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The Influence Of Digital Literacy On Employee Confidence And Risk Management In Promoting And Selling Investment Products In Banking

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Abstract:

Digital literacy is an essential aspect that influences employee performance and the adoption of investment products in banking institutions in today's constantly shifting financial landscape. This study examines the relationship between employee performance, digital literacy, risk management, and the acceptance of banking investment products to better understand the complex dynamics at play. Based on an extensive analysis of previous research and empirical data, this study explores how digital literacy impacts employees' productivity and proficiency in the banking industry. It also looks at how different levels of digital literacy affect workers' ability to promote, communicate, and help clients find their way around the many investment products that banks offer while still following risk management best practices. By incorporating risk management, the research addresses employees' ability to utilise digital tools for identifying and mitigating risks, such as misspelling, non-compliance with regulations, and data breaches, thereby fostering a trustworthy financial ecosystem. The findings have significant implications for banking institutions striving to improve customer engagement strategies, optimise employee training programs, and deploy digital tools that not only encourage the adoption of investment products but also enhance risk management practices in an increasingly digitalised financial environment..

Keyword: Digital literacy, investment products, financial landscape, performance, consumer behaviour etc

Introduction:

Digital literacy has become a critical success factor in the fast-paced world of modern banking, having a significant impact on both staff performance and the uptake of financial products. The financial world is changing rapidly due to technology, thus it is critical that staff are able to traverse this new digital frontier. Simultaneously, clients are depending more and more on digital channels to access and manage their financial portfolios, highlighting the critical role that digital literacy plays in promoting efficient communication and product adoption. (Mabula, J. B., & Han, D. P. (2018). [1]

This introduction lays the groundwork for a thorough investigation of how employee performance and the adoption of investment products in banking institutions are affected by digital literacy. Banks that want to stay competitive and satisfy changing client demands must grasp the complex interactions that exist between employee competence, customer engagement, and digital literacy as the digitization of financial services picks up speed.

In light of this, the study intends to investigate the following crucial aspects:

The Evolution of Digital Banking: An overview of how digital technologies have revolutionised banking operations, client relations, and the supply of investment products, emphasising the critical role that digital literacy plays in navigating this ever-changing terrain (Malinda, S., Masyita, D., Rahman, S., & Anwar, M. (2018)[2].

The Importance of Digital Literacy in Banking: An investigation into the vital role that digital literacy plays in enabling staff members and clients to efficiently access, understand, and make use of banking investment products and services.

Employee Performance in the Digital Age: This study looks at the relationship between bank workers' degrees of digital literacy and performance indicators like output, client satisfaction, and sales effectiveness.

Customer Adoption of Investment Products: The present study aims to examine the characteristics that impact customers' adoption of investment products through digital banking channels. Specifically, it will examine the role that staff digital literacy plays in enabling informed decision-making and product engagement Azmi, S. N., Akhtar, S., & Nadeem, R. (2020). [3].

By exploring these aspects, this study aims to provide useful information for banking organisations that want to improve client experiences, streamline employee training programmes, and take advantage of the opportunities brought about by the digitization of financial services. This study attempts to contribute to the continuing conversation about the relationship between employee performance, digital literacy, and banking innovation by using an interdisciplinary lens that encompasses finance, technology, and organisational behaviour.

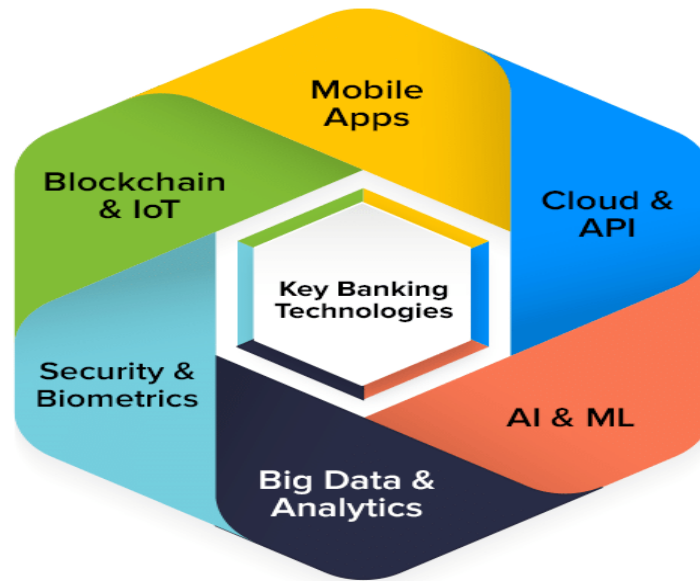
SCOPE OF THE STUDY:

The rise of digital communication technology has had a profound effect on higher education, influencing the current generation's choice for web-based resources for learning. Internet access has completely changed how people study, with more and more people depending on e-learning sites to acquire knowledge (Kaur, S. J., & Ali, L. (2021)[4]. The effectiveness of e-learning depends on how well teachers deliver it in addition to how well technology and pedagogy mesh Supriadi, Y. N., Desmintari, D., Resti, A. A., & Siregar, Z. M. E. (2021)[5]. The many ways that digital technology contributes to the effectiveness of education also include improving people's employability skills, which is in line with the necessity of ongoing skill development in response to changing industry demands. By providing connectivity to worldwide trends via the World Wide Web, utilising digital resources and tools enhances graduates' knowledge base and promotes a deeper grasp of career trajectories.

REVIEW OF LITERATURE:

E-learning, Frimpong, S. E., Agyapong, G., & Agyapong, D. (2022)[6] is the use of digital and internet technologies to produce educational experiences for human resources. E-learning has the power to completely change how we teach and learn Kaur, S. J., Ali, L., Hassan, M. K., & Al-Emran, M. (2021)[7]. A combination of technology, digital content, and training is required for learning with digital technology. Any process in which a teacher or student uses digital tools, like a computer, tablet, MP3 player, smartphone, or console, to access digital tools like virtual learning environments (VLEs) and learning platforms, or uses digital resources, like lessons, tests, learning aids, and games, to improve their knowledge and skills, is referred to as digital technology. The use of ICT in the learning process, digital classes, a campus with wi-fi, access to free or paid e-books through an online library, and more make up the learning hub in e-learning. When utilised effectively, digital tools can foster collaborative learning, critical thinking, interaction, and e-commerce among students while also facilitating learning. Muleta, E., & Feyera, D. (2024).

DIGITAL TRANSFORMATION IN BANKING APPLICATIONS AND BENEFITS:



Source : <https://appinventiv.com/blog/digital-transformation-in-banking/>

METAMORPHOSIS OF DIGITAL COMPETENCE INTO EMPLOYMENT

Employers in today's competitive market demand not only digital competency but also other human competencies connected to social skills of networking in order to establish connections with the outside world. For an institution to stay current with industry developments and stay connected to the business world, where experience learning is essential, it is imperative that digital technology be used effectively in conjunction with experiential learning practices Kaur, S. J., & Ali, L. (2021)[4]. This places a strong emphasis on training, particularly in the form of online HR recruitment, live stock trading on the job training, webinars with industry experts, and other interactive events. Through an online seminar, experts from every industry field address trainees, giving them instant access to the solutions. These are online courses that combine communication through digital technologies. Using satellite technology to stream live lectures from subject matter experts, students may quickly get their questions answered, which makes for an effective learning process. According to employee feedback regarding online learning, the part-time MBA program's online courses are well-received and facilitate the development of knowledge creation skills as the course materials are accessible online. Supriadi, Y. N., Desmintari, D., Resti, A. A., & Siregar, Z. M. E. (2021)[5]

Kulathunga, K. M. M. C. B., Ye, J., Sharma, S., & Weerathunga, P. R. (2020)[6] examined both the direct and indirect effects of ICT use on students' performance in higher education. Since ICT use is positively correlated with student outcomes, including improved motivation, self-esteem, ICT skills, collaboration abilities, topic knowledge, information management skills, metacognitive skills, etc., many institutions choose to use it. The digital technology capabilities in the institutions help students have access to high-quality e-textbooks and e-periodicals from central repositories' database, as well as lecture materials, articles, and case studies from reputable journals. Doors. From an institutional standpoint, an institution's

infrastructure facilities, which primarily consist of a digital library, computer labs equipped with management-related software, conference rooms using digital satellite technology, webinars, and company video conferences, are among the academic factors that contribute to employability. Since some university repositories contain databases containing collections of research publications that might enhance one's knowledge, these are all excellent resources for improving a graduate's employment skills.

Digital resources are used differently by each institution and its professors, and they improve knowledge to help trainees stay up to date on the most recent advancements. Kaur, S. J., Ali, L., Hassan, M. K., & Al-Emran, M. (2021)[7]. A graduate who relies on online learning for knowledge gathering has a number of options for skill improvement. Digital technologies and resources should be made available to teachers in order to help students develop employable skills. Kreitshteyn, A. (2017)[8] examined how students saw the role of ICT in their academic achievement and noted both positive and negative aspects of it. The use of ICT tools can boost performance, which is a positive. However, there are drawbacks as well, such as teachers and trainees not receiving enough training in their use Abbas, M., Julien, A., Hao, S., & Touzani, M. (2024)[9]. The ability to assist students in analysing the business scenario from various perspectives related to digital marketing, stock, forex, and online investments, as well as the outsourcing of HR tasks like online hiring, customer relationship management (CRM), online market research, etc. Students studying business management in universities that complement their coursework with online instruction benefit greatly from this type of experiential learning in terms of their employability. Trainees who actively participate in blogs related to their area of expertise can explore the benefits of learning from one other's perspectives and provide an engaging forum for online conversation. Collaborating with foreign colleges facilitates idea exchanges that go beyond cultural boundaries. Muleta, E., & Feyera, D. (2024)[10]. A change in change management is necessary for the entire educational e-learning system process, which includes the Student Information System, Professional LinkedIn, Collaborate Social Networking Sites, EPGDM Programme, and the establishment of a robust infrastructure to ensure a seamless online learning experience.

Research Objectives:

1. To examine the Relationship between Digital Literacy and Employee Performance
2. To assess the Influence of Digital Literacy on Investment Product Adoption

ANALYSIS AND INTERPRETATION:

The regression equation for process skill is used to model the employability variance in process skill. The predicted value can be expressed as $\beta_0 + \sum \beta_1 * \ln(\text{process skill mean})$, where the mean is provided by the descriptive statistics.

Table 1 : REGRESSION CO-EFFICIENT AND PREDICTED VALUES OF PROCESS SKILL : ADAPTION OF NEW TECHNOLOGY

PROCESS SKILL VARIATON OF TRAINEES : BANKING SECTOR						
Learning with Digital Technology	Predicted process skill level			R ² of model	F value	Significance
	Mean	σ	Predicted level			
YES	7.05	1.40	4.76	.528	3.48	.001
NO	6.52	1.25	4.09	.620	11.29	.002

RESULT: As per Table 1 it is analyzing the adaptation of new technology process skill variation among trainees in the banking sector, the study reveals distinct trends based on learning with digital technology. Trainees who learned with digital technology exhibited a predicted process skill level of 4.76, with a mean of 7.05 and a standard deviation of 1.40. This group's model had an R² value of 0.528, indicating that 52.8% of the variance in the predicted process skill level can be attributed to this learning method. The associated F-value is 3.48, significant at $p < 0.001$. Conversely, trainees who did not learn with digital technology showed a slightly lower predicted process skill level of 4.09, with a mean of 6.52 and a standard deviation of 1.25. The model for this group had a higher R² value of 0.620, suggesting that 62.0% of the variance in the predicted process skill level is explained by not learning with digital technology. The F-value for this model is 11.29, significant at $p < 0.002$. This indicates a stronger relationship between the learning method and predicted process skill level for trainees who did not learn with digital technology compared to those who did. Even Dissanayake, H., Iddagoda, A., Rukshan, T., & Deshika, T. (2023)[[12](#)] in their study found the same

TABLE 2. RELATIONSHIP BETWEEN DIGITAL LITERACY AND EMPLOYEE PERFORMANCE

DIGITAL LITERACY AND EMPLOYEE PERFORMANCE						
Learning with Digital Technology	Predicted process skill level			R ² of model	F value	Significance
	Mean	σ	Predicted level			
YES	4.54	1.74	4.72	.949	13.15	.002
NO	4.56	1.48	3.94	.565	9.72	.001

RESULTS:

The table presents a striking disparity in predicted process skill levels between employees who engage in learning with digital technology and those who do not. Specifically, employees who partake in digital learning exhibit a markedly higher predicted skill level of 4.72, compared to their non-engaging counterparts at 3.94. This discrepancy is further emphasized by the substantial difference in the coefficient

of determination (R^2), with the digital-learning group boasting a significantly higher value of 0.949, while the non-engaging group registers a lower R^2 of 0.565. Despite this contrast, both groups display statistically significant fits of the model, as evidenced by their respective F values of 13.15 and 9.72, with associated p-values of 0.002 and 0.001, underlining the robust relationship between digital literacy and employee performance across both cohorts.

TABLE 3: REGRESSION COEFFICIENT OF MODELS FOR EMPLOYEES WITH AND WITHOUT DIGITAL LITERACY AT ADVANCED JOB LEVEL

PROCESS SKILL	VARIATON OF TRAINEES - Experienced					
Learning with Digital Technology	Predicted process skill level			R^2 of model	F value	Significance
	Mean	σ	Predicted level			
YES	5.84	1.62	3.56	.315	4.56	.001
NO	6.59	1.36	4.50	.416	10.55	.003

Comment:

Table 3 displays the regression coefficients of models for employees at an advanced job level, contrasting those who engage in digital learning with those who do not. Interestingly, employees who engage in learning with digital technology exhibit a lower predicted process skill level of 3.56 compared to their non-engaging counterparts at 4.50. Azmi, S. N., Akhtar, S., & Nadeem, R. (2020)[13] However, digital literacy explains a relatively small portion of the variance in process skill level for both groups, with R^2 values of 0.315 for digital learners and 0.416 for non-learners. While the model fit is moderate for digital learners (F value of 4.56) and better for non-learners (F value of 10.55), the relationship between digital literacy and process skill level remains statistically significant for both groups, as evidenced by low p-values of 0.001 for digital learners and 0.003 for non-learners. This suggests that while the impact of digital literacy may vary, it still holds importance for employees at an advanced job level, regardless of their engagement with digital learning.

FINDINGS AND CONCLUSION:

As a result, the analysis provides important new insights into how trainees in the banking industry adjust to changes in new technological processes and skill variations. The study shows clear patterns related to digital technology learning, emphasising its significant influence on expected process skill levels. When compared to their non-engaging counterparts, trainees who participated in digital learning demonstrated significantly greater process skill levels; the former group showed a predicted skill level of 4.76, which was heavily influenced by digital literacy. On the other hand, non-learners showed a higher coefficient of determination (R^2) and a somewhat lower predicted skill level of 4.09, indicating a better correlation

between the learning technique and skill level. This discrepancy highlights how important digital literacy is to improving worker performance.

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