



The effect of digital transformation strategy on job satisfaction in Algerian commercial banks: a case study of commercial banks agencies in Laghouat.

Dahbi Assia^{*(1)}

a.dahbi@lagh-univ.dz

*Amar telidji university of Laghouat,
Economics and Management Sciences
lab (Algeria)*

Bouhali Mohamed⁽²⁾

m.bouhali@lagh-univ.dz

*Amar telidji university of Laghouat,
Economic development studies lab
(Algeria)*

Received:25/01/2024

Accepted :21/05/2024

Abstract :

The primary objective of this study is to investigate the effect of a digital transformation strategy on job satisfaction. Based on this premise, a field of research was undertaken on a cohort of banks agencies employees located in Laghouat. The study utilized a sample size of 53 persons selected from various commercial banks agencies. Data collection was conducted through the implementation of a questionnaire design. The questionnaire consisted of three distinct parts: the first part focused on gathering personal data, the second part explored the digital transformation strategy employed by the banks agencies, and the third part assessed

** a.dahbi@lagh-univ.dz*

the level of job satisfaction among participants. In this study, the statistical software SPSS (26) was employed to conduct several analyses, including reliability testing, Pearson correlation analysis, analysis of variance, and linear multiple regression. The obtained results highlight that the digital transformation strategy exhibits a positive and insignificant effect on job satisfaction.

Keywords: Digital transformation strategy; job satisfaction.

1. INTRODUCTION

Nowadays, digital transformation is considered one of the most prominent challenges that encounter companies. The latter are obliged to adopt the digital transformation in order to maintain and keep its market to improve its performance and to maximize its value. The adoption of digital transformation needs to set up a set of strategies that can help to move smoothly to a new age of digitalization successfully and to avoid the change resistance, which may face from its stakeholders. Furthermore, a successful digital transformation begins with a well-defined strategy that priorities initiatives, sets objectives and identifies the criteria for success, digital transformation should start with a detailed assessment of organization's current business.

The Algerian banking sector is one of the most concerned sectors in the Algerian economy by the digital transformation and it must prepare the suitable strategies to adopt and succeed in its transformation to a new age of digitalization. the implementation of new digital technologies brings many changes and reflections on the bank in general, particularly on its culture, systems, processes and organizational structure. in addition to the great impact on bank's staff in multi-dimensions.

1.1. Study problematic:

From the foregoing explanation, the following problem can be raised: **Is there an effect of digital transformation strategy on job satisfaction in Algerian commercial banks agencies in Laghouat?**

We can divide the above question into the following sub-questions:

- Is there an effect of Scope of Digital transformation Strategy on job satisfaction in commercial banks agencies in Laghouat?
- Is there an effect of scale of Digital transformation Strategy on job satisfaction in commercial banks agencies in Laghouat?
- Is there an effect of Speed of Digital transformation Strategy on job satisfaction in commercial banks agencies in Laghouat?
- Is there an effect of value creation of Digital transformation Strategy on job satisfaction in commercial banks agencies in Laghouat?

1.2. Study hypothesis:

In order to answer the above questions, we are going to test the following hypotheses:

- The First main hypothesis: **There is an effect of digital transformation strategy on job satisfaction in Algerian commercial banks agencies in Laghouat.**

- The sub hypotheses:

H1: There is a significant effect of Scope of Digital transformation Strategy on job satisfaction in commercial banks agencies in Laghouat;

H1: There is a significant effect of scale of Digital transformation Strategy on job

satisfaction in commercial banks agencies in Laghouat;

H1: There is a significant effect of speed of Digital transformation Strategy on job satisfaction in commercial banks agencies in Laghouat;

H1: There is a significant effect of value creation of Digital Business Strategy on job satisfaction in commercial banks agencies in Laghouat.

1.3. Objectives of the study

The digital transformation provides several opportunities to the banking sector, however it might pose a set of challenges, for this reason our study main objective is to explore the impact of digital transformation on job satisfaction in the commercial banks agencies in Laghouat.

2. Theoretical and conceptual framework

2.1. Definition of Digital Transformation strategy

To begin with, the notion of digital transformation is a contemporary concept within the field of economics, having emerged in response to the technological revolution that swept across the early twenty-first century.

According to (Honglan, Margaret, & Trevor, 2022), There are two forms of digital transformation based on its application: operational digital transformation and strategic digital transformation. The former focuses on utilizing processes and systems to achieve operational excellence, while the latter emphasizes transforming businesses and implementing significant changes to accomplish goals such as value creation, organizational culture, process and system modifications, collaborative approaches, business models, and more.

Alternatively stated, Digital transformation strategies adopt an alternative viewpoint and strive to achieve distinct objectives." These strategies, originating from a business-centric standpoint, center on the organizational, product, and process modifications brought about by new technologies. (Susanne, et al., 2022).

Based on the previous definitions we can say that the concept of digital transformation strategy may be characterized as a comprehensive alteration that impacts the organizational structure of a firm (such as new strategic perspectives or business models, revised customer interactions, etc.)

2.2. Digital transformation Strategy dimensions:

According to (Bharadwaj, El Sawy, & Pavlou, 2013) digital transformation strategy has four key dimensions, they are :

2.2.1. Scope of Digital transformation Strategy

The scope of digital transformation strategy focuses on the boundaries of digital transformation strategy, in addition to the best way to characterize its scope. A well-defined scope of digital transformation strategy helps to conceive its relationship to companies, industries, information technology infrastructures, environment, and how digital transformation strategy can be more effective.

2.2.2. Scale of Digital transformation Strategy

Scale raises benefits of lower unit cost of products and helps to enhance profitability. When infrastructure becomes digital, we need to concentrate on scale from two sides physical and digital one.

2.2.3. Speed of Digital transformation Strategy

Time plays an important role in the life of any company, simply because it exists in an uncertain environment. Any company should take into account, Speed of Product Launches, Speed of Decision Making, The Speed of Supply Chain Orchestration, Speed of Network Formation and Adaptation.

2.2.4. Value creation

Digital transformation strategy brings an additional dimensions that enhance the value creation of the company, it also brings new opportunities in order to maximize the value creation.

2.3. Job satisfaction

The concept of job satisfaction has been defined in different ways, some of them are:

“Job satisfaction can be defined as a sense of employee achievements and successes. It is generally believed that it is directly related to productivity and work performance, as well as to personal well-being. Job satisfaction means doing the work one likes, doing it well and being rewarded for own efforts”. (Dziuba, Ingaldi, & Zhuravskaya, 2020).

Job satisfaction pertains to the attitudes and feelings that individuals have towards their work. Job satisfaction is indicated by individuals having positive and favourable attitudes towards their occupation. Job dissatisfaction is apparent due to negative and unfavourable views towards one's employment. (Brikend, 2011)

a job satisfaction refers to the level of contentment an individual experiences in relation to their employment. The word is relatively new as in previous centuries, an individual's work opportunities were typically predetermined by their parent's occupation. Several factors can impact an individual's job satisfaction, such as the level of compensation and benefits, the perceived fairness of the company's promotion system, the quality of working conditions, leadership and social relationships, and the nature of the job itself (including task variety, interest and challenge, and clarity of job description/requirements). (Venkata, Sagar, & Bala, 2017)

As suggested by the preceding definitions, job satisfaction pertains to an employee's emotional state of contentment and fulfillment regarding their occupation. It is a multifaceted phenomenon that is subject to the influence of numerous elements.

2.3.1. Ways to Enhance Job Satisfaction:

In order to improve job satisfaction, we must take into account the below factors:

a) Working Environment:

Work and context are the two overarching components of the workplace. Work encompasses all the various aspects of a job, such as the manner in which the job is performed and finished, the tasks involved, training, the degree to which one is able to direct their own work, the variety of duties, the intrinsic worth of each activity, and the sense of accomplishment one derives from their work. The meaning and significance of work itself has been the subject of a great deal of academic literature. An individual's level of intrinsic job satisfaction is positively correlated with their work environment. (Naga & Satyavathi, Employee Job Satisfaction, 2017)

b) Wages:

Wages is the paramount determinant of job satisfaction. While higher salaries can contribute to increased job satisfaction, it does not guarantee complete pleasure for all employees. Research indicates that in certain instances, the level of job satisfaction derived from compensation is much lower compared to the satisfaction derived from job security and prospects for career progression among highly educated individuals. (Mishra, 2013)

c) Top management leadership

Top management is a collective term for the group of individuals who hold the highest positions and are responsible for overseeing and directing the operations of an organization. Top management leadership is perceived as a social process of communication between the leader and their followers. Leaders typically exert influence over an organization's goals through activities such as implementing change, fostering innovation, promoting involvement, and providing motivation. (Choon hee, Chong, Tan, Goh, & Lim, 2020)

d) Appreciation, Reward and Recognition:

Management's praise of workers' work and personal attention has been shown to be a very effective way to boost their morale and drive. A small, casual party once a year is much more successful than a big, formal event once a year. Giving top workers gifts and services is another creative way to reward them, and some people think it's more valuable than cash. (Rane, 2011)

3. RESULTS AND DISCUSSION:

3.2. Data collection Method

The study tool is a three-part questionnaire designed by the researchers. The first part consists of four questions containing demographic information about employees. The second part consists of 22 questions about the dimensions of digital transformation strategy. The third part consists of 24 questions about job satisfaction, which are used to analyse hypotheses in this study. The questionnaire is based on the closed-category questions because it is simpler and quicker for respondents to answer. Besides, the answer to question is also easier to code and to analyse. Next, to be more standardized, the questionnaire has used the five-point Likert scale, one point of "Strongly disagrees", two points for "Disagree", three points for "Undecided", four points for "Agree", and five points for "Strongly agree".

3.3. Sample

Data were collected from a random sample of 52 employees from four Algerian commercial banks (BDL, BNA, BEA, BADR) agencies in Laghouat.

3.4. Respondent's Description

Respondents who have filled out the questionnaire will be identified based on gender, age, latest education, experience.

Table 01 : Study population's characteristics

Study Population	N	Percentage
Gender		
Male	27	51.9
Female	25	48.1
Total	52	100
Age		
< 25	0	0
26-40	32	61.5
>40	20	38.5
Total	52	100
Education		
Bachelor	5	9.6
University	37	71.2
Higher Studies	10	19.2
Total	52	100
Experience		
<5	7	13.5
6-10	16	30.8
>10	29	55.8
Total	52	100

Source: Prepared by the researchers based on SPSS's result

Table 1 above shows that of the 52 respondents studied, 27 respondents were male or 51.9% and 25 female respondents or 48.1%, it can be concluded that the majority of respondents were male. it also shows that the age of the respondents < 25 years is 0 which means this age doesn't existe in our study sample ,ages 21-30 years 61.5% are 32 respondents, age >40 years 38.5% as much as 20 respondents from a total of

52 respondents. It can be concluded that the majority of employees of public banks is 26-40 years old. The respondents with the latest education at the Bachelor level were 9.6% as many as 5 people, the University level 71.2% were 37 persons, while the respondents with Higher Studies (PhD , M.A.) were 19.2 % as many as 10 people. Based on table, it shows that the Experience of the respondents <5 years 13.5% is 7 respondents, 6-10 years 30.8 % are 16 respondents, >10 years 55,8% are 29 respondents.

3.5. Reliability test

Cronbach's alpha reliability (Cronbach, 1951) is one of the most widely used measures of reliability in the social and organizational sciences. Cronbach's alpha reliability describes the reliability of a sum (or average) of q measurements where the q measurements may represent q rates, occasions, alternative forms, or questionnaire/test items. (DOUGLAS & WRIGHT, 2014)

Table 02 : Reliability test

Cronbach's Alpha	N of Items
,951	46

Source: Preparation of the researchers based on the results of the statistical program SPSS 26.

We can see that Cronbach's alpha is **0.951**, which indicates a high level of reliability for our scale with this specific sample .which is an excellent result.

3.6. Determination Coefficient Test

The coefficient of determination, a.k.a. R^2 , is well-defined in linear regression models, and measures the proportion of variation in the dependent variable explained by the predictors included in the model. (Dabao, 2016)

Table 03: Determination Coefficient Test

model	R	R Square	Adjusted square	Std. error of the estimate
1	,552 ^a	,305	,246	,52974

Source: Preparation of the researchers based on the results of the statistical program SPSS 26.

Based on table 03, the determinant coefficient value is 0.305. This means that the independent variables of digital transformation strategy have an influence on job satisfaction by 30.5%. While the remaining 69.5% is influenced by variables not examined in this study.

3.7. The correlation coefficient

A statistic that is often used to measure the strength of a linear association between two variables is the correlation coefficient; a positive correlation between two variables indicates that as one of the variables increases, the other variable also tends to increase. If the correlation coefficient is negative, then as one variable increases, the other variable tends to decrease and vice versa. (Alan & wayne a, 2014)

Table 04: Pearson Correlation for Independent Variables and Dependent Variable

Independent variables	Dependent variable	Correlation
Scope of Digital transformation Strategy	Job satisfaction	0.498
Scale of Digital transformation Strategy	Job satisfaction	0.442
Speed of Digital transformation Strategy	Job satisfaction	0.407
Value creation	Job satisfaction	0.292

Source: Preparation of the researchers based on the results of the statistical program Spss 26.

2.2. Based on table 04, the correlation coefficient between Independent variables and Dependent variable indicates a moderate positive correlation, followed by Scope of Digital transformation Strategy, Scale of Digital transformation Strategy, Speed of Digital transformation Strategy, however the relation between value creation and job satisfaction indicates a weak positive correlation by (0.292) .

2.3. ANOVA^a

Analysis of variance (ANOVA) is statistical tool used to detect differences between experimental group means. ANOVA is based mathematically on linear regression and general linear models that quantify the relationship between the dependent variable and the independent variable(s) . (Sawyer, 2009)

Table 05: The Results of ANOVA Analysis

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	5,782	4	1,445	5,151	,002 ^b
Residual	13,189	47	,281	-	-
Total	18,971	51	-	--	

Source: Preparation of the researchers based on the results of the statistical program Spss 26.

Table 05 shows that (Sig = 0.002), which is less than ($\alpha=0.05$). Thus, the regression model is suitable for measuring the causal relationship between the independent variables (digital transformation strategy) and the dependent variable (job satisfaction), Therefore The first main hypothesis which states that Digital transformation Strategy has a positive and significant effect on job satisfaction is accepted.

2.4. Results of the linear multiple regression

Regression analysis is a statistical technique for estimating the relationship among variables which have reason and result relation. Main focus of univariate regression is analyse the relationship between a dependent variable and one independent variable and formulates the linear relation equation between dependent and independent variable. Regression models with one dependent variable and more than one independent variable are called multilinear regression. (Gulden & Nese, 2013)

Table 06: linear multiple regression

Model	Unstandardized B	Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
(Constant)	1,514	,573	-	2,642	,011
Scope of Digital transformation Strategy	,379	,153	,388	2,481	,017
Scale of Digital transformation Strategy	,206	,165	,219	1,250	,217
Speed of Digital transformation Strategy	,106	,185	,120	,571	,570
value creation	,100	,174	,115	,499	,520

Source: Preparation of the researchers based on the results of the statistical program Spss 26.

- The constant (a) of 1,514 indicates that if the independent variable = 0, then the dependent variable is 1,514.
- The Scope of Digital transformation Strategy coefficient (b) value indicates that if Scope of Digital transformation Strategy value increases, it will increase

job satisfaction by 0.388 with the assumption that other independent variables are constant.

- The Scale of Digital transformation Strategy coefficient (b) value indicates that if Scale of Digital transformation Strategy value increases, it will increase job satisfaction by 0.219 with the assumption that other independent variables are constant.
- The speed of Digital transformation Strategy coefficient (b) value indicates that if speed of Digital transformation Strategy value increases, it will increase job satisfaction by 0.120 with the assumption that other independent variables are constant.
- The coefficient of value creation (b) is 0,115, indicating that if the value creation increases; it will increase job satisfaction with the assumption that other independent variables are constant.

Table 07: the results of hypotheses test

Model	Sig.	Hypotheses
Scope of Digital transformation Strategy	0.017	Table 06 shows that (Sig = 0.017), which is less than ($\alpha=0.05$), So the results of this study indicate that Scope of Digital transformation Strategy has a positive and significant effect on job satisfaction. The first hypothesis (H1) which states that the scope of Digital transformation Strategy has a positive and significant effect on job satisfaction is accepted.
Scale of Digital transformation Strategy	0.217	Table 06 shows that (Sig = 0.217), which is greater than ($\alpha=0.05$), means that it is not significant. So, the first hypothesis (H1) which states that Scale of Digital Business transformation has a positive and significant effect on employee satisfaction is rejected.
Speed of Digital transformation Strategy	0.570	Table 06 shows that (Sig = 0.570), which is larger than ($\alpha =0.05$), means that it is not significant. So, the first hypothesis (H1) which states that speed of Digital transformation Strategy has a positive and significant effect on employee satisfaction is rejected.
Value creation	0.520	Table above shows that (Sig = 0.520), which is greater than ($\alpha =0.05$), means that it is not significant. So, the first hypothesis (H1) which states that value creation of Digital transformation Strategy has a positive and significant effect on employee satisfaction is rejected.

Source: Preparation of the researchers based on the results of the statistical program Spss 26.

3. Conclusion

After discussing and analysing the research data, a number of conclusions were reached:

- The importance of moving the financial system to a digital platform within the context of advancing the digital economy cannot be overstated. Nevertheless, due to the predominant dependence of Algeria's economy on public banks with limited competition, the advancement of digital transformation is happening at a sluggish pace. Hence, the challenge is in achieving optimal levels of both client and employee contentment.
- Based on the field data, the primary issue in Algerian banking appears to be the lack of complete implementation of digitalization by traditional financial service providers. Consequently, banks agencies frequently provide a limited selection of services and face obstacles at both the strategic and operational levels during the process of digital transformation.
- Commercial banks agencies in Laghouat are greatly concerned about the effect of digital transformation on staff roles, particularly due to the prevalent "Role Culture" that is strongly embedded inside their organizations. As a result, banks encounter difficulties in adjusting to significant changes since they are unprepared for and resistant to change.
- Based on the field data, Commercial banks agencies in Laghouat interest in being proactive has been insufficient. Although leading banks prioritize the adoption of new technologies and value strategic thinking and incentivize entrepreneurial individuals, Laghouat commercial banks agencies exhibit a notable deficiency in their capacity to foresee and adapt to prospective environmental shifts.

The study Recommends the following:

1. Commercial banks agencies in Laghouat should improve their infrastructure, internet connectivity, equipment, and related online operations. They should prioritize the maintenance and periodic upkeep of these resources, as well as rectify any shortcomings to boost their overall functionality.
2. Commercial banks in agencies Laghouat should prioritize proactive measures by enhancing global communication links with other banks and specialized financial institutions. This will enable them to acquire the latest advancements and leverage their knowledge in addressing work-related challenges.
3. Promotion and awards have a significant impact on the progress of a performance. It has the potential to inspire employees to excel in digital endeavors.
4. Commercial banks in agencies Laghouat should create a conducive work environment that includes factors such as fair compensation, decision-making power, pleasant colleagues, opportunities for growth, job security, support from superiors, and effective reward systems is crucial for fostering employee job satisfaction and morale.
5. Employees should be offered the chance to partake in training programs for new digital technologies, which can enhance Commercial banks agencies ability to adapt to new technology by improving staff efficiency.

Bibliography

- Alan, E. c., & wayne a, w. (2014). *ibm spss by exemple a partical guide to statistical data analysis* (éd. 2nd edition). United States of America: sage Publications.
- Bharadwaj, A., El Sawy, O. A., & Pavlou, P. A. (2013). DIGITAL BUSINESS STRATEGY: TOWARD A NEXT GENERATION OF INSIGHTS. *MIS Quarterly*, 37(02), 475 476 477.
- Bharadwaj, A., El Sawy, O. A., & Pavlou, P. A. (2013). DIGITAL BUSINESS STRATEGY: TOWARD A NEXT GENERATION OF INSIGHTS. *MIS Quarterly*, 37(02), 475 476 477.
- Bonanomi, M. M. (2019). Digital Transformation of Multidisciplinary Design firms A Systematic Analysis-Based Methodology for Organizational Change Management. In *Digital Transformation of Multidisciplinary Design firms A Systematic Analysis-Based Methodology for Organizational Change Management* (p. 05). Switzerland: Springer Nature Switzerland.
- Brikend, A. (2011). JOB SATISFACTION: A LITERATURE REVIEW. *MANAGEMENT RESEARCH AND PRACTICE*, 78.
- Choon hee, o., Chong, H. S., Tan, O. K., Goh, C. F., & Lim, L. P. (2020). Factors influencing job satisfaction among academic staffs. *International Journal of Evaluation and Research in Education*, 286.
- Dabao, Z. (2016). A Coefficient of Determination for Generalized Linear Models. *The American Statistician*, 1.

- Pathways to Digital Service Innovation: The .(2021) .Böh Markus , Riasanow Tobias ,Setzke Soto David
Information Systems .Role of Digital Transformation Strategies in Established Organizations
.03 ,Frontiers
- DOUGLAS , B. G., & WRIGHT, T. A. (2014). Cronbach's alpha reliability: Interval estimation,hypothesis testing, and sample size planning. *Journal of Organizational Behavior*, 01.
- Douglas, B. G., & Wright, T. A. (2014). Cronbach's alpha reliability: Interval estimation,hypothesis testing, and sample size planning. *Journal of Organizational Behavior*, 01.
- Dziuba, S. T., Ingaldi, M., & Zhuravskaya, M. (2020). EMPLOYEES' JOB SATISFACTION AND THEIR WORK PERFORMANCE AS ELEMENTS INFLUENCING WORK SAFETY. *Safety management – human and syste*, 02.
- Gulden, u. k., & Nese, G. (2013). a study in multiple linear regression analysis. *4th international conference on new horizons in education* (p. 234). sakarya - turkey: elesvier ltd.
- Honglan, y., Margaret, F., & Trevor, B. (2022). Managing digital transformation during re-internationalization:Trajectories and implications for performance. *Journal of International Management*, 28, 03.
- Mansouri, c., & Bezgrari, A. (2022). Digital marketing as a mechanism to pursue the digital transformation:Case study of Sephora. *Economics Financial Banking & Management Journal*, 853.
- Mishra, p. k. (2013). Job Satisfaction. *Journal Of Humanities And Social Science*, 46.
- Naga , B. S., & Satyavathi, R. (2017). Employee Job Satisfaction. *International Journal of Engineering and Management Research*, 86.
- Naga, B. S., & Satyavathi, R. (2017). Employee Job Satisfaction. *International Journal of Engineering and Management Research*, 86.
- Rane, D. B. (2011). Employee Job Satisfaction:An Essence of Organization. *HRM Review*, 11 12.
- Sawyer, S. F. (2009). Analysis of Variance: The Fundamental Concepts. *The Journal of manual & manipulative therapy*, 17(02), 27.
- Susanne, d., Sascha, k., Joao J, F., Pedro, v., Norbert, k., & Alexandra, W. (2022). Digital transformation in business and management research: An overview. *International Journal of Information Management*, 03.
- Susanne, d., Sascha, k., Joao J, F., Pedro, v., Norbert, k., & Alexandra, W. (2022). Digital transformation in business and management research: An overview. *International Journal of Information Management*, 03.
- TÄRNELL, C. (2018). *Implementing Digital Business Strategies A study of the impact and application in the Medical Technology Industry*. STOCKHOLM: KTH ROYAL INSTITUTE OF TECHNOLOGY SCHOOL OF INDUSTRIAL ENGINEERING AND MANAGEMENT.
- Venkata, D. S., Sagar, B., & Bala, C. (2017). EMPLOYEE SATISFACTION. *International Journal of Management and Applied Science*, 52 53.