

CAREC INSTITUTE RESEARCH CONFERENCE

4-5 March 2021

Session Four

Industries and Enterprises for Restart and Recovery

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Impact of psychological distress due
to COVID-19 risk on bank
employees' performance:
Moderating effect of e-banking
services

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Introduction

- The World Health Organization (WHO) declared the COVID-19 outbreak as the sixth public health of emergency Services (SPHEC) on January 30, 2020, started from Wuhan, China. At present, COVID-19 has affected more than 209 countries in the world (Waris, Khan, Ali, Ali, & Baset, 2020).
- COVID-19 pandemic has affected the all socio-economic sectors including services sector.
- The services sub-sectors which are directly dealing with public, i.e., health, education, sanitary workers and banking, etc. are more affected. Employees of the public dealing services sector are on a heavy risk of virus infection. This situation affects employees' mental health, which in turn shrinks the efficiency of employees

Literature review

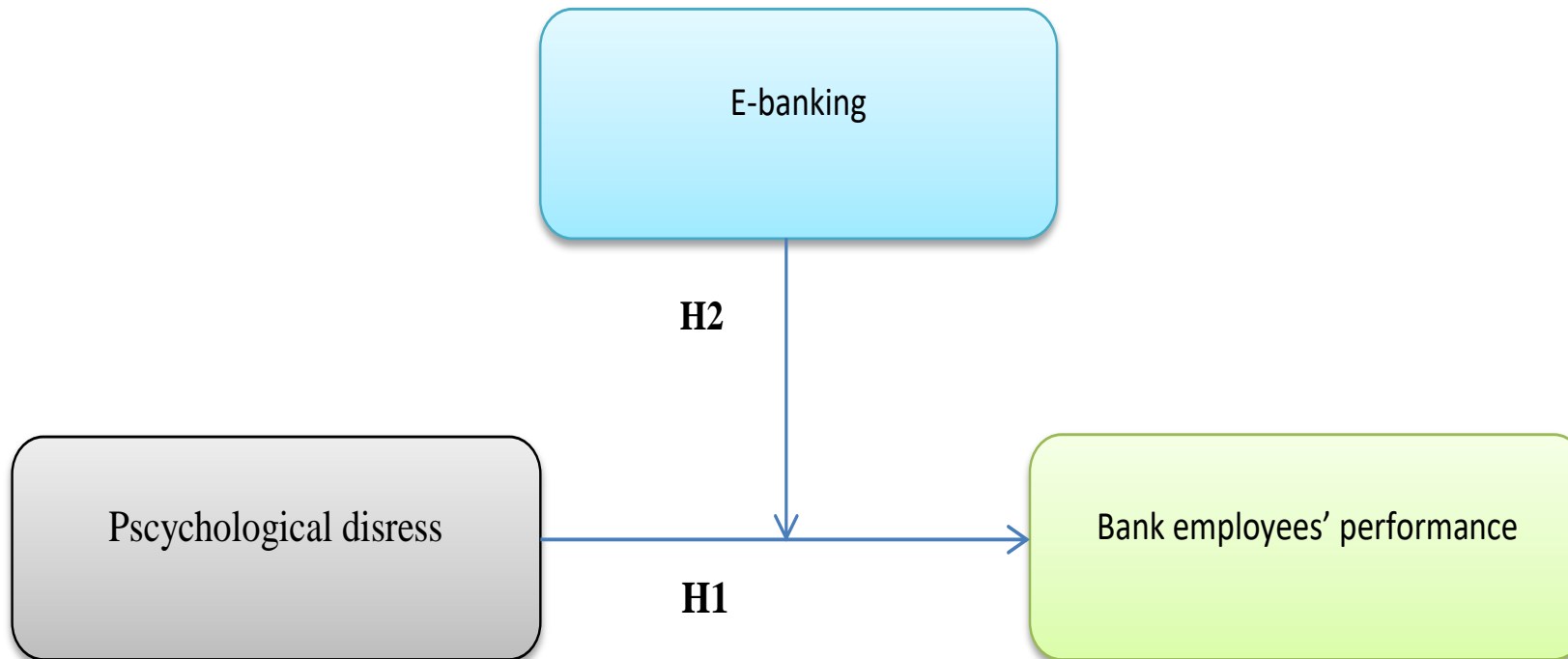
- Coronavirus is a respiratory virus which was transmitted from animals to human and belonged to the Coronaviridae family (Drosten et al., 2003). Previous types of the Coronaviridae viruses were; severe acute respiratory syndrome coronavirus (SARS-CoV), and Middle East respiratory syndrome coronavirus (MERS-CoV) (Zaki et al., 2012, Drosten et al., 2003).
- Due to recent COVID-19 pandemic besides other sectors of the economy, the banking sector is also affected. The mental health of bank employees has been affected due to stress caused by the risk of COVID-19 infection.

Literature review

- Moreover, the bank employees deal with financial transactions, so their minds should be free from any type of stress. However, the bank employees have been found to be stressful due to workload and psychological distress (Dartey-Baah., et al., 2020).
- According to study of Nisar and Rasheed (2019) the job stress significantly reduces the employees performance and career satisfaction mediates the relationship.
- In the case of Pakistan, hundreds of bank employees have been reported as positive for COVID-19. Transmission of COVID-19 in bank employees is higher due to various reasons, i.e., the bank branch environment remains cold due to continue the use of air conditioners, and the virus could survive longer on desks, chairs, and other spots in a cold atmosphere. Moreover, the virus could transfer through cash or document exchange between customers and bank employees.

Conceptual model

Figure I: Conceptual Model



Methodology

- We collected a data sample of 214 respondents from the commercial bank employees in Pakistan and analyzed using the partial least squares structural equation modeling (PLS-SEM) technique.
- PLS-SEM approach was employed for this study because of numerous reasons; the first PLS-SEM can be employed when the sample size is small, and research is the explanatory type (Hair et al., 2010; Hair et al., 2014).
- Besides, PLS-SEM doesn't require a common distributional assumption, and it can manage multi-collinearity issues among explanatory variables (Chin 1998b; Chin and Newsted 1999). Furthermore, the structural equation modelling is used to analyse the complex models of multiple independent variables in a comprehensive way.

Empirical results

- Results of measurement model

Variable	Item	Loading	CR	AVE
Pscychological disress	PD1	0.814	0.935	0.624
	PD2	0.672		
	PD3	0.729		
	PD4	0.802		
	PD5	0.981		
	PD6	0.732		
Employees performance	EP1	0.866	0.834	0.695
	EP2	0.891		
	EP3	0.682		
	EP4	0.921		
	EP5	0.854		
	EP6	0.691		
	EP7	0.853		
E-Banking	EB1	0.787	0.883	0.758
	EB2	0.873		
	EB3	0.735		
	EB4	0.963		
	EB5	0.843		
	EB6	0.819		
	EB7	0.763		

Empirical results

- Results of discriminant validity (Fornell and Larcker's criterion) and descriptive statistics

	Mean	SD	PD	EP	EB
PD	3.98	0.71	0.804		
EP	4.12	0.79	0.801	0.839	
EB	4.02	0.81	0.803	0.801	0.811

- Discriminant validity test (Heterotrait-monotrait ratio)

	PD	EP	EB
PD			
EP	0.742		
EB	0.859	0.684	

Empirical results

- Path coefficient and hypothesis testing

Hypothesis	Relationship	Std Beta	Std Error	<i>t</i> -value	Decision
<i>H1</i>	PD → EP	-0.012 ^b	0.098	2.475	<i>Supported</i>
<i>H2</i>	PD*EB → EP	0.002 ^c	0.471	2.057	<i>Supported</i>

- Notes: a= $p < 0.001$; b= $p < 0.01$; c= $p < 0.05$ (one-tailed)

Conclusion and implications

Conclusion:

- COVID-19 pandemic has affected almost every country in the globe. The severe socioeconomic impacts of COVID-19 have been noticed in many countries. Beside the other sectors, services sector has also been affected by COVID-19 such as; tourism, hospitality, education, health, banking, recreation and entertainment. Like other countries the services sector in Pakistan has also been heavily affected due to COVID-19.
- To analyze the impact of psychological distress due to COVID-19 infection risk on the bank employees' performance we collected a data sample from 214 commercial bank employees in Pakistan. We empirically tested the hypotheses of this study through PLS-SEM model in smartPLS statistical software.
- The empirical findings of this study reveal that psychological distress due to COVID-19 infection risk has a significant negative impact on bank employees' performance. However, e-banking significantly moderates between psychological distress due to COVID-19 infection risk and bank employees' performance in commercial banks in Pakistan.

Conclusion and implications

Implications

- In the banking sector employees, mental health is important for better performance. In the light of outcomes of this study, we recommend the following policy measures to manage the employees' performance and customer satisfaction during the time of COVID-19 pandemic:
- E-banking services should be promoted by giving benefits and discounts to customers through e-banking. Awareness should be provided to customers through media about the benefits of e-banking, especially in the time of this pandemic. New customer Campaign should be launch through media and social media. Special training should be provided to bank employees to deal with customers without losing their loyalty during this pandemic time.

The end

Thank you for listening and questions are welcomed