



Despite the critical importance of HRM in navigating digital transformation, there remains a significant knowledge gap concerning the specific HR practices and responses that are most effective in the context of Zambian banks. As such the research sort to examine digital banking adoption on human capital adaptation in Zambian commercial banks, focusing on workforce restructuring and strategic HRM responses.

### 1.1 Statement of the Problem

According to the Bank of Zambia (2023), the rapid engagement with digital banking and mobile money services has completely transitioned, providing efficiency, improved accessibility, and customer satisfaction. Despite this rapid digital transformation, it has brought about a lot of challenges in the human capital adaptation within the context of commercial banks. According to Khoso et al. (2026), with the increased sophistication of HR technologies, the HR professionals were supposed to transition to developing more administrative responsibilities in exchange for strategic input that improved the agility of the organizations. It is for this reason that Zambian banks lack reskilling initiatives, a lack of strategic HRM responses, and insufficient support systems for the employees to transition. Kambing'a and Haabazoka (2025) state that, without focused tactics, banks run the risk of experiencing operational disruptions, employee discontent, and talent churn, all of which could jeopardize Zambia's larger objectives of financial inclusion and economic progress. In other words, without proper strategies and systems in place to ensure the enhancement of skills for employees, the human capitalization will be affected greatly. Hence, this study addresses the human capital development with technological advancement in Zambia's banking sector.

### 1.2 Research Objectives

- i. To assess the extent of workforce restructuring in Zambian commercial banks between 2020 and 2025, with particular attention to changes in traditional banking roles and the emergence of digitally oriented job positions.
- ii. To examine the strategic human resource management practices adopted by Zambian commercial banks to support workforce transitions arising from digital banking adoption.
- iii. To determine the relationship between the level of digital banking adoption and changes in workforce composition in selected Zambian commercial banks.
- iv. To explore employees' and managers' perceptions of how digital banking adoption has influenced skill development, adaptability, and readiness for emerging roles.

## II. LITERATURE REVIEW

### 2.1 Theoretical Review

The study was guided by two main theoretical frameworks, these include, The Resource-Based Theory (RBT) and Stakeholder Theory. The theories provide comprehensive lenses for analysing how Zambian commercial banks navigate the hinderances of digital banking and mobile money adoption, particularly regarding strategic human resource management (HRM) and workforce restructuring.

#### 2.1.1 Resource-Based Theory

The Resource-Based Theory (RBT), originally articulated by Barney (1991), posits that organizations achieve sustained competitive advantage primarily through the effective management and utilization of their internal resources and capabilities. According to Barney (1991), the resources include the tangible assets such as the infrastructure such as technology and financial capital. It also includes the intangible assets which includes but not limited to organizational culture, knowledge and human capital. Hence, such core anchor involves the having inimitable, non-substantial, variable and rare resources that can distinguish an organization and successfully adapt to the changing environment.

In this study, RBT was used to analyse how internet resources influence human capital and technological infrastructure in order to adapt disruptive forces of digital banking and mobile services in Zambian commercial banks. This was analysed by discovering whether banks has acquired the requisite skills, expertise and organizational strength to institute new digital platforms efficiently. In addition, the theory also points out the need for positioning developing special capabilities such as innovative HRM practices and technological competences, which supports workforce resilience and fosters a culture of unending learning. The application of RBT, the research identified how internal strengths or gaps influence banks' capacity for workforce restructuring, reskilling, and overall digital transformation, ultimately revealing pathways for sustaining competitive advantage in a rapidly evolving financial landscape.

#### 2.1.2 Stakeholder Theory

The Stakeholder Theory is another theory that was used to explain the importance of inculcating digital with HRM practices. The theory was developed by Freeman and Philips (2002), who emphasises the significance of recognizing and balancing the interests and influences of all relevant stakeholders in organizational decision-making. Stakeholder theory promotes a wider consideration of groups including employees, customers, regulators, suppliers, and

the community, all of whom can influence or be impacted by the organization's strategic efforts, in contrast to traditional management models that only concentrate on shareholders.

In the context of this study, Stakeholder Theory was applied to examine how different interests of Stakeholders affect HRM strategies and workforce adaptation processes in the Zambian banks experiencing digital transformation. The employees as the main internal stakeholders, are directly affected by changes in employment roles, organizational culture and reskilling efforts. Conversely, consumers shape HR policies to foster user-centric skills by influencing banks' strategic priorities through their choices for digital services. In order to speed up or slowdown workforce restructuring and digital adoption it may require compliance requirements imposed by regulatory agencies. Hence, examining these stakeholder interactions, one can gain understanding of the opportunities, difficulties, and complexities that influence HRM's reactions to digitization.

## 2.2 Empirical Review

### 2.2.1 Overview of Digital Banking Adoption

A research conducted by Uddin et al. (2022) focused specifically on the implications of mobile money adoption on employment patterns within the banking sector. The research indicates that banks offering robust mobile money services experienced a remarkable 25% increase in demand for digitally skilled employees. The results emphasize the critical need for targeted reskilling initiatives aimed at equipping existing employees with the necessary digital competencies. The shift is very important for Zambian commercial banks, and are currently navigating the dual challenges of downsizing traditional roles while simultaneously creating new positions in response to rapid digital advancements. The study suggests that without proactive reskilling efforts, banks risk losing valuable talent and facing operational inefficiencies as they transition to digital platforms.

A study done by Khams (2022), on the impact of digital transformation on staffing strategy in banking sector: a case study of Egypt. A study The Egyptian banking sector adopts an expansion strategy in the field of digital transformation to face the competition resulting from the entry of ICT companies, the repercussions of the Corona virus and the spread of financial technology companies in the banking services market. This trend offers multiple benefits to banks and customers, including ease of conducting transactions, reducing operating expenses, and meeting the needs of customers who prefer banking transactions via the Internet and smart phones, On the other hand, it introduces wide changes to the size and quality of banking jobs in the future, and threatens the disappearance of some of them ,therefore this study analyses empirical evidence of the impact of the digital transformation on staffing strategy in the Egyptian banking sector. This study depends on the analysis of secondary data obtained from the reports of the Central Bank of Egypt on the indicators of digital transformation and the number and quality of banking staffs during the period from 2016-2021, using the analysis of correlation and regression coefficients. The results of the study indicate that there is no negative impact of digital transformation on new staffing operations in the short term, because the rate of bank penetration into the banking services market is still low and therefore Egyptian banks are expanding their traditional branch network alongside digital banking services channels. This transformation has also created a new type of job that keeps pace with banking digitalization, while in the long-term digital transformation threatens the disappearance of some jobs to be replaced by artificial intelligence, internet banking, mobile banking and electronic wallets.

Kreitssthein (2017) carried out a study on digital transformation and its effects on the competency framework: a case study of digital banking. The aim of the study is to establish what the differences are between the firms of various degrees of digitalization and to use that insight to create a competency framework for a digitally transforming firm. This thesis is a qualitative study on how the digital transformation affects the firm's competency framework in the banking sector. The methodology outlines the research process. Three case companies were chosen to represent each of the three existing kinds of digital transformation. The primary data was collected via interviews, with secondary data collected in the form of case companies' job ads, annual reports, and media releases. The interviews' goal was to define what the legacy competencies common between the conventional and digitally transforming banks are, what the shared competencies between the digitally transforming banks and FinTechs are, and what the lacking competencies are that may become a trend in the future. The data analysis is conducted by applying Straussian grounded theory methodology; this required coding the data to underline the common themes that describe each company. The codes are grouped into logical categories; the analysis establishes the logical relation between the categories to highlight what concepts are the key consequences of the digitalization. The findings and conclusions discuss that the case companies represent the three kinds of digital transformation quite accurately. This allows generalizing the conclusions to the industry level. Case companies are compared: based on the commonalities between the case companies, a digital bank competency framework is compiled. This model describes the still relevant competencies (digital awareness and core banking), shared competencies between banks and FinTechs (customer service and digital channels), and currently lacking emerging competencies (digital branding, agile management, and employee learning).

## 2.2.2 The Extent of Workforce Restructuring

The future of work in banking will require a shift in the skillsets of employees to adapt to the evolving technological landscape. According to Ewim et al. (2021), traditional banking roles are being redefined, and new competencies are emerging, necessitating upskilling and reskilling initiatives to ensure a future-ready workforce. This paper explores the impact of digital transformation on workforce dynamics in the banking sector. It examines how technological advancements are reshaping job functions, the skills required, and the organizational structures of financial institutions. Automation and AI are driving the need for data-driven decision-making, reducing manual tasks, and enhancing operational efficiency. However, the adoption of these technologies also requires a workforce capable of understanding and managing complex systems. Key skills that will be in demand include digital literacy, data analytics, cybersecurity expertise, and adaptability to new technologies. Additionally, soft skills such as creativity, problem-solving, and emotional intelligence will become more critical as human workers collaborate with AI-driven systems. The paper highlights the importance of continuous learning and the role of educational programs in preparing the workforce for these changes. Moreover, the paper discusses the challenges organizations face in managing this transition, including resistance to change, the need for strategic leadership, and addressing skill gaps. Case studies from leading financial institutions demonstrate successful strategies for workforce transformation, including partnerships with educational providers, internal training programs, and the integration of agile work cultures. In conclusion, the future of work in banking is poised for profound changes, driven by digital transformation. Financial institutions must invest in upskilling their workforce to stay competitive and innovative. By fostering a culture of continuous learning and adaptability, banks can ensure a successful transition to the future of work.

Research done by Kornelakis et al. (2022) on the digitalization of service work: A comparative study of the restructuring of the banking sector in the United Kingdom and Luxembourg. The article compares the process of digitalization and outcomes from work restructuring in two banks from the United Kingdom and Luxembourg. The banking sectors in both countries have been challenged by digitalization pressures such as online and mobile banking, pressures from 'Fintech' banks, and the automation of back-office operations. Yet, the adjustment paths in the two countries differed. In Luxembourg, there is an adjustment via limited layoffs and increased training and reskilling; however, in the United Kingdom, the main outcomes revolve around branch downsizing and offshoring of employment. These outcomes are explained by differences in institutional supports for collective voice institutions, as well as the role of the state. The findings demonstrate that the embedded employment relations' institutions and actors have shaped distinct paths of adjustment to digitalization and show how the impact of technology on work is neither deterministic nor unidirectional.

## 2.2.3 Strategic Human Resource Management (HRM) Practices

According to Salampasis (2015) open innovation has received wide attention and has been explored in various sectors of the economy. However, despite the abundant literature in the field, there is an on-going debate around the organisational aspect of this paradigm. This conceptual paper aims at contributing to this debate by developing a conceptual model, which explores the relationship between human resources management practices and open innovation adoption in the banking sector. Based on an extensive literature review, the role of human resources management towards the adoption of open innovation in the banking sector is investigated in relation to two fundamental organisational elements: trust and readiness. The authors highlight the role of human resources management as a fundamental element towards the adoption of open innovation practices in the banking sector and strongly suggest that; a) human resources management affects the adoption of open innovation in the banking sector and b) trust and readiness moderate the relationship between human resources management and open innovation adoption. The proposed research propositions depict a shift towards a more flexible and open human resources management system in the banking sector and the emergence of an innovative mindset empowering organisational performance.

Not only that, this study aimed to explore the changing Human Resources Management (HRM) function role in the context of digital banking transformation. Exploratory research was performed through the case study method, focusing on one banking institution undergoing the digital banking transformation in Malaysia. The respondents were selected HRM personnel, employees and business leaders across the key business functions. Transcripts were coded with the aid of NVivo software using a structured thematic analysis, to generate distilled data summaries and illustrative extracts to search for and interpret patterns of evidence. The results of interview finding analysis state that HRM function in BankCoA is aligning its practices with the Bank's business strategy of transforming the institution into a digital bank. The findings showed predominantly, the key priorities centred at looking into the culture excellence programme, significant investments being made on talent capability building programmes and restructuring of the HRM function to make it more digital ready and efficient. This case study is relevant for HRM managers in other banking institution undergoing the business transformation, which can serve as a benchmark of HRM focus to be applied to their own organizations (Latif, et al, 2019).

In addition, Mohiuddin (2025) found that the digitalization of the banking industry has also changed the manner in which human resource management is being performed particularly in the emerging economies in which digital

banking has increased by more than 60 percent over the last decade. In the given research, the researcher considers how the introduction of the HR technology in online banks has the potential to affect the workforce development and the development of the financial sector with the help of the quantitative research design grounded in the Research Onion framework. The structured survey of approximately 200 employees and managers working in digital banking companies was used to collect primary data. The results indicate that a sixth of the respondents (62 percent) reported high HR technology adoption levels and 25 percent of the respondents reported moderate levels of technology adoption. In terms of workforce outcomes, 68 percent of the respondents said that the number of employees who had digital skills, adaptability and their learning effectiveness increased significantly and 22 percent said it increased moderately. Organizational performance indicators indicate that 64 percent of the respondents indicated that productivity and efficiency of services have improved and can be noticed after the introduction of HR technology. Furthermore, 60 percent of them indicated that the workforce development based on HR technologies positively influenced the degree of innovation and the development of the financial industry. Despite these benefits, the majority of the respondents (41% of the participants) reported resistance to change as one of the primary challenges, and the most common one was the skill gaps (33%). The study concludes that the statistically and practically significant role of adoption of HR technology in the workforce capacity increase and the sustainable development of the financial sector in the economies of the developing countries under the condition of the digital transformation undertakings constant training, ethical governance, and strategic HR planning is possible.

### III. METHODOLOGY

#### 3.1 Research Design

The study utilized a descriptive research design, capturing data at a single point in time to provide a snapshot of the current state of human capital adaptation in Zambian commercial banks. This design is appropriate because Weyant (2022) states that it enables the collection of diverse data from multiple stakeholder groups, including bank executives, HR professionals, and employees. By analyzing the existing landscape of workforce changes and HRM practices simultaneously, the cross-sectional design facilitates effective comparisons across different entities and identification of prevailing patterns and gaps. This approach supports the study's objective of diagnosing the factors influencing human capital adaptation in the context of digital transformation.

#### 3.2 Study Area

This study was conducted at in Lusaka district from different commercial banks from different branches. Most commercial banks have decentralised system of management and organizational structure and most of the decisions are done within the branches for the banks, hence the reasons for conducting the study in the branches.

#### 3.3 Target Population

The target population for this study includes a diverse group of stakeholders involved in or impacted by digital banking and mobile money adoption in Zambia. This encompasses executives and managers from commercial banks, development banks, and relevant financial institutions. Their insights into strategic and operational aspects of workforce adaptation are crucial. Additionally, policymakers and regulators from key institutions, such as the Bank of Zambia and the Ministry of Finance, provides perspectives on the regulatory environment influencing HRM practices. Industry experts and representatives from organizations such as the Bankers' Association of Zambia is also included.

#### 3.4 Sampling Frame

The sampling frame was derived from authoritative sources to ensure comprehensive coverage of relevant stakeholders. A list of commercial and development banks operating in Zambia was compiled from official records obtained from the Bank of Zambia. For policymakers and regulators, an up-to-date directory will be assembled from their official websites. Membership lists from industry organizations identified experts and corporate representatives. Customer databases of selected banks will also be accessed, ensuring compliance with data protection regulations.

#### 3.5 Sample Size

The sample size for this study was calculated using Cochran's formula is used in this study to calculate the appropriate sample size because the target population size is unknown, ensuring that the sample is representative and statistically valid despite limited population data. Therefore, the study utilized a sample size of 150 respondents, but only 40 responded to the questionnaires and interviews after an intense follow-up of up to 3 months.

#### 3.6 Sampling Technique

A combination of purposive and random sampling techniques was employed. Purposive sampling was used to select bank executives, managers, and industry experts based on their relevance to the research objectives. Random

sampling was applied to select bank customers, ensuring a representative sample. This dual approach captured in-depth insights while minimizing biases.

### 3.7 Data Collection Instruments and Procedure

The study employed two primary data collection methods: semi-structured interviews and a survey questionnaire. In-depth interviews were conducted with bank executives, HR professionals, and industry experts. This qualitative approach allows for a deeper exploration of workforce adaptation and human resource management (HRM) strategies. The semi-structured format provides flexibility, enabling interviewers to probe further into responses, clarify points, and explore new topics that may arise during discussions. This method is particularly justified as it facilitates rich, contextual insights that quantitative methods may overlook, thereby enhancing the understanding of complex issues within the banking sector. In addition to interviews, a structured questionnaire was administered to bank staffs to gather quantitative data regarding their awareness and attitudes towards digital banking services. This method enabled the collection of data from a larger sample, enhancing the generalizability of the findings.

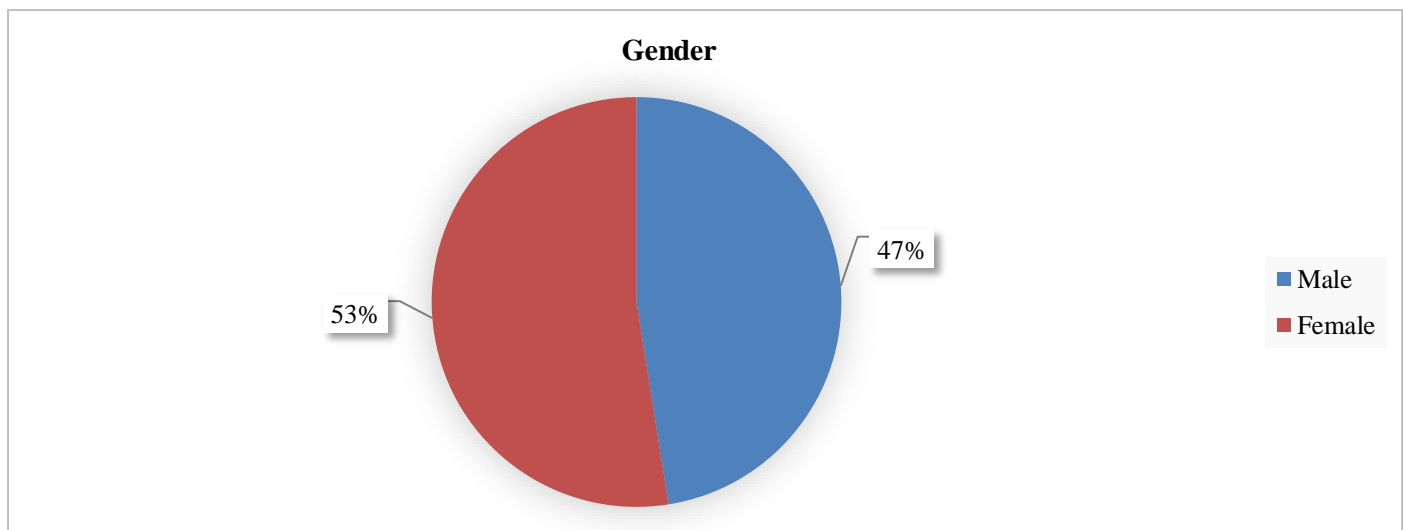
### 3.8 Data Preparation and Analysis

Data collected was prepared and analysed using both qualitative and quantitative techniques. Qualitative findings was analysed using thematic analysis, while quantitative data was analysed using descriptive and inferential statistics. The integration of findings provided a comprehensive understanding of the impact of digital banking on human capital adaptation.

## IV. FINDINGS & DISCUSSION

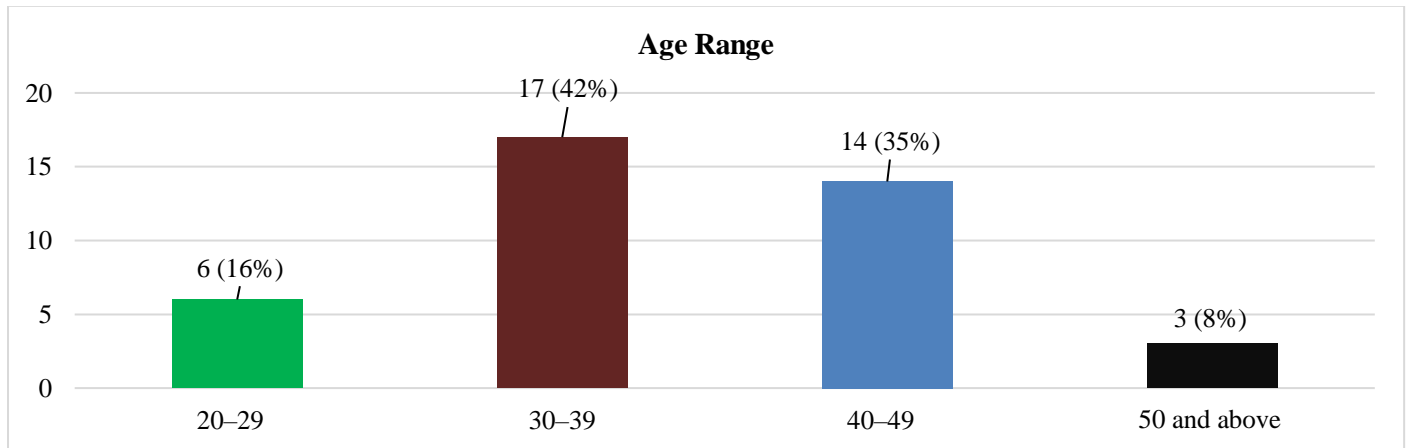
### 4.1 Background Characteristics

A number of background characteristics were considered in this study. Figure 1 below shows the percent distributions of how many respondents responded and the gender.



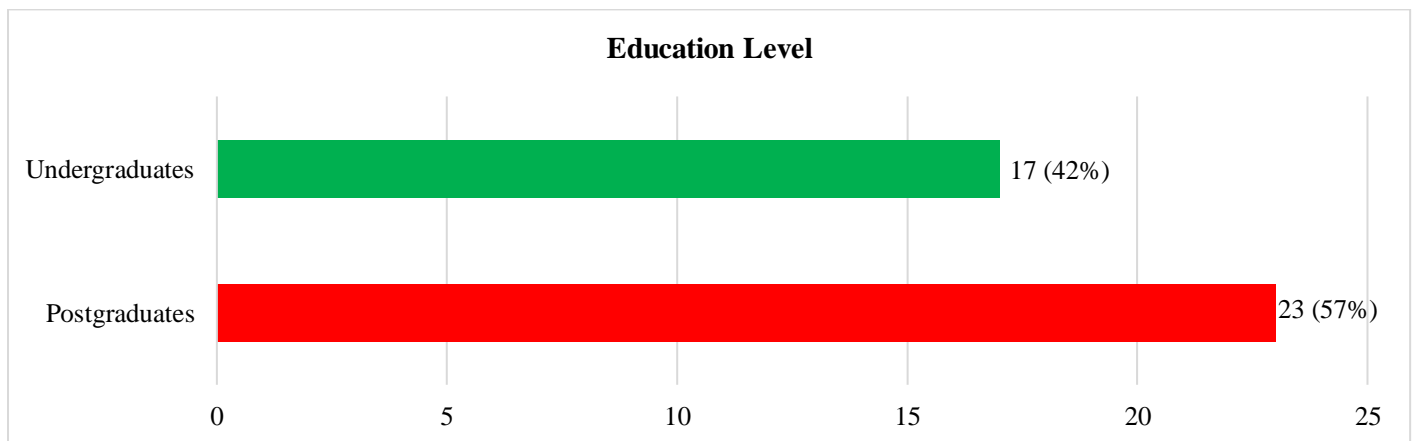
**Figure 1**  
*Gender Percentage Representation*

The results show the most respondent were females (53%; n=21), the least was males (47%; n=19). Figure 2 below shows the percentage age range of the respondents and the frequency distribution of how many responded.



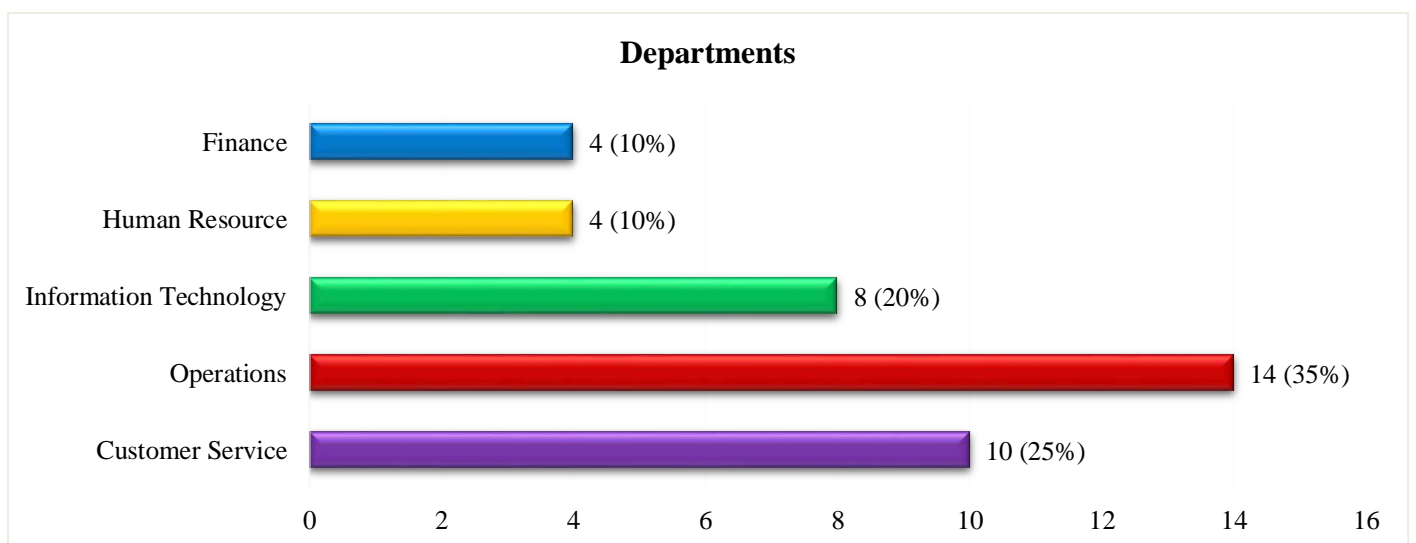
**Figure 2**  
*Age Range*

Results indicate the most respondents are in the age range of 30-39 (42%; n=17), followed by 40-49 (35%; n=14) and the least is 50 and above (8%; n=3). The chart below shows the educational background of the respondents.



**Figure 3**  
*Education Level*

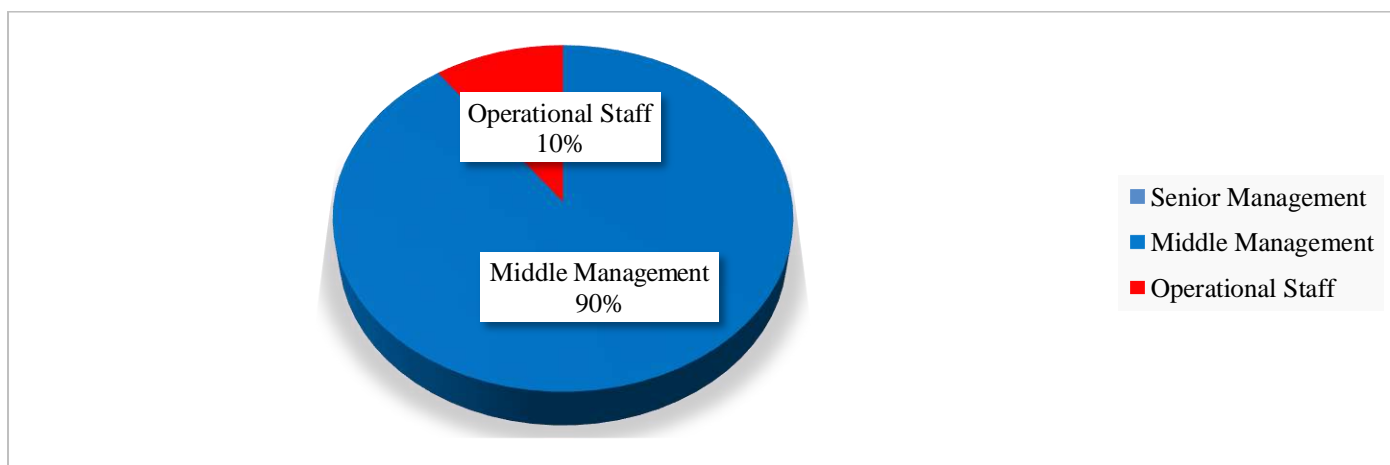
The above figure shows the education level of the respondents with the highest being Postgraduate (57%; n=23) and the least is undergraduate (43%; n=17). The figure below shows the Departments in which respondents work.



**Figure 4**  
*Departments*

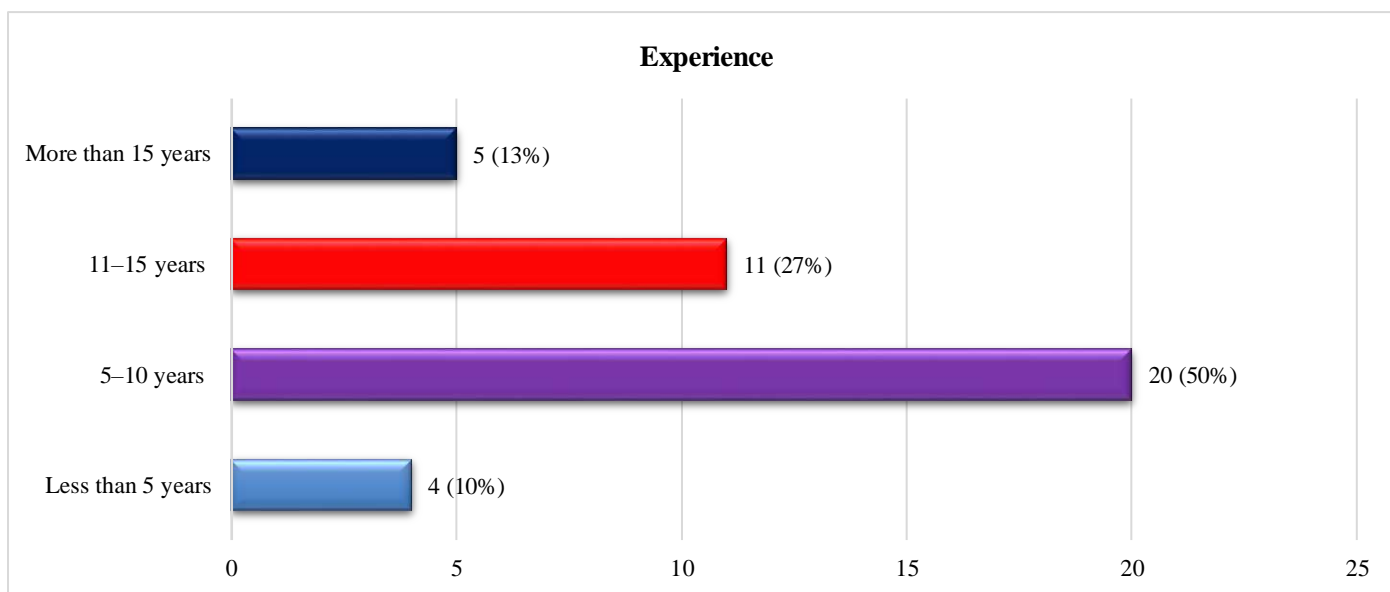
Results above indicate the departments with most respondents. The most department responded were Operations (35%; n=14), the second highest is customer service (25%; n=10) and the least is Information Technology (20%; n=8).

The figure below shows the Positions in the Bank



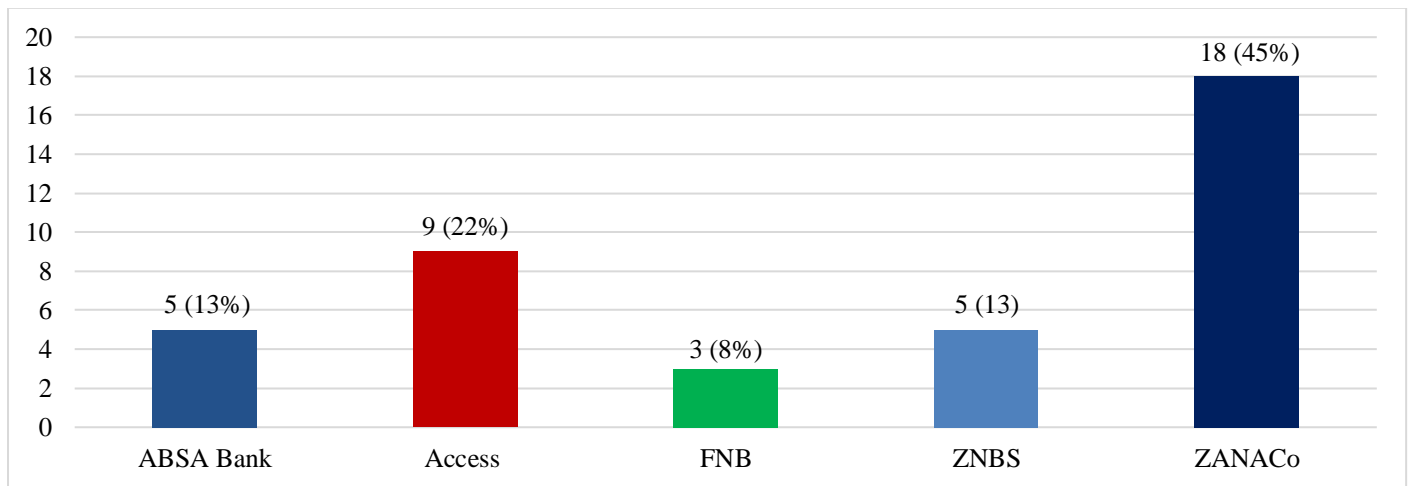
**Figure 5**  
*Positions in the bank*

The results show the Positions in the banks the responds hold. The most position is the Middle Management (90%; n=36) and the least is Operational Staff (10%; n=4). No respondent was in the Senior Management.



**Figure 6**  
*Experience*

The results above show the most respondents had 5-10 years (50%; n=20) of experience, followed by 11-15 years (27%; n=11) and the least is less than 5 years (10%; n=4). Below is a figure of Banks the respondents work from.



**Figure 7**  
*Banks Names*

Results show that the most respondents are from Zanaco (45%; n=18), the second highest is Access Bank (22%; n=9) and the least is FNB (8%; n=3).

**4.1.1 To assess the extent of workforce restructuring in Zambian commercial banks between 2020 and 2025.**

The first objective of this study was to establish the extent of workforce restructuring in Zambian commercial banks between 2020 and 2025. Table 1 below shows the results for this objective.

**Table 1**  
*Extent of Workforce Restructuring*

\$ Workforce Restructuring		Responses		Percent of Cases
		N	Percent	
Workforce Restructuring	9(a). Traditional banking roles such as tellers have decreased in my bank over the past five years.	8	18.6%	36.4%
	9(b). Digital transformation has led to the creation of new technology-related roles in the bank.	12	27.9%	54.5%
	9(c). Workforce restructuring has significantly changed the staffing structure of the bank.	10	23.3%	45.5%
	9(d). The demand for employees with digital and technological skills has increased.	5	15.1%	29.5%
	9(e). Automation and digital banking systems have reduced the need for certain traditional banking positions.	5	15.1%	29.5%
<b>Total</b>		<b>40</b>	<b>100.0%</b>	<b>195.5%</b>

The above table show the results of workforce restricting. The highest workforce restructuring is Digital transformation (27.9%; n=12), the second highest is Staffing Structure (23.3%; n=10) and the least is Employees Technological skills (15.1%; n=5) and Reduction of Certain Traditional Banking Operations (15.1%; n=5). Table 2 below shows the extent of the workforce restructuring.

**Table 2**  
*Workforce Restructuring*

		9(a). Decrease of Traditional Banking	9(b). Digital lead to Creation of Technology	9(c). Workforce Significantly changed stuff structure	9(d). Demand for Employees with digital skills	9(e). Reduction of Traditional Banking Due to Digital
N	Valid	40	40	40	40	40
	Missing	17	17	17	17	17
Mean		3.13	3.95	3.85	3.18	3.95
Median		3.00	4.00	4.00	3.00	4.00
Mode		3	4	4	3	4
Std. Deviation		1.381	.904	.921	1.059	.749



The results indicate a moderate to high agreement that digital transformation is driving workforce restructuring, particularly through the creation of technology-related roles (Mean = 3.95) and reduction of traditional banking functions (Mean = 3.95). There is also strong consensus that staff structures have significantly changed (Mean = 3.85). However, perceptions of the decline in traditional roles (Mean = 3.13) and demand for digital skills (Mean = 3.18) are less pronounced and more varied. Overall, this suggests that restructuring is occurring, but its impact is uneven and still evolving across the sector.

**4.1.2 To examine the HRM practices adopted to manage workforce transitions**

**Table 3**  
*HRM Practices*

		Statistics				
		10(a) Traditional banking roles such as tellers have decreased in my bank over the past five years.	10(b) Digital transformation has led to the creation of new technology-related roles in the bank.	10(c) Workforce restructuring has significantly changed the staffing structure of the bank.	10(d) The demand for employees with digital and technological skills has increased.	10(e) Automation and digital banking systems have reduced the need for certain traditional banking positions.
N	Valid	40	40	40	40	40
	Missing	2	2	2	2	2
Mean		3.13	3.95	3.85	3.18	3.95
Median		3.00	4.00	4.00	3.00	4.00
Mode		3	4	4	3	4
Std. Deviation		1.381	.904	.921	1.059	.749

The results show strong agreement that digital transformation has led to the creation of new technology roles and reduced reliance on traditional banking positions (Means = 3.95). There is also clear agreement that workforce restructuring has significantly changed staff structures (Mean = 3.85). However, perceptions of the decline in traditional roles (Mean = 3.13) and increase in demand for digital skills (Mean = 3.18) are more moderate and varied. Overall, this suggests that while digital transformation is evident, its impact on workforce changes is gradual and uneven across banks.

**Table 4**  
*One-Sample Test for Influence of Digital Internet Adoption on HR Capital*

One-Sample Test						
Test Value = 0						
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Influence1	33.995	39	.000	3.699	3.48	3.92

The table above show the one-sample test. Results show the T-Value of 33.995 hence, it is not statistically different. While the P-Value is 0.000 less than 0.05, thus, the results are statistically significant as the P-values are less than 0.05. Hence, digital banking has an influence on the Human Capital adoption.

**4.1.3 To evaluate the level of digital banking adoption and its effect on workforce composition.**

The third objective of this study focused on evaluating the level of digital banking and mobile money adoption and its effect on workforce composition.



**Table 5**  
*Overall Results of Digital Banking Adoption for all variables*

Statistics		11(a). Increase in Digital Banking	11(b). Digital Banking has reduced customer visits to banks	11(c). Improved service delivery due to digital banking	11(d). Influenced skills required for banking	11(e). Change of overall workforce
N	Valid	40	39	40	39	38
	Missing	17	18	17	18	19
Mean		3.80	4.69	4.18	4.51	3.13
Median		4.00	5.00	4.00	5.00	3.00
Mode		4	5	4	5	3
Std. Deviation		.911	.731	.844	.942	1.070

The findings indicate strong agreement that digital banking has reduced customer visits to physical branches (Mean = 4.69) and influenced the skills required for banking employees (Mean = 4.51). There is also high agreement that digital banking has improved service delivery (Mean = 4.18) and increased overall adoption (Mean = 3.80). However, the impact on overall workforce change is moderate (Mean = 3.13) with higher variability, indicating mixed views. Overall, digital transformation is evident, but its full effect on workforce structure is still developing.

**Table 6**  
*Shows Overall Results of the digital banking adoption*

Statistics		Strategies
N	Valid	40
	Missing	17
Mean		4.07
Median		4.20
Mode		4
Std. Deviation		.487

The results show the overall responses of digital banking adoption with the overall mean of 4 (Agreed), Median 4 (Agreed) and Mode 4 (Agreed).

## 4.2 Discussion

### 4.2.1 To assess the extent of workforce restructuring in Zambian commercial banks between 2020 and 2025

**Creation of New Technology-Related Roles:** According to the results, they show that due to the coming in of digital internet, there has been a creation of new technology-related roles. Results indicate a large proportion (27.9%) of strongly agree to the creation of new technology related roles in the banks. In other words, digital internet banking has led to the surging of the use of technological roles. These results align with the results found by Makumba and Phiri (2023). They state that roles such as data analysts, digital marketing specialists, and cybersecurity experts are gaining prominence as banks invest in technology to improve their service delivery and safeguard customer information.

**Workforce significantly changed staff structure:** Not only that, research found out that due to the coming in of digital internet, the workforce has significantly changed the staff structure. Results indicate a significant proportion (23.3%) who agree that there has been a significant restructuring of staff workforce. This is in line with Mweemba and Kalusa (2026), that Zambian banks are beginning to downsize traditional roles associated with face-to-face customer service and manual processing. Simultaneously, they are creating new positions that prioritize digital competencies, reflecting the changing landscape of the banking sector.

**Decrease of Traditional Banking:** Apart from that, results show that, there has been a decrease of some traditional banking. Traditional banking roles such as tellers have decreased in banks over the past five years. A very good example is the Standard Chartered Bank. Before selling off Wealth and Retail Banking (WRB) portfolio/business that included Customer accounts and deposits, Loans and wealth assets, Branches, ATMs, and staff, the bank had completely transitioned to internet banking which required no physical contact. Thus, it completely ruled off the tellers. In contrast, Uddin et al., (2022), states that, smaller banks may face challenges in adapting to these changes, which can lead to more significant layoffs and the emergence of a less skilled workforce. This disparity raises important concerns regarding the future of employment within the banking sector, particularly in regions that heavily rely on traditional banking jobs.

Demand for Employees with Digital and Technological Skills: Furthermore, the research found out that most of the banks seek or demand to employee people who have acquired some digital and technological skills. They also demand that the staffs who have no digital skills should find time to acquire such skills to remain relevant. Employers also provide workshops to enhance their staffs with the trading technology. This research is in line with the study done Mwangi et al. (2025), who argue that banks that prioritize employee well-being, provide opportunities for reskilling, and foster an inclusive culture are more likely to retain talent and maintain a positive organizational atmosphere during periods of transition. By addressing the emotional and professional needs of employees, banks can cultivate resilience and adaptability within their workforce.

#### 4.2.2 HRM practices adopted to manage workforce transitions

Reskilling and Upskilling Practices: The research has worked on finding out the practices that have been adopted to manage workforce transitions. One of the practices that has been adopted is the reskilling and upskilling practice. This involves the retraining of the staffs on the new technology in order to help them use the technology efficiently. Results show a mean of 3.18 as an increase to a digital skills training. This means that a moderate number of the respondents agree to digital skills. The research aligns with the research done by Mohiuddin (2025). Their research indicates that banks prioritizing reskilling initiatives and talent redeployment are better positioned to adapt to changing market conditions and technological advancements. This proactive approach not only enhances operational efficiency but also fosters a culture of adaptability within organizations, ensuring long-term sustainability.

Talent Redeployment: Not only that, the other HR practice done by the banks is Talent Redeployment. Talent redeployment is a human resource strategy where an organization reassigns employees to new roles, departments, or functions within the same organization instead of hiring new staff or laying off existing employees. A mean of 3.85 indicate the average number of respondents. Indicating the average number of agreements by the respondents to banks using talent redeployment as a HR practice. Research by Uddin et al. (2022) highlights the importance of proactive talent management in facilitating workforce transitions. This includes identifying employees' strengths and potential career paths within the organization. Banks that effectively communicate these opportunities and provide robust support for redeployment are more likely to retain valuable talent and minimize disruptions during restructuring processes. As banks undergo digital transformation, they must identify opportunities to redeploy employees into new positions that align with their skills and career aspirations.

Innovative Employee Support Initiatives: Research show that there has been another HR practice which involves the innovation of employee support initiative. This involves the modern, creative, and often technology-driven programs implemented by organizations to enhance employee well-being, productivity, and adaptability especially in rapidly changing work environments. According to Mwangi et al. (2025), they have discovered that some commercial banks have introduced innovative employee support initiatives that address both the emotional and practical aspects of workforce restructuring. Such programs demonstrate a commitment to employee well-being and can significantly enhance organizational loyalty during times of change.

#### 4.2.3 Level of digital banking adoption and its effect on workforce composition.

Reduced Customer Physical Visits: The results indicate strong agreement that digital banking has reduced customer visits to physical branches (Mean = 4.69). This implies that most of the banks have accepted technology and have implemented it into their workspace, hence, reducing customer physical visits to the bank as they are served right in their comfort zone. Masumbuko and Phiri (2024) stipulates the same, that numerous studies have illustrated that as banks increasingly embrace digital technologies, there is a corresponding shift in workforce composition. This shift is characterized by a notable reduction in traditional roles such as tellers and customer service representatives and an increase in positions that are digitally focused, including roles in data analysis, cybersecurity, and IT support.

Influenced the Skills Required: Not only that, research found out that, there digital banking adoption has influenced the skills required for banking employees (Mean = 4.51). In other words, the increase in technology and its adoption, has escalated the need for quality skillset for the employees. This aligns with studies done by Makumba and Phiri (2023), who stated that, similar trends have been observed, with banks increasingly reporting a need to reassess their staffing models in response to digital advancements. As traditional roles diminish, banks must proactively identify the skills required for emerging positions and invest in training and development initiatives to bridge the skills gap. Research by Uddin et al. (2022) highlights that banks with robust mobile money services tend to experience more significant shifts in workforce dynamics, as these services require specialized skills and knowledge. Improved Service Delivery: In addition, the study found out that, there is also high agreement that digital banking has improved service delivery (Mean = 4.18). In other words, digital internet banking adoption has led to an improvement in the provision of the service to the customers. A similar study by Ndonji and Haabazoka (2024) argue that the ability to adapt to digital advancements while ensuring that employees are equipped with the necessary skills will be crucial for banks aiming to thrive in an increasingly digital world. Ultimately, a strategic approach to HRM that prioritizes reskilling, talent

acquisition, and workforce alignment will enable banks to harness the full potential of digital banking and mobile money services.

## V. CONCLUSION & RECOMMENDATIONS

### 5.1 Conclusion

According to the study that was done, it was determined that workforce restructuring in Zambian commercial banks between 2020 and 2025 has significantly adopted digital banking. It has been discovered that the uprise in technology-related roles has enabled the emergence of roles such as data analysts and cybersecurity experts, which has moved to digitally oriented manpower. Consequently, there has been a reduction in traditional banking roles, which has reduced reliance on manual and face-to-face services. This transformation demonstrates that banks are transitioning from conventional operational models to technology-driven systems. Not only that, the study found out that workforce restructuring has substantially altered staff structures within banks. Due to the reduced traditional roles and the increase of digital positions, there has been a reconfiguration of organizational hierarchies. While some banks have successfully adapted to these changes, others, particularly smaller institutions, face challenges in managing workforce transitions. This suggests that restructuring is not uniform across the sector but varies depending on institutional capacity and strategy.

It was also established that the demand for digital and technological skills has increased immensely. Thus, the employees are required to acquire competencies in digital and technological skills to remain relevant in the banking environment. Therefore, the banks have recommended skills development through workshops highlighting the potency of human capital adaptability.

Last but not least, the research sums up that digital banking adoption has ultimately influenced workforce composition by reducing customer visits, demand for specialized skills, and improved service delivery. Although the impact on overall workforce size remains moderate, the structural changes are evident. At most, workforce restructuring in the banking sector is steady and transformational, requiring human resource management and strategic alignment between digital transformations.

### 5.2 Recommendations

The study recommends the enhancement of digital skills. This implies that banks should invest more in continuous digital training programs to equip employees with relevant technological skills that will equip them with the current technology. This will enable the workforce adaptability and improve operational efficiency. The emphasis should be placed on practical, role-specific digital competencies. The study also recommends strengthening reskilling and upskilling initiatives. This means that organizations should formalize structured reskilling programs to support employees transitioning from traditional to digital roles. This move will reduce resistance to change and minimize job displacement. The study also recommends regular evaluation of training's effectiveness.

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