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Embracing Technology: Employee and Manager Perspectives on Transformations in the Microfinance Sector

Dr. Geetanjali Bhambhani[1], Dr. Aradhana Chouksey[2], Dr. Sheetal Chhabra[3]

[1]Associate Professor, Indore Institute of Management & Research, Indore
[2]Professor, Shivaji Rao Kadam Institute of Technology & Management, Indore
[3]Associate Professor, Indore Institute of Management & Research, Indore

Abstract

This study examines the sources of awareness and operational challenges related to technological innovations in microfinance institutions (MFIs), focusing on employee and manager perspectives. Using a mixed-methods approach, data was collected from 150 respondents (100 employees and 50 managers) across selected MFIs in India. The findings reveal that awareness of technological advancements is primarily driven by direct communication channels (staff guidance, email, mobile services) and structured training programs, highlighting the importance of multi-channel information dissemination.

Key operational challenges identified include system downtimes, untrained personnel, and delays in service, which hinder effective technology adoption. The study applies the SERVQUAL model to assess service quality dimensions, finding that access and communication are the strongest predictors of employee and manager satisfaction. While technology adoption has a statistically significant impact on job performance, the weak correlation suggests that other factors—such as organizational culture, leadership, and change management—also play crucial roles.

The study underscores the need for enhanced training, robust IT infrastructure, and improved communication strategies to facilitate smoother technological integration in MFIs. These insights contribute to the broader discourse on digital financial inclusion, offering actionable recommendations for institutions aiming to optimize technology-driven transformations.

Additionally, the analysis of SERVQUAL dimensions indicates that access and communication are crucial predictors of satisfaction levels among employees and managers. While technology adoption demonstrates a statistically significant effect on job performance, the weak correlation suggests that other influencing factors warrant further exploration. This research underscores the importance of enhancing communication, training, and operational efficiency in microfinance institutions.

Keywords: Microfinance institutions, Technological innovations, SERVQUAL, Employee satisfaction, Job performance, Digital transformation

Introduction

The microfinance sector has emerged as a crucial tool for promoting financial inclusion, particularly amo-

ng underserved populations in developing economies. With rapid technological advancements, microfinance institutions (MFIs) increasingly leverage digital tools to enhance service delivery, improve operational efficiency, and expand their reach. However, the successful integration of technology within these institutions necessitates a comprehensive understanding of the perceptions and experiences of both employees and managers. This study investigates how these stakeholders embrace technological transformations and their implications for organizational performance. By examining their views, this research aims to contribute to the understanding of the challenges and opportunities presented by technological adoption in the microfinance sector.

The microfinance sector has witnessed a paradigm shift in recent years due to the integration of digital technologies. This transformation is not limited to client-facing innovations but also deeply influences internal operations, organizational culture, and employee roles. As microfinance institutions (MFIs) adopt mobile banking, digital credit scoring, management information systems (MIS), and customer relationship management (CRM) tools, the perceptions and adaptability of both employees and managers become critical in ensuring successful implementation and sustained impact.

According to Venkatesh et al. (2003), the acceptance of technology in organizational settings is largely dependent on user perception, perceived ease of use, and managerial support. This is particularly relevant in the microfinance sector, where frontline employees and middle managers often serve as the bridge between technology and end users in underserved communities.

Research by Gupta and Jain (2020) on Indian MFIs emphasizes that while digital transformation enhances operational efficiency and outreach, it also introduces challenges such as skill gaps, employee resistance, and shifting job expectations. Their study found that proactive managerial communication, inclusive training programs, and recognition of employee efforts played a vital role in easing the transition to technology-driven processes.

Further, the application of the SERVQUAL model—originally proposed by Parasuraman et al. (1988)—to this context reveals that the dimensions of access and communication are particularly strong predictors of satisfaction among employees and managers during digital transformation processes. While technology adoption is found to have a statistically significant effect on job performance, the relatively weak correlation indicates the presence of other influencing factors such as organizational culture, leadership involvement, and change management approaches.

This research underscores the importance of improving communication flows, enhancing technical training, and addressing operational inefficiencies to ensure the sustainable and effective integration of technology within MFIs. By focusing on the experiences of internal stakeholders, it contributes to the broader discourse on digital financial inclusion and institutional capacity building.

Literature Review

Technological Innovations in Microfinance

Numerous studies have highlighted the transformative potential of technology in microfinance. Innovations such as mobile banking, electronic fund transfers, and online loan applications streamline operations and increase accessibility to financial services for low-income clients (Gonzalez, 2018). These technologies not only reduce transaction costs but also enhance customer engagement and satisfaction (Armendariz & Morduch, 2010). Gabor and Brooks (2017) examined the integration of financial technology (FinTech) with microfinance operations. They argued that digital credit scoring, data analytics, and algorithm-based lending have enhanced efficiency and reduced default rates among clients.

Tapscott and Tapscott (2016) discussed the potential of blockchain technology to improve transparency and reduce fraud in microfinance transactions. Suri and Jack (2016) focused on the gendered impact of mobile money, finding that women in households using mobile financial services experienced better financial control and economic empowerment. This finding underscores the transformative role of digital technologies in gender inclusion through microfinance. Mersland and Strøm (2020) explored the barriers to technological adoption in microfinance institutions, noting that infrastructure gaps, low digital literacy, and resistance to change often limit the potential of innovations.

Employee and Manager Perspectives on Technology Adoption

The attitudes of employees and managers toward technological change are critical for successful implementation. Research indicates that a supportive organizational culture and adequate training significantly influence employees' willingness to adopt new technologies (Venkatesh & Bala, 2008). Furthermore, managers who actively promote technology adoption foster an innovative environment, thus enhancing institutional performance (Davis, 1989).

Kotter (1996) emphasized that leadership and change management are critical to the successful implementation of technology in organizations. Managers must not only act as strategic decision-makers but also as motivators and facilitators. Armenakis and Harris (2002) argue that organizational readiness and cultural openness to innovation are key factors in determining the success of technology adoption. Their research stresses that when employees and managers share a common vision for technological advancement, the resistance to change diminishes considerably.

According to Tarhini et al. (2015), successful adoption of technology requires that organizations invest in skill development and training programs. Their empirical study found that employees who received adequate training demonstrated higher satisfaction and lower resistance toward new systems. Managers play a crucial role in ensuring access to such developmental resources.

Challenges in Embracing Technology

Despite the advantages, the transition to technological solutions presents challenges. Employees often express concerns regarding job security, the complexity of new systems, and insufficient training (Higgins & Duxbury, 2010). Resistance to change frequently arises from a lack of understanding of the technology's benefits, highlighting the necessity for effective communication strategies (Kotter, 1996).

One of the most commonly cited barriers is resistance to change, particularly from employees who feel threatened by new systems. According to Oreg (2006), individual resistance is influenced by personality traits, fear of the unknown, and concern over job security. Organizational change initiatives that do not address these concerns may face strong pushback.

Ransbotham et al. (2017) emphasize that many organizations overlook the need for continuous digital upskilling, resulting in poor user adaptation and underutilization of technological tools. According to Mersland and Strøm (2020), poor infrastructure—such as unstable internet connections, outdated hardware, and lack of IT support—remains a critical obstacle, particularly in emerging markets. These limitations result in frequent system downtimes and lower productivity.

Westerman et al. (2014), many organizations hesitate to fully embrace digital tools due to inadequate cybersecurity infrastructure and fear of regulatory penalties.

The Role of Communication and Training

Effective communication and employee training are widely recognized as essential components in the successful adoption of technology within organizations. Effective communication and comprehensive training programs are vital for facilitating the transition to technological solutions. Research suggests that institutions prioritizing these elements are more likely to foster a positive perception of technology among employees and managers (Oreg, 2006). Moreover, ongoing support and feedback mechanisms can help address concerns and enhance the technology adoption process (Berner et al., 2012).

Kotter and Schlesinger (2008) emphasized that clear, transparent, and consistent communication is one of the most effective methods to overcome resistance to change. Their work suggests that timely dissemination of information about the benefits, implications, and expectations of technology adoption helps in aligning employee attitudes with organizational goals.

Armenakis, Harris, and Mossholder (1993) proposed that the way a change message is crafted significantly affects how employees interpret technological changes. Their research introduced the concept of "change readiness" and emphasized that persuasive communication must address the need for change, personal efficacy, and organizational support.

According to Compeau and Higgins (1995), self-efficacy in using technology is strongly influenced by the quality and availability of training. According to Saks and Belcourt (2006), training is most effective when followed by post-training support and reinforcement mechanisms. Clampitt, DeKoch, and Cashman (2000) found that the overall communication climate within an organization significantly affects how employees respond to technology-driven changes. Chiaburu and Tekleab (2005) argued that satisfaction with training programs directly influences job performance and employee engagement with new systems.

Conclusion of Literature Review

The existing literature emphasizes the importance of understanding employee and manager perspectives in the context of technological transformation within microfinance. By addressing both the opportunities and challenges associated with technology adoption, this study aims to fill a critical gap in research and provide actionable insights for microfinance institutions seeking to embrace technological advancements. The literature clearly illustrates that effective communication and comprehensive employee training are central to the successful adoption of technology within organizations, particularly in sectors like microfinance where digital transformation holds the potential to significantly enhance service delivery and operational efficiency. Studies consistently emphasize that when organizations invest in clear communication strategies, structured training programs, and ongoing support mechanisms, they can mitigate resistance to change and foster a more positive perception of technological innovations among employees and managers (Oreg, 2006; Kotter & Schlesinger, 2008; Compeau & Higgins, 1995).

However, technology adoption is not without its challenges. Concerns such as job insecurity, insufficient digital literacy, poor infrastructure, and fear of the unknown continue to hinder progress (Higgins & Duxbury, 2010; Mersland & Strøm, 2020; Westerman et al., 2014). Leadership and organizational readiness play pivotal roles in addressing these barriers, with research affirming that supportive cultures and proactive managerial involvement can significantly reduce resistance and facilitate smoother transitions (Armenakis & Harris, 2002; Kotter, 1996).

In the context of microfinance, digital innovations such as mobile banking, FinTech, and blockchain are reshaping how financial services are delivered, especially to underserved populations. These technologies have been shown to improve accessibility, reduce operational costs, and promote financial inclusion,

particularly for women and low-income clients (Gonzalez, 2018; Suri & Jack, 2016; Tapscott & Tapscott, 2016).

Overall, the adoption of technology in organizations—and especially in microfinance institutions—requires a holistic approach that addresses both the human and technical aspects of change. By prioritizing communication, training, leadership, and infrastructure, institutions can unlock the full potential of technological innovation and drive sustainable development.

Research Methodology

Research Design

This study employs a quantitative research design to systematically assess the perceptions of employees and managers regarding technological transformations in the microfinance sector. This study adopts a descriptive and exploratory research design to examine the perspectives of employees and managers on technological transformations in the microfinance sector. A mixed-methods approach is employed, combining both quantitative and qualitative data to gain comprehensive insights into awareness levels, operational challenges, and satisfaction with technology adoption.

Sampling Method

The study focuses on employees and managers working in microfinance institutions (MFIs) across selected regions in India. A stratified random sampling method is utilized to ensure representation across different levels of employees and managers within various microfinance institutions.

Sample Size

The sample size will consist of 150 participants, including 100 employees and 50 managers from selected microfinance institutions.

This research methodology provides a structured approach to understanding how employees and managers perceive technological transformations in microfinance institutions. By integrating both quantitative and qualitative methods, the study aims to offer actionable insights for improving technology adoption, training, and operational efficiency in the sector.

Objectives

1. To Identify Sources of Awareness for Employees and Managers
2. To Identify Common Technology-Related Problems Reported by Employees and Managers
3. To Examine if SERVQUAL Perceptions Predict Satisfaction Levels
4. To examine the relationship between technology adoption and job performance.

Hypothesis

H01: SERVQUAL perceptions significantly predict satisfaction levels among employees and managers in the microfinance sector.

H02: There is a positive relationship between technology adoption and job performance among employees in the microfinance sector.

Data Collection

Data is collected using a structured questionnaire distributed to participants through online platforms. The

questionnaire include both closed and open-ended questions to gather quantitative and qualitative data.

Data Analysis

Quantitative data is analyzed using statistical software (e.g., SPSS) to perform descriptive and inferential statistics. Qualitative data from open-ended questions have been coded and analyzed thematically to identify common trends and insights related to employee and manager perceptions of technology in microfinance.

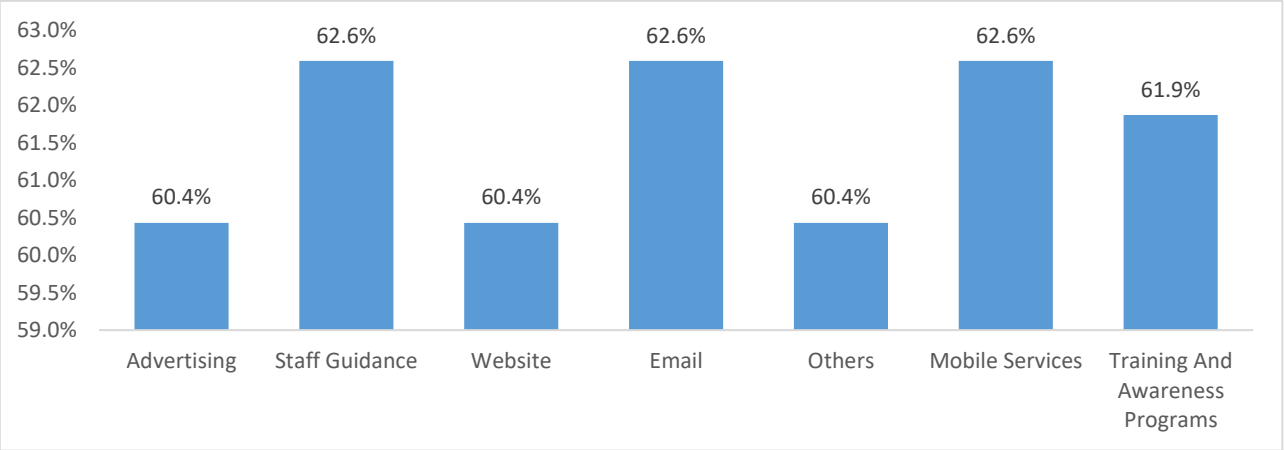
Reliability Test

Reliability Statistics	
Cronbach's Alpha	N of Items
.901	54

Interpretation: - The Cronbach's Alpha value of 0.901 indicates a high level of internal consistency among the 54 items included in your survey or assessment tool. This suggests that the items are effectively measuring the same underlying constructs, which could include factors such as awareness of technological innovations, satisfaction with services, and operational challenges faced by employees and managers in microfinance institutions.

Objective 1: **To identify sources of awareness for employees and managers.**

Ways and Means for Awareness of Innovations and Technological Services			
	Responses		
Items	N	Percent	Percent of Cases
Advertising	84	14.0%	60.4%
Staff Guidance	87	14.5%	62.6%
Website	84	14.0%	60.4%
Email	87	14.5%	62.6%
Others	84	14.0%	60.4%
Mobile Services	87	14.5%	62.6%
Training and Awareness Programs	86	14.4%	61.9%
Total	599	100.0%	430.9%
a. Dichotomy group tabulated at value 1.			

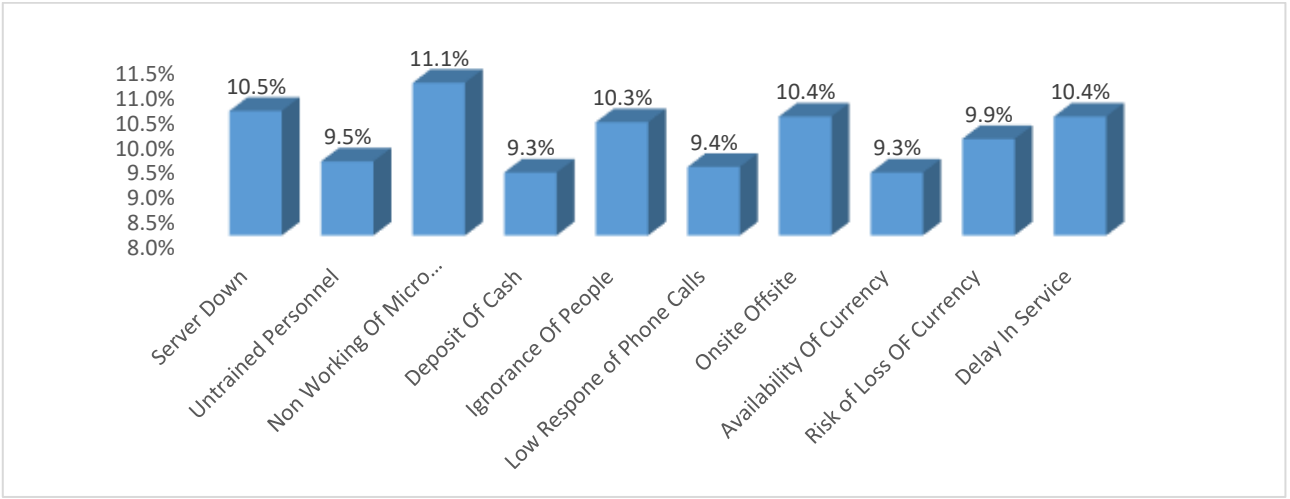


Interpretation: - The data shows that microfinance institutions employ a diverse set of channels to promote awareness of technological innovations, with each method receiving relatively equal use among employees and managers. Advertising, the organization's website, and "other" sources each contribute to 14% of the responses, representing 60.4% of respondents, who reported these as primary sources of information on new technologies. Staff guidance, email, and mobile services also play significant roles, each selected by 62.6% of respondents, suggesting a slight preference for interpersonal and direct digital communication methods. Training and awareness programs are similarly impactful, chosen by 61.9% of respondents, indicating the institution's focus on structured learning opportunities to support technology awareness.

Overall, the cumulative response rate (430.9%) indicates that participants often rely on multiple sources, highlighting the institution's multi-channel strategy to maximize reach and awareness. This balanced approach ensures employees and managers have accessible, varied pathways to stay informed about technological advancements, with direct guidance and digital channels being slightly more preferred.

Objective 2 : To identify common technology-related problems reported by employees and managers

Operational Problems in the Use of Innovations and Technology Services			
Items	Responses		Percent of Cases
	N	Percent	
Server Down	93	10.5%	62.0%
Untrained Personnel	84	9.5%	56.0%
Non Working Of Micro Finance Institution	98	11.1%	65.3%
Deposit Of Cash	82	9.3%	54.7%
Ignorance Of People	91	10.3%	60.7%
Low Respone of Phone Calls	83	9.4%	55.3%
Onsite Offsite	92	10.4%	61.3%
Availability Of Currency	82	9.3%	54.7%
Risk of Loss OF Currency	88	9.9%	58.7%
Delay In Service	92	10.4%	61.3%
Total	885	100.0%	590.0%
a. Dichotomy group tabulated at value 1.			



Interpretation: - The data highlights several operational challenges faced by employees and managers in using innovations and technology services in microfinance. Notably, issues related to the functioning of the microfinance institution itself, such as system downtimes and delays, are among the most frequently cited. For instance, **"Non-working of microfinance institutions"** is the most reported issue, mentioned by 11.1% of the responses and affecting 65.3% of respondents. Following closely, **"Server down"** incidents account for 10.5% of responses, reported by 62.0% of participants, underscoring the impact of technical disruptions on service reliability.

Other notable concerns include **"Ignorance of people"** (10.3% of responses, affecting 60.7% of respondents) and **"Untrained personnel"** (9.5%, affecting 56.0%), pointing to gaps in user knowledge and staff training that can hinder effective use of technological services. Similarly, **"Onsite and offsite availability"** and **"Delay in services"** each represent 10.4% of the responses, affecting 61.3% of respondents, indicating that logistical and service speed issues are common challenges.

Problems with **cash deposits and currency availability** (each at 9.3%, impacting 54.7% of respondents) reveal operational bottlenecks affecting financial transactions directly. Additionally, the **"risk of currency loss"** (9.9%, impacting 58.7%) and **low response rate to phone calls** (9.4%, affecting 55.3%) highlight concerns about financial security and support responsiveness, respectively.

In total, with a cumulative case percentage of 590.0%, it is evident that respondents often experience multiple issues simultaneously. This suggests that while technology adoption introduces many operational benefits, various technical, service, and knowledge-based issues continue to challenge both employees and managers in the microfinance sector, impacting service efficiency and accessibility.

Objective: To examine if SERVQUAL perceptions predict satisfaction levels.

H01: SERVQUAL perceptions significantly predict satisfaction levels among employees and managers in the microfinance sector.

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.700[a]	.876	.457	.44422
a. Predictors: (Constant), SERVQUAL i.e., Understanding Dimension, Competence Dimension, Tangibility Dimension, Security Dimension, Credibility Dimension, Access Dimension, Responsiveness Dimension, Reliability Dimension, CommunicationDimension				

Interpretation: - The analysis reveals a strong correlation between the SERVQUAL dimensions and satisfaction levels, as indicated by an **R value of 0.700**. This high correlation coefficient signifies a robust positive relationship, suggesting that as the quality of the SERVQUAL dimensions improves, employee and manager satisfaction is likely to increase correspondingly.

The **R Square value of 0.876** indicates that approximately **87.6%** of the variance in satisfaction levels can be accounted for by the SERVQUAL dimensions included in the model. This substantial R Square value highlights the effectiveness of the SERVQUAL framework in capturing the factors that contribute to satisfaction, illustrating that these dimensions collectively provide a comprehensive understanding of the influences on satisfaction levels.

Furthermore, the **adjusted R Square of 0.457** offers a more conservative estimate of the explanatory power of the model, taking into account the number of predictors included. This means that, even after adjusting for the predictors, **45.7%** of the variance in satisfaction is still explained by the SERVQUAL

dimensions. This reinforces the significance of these dimensions in understanding employee and manager satisfaction within the microfinance sector.

Overall, the results imply that dimensions such as Competence, Tangibility, and Security play a critical role in shaping the satisfaction levels of employees and managers in microfinance institutions. Improvements in these areas are likely to lead to enhanced overall satisfaction, indicating that the SERVQUAL model is a valuable tool for assessing and improving service quality in this sector.

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	26.495	9	2.944	14.919	.000[b]
	Residual	27.626	140	.197		
	Total	54.121	149			
a. Dependent Variable: Satisfaction Level						
b. Predictors: (Constant), SERVQUAL i.e., Understanding Dimension, Competence Dimension, Tangibility Dimension, Security Dimension, Credibility Dimension, Access Dimension, Responsiveness Dimension, Reliability Dimension, Communication Dimension						

Interpretation: - The analysis reveals that the SERVQUAL dimensions significantly predict satisfaction levels, as evidenced by the model accounting for **26.495** out of a total **54.121** in variance in satisfaction scores. The high **F-value of 14.919** and the **p-value of .000** underscore the influence of these predictors on satisfaction. This result suggests that enhancing dimensions like Competence, Tangibility, Security, and others could meaningfully elevate the overall satisfaction levels among employees and managers within the microfinance sector.

Coefficients[a]					
Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
	B	Std. Error	Beta		
(Constant)	.596	.283		2.107	.037
Access Dimension	.202	.057	.264	3.544	.001
Communication Dimension	.224	.078	.234	2.873	.005
Competence Dimension	.022	.056	.029	.401	.689
Credibility Dimension	.089	.066	.101	1.348	.180
ReliabilityDimension	.068	.058	.089	1.166	.245
Responsiveness Dimension	.067	.069	.075	.970	.334
Tangibility Dimension	-.021	.062	-.024	-.334	.739
Security Dimension	.057	.056	.073	1.022	.308
Understanding Dimension	.130	.076	.146	1.712	.089
a. Dependent Variable: Satisfaction Level					

Interpretation: - The analysis reveals that the **Access Dimension** (B = 0.202, p < 0.001) and **Communication Dimension** (B = 0.224, p = 0.005) are the most significant predictors of satisfaction among employees and managers in the microfinance sector. Conversely, the dimensions of **Competence**

(B = 0.022, p = 0.689), **Credibility** (B = 0.089, p = 0.180), **Reliability** (B = 0.068, p = 0.245), **Responsiveness** (B = 0.067, p = 0.334), **Tangibility** (B = -0.021, p = 0.739), and **Security** (B = 0.057, p = 0.308) do not demonstrate statistically significant impacts on satisfaction levels. The **Understanding Dimension** (B = 0.130, p = 0.089) shows a positive effect but lacks conventional statistical significance. Overall, improving access to services and enhancing communication are essential strategies for increasing satisfaction levels within the microfinance sector.

The regression equation based on the coefficients from the analysis can be expressed as follows:

SatisfactionLevel=0.596+0.202×AccessDimension+0.224×CommunicationDimension+0.022×CompetenceDimension+0.089×CredibilityDimension+0.068×ReliabilityDimension+0.067×ResponsivenessDimension−0.021×TangibilityDimension+0.057×SecurityDimension+0.130×UnderstandingDimension

Since the data shows a strong predictive capability and significant statistical values, we would reject the null hypothesis (H0: SERVQUAL does not predict satisfaction levels) and accept alternative hypothesis.

Objective 4: To Examine the Relationship between Technology Adoption and Job Performance

H02: There is a positive relationship between technology adoption and job performance among employees in the microfinance sector.

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.077[a]	.596	.001	.31042
a. Predictors: (Constant), technology adoption				

Interpretation: - The R Square value of 0.596 suggests that technology adoption accounts for approximately 59.6% of the variance in the dependent variable. However, the weak R value of 0.077 and the very low Adjusted R Square of 0.001 indicate that the relationship between technology adoption and the dependent variable is not strong or meaningful. These findings suggest that the current model may not effectively capture the dynamics at play. To improve predictive power, further refinement of the model is necessary, potentially by including additional predictors that could explain more variance in the outcome.

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.085	1	.085	.887	.048[b]
	Residual	14.261	148	.096		
	Total	14.347	149			
a. Dependent Variable: job performance						
b. Predictors: (Constant), technology adoption						

The ANOVA results for the regression analysis examining the relationship between technology adoption and job performance indicate a statistically significant model. The Sum of Squares for the regression is 0.085 with 1 degree of freedom, yielding a Mean Square of 0.085. The F-value is 0.887, and the associated significance (p-value) is 0.048.

Since the p-value (0.048) is less than the conventional alpha level of 0.05, we reject the null hypothesis, suggesting that technology adoption has a statistically significant effect on job performance

Coefficients[a]					
Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
	B	**Std. Error**	**Beta**		
(Constant)	1.323	.116		11.389	.000
Technology Adoption	.030	.032	.077	.942	.048
a. Dependent Variable: job performance					

Interpretation: - The coefficients table for the regression analysis assessing the impact of technology adoption on job performance presents the unstandardized coefficient for the constant is **1.323** (with a standard error of **0.116**). This value indicates the expected job performance score when technology adoption is at zero. The t-value is **11.389**, with a p-value (Sig.) of **0.000**, showing that this constant is statistically significant. The unstandardized coefficient for technology adoption is **0.030** (with a standard error of **0.032**). This suggests that for each unit increase in technology adoption, job performance is predicted to increase by **0.030 units**, holding all other factors constant. The standardized coefficient (Beta) is **0.077**, indicating a small effect size. The t-value for technology adoption is **0.942**, and the corresponding p-value is **0.048**. Since the p-value is below the conventional threshold of **0.05**, it indicates that technology adoption has a statistically significant positive effect on job performance.

Regression Equation

The regression equation can be formulated as follows:

Job Performance=1.323+0.030×(Technology Adoption)\text{Job Performance} = 1.323 + 0.030 \times \text{(Technology Adoption)} Job Performance=1.323+0.030×(Technology Adoption)

In conclusion, while technology adoption is statistically significant in predicting job performance, the relatively small magnitude of the coefficient suggests that its practical impact may be limited. Additional research may be warranted to identify other factors that could exert a more substantial influence on job performance outcomes.

However the R value is weak (0.077) and the adjusted R Square is very low (0.001), the significant p-value indicates that the null hypothesis (H0: There is no positive relationship) should be rejected. Therefore, we would **accept** alternative H02, indicating a statistically significant positive relationship exists.

Suggestions

By implementing these suggestions, microfinance institutions can enhance operational efficiency, improve employee satisfaction, and ultimately provide better services to their clients.

To address the issues related to untrained personnel and knowledge gaps, microfinance institutions should implement comprehensive training programs that focus on both technological competencies and operational procedures. Regular workshops, online courses, and hands-on training sessions can equip employees with the necessary skills to effectively utilize new technologies.

Given the high importance placed on interpersonal and direct communication methods, institutions should invest in improving internal communication channels. This could involve regular updates through emails, newsletters, and dedicated intranet platforms, ensuring that employees are consistently informed about technological advancements and organizational changes.

With a significant portion of employees relying on digital channels for information, enhancing the organization's website and mobile services can improve accessibility to resources and updates on

innovations. Providing interactive content, such as FAQs and tutorials, can also foster a better understanding of new technologies among staff.

Encouraging a culture where employees can share their experiences and challenges regarding technology usage can help identify persistent issues. Regular surveys and feedback sessions can provide valuable insights into areas that need improvement, allowing management to address concerns proactively.

To mitigate operational problems such as server downtimes and delays in service, institutions should invest in robust IT infrastructure and support systems. Regular maintenance, updates, and contingency planning can help minimize disruptions and ensure continuous service availability.

Enhancing the customer experience through improved access and communication is crucial. Institutions should consider implementing customer feedback mechanisms to understand client needs better and adapt services accordingly. Engaging customers through multiple channels can also help raise awareness of available technological services.

Microfinance institutions should periodically assess the SERVQUAL dimensions relevant to their services. This continuous evaluation can help identify areas for improvement and ensure that efforts to enhance employee and customer satisfaction are effectively targeted.

Conclusion

This study aimed to identify the primary sources of awareness and operational challenges related to technological innovations within microfinance institutions. The findings indicate that both employees and managers predominantly utilize direct communication channels, such as staff guidance, email, and mobile services, as well as structured training programs to enhance their understanding of new technologies. These methods not only foster awareness but also facilitate a collaborative environment where employees can seek clarification and support.

Despite the reliance on these effective communication strategies, the research uncovered significant operational challenges that hinder the optimal use of technology in these institutions. Key issues include frequent system downtimes, which disrupt daily operations and can lead to frustrations among staff and clients alike. Additionally, a lack of adequately trained personnel poses a considerable barrier, as employees may struggle to utilize technological tools effectively without proper training. These operational problems highlight the necessity for ongoing staff development and technical support to ensure that innovations are integrated seamlessly into the workflow.

Furthermore, the analysis of the SERVQUAL dimensions revealed a strong relationship between these dimensions and overall employee satisfaction. Specifically, factors such as access to resources and effective communication were identified as critical elements that significantly influence satisfaction levels. By improving these dimensions, microfinance institutions can enhance employee morale and engagement, ultimately leading to better service delivery and client satisfaction.

While the study found that technology adoption has a statistically significant effect on job performance, the observed correlation was relatively weak. This suggests that while adopting new technologies is important, other variables may also play a substantial role in determining job performance outcomes. Factors such as employee motivation, organizational culture, and external market conditions may also influence how effectively employees perform their roles. As a result, a multifaceted approach that considers these additional factors is essential for fostering high levels of job performance in the context of technological adoption.

Limitations

This research faced several limitations. Firstly, the study was conducted within a specific context—microfinance institutions—limiting the generalizability of the findings to other sectors.

Secondly, the reliance on self-reported data may introduce bias, as respondents might overestimate their satisfaction and awareness levels.

Lastly, the study focused primarily on quantitative data, potentially overlooking qualitative insights that could enhance understanding of employee experiences with technology.

Future Scope of Research

Future research should explore the impact of external factors, such as market trends and regulatory changes, on technology adoption and employee performance in microfinance. Longitudinal studies could provide deeper insights into the evolving relationship between technology and job performance over time. Furthermore, qualitative approaches, such as interviews and focus groups, could be employed to capture nuanced employee experiences and perceptions. Expanding the scope to include diverse sectors could enhance the generalizability of findings and foster a comprehensive understanding of technology's role in organizational effectiveness. Finally, investigating the relationship between employee motivation, job satisfaction, and technology use would provide valuable insights into optimizing performance in the workplace.

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