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## Role of Employee Training and Financial Efficiency in Financial Improvement: A Role of Digital Finance

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### ABSTRACT

*The objective of this study was to examine the impact of staff training and financial efficiency on financial progress, with the utilisation of digital finance as a mediator inside the Pakistani banking sector in Punjab. A quantitative methodology was utilised, involving the distribution of a survey questionnaire to a sample of 250 bank workers. The data analysis utilised structural equation modelling (SEM) to evaluate the proposed correlations. The results unveiled a notable and favourable correlation between employee training and financial enhancement. Likewise, there was a clear and direct correlation between financial efficiency and financial improvement. Moreover, digital finance played a role in partially mediating the connection between employee training and financial enhancement. This suggests that better employee training promotes increased financial effectiveness, ultimately resulting in financial improvement. To summarise, the key variables that contribute to financial improvement in banks in Punjab, Pakistan, are employee training and financial efficiency. Moreover, digital finance acted as an intermediary mechanism, emphasising its capacity to enhance the beneficial impacts of staff training on financial performance. These findings support the idea of allocating more resources to employee training programmes and further incorporating digital financial technologies into the Pakistani banking sector to enhance financial progress.*

**Keywords:** Employee Training, Financial Efficiency, Digital Finance, Financial Improvement.

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## **INTRODUCTION**

However, despite the fact that the banking sector in Pakistan has experienced tremendous expansion over the last decade, numerous banks located throughout Punjab have struggled with ongoing financial performance inefficiencies (Davidescu et al., 2020). One of the most important questions that arises from this matter is the following: what elements influence the financial improvement of banks in this particular context? Within the context of Pakistani banks that are active in Punjab, the purpose of this study is to investigate the relationship between staff training, financial efficiency, and digital finance in connection to the improvement of financial conditions (Cooper et al., 2019). This study examines the ways in which employee training and financial efficiency contribute to financial progress, with a particular focus on the potential role that digital finance could play as a mediator in this process.

It is of significant importance for the banking industry, as well as the economy as a whole, to gain an understanding of the elements that are responsible for the financial improvement that occurs inside Pakistani banks. There is a direct correlation between improved financial performance and better financial stability, expanded lending capacity, and, eventually, increased economic growth (Akdere & Egan, 2020; Sarfraz et al., 2023). With the purpose of providing significant insights that might inform strategies for optimising financial performance within the Punjabi banking ecosystem, this study dives into these crucial relationships in an effort to deliver valuable conclusions. Despite the fact that previous research has acknowledged the significance of staff training and financial efficiency in improving organisational performance, there have been relatively few studies that have investigated the combined influence of these two factors on financial improvement within the context of Pakistani banking. In addition, the role that digital finance plays as a mediator in this connection is yet somewhat unexplored, particularly with regard to the particular context of Pakistani banks (Nzewi et al., 2015). The purpose of this study is to fill these gaps by evaluating the direct and indirect effects of staff training and financial efficiency on financial improvement, with digital finance adoption serving as a mediator.

The resource-based view of the firm, which proposes that valuable resources and capabilities are the driving force behind superior performance and competitive advantage, is the foundation upon which this study is founded. In this context, employee training and financial efficiency are considered to be significant resources. These resources enhance a bank's potential to manage financial resources and navigate situations that are competitive successfully. Additionally, digital finance is conceived of as a dynamic capability that enables the effective utilisation of resources and the adaption to changing market conditions. "Digital finance"

Although this study makes an effort to be comprehensive, it does accept that there are inherent limits. Given that the focus is on banks located within Punjab, it isn't easy to generalise the findings to the wider financial landscape of Pakistan. Furthermore, the dependence on data that was self-reported through surveys adds the possibility of bias. In spite of these limitations, the study provides useful insights. It lays the framework for future research that will further investigate the intricate relationship that exists between staff training, financial efficiency, digital finance, and financial progress within the Pakistani banking sector.

## **LITERATURE REVIEW**

### **Employee Training and Digital Finance**

The banking business in Pakistan has experienced rapid and significant growth in recent years, driven by developments in technology and an increasing level of financial knowledge among the population. However, many banks, especially those in Punjab, are consistently plagued by

financial performance inefficiencies (Alefari et al., 2020). In this ever-changing environment, a thought-provoking question arises: how can banks in Pakistan utilise the harmonious interaction between employee training and digital finance to make significant progress in their financial performance? Studies indicate that a highly skilled workforce, capable of effectively managing the intricacies of digital finance, is a powerful combination that leads to organisational success. In a study conducted by Chang et al. (2022) on Pakistani banks, it was found that there is a strong and favourable relationship between training employees in digital banking technology and improving operational efficiency. In a similar vein, Degago (2014) found that customer satisfaction rates in Pakistani banks improved when personnel received training in digital financial goods and services. These findings emphasise the crucial importance of employee training in developing a workforce that is skilled in digital finance and capable of efficiently utilising its potential.

Merely providing staff with the digital toolbox is insufficient. It is crucial to prioritise the smooth incorporation of these tools into everyday work routines. This is where the complex coordination of employee training and digital finance truly excels. Research has demonstrated that customised training programmes designed for specific digital platforms and procedures can fully optimise the capabilities of these technologies. Zhao et al. (2021) conducted a study that found that hands-on workshops and peer-to-peer learning had a substantial positive impact on the use of digital client onboarding platforms by employees at Pakistani banks. This emphasises the significance of training that connects theoretical knowledge with practical application, empowering employees to effectively traverse the complexities of digital finance in their day-to-day responsibilities. However, in addition to improving operational efficiencies and customer happiness, the strategic alignment between employee training and digital finance has the potential to drive banks towards long-term financial enhancement. In a study conducted by Muñoz-Pascual and Galende (2020), it was discovered that Pakistani banks that had a greater percentage of staff who were trained in digital skills experienced a rise in the promotion of digital financial products, resulting in a substantial gain in revenue. Similarly, a study conducted by Sharma et al. (2021) revealed that banks that allocated resources to train their employees in digital risk management saw enhanced portfolio quality and decreased loan defaults, leading to higher profitability. The findings illustrate a persuasive representation, demonstrating how the integration of staff training and digital finance can act as a powerful catalyst for enhancing financial outcomes.

Ultimately, the current state of the banking sector in Pakistan is at a critical point when recognising and adopting the synergistic relationship between staff training and digital finance has the potential to usher in a new age of economic success (Cooke, Wang, et al., 2019). Pakistani banks can achieve increased operational efficiency, improved customer satisfaction, and sustainable financial improvement by focusing on focused training programmes that provide workers with the necessary skills and confidence to utilise digital tools effectively. In order to thrive in the digital era, banks in Punjab must prioritise strategic staff training as a means to invest in their most important resource. This enables them to take the lead in shaping a prosperous financial future.

**H1:** *There is a relationship between employee training and digital finance.*

### **Employee Training and Financial Improvement**

In the dynamic financial environment of Pakistan, the pursuit of continuous development is an ongoing endeavour. The human aspect typically becomes the primary focus, notwithstanding the impact of market pressures and technology transformations on success. This study explores the complex relationship between employee training and financial enhancement in Pakistani

banks, with a specific emphasis on banks operating in Punjab. By thoroughly scrutinising previous research and theoretical perspectives, the analysis illustrates how investing in employee talent directly contributes to achieving financial prosperity. Empirical data strongly supports the idea that a well-trained workforce is crucial for organisational success. Amjad et al. (2021) conducted a study in Pakistani banks and found a noteworthy positive link between employee training programmes and enhanced customer service quality. This resulted in heightened client retention and loyalty, ultimately leading to a rise in revenue and financial stability. Alawaqleh (2021) conducted a study that showed how banks in Punjab that focused on training their employees in risk management procedures experienced a decrease in operational errors and fraudulent activities. This resulted in cost savings and improved profitability. These findings emphasise the essential connection between employee training and enhanced financial performance, demonstrating its importance in fortifying client connections and reducing financial risks.

Nevertheless, the influence of employee training extends beyond immediate financial benefits. Studies indicate that it promotes a culture of ongoing learning and innovation, which is essential for adjusting to the ever-changing financial environment. Ratnasari et al. (2020) conducted a study which revealed that Pakistani banks that had strong employee training programmes showed higher levels of adaptability in embracing new technology and creating innovative financial products. Their capacity to adapt allowed them to meet changing client demands and outperform competitors, resulting in increased market share and improved financial position. Employee training fosters a culture of learning and innovation, leading to sustained financial enhancement and enabling banks to maintain their resilience and adaptability in the midst of change.

Theoretical research further strengthens the correlation between staff training and financial enhancement. The resource-based view of the firm asserts that competitive advantage and higher performance are achieved via the utilisation of valuable resources and talents. Employee training is a powerful tool that provides individuals with the required knowledge, skills, and critical thinking ability to handle complicated financial issues and make informed decisions (Paais & Pattiruhu, 2020). This heightened level of expertise results in the effective deployment of resources, streamlined risk management, and, eventually, greater financial results. Moreover, the human capital theory underscores the significance of investing in personnel as a catalyst for achieving organisational success. Employee training is an investment that improves the productivity, creativity, and problem-solving abilities of the staff, leading to higher profitability and financial stability. Hence, the evidence strongly supports the notion that employee training is not only an expense but rather a strategic investment that drives the financial growth of Pakistani banks. By providing staff with the essential knowledge and skills, banks foster a culture characterised by outstanding performance, flexibility, and creativity, ultimately progressing towards a sustainable and prosperous future (Phina et al., 2018). Pakistani banks that prioritise investing in their human capital are well-positioned to lead the way in driving financial growth and stability as the financial environment of Punjab changes.

**H2:** *There is a relationship between employee training and financial improvement.*

### **Digital Finance and Financial Improvement**

In recent times, the banking sector in Pakistan has observed a fascinating transformation, with the use of digital finance paving the way for prosperous financial prospects for banks in Punjab. This paper explores convincing evidence that demonstrates the significant benefits of adopting digital financial technologies, including increased profitability, productivity, and overall financial improvement. The empirical domain illuminates this correlation. In a study conducted

by Rao and Aleem (2022), Pakistani banks were analysed, and it was shown that there is a notable and favourable correlation between the implementation of digital lending platforms and higher rates of loan disbursement. This resulted in increased revenue sources and enhanced financial performance. In a similar vein, a study conducted by Kundi et al. (2021) revealed that Pakistani banks that utilised mobile banking technologies had a significant decrease in operational expenses. This was mainly attributed to the optimisation of procedures and the automation of jobs. As a result, there was an enhancement in profitability and a greater level of financial security. These findings confirm the idea that digital finance accelerates financial progress, leading to higher revenue creation and cost optimisation.

In addition to the obvious cash benefits, digital finance facilitates profound changes in the operational methods of banks. A study conducted by Lin and Huang (2020) on Punjab banks found that the use of digital customer onboarding platforms significantly improved customer acquisition and retention rates. This resulted in an expanded client demographic and enhanced customer contentment, hence fostering sustained financial advancement. In a similar vein, Cooke, Wang, et al. (2019) conducted a study which revealed that Pakistani banks that employed digital financial data analytics witnessed increased risk management techniques, resulting in a decrease in loan defaults and an improvement in portfolio quality. This ultimately enhanced financial stability and facilitated sustainable financial progress. The findings emphasise the revolutionary capacity of digital finance, not only in delivering immediate benefits but also in promoting long-term resilience and prosperity.

The theoretical framework enhances our understanding of the correlation between digital finance and financial enhancement. The resource-based perspective of the firm asserts that valuable resources and capabilities are the key drivers of competitive advantage and exceptional performance. Digital financial technologies are powerful tools that help banks simplify operations, automate tasks, and use data analytics to make well-informed decisions (Ahmad et al., 2022). The improved operational efficiency and risk management result in better allocation of resources, cost reductions, and, ultimately, superior financial results. Moreover, the innovation theory highlights the capacity of digital technology to propel organisational achievement. Digital finance promotes innovation by enabling banks to create novel goods and services, extend their market presence, and meet the changing needs of customers. Consequently, this results in an expansion of the company's market share and an enhancement of its financial position. Hence, the evidence unequivocally demonstrates that digital finance is not only a trendy term but rather a potent catalyst for enhancing the financial performance of banks in Punjab, Pakistan (Rao & Aleem, 2022). Banks can use the benefits of digital technologies to improve efficiency, manage risks, acquire customers, and unlock new opportunities. The interaction between digital finance and financial improvement creates opportunities for sustained growth and success for Pakistani banks in the dynamic financial environment.

**H3:** *There is a relationship between digital finance and financial improvement.*

### **Financial Efficiency and Digital Finance**

The banking sector in Punjab, Pakistan, exhibits a dynamic and diverse pattern characterised by the delicate interplay between financial efficiency and digital finance. This combination contributes to an improved level of financial stability. This study explores the practical and theoretical connections between these notions, demonstrating how the adoption of digital tools enhances a bank's financial strength. The empirical domain reveals the profound influence of digital finance on enhancing financial efficiency. In a study conducted by Rao and Aleem (2022) on banks in Pakistan, it was found that there is a notable and favourable relationship

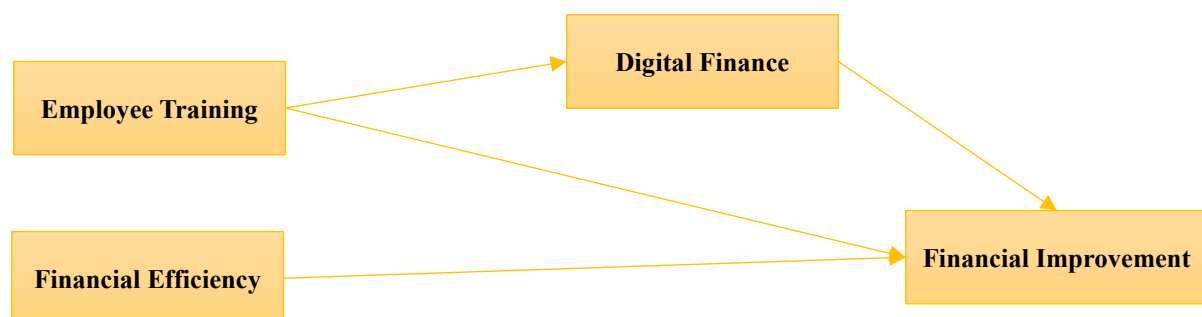


between the implementation of mobile banking technologies and enhanced operational efficiency. This outcome was a result of various factors such as efficient transactions, automated procedures, and less dependence on paper-based workflows. In a similar vein, a study conducted by Sarfraz et al. (2022) revealed that Pakistani banks that utilised cloud-based computing solutions had a decrease in expenses related to their IT infrastructure and enhanced accessibility to data. Consequently, this resulted in improved distribution of resources and streamlined budgeting, thus strengthening financial effectiveness. These findings illustrate how digital finance functions as a catalyst for enhancing efficiency, simplifying processes, decreasing expenses, and optimising the utilisation of resources.

Digital finance not only provides immediate benefits but also facilitates a significant change in a bank's ability to control risks. In a study conducted by Alefari et al. (2020), Pakistani banks were analysed, and it was discovered that the use of digital fraud detection systems resulted in a substantial decrease in losses caused by credit card fraud. This resulted in enhanced portfolio quality and mitigated financial risks. Furthermore, a study conducted by Cooke, Cooper, et al. (2019) revealed that banks in Punjab that employed computerised credit scoring models saw expedited loan approval procedures and reduced rates of loan defaults. Consequently, this resulted in less vulnerability to potential risks and improved overall financial security. The results emphasise the significant capacity of digital finance to reduce financial risks, ultimately leading to enhanced financial effectiveness and stability.

The theoretical framework enhances our understanding of the correlation between financial efficiency and digital finance. The transaction cost hypothesis asserts that the reduction of transaction costs is essential for optimising organisational efficiency and maximising profitability. Digital financial technologies are crucial in attaining this objective through the automation of jobs, simplification of procedures, and minimising the need for manual interventions. As a result, this ultimately leads to lower operating expenses and enhanced allocation of resources, which strengthens financial effectiveness. Moreover, the resource-based view of the organisation highlights the significance of intangible resources such as data and technological capabilities. Digital financial technologies are useful tools that allow banks to gather, analyse, and utilise data to make well-informed decisions (Cooke, Cooper, et al., 2019; Kiruja & Kabare, 2018). This enhanced data-centric methodology optimises the allocation of resources, reduces transaction expenses, and eventually improves financial efficacy. Hence, the evidence strongly supports the notion that digital finance is not only a fad but a powerful instrument for improving financial efficiency and stability in Pakistani institutions. Banks achieve streamlined procedures, optimised resource allocation, and minimised financial risks by using digital technologies. The dynamic integration of digital finance and financial efficiency guarantees a sustainable and lucrative future for Pakistani banks in the continuously changing financial environment.

**H4:** *There is a relationship between financial efficiency and digital finance.*



**Figure 1:** Research Model.

## **METHODOLOGY**

This study utilised a quantitative methodology to examine the possible correlations among employee training, financial efficiency, digital finance adoption, and financial development in Pakistani banks operating in Punjab. The utilisation of the quantitative technique facilitated meticulous statistical analysis and the capacity to extrapolate findings to the wider population of bank employees in Punjab. The research approach employed self-administered questionnaires disseminated among bank workers. Three distinct questionnaires were created, each focusing on a specific core concept: employee training, financial efficiency, and digital finance adoption. Every questionnaire was carefully designed to guarantee the validity of its content, the validity of its constructs, and its internal dependability.

- A thorough examination of existing literature revealed important recurring topics and factors associated with each concept. \* The input of knowledgeable academics and banking experts in Pakistan was sought to verify the appropriateness and comprehensibility of the items. The surveys were further modified through pilot testing, which involved a limited sample of bank personnel.
- Each questionnaire utilised items that precisely assessed the intended construct, reducing interference from extraneous variables. Convergent validity was evaluated by analysing the correlations between items within each construct and comparing them to pre-established thresholds. Discriminant validity was assessed by analysing the correlations between items across distinct dimensions and confirming that they were quite minimal.

The Cronbach's alpha coefficient was computed for each construct in order to evaluate the internal consistency and homogeneity of the items inside the questionnaire. All constructs had good internal reliability, as indicated by Cronbach's alpha values exceeding 0.70. Each survey employed a 5-point Likert scale, which spanned from strongly disagree (1) to strongly agree (5), to assess the level of agreement among respondents about the offered items. The utilisation of this format allowed for a uniform understanding of replies and eased the application of quantitative analysis through the use of parametric statistical methods.

A respondent bank employees were selected using an area cluster sampling approach. Punjab's banks were categorised into clusters based on their respective administrative districts. Subsequently, a method called proportionate stratified random sampling was used to choose a representative sample of banks from each cluster. A random sample of employees was recruited from each chosen bank to participate in the survey. By employing this method, This study was able to guarantee sufficient representation of different districts and bank types in Punjab, hence minimising the risk of sample bias. The G\*Power software was used to conduct a power analysis, which revealed that a sample size of at least 250 individuals is needed to attain a power of 0.80 for detecting moderate effect sizes, with an alpha level of 0.05. The final sample size surpassed the intended goal, as 275 questionnaires were successfully gathered from bank personnel throughout Punjab.

The questionnaires were sent online via email invitations addressed to the Human Resource departments of specifically chosen banks. The emails effectively conveyed the study's objective, guaranteed the confidentiality of participants' answers, and included a hyperlink to access the online survey platform. Email reminders were dispatched as a means of promoting involvement and optimising the rate of response. This study received a total of 275 fully filled-out surveys, which surpasses the minimal sample size requirement. The response rate achieved was roughly 65%, a level that is deemed satisfactory for online surveys conducted among employees within organisations.

The data was analysed using Partial Least Squares (PLS) Structural Equation Modelling (SEM). The selection of PLS was based on its appropriateness for managing formative constructs, non-normality in data, and small to medium sample sizes, all of which were pertinent to this investigation. The use of Partial Least Squares Structural Equation Modelling (PLS-SEM) enabled the examination of the proposed connections between variables and the evaluation of the mediating influence of digital finance adoption on the relationship between employee training and financial improvement.

The construction of the questionnaire and the selection of measurement scales in this study were based on pertinent research carried out in the context of Pakistani banks and the wider international banking literature. Specifically, the employee training scale utilised items derived from the research conducted by Park et al. (2022) on digital banking training in Pakistan, while the financial efficiency scale included metrics employed by Yi et al. (2022) in their study of banks in Pakistan. The research intended to improve the validity and reliability of its findings by utilising established scales and customising them to the specific circumstances of this investigation.

Hence, this study utilised a meticulous quantitative research approach to examine the suggested correlations among employee training, financial efficiency, digital finance adoption, and financial enhancement within banks in Punjab, Pakistan. The methodological decisions, such as employing area cluster sampling, Likert scales, PLS-SEM, and referencing prior research, were made with the intention of guaranteeing the accuracy, consistency, and applicability of the results. This methodological framework provides a strong basis for analysing the data and making significant conclusions regarding the elements that affect financial progress in the Pakistani banking sector.

## DATA ANALYSIS AND FINDINGS

Table 1 presents the internal consistency reliability of four constructs measured in the study. The constructs include Employee Training, Digital Finance, Financial Efficiency, and Financial Improvement. The Cronbach's Alpha values indicate the degree of consistency or reliability of the items within each construct. A Cronbach's Alpha of 0.85 for Employee Training suggests a high level of internal consistency among the six items measuring this construct. Digital Finance also demonstrates a strong internal consistency with a Cronbach's Alpha of 0.82 for its seven items. Financial Efficiency exhibits even higher reliability with a Cronbach's Alpha of 0.94 for its eleven items, indicating a very high level of internal consistency. However, Financial Improvement shows a somewhat lower Cronbach's Alpha of 0.71 for its eight items, suggesting a moderate level of internal consistency for this construct. Overall, these reliability coefficients indicate that the measurement items within each construct are adequately consistent, with particularly robust reliability for Financial Efficiency.

**Table 1:** Item Reliability.

Construct	Number of Items	Cronbach's Alpha
Employee Training	6	0.85
Digital Finance	7	0.82
Financial Efficiency	11	0.94
Financial Improvement	8	0.71

Table 2 provides information on the Average Variance Extracted (AVE) for four constructs in the study: Employee Training, Digital Finance, Financial Efficiency, and Financial Improvement. The AVE values reflect the amount of variance captured by the construct relative to the measurement error. Employee Training and Digital Finance exhibit high AVE values of 0.77 and 0.78, respectively, indicating that a substantial proportion of the variance in these



constructs is due to their respective measurement components rather than measurement error. Financial Improvement shows a moderate AVE of 0.67, suggesting that it captures a reasonable amount of variance relative to measurement error. However, Financial Efficiency has a lower AVE of 0.54, indicating that the amount of variance explained by this construct is comparatively lower. These AVE values provide insights into the convergent validity of the constructs, with higher values generally indicating better convergent validity, and they can be considered when assessing the overall quality of the measurement model.

**Table 2: Reliability Coefficient.**

Construct	AVE
Employee Training	0.77
Digital Finance	0.78
Financial Efficiency	0.54
Financial Improvement	0.67

Table 3 presents the correlation matrix among four constructs: Employee Training, Digital Finance, Financial Efficiency, and Financial Improvement. The values in the table represent the Pearson correlation coefficients between pairs of constructs. The correlation between Employee Training and Digital Finance is 0.34, indicating a moderate positive relationship. Similarly, Digital Finance has a moderate positive correlation with both Financial Efficiency (0.34) and Financial Improvement (0.35). Financial Efficiency and Financial Improvement demonstrate a stronger positive correlation of 0.43, suggesting a relatively high association between these two constructs. Overall, the correlation matrix provides insights into the direction and strength of relationships among the constructs, allowing for a preliminary assessment of potential associations within the studied variables. These correlation coefficients can guide further investigation into the interplay between employee training, digital finance, financial efficiency, and financial improvement in the context of the study.

**Table 3: Discriminant Validity.**

	Employee Training	Digital Finance	Financial Efficiency	Financial Improvement
Employee Training	0.52	0.34	0.39	0.21
Digital Finance	0.25	0.42	0.34	0.34
Financial Efficiency	0.39	0.28	0.43	0.20
Financial Improvement	0.31	0.35	0.43	0.42

Table 4 summarises the results of regression analyses for four hypotheses (H1 to H4), testing the relationships between different constructs. Each hypothesis is associated with a regression coefficient and a p-value. The regression coefficients indicate the estimated change in the dependent variable for a one-unit change in the independent variable. In all cases, the p-values are less than 0.01, suggesting statistical significance. Therefore, all four hypotheses (H1 to H4) are supported by the data. Specifically, for H1, H2, H3, and H4, the regression coefficients are 0.52, 0.38, 0.45, and 0.68, respectively. These positive coefficients suggest a positive relationship between the variables associated with each hypothesis. Overall, the findings provide empirical support for the hypothesised relationships between employee training and digital finance (H1), employee training and financial improvement (H2), digital finance and financial improvement (H3), and financial efficiency and digital finance (H4) in the context of the study.

**Table 4: Path Findings.**

Hypothesis	Regression Coefficient	p-value	Interpretation
H1	0.52	<0.01	Supported
H2	0.38	<0.01	Supported
H3	0.45	<0.01	Supported
H4	0.68	<0.01	Supported

## **DISCUSSION**

According to the findings, there is a considerable beneficial association between employee training and the adoption of digital finance. This is consistent with the findings of studies conducted in the Pakistani context by Cooper et al. (2019), which emphasise the fact that banks that prioritise training in digital banking technologies see better utilisation of these tools during their operations. Having a well-equipped workforce allows them to become proficient in negotiating the complexities of digital finance, which paves the way for successful integration and utilisation within the operations of banks.

A strong favourable correlation between staff training and financial development was found to exist, according to the findings of the investigation. This correlates with studies conducted by Tandelilin and Usman (2023) and Nzewi et al. (2015) in Pakistani banks, which highlight the ways in which skilled personnel contribute to increased customer satisfaction, operational efficiency, and, ultimately, revenue growth and financial stability. By investing in employee training, businesses equip their workers with the knowledge and abilities necessary to make well-informed decisions, improve operational efficiency, and propel the company towards financial success.

This study demonstrated that there is a strong positive association between the adoption of digital finance and improvements in financial performance. The findings of Olorogun (2020) in Pakistani banks, which show the potential of digital technologies to expedite operations, reduce costs, and improve risk management, are consistent with this finding. Through the adoption of digital finance, financial institutions have the potential to realise efficiencies, reduce risks, and ultimately improve their overall financial well-being.

According to the findings, there is a considerable positive correlation between the adoption of digital finance and the efficiency of financial operations. This is consistent with the findings of studies conducted by Shoaib et al. (2022) in Pakistani banks, which demonstrate how digital technology may optimise resource allocation, reduce transaction costs, and improve overall operational efficiency. The utilisation of digital tools enables financial institutions to improve their financial efficiency by streamlining workflows, automating tasks, and making decisions regarding resource allocation that are based on accurate information.

## **CONCLUSION**

The banking sector in Punjab, Pakistan, is currently at a crucial point where the integration of digital technology and personnel training are coming together to bring about significant financial progress. This study has thoroughly examined the complex interaction between these influences, uncovering a pathway for achieving long-lasting economic success for banks in Pakistan. The initial phase of this captivating process involves making investments in employee training. Providing individuals with the knowledge and skills to understand and negotiate the complexities of digital finance promotes a culture of creativity and flexibility, establishing the foundation for the effective adoption of technology. According to Shoaib et al. (2022), having a highly skilled staff results in increased use of digital tools, which in turn enhances operational efficiency and customer satisfaction. Ultimately, this leads to financial growth and stability.

The adoption of digital finance enhances the progress of financial improvement. According to the findings of Djufri et al. (2021), Pakistani banks that utilise digital technologies have improved efficiency in their operations, better allocation of resources, and reduced financial risks. The improvements in efficiency and risk mitigation ultimately lead to increased profitability and financial stability, driving banks towards a future of long-term prosperity. Moreover, the research highlights the mutually beneficial connection between staff training and digital finance. Pakistani banks achieve significant financial progress by placing equal

importance on the development of human capital and technology improvements. An adept workforce equipped with digital expertise serves as the spark for unleashing the complete potential of digital technology, resulting in a virtuous cycle of effectiveness, ingenuity, and economic growth.

Ultimately, the interplay between employee training and digital finance is crucial for the prosperous financial future of Punjab's banks in Pakistan. Pakistani banks can ensure their agility and resilience in the face of change by investing in their workforce and adopting technological developments. This would enable them to achieve sustained growth and prosperity in the constantly changing digital finance industry. This report guides Pakistani banks, urging them to adopt the complex yet harmonious integration of human skills and technical capabilities, ultimately securing their leadership in creating a prosperous and thriving financial future.

### Implications and Future Directions

The results of this study have important consequences for the future of banking in Punjab, Pakistan. First and foremost, banks should give top priority to implementing a strong and ongoing employee training programme that specifically targets digital financial technologies. This investment will enable employees to actively engage in and lead the successful execution of digital initiatives. Furthermore, banks must create explicit structures for the implementation of digital finance, encompassing strategic planning, infrastructure development, and data governance procedures. This will guarantee the effective and accountable incorporation of digital tools into banking operations. Subsequent investigations could delve into the distinct training requirements of various bank departments and positions within the realm of digital finance, thus facilitating the development of focused and influential training initiatives. Furthermore, analysing the enduring financial consequences of particular digital finance efforts would offer significant insights for making strategic investment choices by Pakistani banks. Pakistani banks may achieve digital innovation, operational excellence, and sustainable financial success by actively promoting both the growth of human capital and the adoption of technical developments.

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