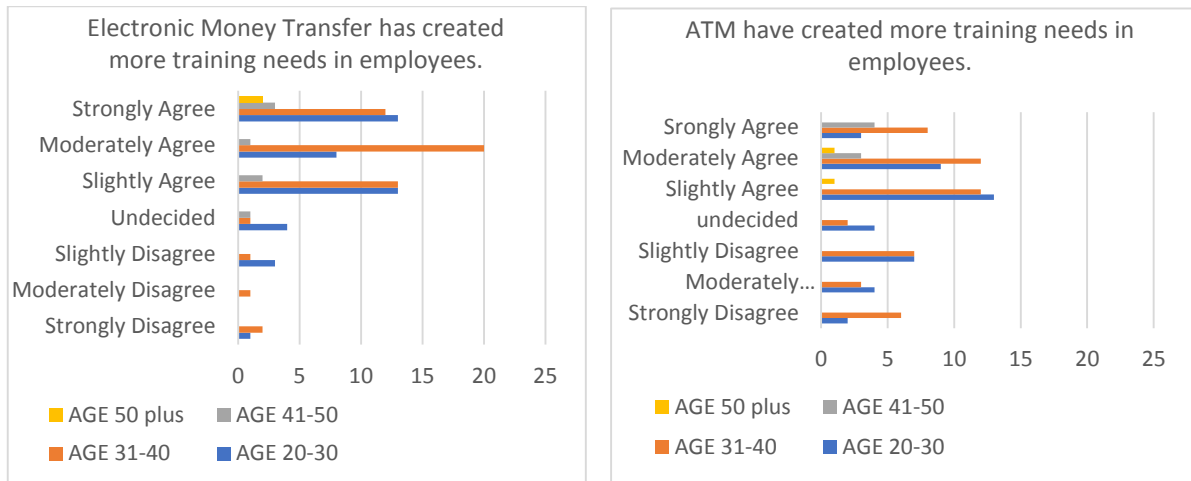
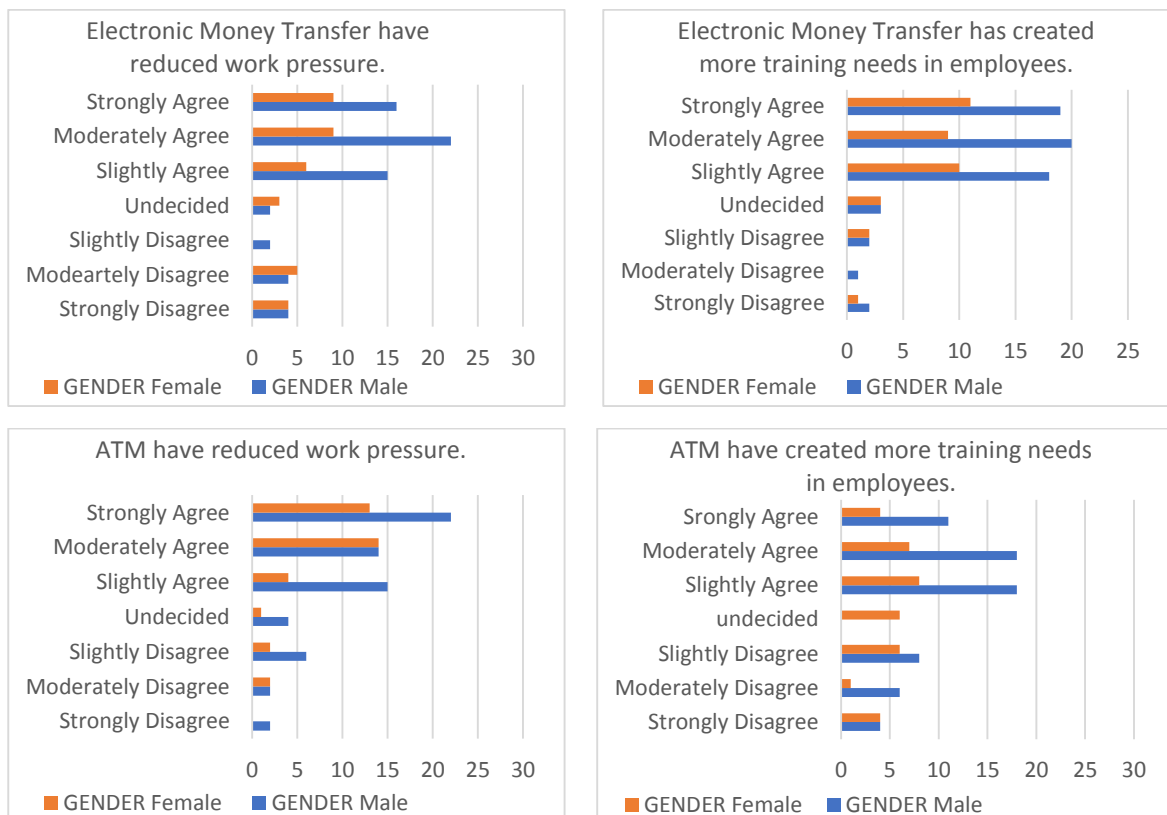


Figure 2. Percentage of responses for each factor by different age group.

Interference:

From the sets of graphs in Figure 2, we can conclude some interesting observations. One thing that is common in all age group is that everyone strongly believes that electronic banking has created a massive need for training and development. Out of the four factors, ATM and internet banking seems to have created the most relief of work pressure and electronic money transfer and telephone banking have even more spread of responses. Moreover, telephone banking and internet banking also created the most need for training needs amongst the four factors.



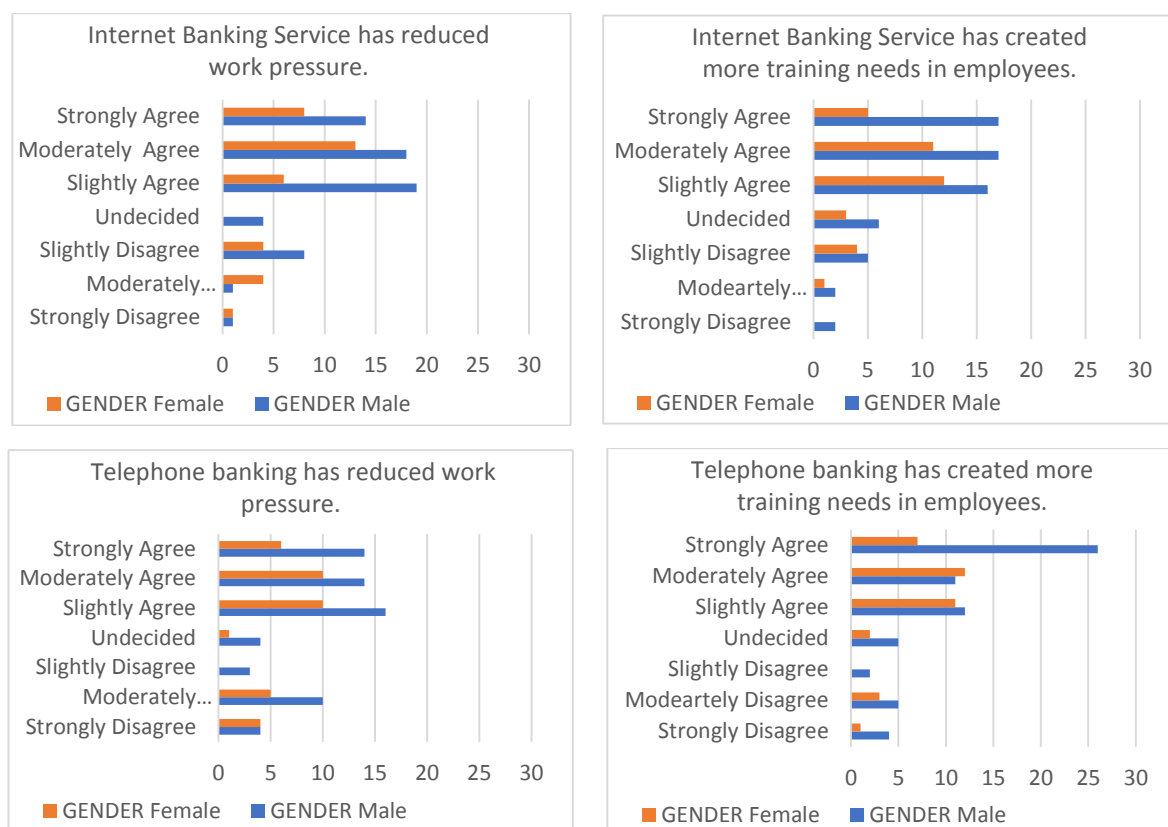


Figure 3. Graphical Representation of percentage of each factor by gender.

Interference:

From the set of graphs in Figure 3, we can observe that both male and female employees believe that electronic banking has decreased the level of work stress. However, ATM and internet banking had the most impact. In the case of electronic money transfer and telephone banking, the results are more evenly spread. In the case of training needs, internet banking and electronic money transfer have the most responses across both genders. However, the responses are more spread amongst telephone banking and ATM.

4.2. Statistical Analysis for Testing Hypothesis

The KMO test results in Table 4 indicate that the data gathered are accurate since they are all higher than 50%. Moreover, the accuracy of the data is evident from Cronbach’s alpha of all variables. The data for the study is therefore consistent and reliable. The factor loads also show the consistency of data. The ranking of mean values is different for each item in different independent variables like in the case of telephone banking training requirements got the highest mean value whereas work pressure got the lowest. In the case of each variable, training needs and requirements got the high mean values.

Table 4 Results of principal component analysis and reliability test

Variable	Items	Mean	Ranking of Mean Values	Factor Loading	KMO test of adequacy	Bartlett's test of sphericity	Sig.	Cronbach's Alpha
Telephone banking	Q1	4.9307	3	0.708	0.775	99.344	.000	0.745
	Q2	4.7624	5	0.700				
	Q3	5.3366	1	0.758				
	Q4	4.9010	4	0.726				
	Q5	5.2871	2	0.626				
ATM	Q6	5.5248	3	0.705	0.655	147.802	.000	0.732
	Q7	5.5644	2	0.767				
	Q8	4.6832	5	0.630				
	Q9	4.8614	4	0.588				
	Q10	5.6733	1	0.819				
Internet Banking	Q11	5	5	0.698	0.622	61.106	.000	0.600
	Q12	5.2376	3	0.673				
	Q13	5.2772	2	0.403				
	Q14	5.0891	4	0.550				
	Q15	5.4039	1	0.733				
EFT	Q16	4.7228	4	0.806	0.715	122.161	.000	0.719
	Q17	5.1287	2	0.831				
	Q18	5.5941	1	0.844				
	Q19	5.1287	2	0.597				
	Q20	5.1089	3	0.790				

The data shows the independent variables have a positive relationship with job security (Table 5). It may be because banks required more efficient employees to make the e-banking smooth and more effective. The beta shows telephone banking has the strongest relationship with job retention or security. The joint impact of all the independent variables are also significant as the result of F-test is significant having p-value almost zero.

Table 5 Model summary

Independent Variable	Dependent variable	R	F	Sig.	D
Telephone banking	Impact of total electronic banking	.998	24.660	.000	2.01
ATM					
Internet Banking					
EFT					

Table 6 Results of hypothesis testing

Independent Variable	Dependent variable	Mean	S.D.	Beta
Telephone Banking	Impact of Total Banking	5.0436	1.26573	.319
ATM		5.2614	1.21252	.305
Internet Banking		5.2020	1.05394	.265
EFT		5.1366	1.23091	.310

4.3 Analysis of the Employment Trend of the Banking Industry in Bangladesh

Currently, there are 107,255.000 employees in the private banking sector as shown in Figure 4. However, the figure shows that the number of employees in private commercial banks of Bangladesh is increasing but the growth rate of this increment is following the diminishing trend ("Bangladesh Banking Sector: Number of Employees", 2019).

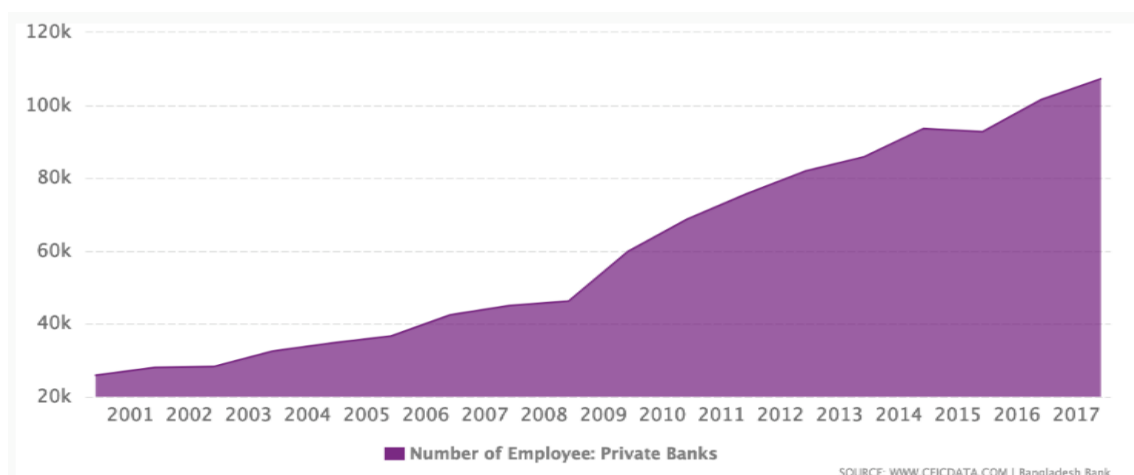


Figure 4. Number of employees in private banks.

The total banking employees in Bangladesh excluding Bangladesh banking employees as of 2017 is approximately 175,027. However, the trend follows a diminishing rate compared to previous growth rates as well ("Bangladesh Banking Sector: Number of Employees", 2019).

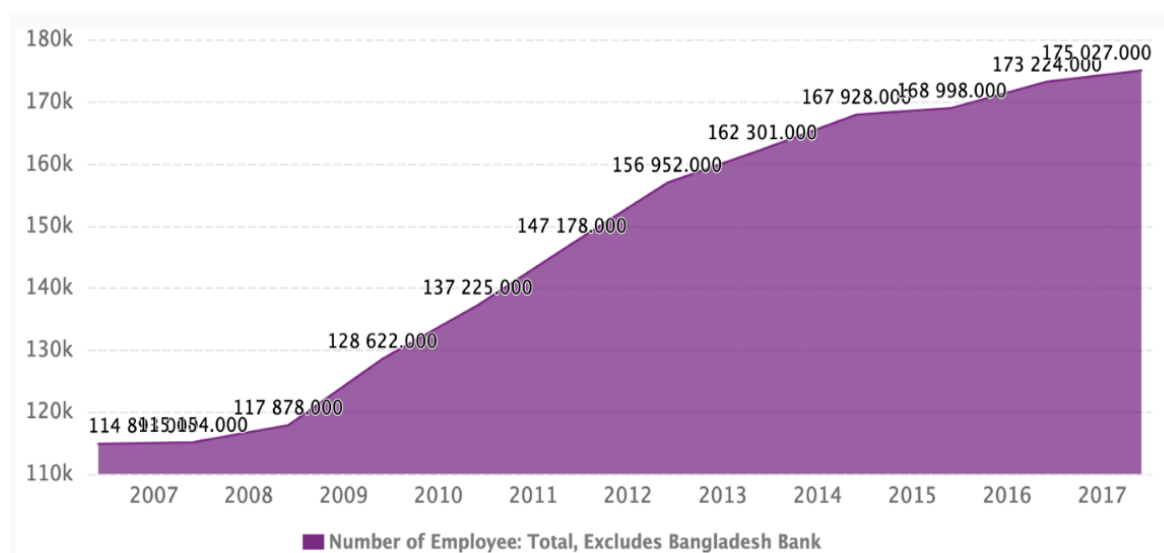


Figure 5. Number of total bank employees excluding Bangladesh bank.

The total number of transactions via electronic banking is growing steadily and is increasing every year as indicated in Figure 6 (BANGLADESH BANK, 2018). [Annexure I]

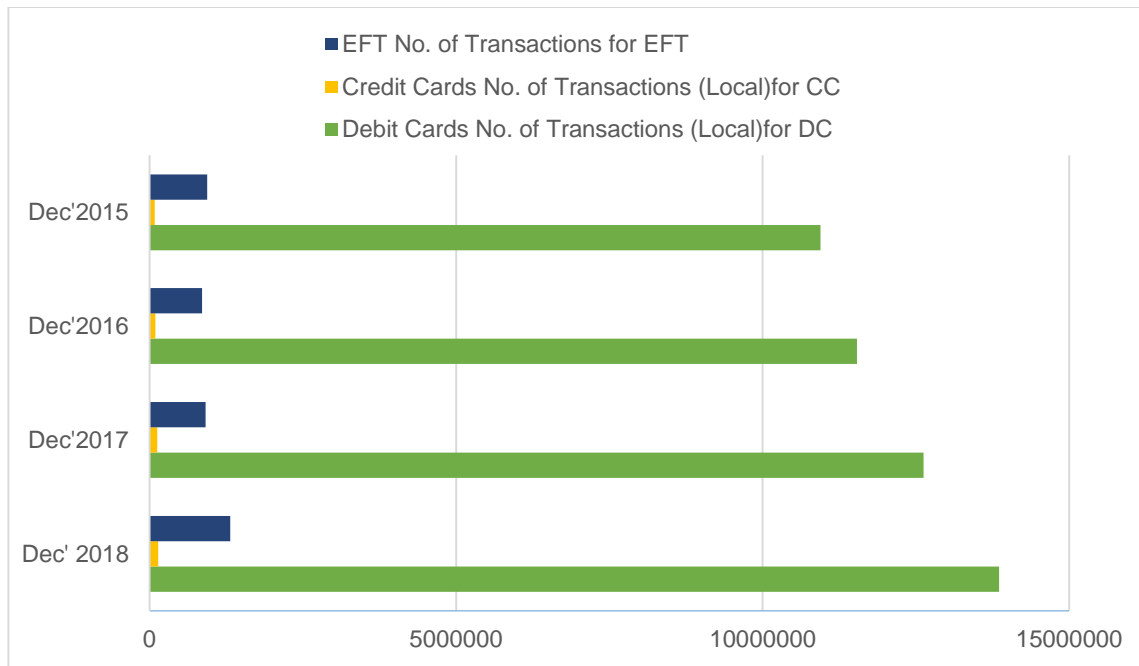


Figure 6. Number of Transactions via Electronic banking.

5. DISCUSSION

The study reveals that both employment growth and electronic banking growth have positive trends. Despite the intrusion of electronic banking, employees of banking sectors in Bangladesh do not feel their job is insecure to the extent of employees of other developing countries as found in the current literature. The findings aligned with that of Oldajeo and Akanbi (2012) where they found that bankers' perception towards services of electronic banking has been considered as significant. They found that from bankers' perceptions; reducing inconveniences and cost of transactions are more important in terms of overall benefits gained compared to the downsizing of manpower as services such as ATMs which performed routine tasks had four times more productivity advantage over their human counterparts. Another factor that mitigated the increase of job loss was that those employees were retrained into different positions and the office spaces that were saved served different purposes to earn benefits for the banks (Morufu Oladejo and Taibat Akanbi 2012). However, we found that there were several important findings that show us a trend in the banking sector.

From the literature review of previous studies, we can summarize that the main objective of this study; job security is a complex attitude due to its dependency on employee behaviour. However, it has been clearly found in various literature that a change in environment or restructuring can lead to issues of job security. It has also been found from the literature that electronic banking is rampant everywhere and the implementation of new technology can create a change and in turn lower job security among employees. Therefore, the study constructed the survey to find out employee attitude on whether they are stressed due to the introduction of ATMs, internet banking, electronic fund transfer and telephone banking. An increase in work pressure on the employees by any of the electronic banking channels would mean an adverse effect on job security as they would feel their work time has not decreased with the new technologies and they are having a hard time adjusting with the new technology. As a result, they would feel their performance would result in their dismissal. The results indicate all four variables have decreased work pressure in the majority of the employees hence they do not account for affecting their productivity.

Training to cope with new technology is extremely important to ensure job security, and it has been mentioned in the literature review as well. Training leads to a decrease in job ambiguity and skill obsolescence, therefore it directly leads to increased job security. The findings showed that majority of the employees felt they needed the training for internet banking, electronic fund transfer and telephone banking, indicating they do feel some levels of insecurity in their skills due to new technology. However, ATM didn't give rise to training needs in the majority of the employees because of the obvious simplicity of the technology which does not require extensive training to operate.

Most of the employees in the banks are from the 20-30 age group and of course, they are the sector of the demography who can adopt with technology the fastest. Banks have taken the precautionary steps for adoption with the changes by targeting their recruitment and retention policy towards a more younger working-age group.

The findings also showed that an increase in employees compared to the increase in the number of banks in Bangladesh shows a diminishing rate which means even though there is no significant downsizing, once again banks have taken steps to ensure they are not overstaffed as their branch becomes more technologically proficient.

Another key finding from the study is that across all age group and gender, everyone leaned towards the significance of training needs. That means employees are already aware of the changing structure of businesses and is trying to keep themselves employable through retraining. Technology might make some jobs obsolete, however it also creates new positions, such as the rising need for a relationship manager to guide the customers through their electronic banking activities (Durkin *et al.*, 2007).

This fact has been further emphasized through an interview with a group of a high-ranking employee from the central bank who mentioned how banks are now keener on hiring technical workers in the first place than people with many educational degrees as various technological skills are now more important for the workplace.

All this point towards the fact that banks themselves are quite aware of the importance of electronic banking and is taking measures to make sure they have the right people for the job through their hiring policies, training activities and have not downsized employees, instead retrained them and thus ensuring security in the job market of banking industry. However, this does instigate the question of what will now happen to employees with more conventional learning and what it implies for the economy of the country as technology develops at a pace, retraining cannot keep up.

6. CONCLUSION

To find out the current security of in the job market due to the emergence of various electronic banking services, the study was conducted by sending out 250 questionnaires to various private banks in Bangladesh. 101 questionnaires were successfully obtained and analysed using SPSS. An interview was also conducted to gather enough information. There were few limitations such as banking employees are not prone to give sensitive information about their downsizing policies, time constraints, and not every bank returned the questionnaire.

It has been found that although there has been a growth of banking employees, the development is not at all proportional compared to the increase of banks in Bangladesh. This show that most banks had the hindsight to implement policies that prevented them from downsizing. However, the study findings indicate that the employees are not completely unaware of the impending problems and major portions of the employees are prioritizing their training needs to stay

relevant. Finally, this study contributed vastly to the lack of research done on this issue in Bangladesh as it found out banking employees feel secure for the time being. However, it does pave the way for further research to explore what policies the banks had perused other than the hiring of technical workers to help mitigate job insecurity and what training programs they have in mind for the future when technological innovations such as Financial Technology (Fintech) invade the financial sector.

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APPENDIX

Annexure-I

Year	Debit Cards		Credit Cards		Electronic Fund Transfers (Outward)	
	No. of Transactions (Local)	Amount in Crore (Local)	No. of Transactions (Local)	Amount in Crore (Local)	No. of Transactions	Amount in Crore
Dec' 2018	13858510	10979.4	142962	98.5	1314422	9092.3
Dec' 2017	12626840	9235.6	122450	86.8	915638	7340.6
Dec' 2016	11540067	8319.6	93434	63.9	856495	5643.4
Dec' 2015	10943860	7595.5	83842	54.1	937939	5129

Annexure 2 Lists of banks from which data has been collected

Sl. No.	Name of bank	Number of the collected questionnaire from the different branches of the bank
1.	AB Bank	4
2.	Trust Bank Ltd.	1
3.	Bank Asia Ltd.	6
4.	Brac Bank LTD	2
5.	Dutch Bangla Bank	5
6.	EBL	3
7.	EXIM Bank Ltd.	1
8.	HSBC	2
9.	IFIC Bank Ltd.	3
10.	Jamuna Bank Ltd.	18
11.	Mercantile Bank Limited	1
12.	Mutual Trust Bank	2
13.	National Bank limited	3
14.	ONE Bank Ltd.	1
15.	Padma Bank Ltd.	13
16.	Prime Bank	10
17.	South Bangla Agriculture Bank	2
18.	Shahjalal Islami Bank Ltd.	1
19.	Social Islami Bank Limited	5
20.	Dhaka Bank Limited	5
21.	Standard Chartered Bank	9
22.	UCBL	4
	Total	101

