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The Impact of Adopting Digitalization on Employee Productivity at Muthoot Pappachan Technologies, Kerala

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Abstract

In the contemporary business environment, digitalization has become a fundamental driver of organizational growth, efficiency, and competitiveness. This study examines the impact of adopting digital technologies on employee productivity at Muthoot Pappachan Technologies. The research focuses on understanding how digital tools in Human Resource Management influence employee satisfaction, efficiency, and performance. Primary data were collected from 114 employees using a structured questionnaire, while secondary data were gathered from journals, company reports, and academic sources. Statistical tools such as One Sample T-test, Chi-square test, ANOVA, and Pearson Correlation were used to analyze the data. The findings reveal that digitalization significantly enhances employee productivity, improves work efficiency, and facilitates better communication. However, challenges such as insufficient training, adaptability issues, and concerns regarding data security persist. The study concludes that digitalization plays a crucial role in improving organizational performance, but its effectiveness depends on proper implementation, employee training, and continuous technological support.

Keywords: Digitalization, Digital HRM, Employee Productivity, Employee Performance
HR Analytics, Work Efficiency.

Introduction

Digitalization has revolutionized the way organizations operate, communicate, and manage their workforce. With the rapid advancement of technologies such as artificial intelligence, cloud computing, automation, and data analytics, businesses are increasingly integrating digital tools into their core functions. Human Resource Management, which was traditionally focused on administrative tasks, has evolved into a strategic function driven by digital technologies. At Muthoot Pappachan Technologies, digital transformation plays a significant role in enhancing HR practices such as recruitment, training, performance management, and employee engagement. Digital tools such as HRIS, online

recruitment platforms, and analytics systems enable organizations to streamline operations, reduce manual workload, and improve decision-making processes.

The adoption of digitalization has also enabled organizations to support flexible work arrangements, virtual collaboration, and real-time performance monitoring. These advancements contribute to improved employee productivity and organizational efficiency. However, the effectiveness of digitalization depends on employees' ability to adapt to technological changes and utilize digital tools effectively.

Literature Review

Albi (2024) studied innovative HR strategies in the digital age and emphasized the importance of digital skill development, adaptive organizational culture, and technology integration for achieving sustainable growth and competitiveness in organizations. Pea-Assounga and Bindel Sibassaha (2024) analyzed digital HR practices at Congo Telecom and identified technological advancement and employee competency as key factors influencing HR efficiency and organizational performance. Staffenova and Kucharcikova (2023) examined digitalization in human capital management and found that many organizations focused mainly on compliance-related digitalization rather than advanced HR systems. Zavyalova et al. (2022) studied digital HR practices in Russian organizations and concluded that effective integration and strategic use of digital tools are more important than simply increasing technological adoption. Varadaraj and Al Wadi (2021) examined the role of Digital Human Resource Management in improving organizational performance and found that digital HR tools reduce manual work and support strategic decision-making. The study also pointed out challenges such as resistance to technological change and lack of digital skills among employees. Sotnikova et al. (2020) analyzed digital technologies in HR management and explained that digitalization improves transparency, efficiency, and organizational decision-making through the use of social media, artificial intelligence, and automated systems. However, the study identified poor digital infrastructure and lack of skilled manpower as major barriers in developing countries.

Chytiri (2019) examined the role of HR managers in the digital era and emphasized that technologies such as artificial intelligence, automation, and people analytics have improved efficiency and flexibility in HR practices. The study also highlighted the shift of HR managers from administrative roles to strategic and technology-oriented roles. Researchers in the UAE (2019) studied digital transformation and human resource management and found that digital technologies and HR information systems improved recruitment, training, communication, and performance management. However, the study also identified challenges such as high implementation costs, data security issues, and reduced human interaction. Sorko et al. (2016) conducted a study on the future of employment through digitalization and examined the challenges faced by human resource departments due to Industry 4.0 and automation. The study highlighted the growing need for digital skills, problem-solving abilities, and human-machine interaction in organizations. The researchers developed a capability maturity model to assess the digital readiness of organizations in HR practices and concluded that companies must focus on systematic HR development strategies and employee training to manage digital transformation effectively.

Research Gap

Although several studies have examined digitalization in human resource management, most of them mainly focused on technological adoption, organizational performance, and strategic HR transformation in foreign countries such as the UAE, Russia, Slovakia, and Congo. The previous studies discussed the benefits and challenges of digital HR practices like automation, HRIS, artificial intelligence, and employee skill development, but limited attention was given to the practical

effectiveness of digital HR practices in Indian financial service organizations, especially NBFC sectors. In addition, very few studies focused on employee satisfaction, employee acceptance, and the impact of digital HR tools on day-to-day HR operations. Therefore, the present study aims to fill this gap by analyzing the effectiveness of digital HR practices and their influence on employee performance and organizational efficiency in the selected organization.

Research Methodology

The study population consists of 161 employees working in the organization, out of which 114 employees were selected as the sample size for the research. The study adopted the purposive sampling technique, where employees actively using digital tools within the organization were selected to obtain relevant and accurate responses. Both primary and secondary data were used for the study. Primary data was collected through structured questionnaires distributed among the employees, while secondary data was gathered from journals, research articles, company reports, and various online sources.

Research Objectives

- To examine employee satisfaction towards digitalization
- To identify barriers faced while using digital tools

One Sample T-test

It is used to determine whether the average employee satisfaction towards digitalization differs significantly from a predefined standard value.

H_0 : There is no significant relationship exists between employee satisfaction and expected level.

Table 1 One Sample t-test

Statement	t-Value	Sig (2 tailed)	Mean difference	Result
Satisfaction with digital tools	11.179	0.000	-1.096	Significant
Digitalization improved work experience	12.027	0.000	-0.842	Significant
Digital systems meet expectations	-4.143	0.000	-0.447	Significant
Comfortable with digital technologies.	-5.724	0.000	-0.579	Significant
Digitalization improves job efficiency	-3.541	0.001	-0.386	Significant
Prefer digital systems over traditional methods	-5.997	0.000	-0.605	Significant
Confident using digital tools	-3.963	0.000	-0.447	Significant

Source: Primary Data

The one-sample t-test results show that all the statements have significance values less than 0.05, indicating that the differences are statistically significant. The mean difference values are negative for all variables, which means the respondents' average scores are below the test value of 3. This indicates that employees are not highly satisfied with digitalization. Overall, the level of satisfaction toward digitalization among employees is low.

Chi-Square

It is used to examine the association between employee characteristics and the barriers faced in using digitalization.

H_0 : There is no association between employee characteristics and digital barriers.

Statements	Chi-Square Value	P-Value	Result
There is not much technical issues while using digital tools	12.686	0.392	Not Significant
Digital systems are easy to understand and use	3.917	0.985	Not Significant
I have received adequate training to use digital tools	13.512	0.358	Not Significant
Network/connectivity affects my work while using digital tools	10.031	0.613	Not Significant
I am able to adapt to changes in digital systems	12.991	0.370	Not Significant
I feel confident about data security in digital systems	10.273	0.592	Not Significant

Source: primary data

The results of the chi-square test indicate that the p-values for all the statements are greater than 0.05. This shows that there is no statistically significant association between age and the problems experienced by employees while using digital tools. In other words, employees belonging to different age groups face similar types of issues, and age does not play a major role in influencing these problems.

Findings

- The gender distribution shows a slightly higher percentage of female respondents (51.8%) compared to male respondents (48.2%).
- Majority of respondents belong to the age group of 25–35 years (31.6%), followed by 30–45 years (30.7%), indicating a young and mid-level workforce.
- Most of the respondents are postgraduates (65.2%), while 29.6% are undergraduates, showing a well-educated workforce.
- A significant portion of employees have 1–3 years of experience (37.5%), followed by less than 1 year (29.5%), indicating relatively less experienced employees.
- Majority of respondents are full-time employees (55.7%), with others being interns, part-time employees, and trainees.
- Most employees agree that they are satisfied with the digital tools used in their organization.
- A large number of respondents agree that digitalization has improved their overall work experience.
- Majority of employees feel that digital systems meet their expectations and they are comfortable using digital technologies.
- Digitalization has made work more efficient, and most employees prefer digital systems over traditional methods.
- Employees feel confident while using digital tools in their work environment.
- Most respondents reported fewer technical issues while using digital tools, indicating system reliability.
- Employees generally find digital systems easy to understand and use.
- A moderate number of respondents feel they have received adequate training, but some still express the need for improvement.
- Network or connectivity issues are experienced sometimes, affecting work performance.
- Employees are able to adapt to changes in digital systems, showing flexibility.
- Most respondents feel confident about data security in digital systems.
- Digital tools significantly improve work efficiency and accuracy.

- Digitalization reduces manual work and helps employees save time while completing tasks.
- Digital systems improve communication, workflow management, and decision-making within the organization.
- contributes to reducing operational costs.
- Majority of employees agree that their productivity has increased due to digitalization.
- Employees are able to complete tasks faster and achieve work targets efficiently using digital tools.
- The quality of work has improved and errors have reduced with the use of digital systems.
- Digital tools increase employee involvement and overall work performance.

Suggestions

- The organization should provide regular training programs to improve employees' digital skills and confidence.
- Steps should be taken to improve network connectivity to avoid disruptions in work.
- Continuous system updates and technical support should be ensured to minimize technical issues.
- The organization can introduce user-friendly digital tools to enhance ease of use for all employees.
- Awareness programs on data security should be conducted to strengthen employee confidence.
- Feedback from employees should be regularly collected to identify areas for improvement in digital systems.
- The company can invest in advanced digital technologies to further improve efficiency and productivity.
- Special support can be given to less experienced employees to help them adapt quickly to digital systems.

Conclusion

The study concludes that digitalization has a significant and positive impact on employee productivity at Muthoot Pappachan Technologies. It enhances efficiency, improves communication, and supports better decision-making processes. Digital tools play a crucial role in transforming HR practices and creating a more productive workforce. However, the success of digitalization depends on effective implementation, proper training, and continuous technological support. Organizations must focus on addressing challenges such as adaptability, training gaps, and data security concerns to maximize the benefits of digital transformation.

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