

Empathy of Bank Employees and Its Influence on Service Quality of Banks: Evidence from the Knowledge Economy of Kerala in Digital India

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Abstract

ICT is being aggressively promoted by the Govt. of India (GOI) as part of its 'Digital India' and such other policies like JAM. In this ICT-thrust era in Digital India, 'Empathy' aspect of service quality of banks is studied in this paper, focusing on housing finance segment-a national priority. 'Housing for All' is a national goal of the GOI and topmost priority is being accorded to housing sector by the State and Union Governments and also by the regulatory bodies like National Housing Bank (NHB) and Reserve Bank of India (RBI). This study is based on the feedback from 600 housing loan customers of banks in Kerala – a State that strives to turn into a 'Knowledge Economy' or 'Digital Kerala' in the context of 'Digital India'. This paper makes an empirical study of the service quality in respect of the housing finance business of banks with a focus on the empathy of staff. It observes that even in this ICT era, a real 'Willingness to help' and other empathy values for the bank staff and also a 'Human touch' in their deals are vital for success.

Keywords: ICT, AI, Digital India, JAM, Housing Finance, Linkages, Empathy, Human factor

INTRODUCTION

As ICT is being vigorously encouraged by the Government of India (GOI) by way of its policies and schemes, like *Digital India*, JAM (Jan Dhan, Aadhaar, Mobile) etc. all of which seek to bring about digital transformation of Indian economy, the relevance of *Human Factor* in terms of 'Empathy' aspect of service quality is analysed in this paper. Within *Digital India* framework, the State of Kerala strives to turn into *Digital Kerala*, and also a *Knowledge Economy* before the whole world. In this backdrop, the present study seeks to look into the quality element of 'Empathy' in respect of banking services; the focus group being borrowers of housing finance from banks operating within Kerala, an Indian State that is fast turning into a *Knowledge Economy* or *Digital Kerala* as India turns into *Digital India*. Housing finance portfolio of banks is selected because housing is a vital pre-requisite of human life, and proper housing facilities if available to the masses, can enhance their standard of living and productivity, and ultimately lead to faster economic growth. Besides, as an industry also, housing has got vast forward and backward linkages and investment in housing automatically creates multiplier effects in hundreds of allied sectors and thus generate faster national economic growth. That is why housing investment done in an economy in times of recession can kick-start that economy and help it to bring back into normalcy, and then into a fast growth trajectory. In India, in particular, *Housing for All* is a national goal of the GOI since 2017.

Relevance and Significance

A vibrant banking sector is an imperative for fast industrial growth and hence economic development of any nation. This in turn needs a banking sector that can promptly support the credit needs of the industry, business, and also the individuals. Sectors like housing can trigger the growth of diverse sectors and industry, given the vast linkages of housing. So, housing credit by the banks (which is over 2/3rd of the total organized housing

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credit) needs to be promoted further so as to speed up the process of economic growth in India. The off-take of housing credit (and also other types of credit, of course) of banks depends on service quality – how effectively individual banks provide housing loans to customers. So, quality of the services of banks must be superior so as to attract and retain customers. Of the different factors influencing service quality, the ‘Empathy’ aspect is sought to be studied in detail in this context, within the general SERVQUAL framework. Because, even in this era of wide digital transformation, the ‘Human Factor’ is still relevant, as per past studies, like, study on brick and mortar banking by Jacob Joju et.al. (2017) [32], CRM study by Manoj (2018) [37], HRM paper by Manoj (2019)[39], and so on.

OBJECTIVES, DATA SOURCES AND RESEARCH DESIGN

To analyse the service quality in respect of housing finance business of commercial banks with a focus on the ‘Empathy’ aspect and to identify the significant factors based on the analysis of empirical data collected through a field study in Kerala;

To study the ICT initiatives by the India and Kerala Governments in the ongoing regime with special reference to the banking sector and allied financial services;

To make suggestions for better competitiveness of the housing finance business of banks based on the current market scenario and also findings of the empirical study.

Structured into a descriptive-analytical and exploratory study, this paper has relied heavily on empirical data collected from a field study done in Kerala among housing loan customers of the banks functioning in the State of Kerala. Besides, authentic secondary data from sources, like, publications of the Govt. of India, NHB, RBI, and globally renowned agencies such as JLL, McKinsey etc. were also used in this study. The sample home loan customers were chosen from the four old private sector banks (OPBs) based in Kerala viz. (1) Federal Bank, (2) South Indian Bank, (3) Catholic Syrian Bank, and (4) Dhanalaxmi Bank. These four OPBs were the leading OPBs functioning in India, all these being those registered in Kerala State. Another four leading public sector banks (PSBs) functioning in Kerala and elsewhere in India ranking topmost in terms of business in the Kerala were also chosen, viz. (i) State Bank of India, (ii) Canara Bank, (iii) Punjab National Bank, and (iv) Indian Bank. Sample customers from these eight selected commercial banks (viz. four PSBs and four OPBs) were chosen randomly on a pro-rata basis on the basis of their relative presence in the State in terms of their banking business.

A Multi-Stage Sampling method was used in this research. In the first stage, the whole Kerala State was trifurcated into (i) Northern, (ii) Central, and (iii) Southern– three distinct geographical regions. In the second stage, from each of these three geographical regions 200 customers each were selected. From these, pro-rata numbers of customers of each of the eight sample banks were selected; total allocation to each region being 200; thus totalling 600 customers for Kerala as a whole. For assessing the ‘Empathy’ aspect of the service offered by the banks, seven constructs (AS1 to AS7) were used. (Table I). For detailed analysis Sequential Equation Modelling (SEM) (CFA method) was employed.

Table I: Constructs to measure Empathy aspect of Service Quality

E1	Understanding Needs
E2	Conveniently Located
E3	Suitable Working Hours
E4	Willing to Help
E5	Sincere Concern
E6	Friendly Approach
E7	Handling Emergency matters & Situations

Source: Based on the Research Design

PREVIOUS STUDIES

Service quality aspect has been thoroughly studied in a very systematic manner by Parasuraman et. al.(1985)[1] whereby the authors have explored elaborately into four distinct service-based business segments, thus

suggesting one conceptual model to give directions to future research in quality of services. Angur et. al. (1999) [2] has done a study on quality of services in India – a developing nation, and have noted that of the two models SERVQUAL and SERVPERF, the latter has got higher discriminant validity.

Shetty et. al. (2022)[3] have studied service quality of PSBs using a modified form of SERVQUAL. Several studies have noted ICT adorns a key position as a catalyst of fast economic growth, including growth of diverse economic sectors and economic issues like, rural economy, women empowerment, etc. The prospects of the ICT industry too were studied by some scholars. Manoj (2007)[16] “ICT industry in India: a SWOT analysis” *Journal of Global Economy* has studied at national level about ICT industry in India, pointed out the vital significance of this industry in the development of Indian economy, and made suggestions for sustainably promoting it. Pickens (2009)[17] has demonstrated as to how a common ICT gadget (mobile phone) has played a key role in financial inclusion, empowerment of women and rural development through ‘banking the unbanked’ in Philippines. Manoj (2010)[18] “Impact of technology on the efficiency and risk management of old private sector banks in India: Evidence from banks based in Kerala” has observed that ICT-adoption by banks has made them more efficient.

Growing role of ICT in banking, including housing finance, is also noted in two reports: (i) *Banking*, (ii) *Real Estate*, of India Brand Equity Federation.(IBEF. 2023)[19]; thus ICT adoption has become an imperative in banking and healthcare sectors in India. A study by Nasar and Manoj (2013)[20] “Customer satisfaction on service quality of real estate agencies: An empirical analysis with reference to Kochi Corporation Area of Kerala State in India” has noted that greater level awareness should be provided to real estate agents; and that transparency and social networking are needed for customer service and business growth. Manoj (2013)[21] “Prospects and Challenges of Green Buildings and Green Affordable Homes: A Study with Reference to Ernakulam, Kerala” has noted the good growth potential of green homes as they can create huge employment avenues and can ensure fast and sustained economic growth. Many studies have focused on the need for sustained economic growth through diverse kinds of interventions, models and tools; right from educational loans to exports and from SEZs to ecotourism. Varghese, K.X, and Manoj, P.K. (2013)[22], “Educational loans and the higher education sector in India” have noted that study loans can improve HR quality in the nation, youth employability and they should be promoted. Manoj, P.K. (2015) [23]“International Container Transshipment Terminal (ICTT) and its impact on coffee exports from India: An analysis” has observed the vital role of ICTT to boost exports and economic growth. Manoj, PK (2009)[24], Special economic zones in India: financial inclusion: challenges and opportunities has noted the role of SEZs for expediting economic development. Manoj, P.K.(2017)[25]“Segmentation Strategy for Promotion of Ecotourism Products: Evidence from Thenmala Ecotourism” the author has pointed out that meticulous planning using segmentation of tourists can lead to economic growth through ecotourism.

Rajesh and Manoj (2015)[26]“Women Employees work life and challenges to Industrial Relations: Evidence from North Kerala” has noted the crucial importance of a trade-off between job life and family life of employed women to improve the industrial relations. Manoj (2016)[27]“Employment Generation from Rural Tourism: A Field Study of the Local Community at Kumbalangi, Kerala” has noted the vital capability of tourism to create employment avenues, along with suggestions like better infrastructure, ICT resources, online services, etc. Manoj (2016)[28] “Real Estate Investment Trusts (REITs) for Faster Housing Development in India: An Analysis in the Context of the New Regulatory Policies of SEBI” has observed that innovations in financing models such as REITs are vital to bring about rapid development of India’s housing status which could lead to faster development of the whole Indian economy, given the linkages of housing. Manoj (2016)[29] “Bank marketing in India in the current ICT era: Strategies for effective promotion of bank products” observed ICT-enabled marketing as a key need for India’s banking sector in this digital era. A study by Lakshmi and Manoj (2017)[30] “Service quality in rural banking in north Kerala: A comparative study of Kannur district co-operative bank and Kerala Gramin bank” has pointed out that KGB could make greater use of ICT than KDCB thus enabling the former to get an edge in the market. Another paper by Lakshmi and Manoj (2017)[31] “Rural Customers and ICT-based Bank Products A Study with a Focus on Kannur District Co-operative Bank and Kerala Gramin Bank” has observed that ICT-enabled services of Kerala Gramin Bank (KGB) have been accepted to a greater level than KDCB’s non-ICT-enabled services. A joint study by Joju, Vasantha, and Manoj

(2017)[32] “Future of brick and mortar banking in Kerala: Relevance of branch banking in the digital era” has observed the vital need for ‘human touch’ as in ‘brick and mortar’ banking even if ICT or virtual banking is the new normal. Another study by Joju, Vasantha, and Manoj (2017)[33] “Financial technology and service quality in banks: Some empirical evidence from the old private sector banks based in Kerala, India” has observed that Fin-Techs could significantly enhance quality of banking service and they have become essential for superior service delivery by banks. Manoj (2017)[34] “Construction costs in affordable housing in Kerala: Relative significance of the various elements of costs of affordable housing projects” ordered the different elements of cost based on their relative priority for effective control of costs, and ICT has been noted to be a vital tool for effective cost control. Manoj (2017)[35] “Cost management in the construction of affordable housing units in Kerala: A case study of the relevance of earned value analysis (EVA) approach” has demonstrated EVA as a powerful weapon that could effectively manage various costs of construction.

A study by Joju, Vasantha, and Manoj (2017)[36] “Electronic CRM & ICT-based banking services: An empirical study of the attitude of customers in Kerala, India” has noted the key significance of ICT-based banking practice called e-CRM (Electronic Customer Relationship Management) as an enabler of efficient and competitive banking, along with noting good feedback of customers to latest ICT-based products like e-CRM. Another CRM paper relating to bank management area by Manoj (2018)[37] “CRM in old private sector banks and new generation private sector banks in Kerala: A comparison” has noted that CRM adoption by the new private sector banks (NPBs) being to a greater extent than that of the old private sector banks (OPBs) particularly in respect of the latest ICT-enabled or Electronic version of CRM (i.e. e-CRM); thus enabling the NPBs to get a clear competitive edge in the market vis-à-vis the OPBs. Manoj (2019)[38] “Social banking in India in the reforms era and the case of financial inclusion: Relevance of ICT-based policy options” has suggested ICT-based strategic options to enhance social banking that fits into the current digital banking regime. Manoj (2019)[39] “Dynamics of human resource management in banks in the ICT era: A study with a focus on Kerala based old private sector banks” observed the key relevance of ICT-enabled policies for the management as well as development of bank staff in this very competitive digital era. Manoj (2019) [40] “Competitiveness of manufacturing industry in India: need for flexible manufacturing systems” pointed out the vital significance for adoption of ICT as well as other technological advances such as flexible manufacturing systems (FMS) so as to make Indian manufacturing sector more competitive, given the globalization pressures.

A paper by Joju and Manoj (2019)[41] “Digital Kerala: A study of the ICT Initiatives in Kerala state” has studied the major initiatives in the ICR front in Kerala, the State in India having many unique ‘firsts’ like the topmost in internet penetration, topmost in literacy (universal literacy) etc. and has suggested strategies for the better use of Kerala’s vast ICT potential for its faster development. Joju and Manoj (2019) [42] “Banking Technology and Service Quality: Evidence from Private Sector Banks in Kerala” have observed ICT as an enabler of banking quality and as such ICT-adoption should be encouraged. Ali and Manoj (2020) [43] “Impact of Falling Price of Rubber-A Case Study of Kothamangalam Taluk in Ernakulam District” has pointed out that due to frequent price falls affect the livelihood of farmers and that governmental interventions like minimum support prices are vital. Manoj (2015) [44] “Prospects of Responsible Tourism in Kerala: Evidence from Kumarakam in Kottayam District” has noted that responsible tourism (RT) has vast potential for supporting economic growth, if sustainably promoted. Manoj (2016) [45] “Determinants of sustainability of rural tourism: a study of tourists at Kumbalangi in Kerala, India” has noted the key variables affecting tourism’s sustainability in the rural context and also suggested strategies like upgrading digital (ICT) resources as of the factors. Manoj (2015) [46] “Impact of Rural Tourism on the Environment and Society: Evidence from Kumbalangi in Kerala, India” noted certain adverse impacts that are imminent in rural tourism and that it is vital to control such effects. Manoj (2019)[47] “Tourism Sector in Kerala in the Post-Flood Scenario: Strategies for its Sustainable Growth With a Focus on Responsible Tourism” observed the crucial part that RT could play for revival of flood-hit Kerala economy.

Famiyeh et. al. (2018) [48] "Service quality, customer satisfaction, and loyalty in the banking sector: The moderating role of organizational culture" has noted the significant positive influence of reliability, ambiance, and social factors on customer satisfaction; but assurance and responsiveness were noted not to have any

significant association with customer satisfaction. It was also noted that organizational culture could strengthen the positive relation between the service quality dimensions and satisfaction of customers. Wang et. al.(2023)[49] “The Effects of Service Quality Performance on Customer Satisfaction for Non-Banking Financial Institutions in an Emerging Economy” have done a study of the relation between service-quality dimensions and customer satisfaction in Bangladesh context, and noted that four dimensions (assurance, tangibility, reliability, and responsiveness) significantly affect customer satisfaction. Karat et. al. (2022)[50] studied the dreadful effect of Covid-19 and the influence of the same upon the volatility of the shares of major pharmaceutical companies, as well as proved technical analysis as worthwhile tool for making wise and informed investments.

A study by Saritha and Manoj (2023) [51], “Social inequalities in IT sector: Evidence from Kerala State in India” has observed the existence of inequality among IT sector employees in Kerala along with the key requirement for removing it for equitable development of Kerala’s IT sector. Shino et. al. (2023)[52], Corporate Decisions and Stock Price Movements: The Case of HUL in India, *Migration Letters* have studied how HUL’s corporate decisions affected the company’s share prices. Manoj, P.K. (2015) [53] Housing Microfinance: A Study on Quality, Cost and Default Rate with Respect to Bhavanashree in Kerala has noted that housing microfinance (HMF)type home loans have lower quality (higher NPAs) and also that their transactional costs are higher.

Nripendra Narayan Das et. al. (2022) [54] have studied in detail about Sars-Cov-2 Novel Corona Virus, its origin and also about the vaccination survey, based on the experience Covid-19. Manoj (2023)[55] “Affordable Healthcare and Affordable Housing: Need for an Integrative Approach for the Holistic Growth of the Digital Economy of Kerala, India” *Community Practitioner*, has noted that a knowledge society like Kerala must encourage housing and healthcare sectors holistically using ICT. Manoj (2023)[56] “Health Expenditure in Covid-19 Times and the Need for Affordable Houses that Nurture Healthy Citizens: A Roadmap for Digital Economy of Kerala” *Migration Letters* has noted that learning from the Covid19 experience Kerala should focus on homes that duly take care of the ‘health’ aspect as this aspect could add high social value to housing units. Manoj, P.K. (2023)[57] ICT for Sustained Community Development in India in the 5G Era. *Community Practitioner* has noted the vital need of high-end ICT resources to provide better internet connectivity for fast and equitable growth. McKinsey (2023) [58] has noted the vital role of ICT in bringing about sustainable and inclusive growth in the G20 nations, like, India. UN Report (2016)[59] *Digital Financial Inclusion* has also noted tremendous potential of ICT for digitally empowering the masses across the world.

Service Quality in Housing Finance Business of Banks: The Case of Empathy

For the purpose of assessing the service quality the SERVQUAL model (Figure I) is used and the element (aspect) ‘Empathy’ is sought to be focused in detail in this paper.

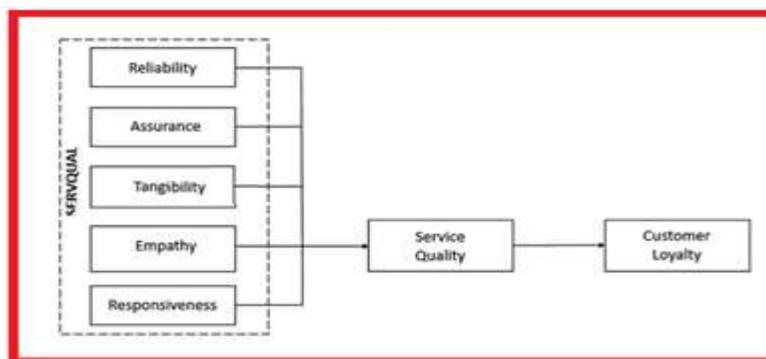


Figure I: The SERVQUAL Model and Its Seven Elements

Source: As per the Research Design

As noted in Table I the factors to measure Empathy were: (i) Understanding needs, (ii) Conveniently located, (iii) Suitable Working Hours, (iv) Willing to Help, (v) Sincere Concern, (vi) Friendly approach, and (vii) Handling emergency matters and situations.

First, before proceeding with the analysis, the data collected from the sample of 600 housing loan customers under study were tested for: (i) Normality, and (ii) Reliability. For this purpose K-S test for normality and Reliability analysis using Cronbach’s Alpha were used. Accordingly, it was noted that the p values are all more than 0.05. So the data collected for the study are normal. (Table II).

Table II: K-S Test for Normality

Variable	N	Mean	Std. Deviation	K-S 'Z' Value	p value
Assurance	600	21.31	3.98	1.381	0.084
Tangibility	600	19.17	5.01	0.895	0.186
Responsiveness	600	18.77	4.19	0.659	0.255
Empathy	600	19.81	3.77	1.188	0.118
Reliability	600	15.81	3.53	1.362	0.087
CRM Quality	600	18.45	4.09	1.509	0.066
Loyalty	600	17.00	3.80	0.707	0.240

Source: Survey Data

Regarding the reliability of the data, the Cronbach’s Alpha values of the constructs are more than 0.7. In respect of ‘Empathy’ construct – the one under detailed study it is as high as 0.844. So, the available data are reliable. Hence, we can proceed further with data analysis and interpretation. (Table III).

Table III: Reliability Analysis

Variable	Cronbach's Alpha	No. of Items
Assurance	0.887	7
Tangibility	0.870	7
Responsiveness	0.865	7
Empathy	0.844	7
Reliability	0.831	7
CRM Quality	0.905	7
Loyalty	0.863	7

Source: Survey Data

Now, following the SERVQUAL model and focusing on the Assurance aspect of service quality, we can proceed as follows. Accordingly, initially an effort is made to take into account the measurement model for the purpose of testing the convergent validity. The case of ‘Empathy’ is focused here, and the following hypothesis is sought to be tested using the data collected from the sample of bank customers through a field study:

Null Hypothesis, H₀: Constructs E1 to E7 have no significant effect on Empathy.

Alternative Hypothesis, H₁: Constructs E1 to E7 have significant effect on Empathy.

Table IV: Model Fit Indices for CFA – Empathy

	χ^2	DF	P	Normed χ^2	GFI	AGFI	NFI	TLI	CFI	RMR	RMSEA
Empathy	15.203	7	.033	2.172	.993	.972	.990	.984	.995	.010	.044

The relevant attributes are all loaded significantly upon the latent constructs. The fit indices values show a reasonable fit of the model for measurement with data. (Table V).

Table V: Constructs (Empathy) and their Co-efficients Significance

Dependent Variable	Constructs (Independent Variables)	Regression Co-efficients	CR(Critical Ratio)	P	Variance Explained (%)
Empathy	E1	0.480	12.778	<0.001	23.0
	E2	0.637	18.401	<0.001	40.6
	E3	0.653	19.071	<0.001	42.7
	E4	0.850	30.692	<0.001	72.3
	E5	0.704	21.384	<0.001	49.6
	E6	0.513	13.849	<0.001	26.3
	E7	0.681	20.304	<0.001	46.3

Source: Regression Results (SEM Analysis).

Here, all the constructs have their coefficients of regression greater than 0.4. Hence, all these constructs have got significant influence on Empathy.

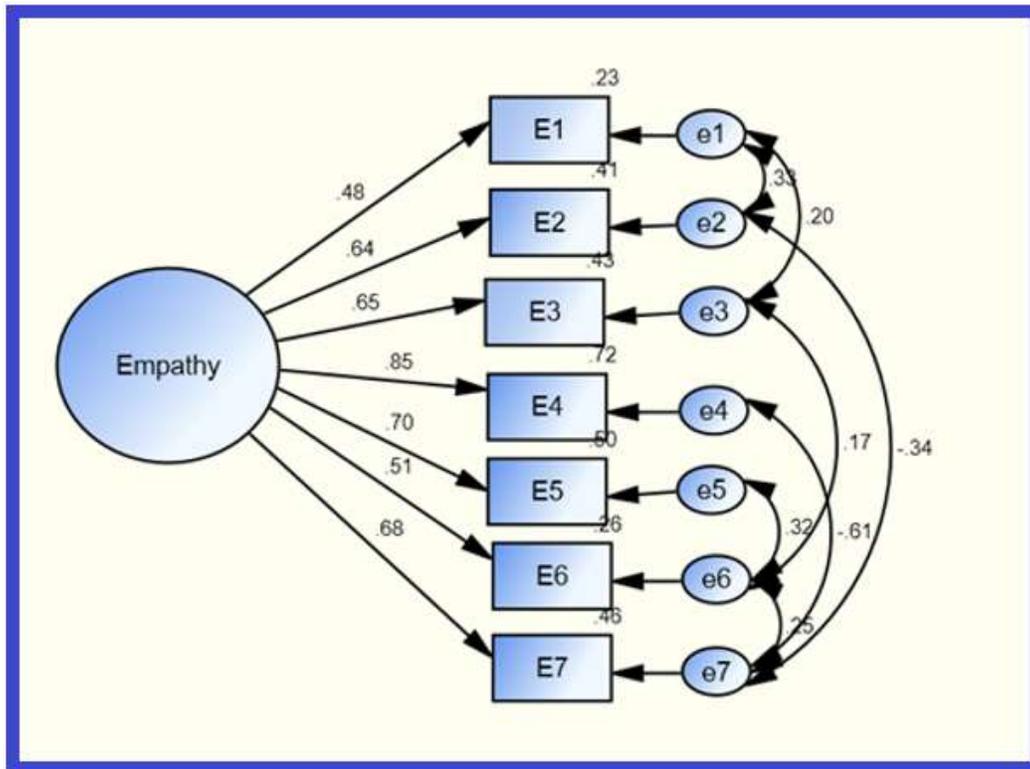


Figure II: SEM Results – Empathy Aspect of Service Quality in Banks

Source: Based on SEM Analysis of Survey Data of 600 Customers.

Testing of Hypothesis

From Table V, it may be noted that all the co-efficients of regression which are greater than 0.4. This means that all these constructs have significant influence on Empathy. Thus, the Null Hypothesis is not accepted and the Alternative Hypothesis is accepted.

Now, based on Table V, the constructs can be arranged on the basis of their relative importance in terms of their explaining power as shown in Table V. Thus, Willingness to Help is the most vital factor that influences Empathy and is followed by Sincere Concern. Thirdly comes the construct, Handling Emergency Matters & Situations and is followed by the fourth factor, Suitable Working Hours. The fifth in importance is that of the factor ‘Conveniently Located’ factor and is followed by the Friendly Approach factor as the sixth factor. The seventh factor is Understanding the Needs. (Table VI). (Figure II).

Table VI: Constructs (Empathy) in the Order of their Significance

Constructs (in the order of Ranks)	Variance Explained (%)	Ranks
Willing to Help (E4)	72.3	I
Sincere Concern (E5)	49.6	II
Handling Emergency Matters & Situations (E7)	46.3	III
Suitable Working Hours (E3)	42.7	IV
Conveniently Located (E2)	40.6	V
Friendly Approach (E6)	26.3	VI
Understanding the Needs (E1)	23.0	VII

Source: Based on Regression Results given in Table V

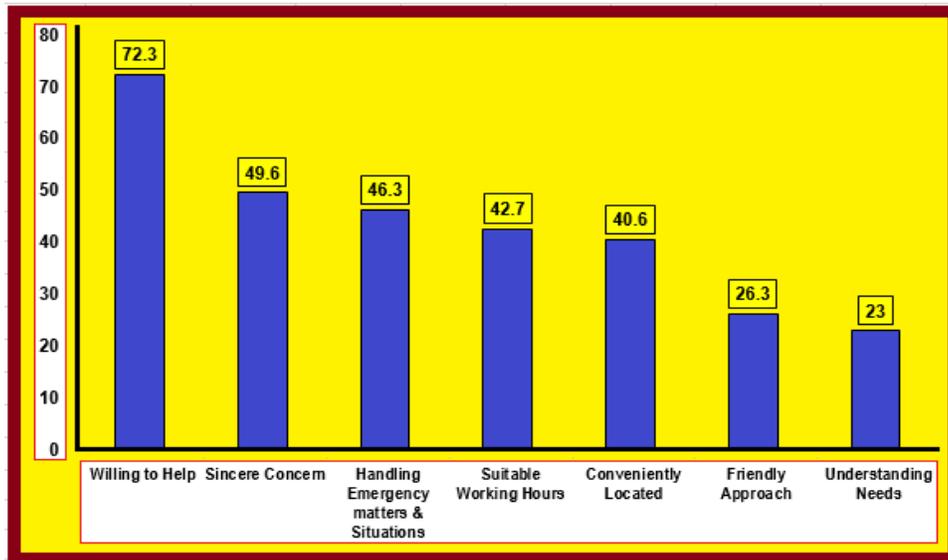


Figure III: Various Constructs influencing Empathy in the order of significance.

Source: Based on the Ranked Constructs as given in Table V.

Thus, it may be observed that based on the relative significance of the seven constructs that affect Empathy (Table VI and Figure III), the individual banks have to design their policy towards servicing of home loans, in a scientific and informed manner.

Housing Finance Business in the Era of Fast ICT Advances including AI

Advances in ICT and allied fields are fast transforming the whole globe, and India is no exception, especially the banking and financial services sector. ICT advances including artificial intelligence (AI) enabled tools are being growingly embedded in the business models of banks. ICT adoption is being aggressively encouraged by the Govt. of India (GOI) as part of its *Digital India* and many other similar policies of the GOU, like *JAM* (Jan Dhan, Aadhaar, Mobile). This situation creates a favourable environment for banks to embrace ICT, AI etc. massively. India is the topmost country (June 2022) in respect of WhatsApp downloads, the country being far ahead of other nations also. (Figure IV).

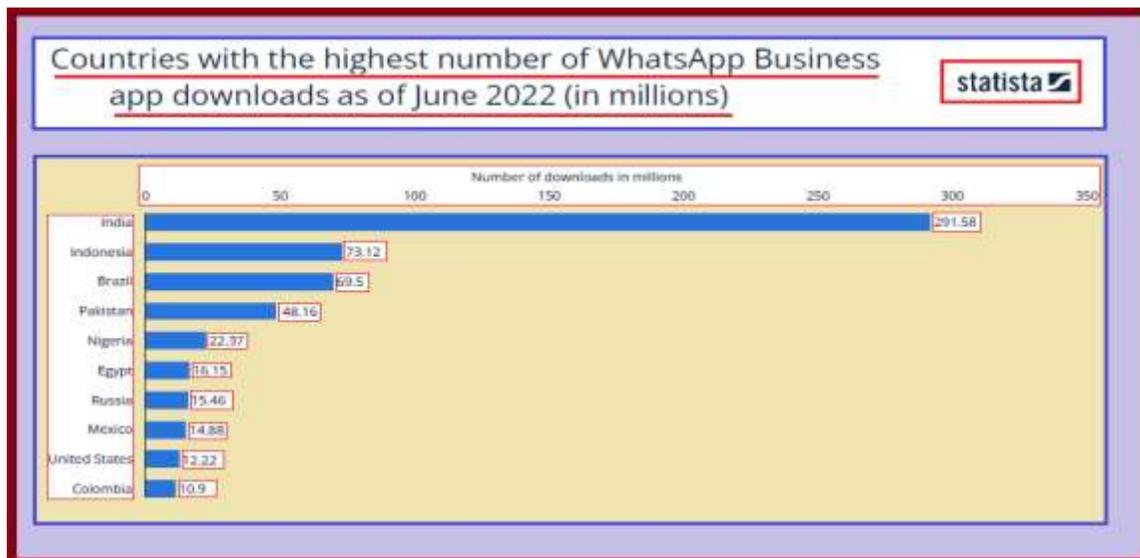


Figure IV: Countries with the Highest WhatsApp Downloads – India is the Leader

Source: Adapted from, *Statista* Chart (2022).

The huge downloads in WhatsApp downloads (Figure IV) denotes the tremendous potential of ICT tools for promotion of bank products, delivery of credit and such other services. A very similar status is noted in respect of Instagram as of Jan.2023. (Figure V).

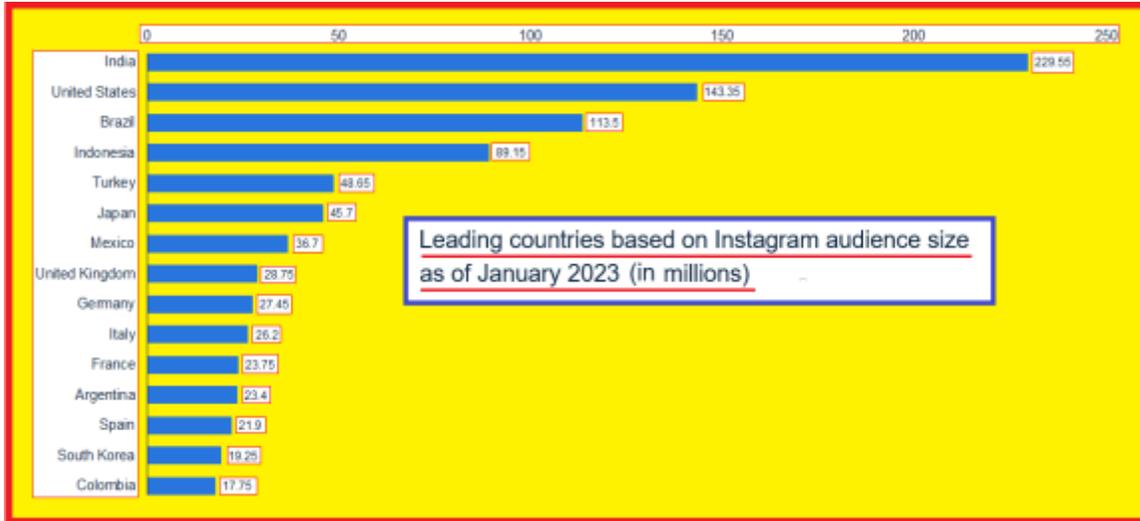


Figure V: Audience Size of Instagram in Countries (January 2023) – India is the Leader

Source: Adapted from, *Statista* Chart (2023).

GOP's policy of promotion of ICT-based payments, like, *DBT* (Direct Benefit Transfer) for most of the centrally administered schemes (e.g. *MGNREGS*) and also its policies like *JAM* (Jhan-Dhan, Aadhaar, Mobile) create an enabling environment among the masses toward ICT and other advances including tools based on artificial intelligence (AI). In line with the highest number of WhatsApp downloads in India (June 2022) that is much higher than any other country in the world, India had the largest audience size in respect of Instagram (Jan. 2023). So also is the case of Facebook (Jan 2023) (Figure VI).

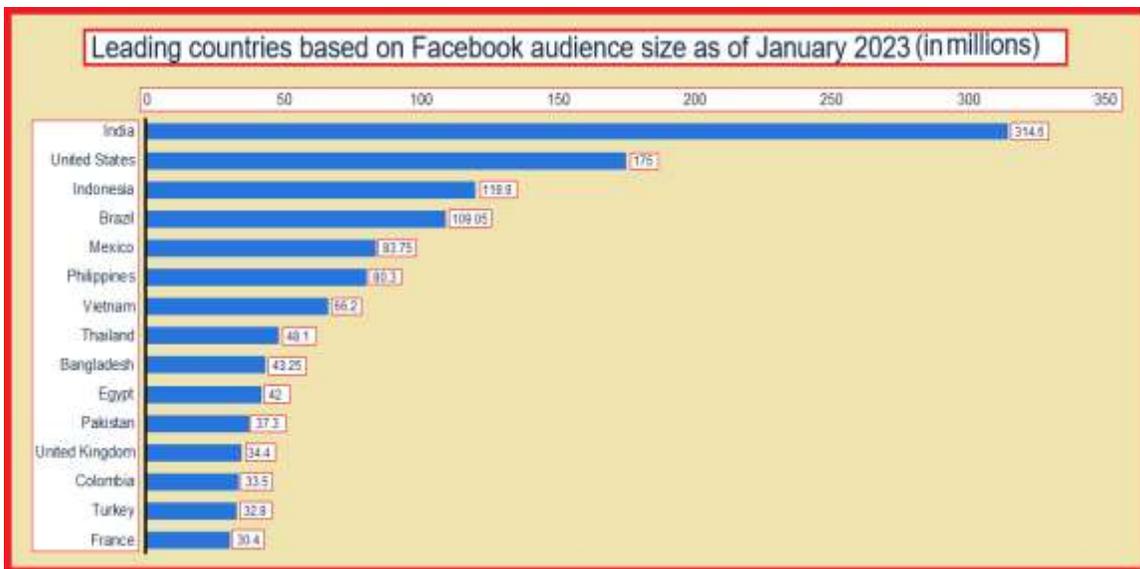


Figure VI: Audience Size of Facebook in Countries (January 2023)– India is the Leader

Source: Adapted from, *Statista* Chart (2023).

All the above suggest the tremendous potential of ICT-based platforms like social media for the marketing of banking products through digital media. The recent statistics regarding social network penetration in India further confirms that use of social media is growing becoming an imperative in India, rather than an option, roughly 70 percent of the Indian population may become active users of social networks by 2025. (Figure VII).

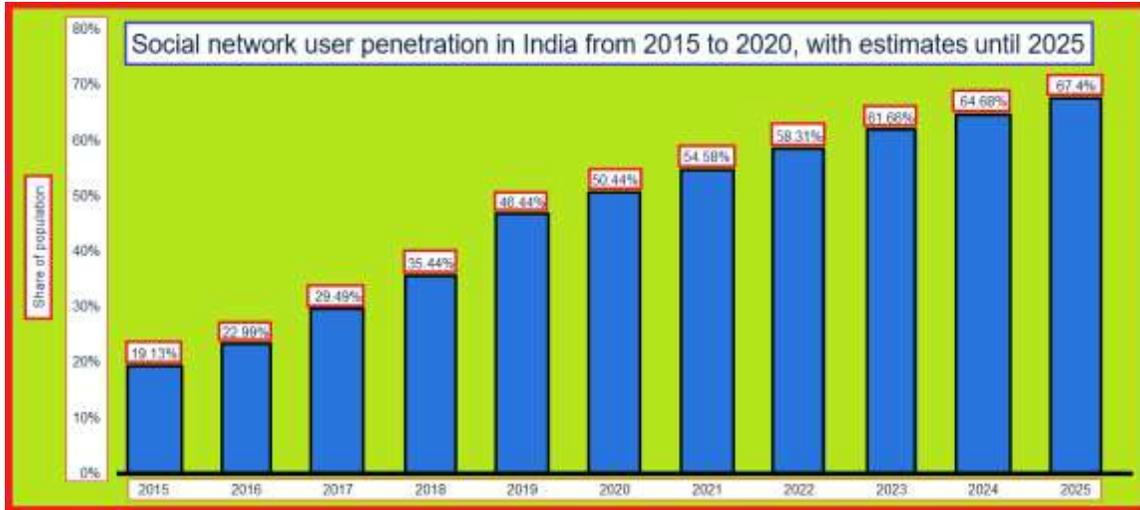


Figure VII: Social Network Penetration in India – Steadily Growing Trend

Source: Adapted from, *Statista Chart* (2023).

DISCUSSION, SUGGESTIONS AND CONCLUSION

Based on the findings of the empirical study, ‘Willingness to Help’ is the vital factor that influences Empathy and this is factor followed by ‘Sincere Concern’ of the bank staff to their customers. So, banks must train their employees to develop a real helping mentality towards their customers. Besides, banks need to inculcate in their staff sincere concern about their customers and their needs. Then only banks can gain customers’ confidence. Thirdly, banks have to train their staff as to how to handle emergency matters & situations and thus the bank staff must equip their staff to win the hearts of customers. Also, by way of extending the right (suitable) working hours the staff should gain the loyalty and continued support of their customers. Convenient location of the bank office may attract customers to banks, and a friendly approach to them may also help to some extent. Then only comes the significance of understanding the exact needs of customers. In a nutshell, the helping mentality of bank employees, their sincere concern to customers etc. are the vital factors that really attract customers; and suitably handling the emergency issues faced by customers is also important. The bank employees should be trained on the above lines by the management; besides the ICT-based training that deserve no mention. Even in this era of vast ICT adoption and hence the need for ICT-based skills, there is a need for inculcating the ‘Human Factor’ in services so that services get a ‘Human touch’. This conforms with past studies: brick and mortar banking by Jacob Joju et.al.(2017)[32], CRM study by Manoj (2018) [37], study on HRM in banks by Manoj (2019)[39], etc. So, along with ICT-based training, training on HRD that focuses on inculcating a helping attitude towards the customers, sincere concern to their needs, handling their emergency issues etc. is of vital significance. This ‘Human Factor’ can ensure long-standing relationships and customer loyalty. Besides, such a relationship enables easier adoption of modern philosophies like CRM, TQM, SCM etc. which are essential for competitiveness.

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