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## Abstract

Digitalization plays an immensely significant role in the operations of military institutions. The utilization of electronic fund transfers and online banking platforms empowers military personnel to efficiently receive their salaries and allowances, even when stationed in remote and inaccessible locations. This not only contributes to their financial stability but also boosts morale within the ranks. Digitalization plays a critical role in expense management and budgeting. Military institutions can optimize their processes by embracing digital platforms, thereby automating expense tracking, and eliminating manual procedures that are susceptible to errors.

**Keywords-** Digitalization of banking operation, banking platforms empowers military personnel, Automating expense tracking.

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## Introduction

In the ever-evolving realm of modern warfare, military establishments are ceaselessly seeking pioneering solutions to enhance their efficacy and proficiency. Pak, Rovira, McLaughlin, & Baldwin, (2017) sphere that has witnessed notable transformation in recent times is the digitalization of banking operations. As technology continues to advance, military institutions are recognizing the immense potential of digitalization in streamlining financial processes and augmenting overall operational readiness. This shift towards digital banking not only offers convenience and efficiency but also presents unique challenges and intricacies that must be astutely navigated. The digitalization of banking operations brings forth numerous advantages for military organizations.

According to Costa-García, Fonte, and Gago Mariño (2019), it enables the automation of financial transactions, thereby reducing reliance on manual processes and paperwork. By harnessing digital platforms, military personnel can swiftly and securely carry out routine banking tasks, freeing up valuable time and resources for other vital undertakings. This heightened efficiency translates into improved operational readiness, allowing military units to concentrate on their primary mission objectives without being encumbered by administrative

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burdens. Furthermore, digital banking provides military organizations with enhanced accessibility to financial services.

Singleton (2010) explored that soldier stationed in remote or deployed locations faced challenges in accessing banking facilities. This augmented accessibility not only boosts morale but also facilitates the efficient allocation of funds, contributing to the overall readiness of military units. Digitalization in banking operations for military organizations is the improved security and risk management it offers. Additionally, real-time monitoring and advanced analytics enable prompt detection and response to suspicious activities, thereby further fortifying the security posture of military financial operations. Despite these benefits, the digitalization of banking operations for military organizations is not devoid of challenges and issues. As military institutions increasingly rely on digital platforms for their banking needs, they become susceptible to cyber threats and attacks. Consequently, stringent cybersecurity measures, continuous monitoring, and robust defines mechanisms are imperative to safeguard the integrity of military banking systems. Moreover, the transition to digital banking necessitates comprehensive training and education for military personnel. Training programs should focus on familiarizing military personnel with digital banking platforms, promoting best practices for online security, and raising awareness about potential risks and threats.

### Literature Review

According to Vatikiotis (2017) pivotal role played by digitalization in banking operations holds immense significance for military organizations. The seamless integration of digital technology has emerged as a catalyst, revolutionizing, and elevating the efficiency of their financial transactions and processes. By embracing digital solutions, military organizations can optimize their banking operations, rendering them swifter, more impervious, and ultimately, more efficacious. In the fast-paced realm of military endeavors, time assumes paramount importance. The conventional methodologies of banking invariably entailed protracted documentation, manual authentication procedures, and physical conveyance of funds.

These arduous procedures not only devoured precious time but also posed substantial risks to the security of confidential financial data. Military organizations now wield the ability to expedite their banking operations with celerity and utmost security, ensuring that vital funds are accessible precisely when and where they are most needed. Digitalization has further metamorphosed the efficiency of financial transactions for military organizations.

According to Lim, Woods, Humphrey, and Seow (2017) digital banking platforms, military personnel can effortlessly undertake an extensive array of tasks, including initiating payments, scrutinizing account balances, and executing fund transfers, all at the mere click of a button. This unparalleled convenience obviates the necessity for physical visits to banks or protracted correspondence, thereby empowering military personnel to channel their time and energy into

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more exigent matters. The accessibility of digital banking tools also empowers military organizations to vigilantly monitor their financial activities in real-time, endowing them with instantaneous insights into their fiscal standing and facilitating prompt decision-making.

Smith, (2016), digitalization bestows augmented security measures to safeguard military organizations' financial assets and sensitive information. Sophisticated encryption technologies, multi-factor authentication, and impregnable networks fortify financial transactions, effectively deterring unauthorized access and potential cyber threats. By wholeheartedly embracing digital banking solutions, military organizations can effectively mitigate the perils of fraud, ensure data privacy, and uphold the integrity of their financial systems. Beyond the realm of efficiency gains, digitalization in banking operations unfurls unprecedented opportunities for military organizations to harness the power of data analytics and artificial intelligence.

By harnessing the potential of these cutting-edge technologies, military organizations can glean invaluable insights into their financial patterns, optimize resource allocation, and make informed strategic decisions. This data-driven approach propels the overall financial management capabilities of military organizations, enabling them to allocate resources more astutely and efficiently. Behuria, (2016) embracing digital banking, military personnel now possess the convenience and flexibility to effortlessly access their accounts and conduct transactions anytime and anywhere, granting them unparalleled ease and adaptability.

According to Dartey-Baah and Ampofo (2015), military personnel often faced complications in managing their financial matters due to their demanding and mobile lifestyle. Traditional banking services heavily reliant on physical branches and limited operating hours presented significant obstacles for military members who were frequently deployed or stationed in remote regions. This predicament hindered their ability to access their accounts, perform necessary transactions, and fulfil their financial obligations.

Verweijen, (2013) with the emergence of digital banking, these barriers have been successfully overcome. Military personnel can now harness the power of digital platforms provided by financial institutions to effortlessly handle their financial affairs. Whether on active duty or stationed in a different part of the world, digital banking empowers them to access their accounts with just a few clicks on their computers or mobile devices. This newfound accessibility empowers military personnel to check their balances, review transaction histories, settle bills, transfer funds, and even apply for loans or credit cards, all from the comfort of their own homes or while on the move. Furthermore, digital banking offers a comprehensive range of features and services designed specifically to cater to the unique requirements of military personnel. For instance, it provides tools for budgeting and expense tracking, assisting military members in effectively managing their finances, even during periods of deployment or relocation. Additionally, digital platforms often incorporate advanced security measures to safeguard

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sensitive financial information, granting military personnel peace of mind while engaging in online transactions.

It also enables military organizations to streamline their financial processes, thereby reducing administrative burdens and freeing up valuable resources. With digital transactions replacing traditional paper-based methods, the need for physical paperwork, manual approvals, and lengthy processing times is significantly diminished. This not only enhances efficiency but also minimizes the potential for errors or delays in financial transactions. Incorporating digital banking platforms has revolutionized financial transactions within military organizations, ushering in a contemporary and streamlined approach. The adoption of digital systems facilitates seamless and expeditious processing of payments, transfers, and other financial activities. These platforms are meticulously crafted to capture and document each transaction, generating an audit trail that serves as a comprehensive record of all fiscal undertakings conducted within the military establishment. One of the paramount advantages of maintaining such an audit trail lies in its ability to ensure adherence to the rigorous financial regulations governing military operations.

Compliance holds utmost significance in military organizations, where transparency and accountability are of utmost concern. The audit trail functions as a potent tool, enabling verification and validation of financial transactions, thus offering a lucid perspective on the flow of funds within the organization. This empowers military authorities to diligently monitor and scrutinize financial activities, guaranteeing compliance with established regulations and mitigating the risk of fraudulent or unauthorized transactions.

According to Chesnais (2016), the audit trail serves as a robust mechanism for fortifying accountability throughout military organizations. By furnishing an intricate account of financial transactions, it becomes increasingly facile to trace the origins and destinations of funds. This unparalleled transparency fosters a culture of responsibility among personnel involved in fiscal operations. Any discrepancies or irregularities can be promptly identified and rectified, effectively discouraging potential misconduct and cultivating a heightened level of accountability within the organization.

The digitization of banking operations and the establishment of a comprehensive audit trail also yield benefits beyond mere compliance and accountability. The availability of exhaustive financial data empowers military organizations to embark on enhanced analysis and decision-making endeavors. Armed with these capabilities, military authorities can leverage the data to gain invaluable insights into spending patterns, discern cost-saving opportunities, and optimize resource allocation. Informed financial decisions can be made, aligning harmoniously with the strategic objectives of the military organization. One vital aspect to consider is disaster recovery, which encompasses the mechanisms put in place to safeguard and restore critical financial data in times of emergencies.

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In military organizations, digital banking systems play a pivotal role in facilitating smooth financial operations. These systems incorporate robust backup and disaster recovery mechanisms that are specifically designed to withstand potential disasters and security breaches. By harnessing advanced technologies and encryption protocols, the military can effectively protect their financial data and restore it efficiently whenever necessary. The digitization of banking operations empowers military organizations to minimize the impact of such incidents. By implementing resilient disaster recovery mechanisms, these organizations ensure the preservation of critical financial data, thereby upholding the continuity of their operations. The backup and disaster recovery mechanisms integrated into digital banking systems act as a safety net for military organizations. These mechanisms involve regular data backups and secure storage systems that enable the swift restoration of financial data in emergency situations. By maintaining redundant copies of critical data stored in multiple locations, military organizations can mitigate the risks associated with data loss and swiftly resume their financial operations.

Furthermore, the digitization of banking operations bestows military organizations with the advantage of real-time monitoring and immediate response capabilities. This unprecedented technological progress has paved the way for an amplified synergy between military institutions and banking establishments, culminating in streamlined financial alliances and bespoke services that cater specifically to the distinctive requirements of the armed forces.

The advent of digitalization has brought about a revolution in how military organizations handle their fiscal affairs. One of the paramount advantages of digitalization in military banking operations is the facilitation of efficient financial alliances. By incorporating military-specific prerequisites into banking systems, financial institutions can proffer tailor-made products and services that cater to the unique requisites of armed forces personnel. This encompasses specialized loan programs, personalized investment options, and optimized insurance plans that take into account the particular hazards and challenges confronted by military personnel and their families. Rizvi, (2012), digitalization has significantly streamlined financial transactions for military organizations. Through digital channels, military personnel can securely and instantaneously execute fund transfers, effectuate payments, and monitor their financial endeavors in real-time. This level of convenience and accessibility empowers military personnel to effectively administer their finances, regardless of their geographic location or deployment status. Moreover, it enables seamless coordination between military institutions and banking establishments, ensuring smooth and timely financial support for operations and the well-being of personnel. Digitalization has also bolstered the security of financial operations for military organizations. Sophisticated encryption techniques, multifactor authentication, and robust cybersecurity protocols have been seamlessly integrated into banking systems, guaranteeing the confidentiality and integrity of sensitive military financial data.

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This technological fortification safeguards military assets, thwarts unauthorized access, and mitigates the risks associated with fraudulent activities, thereby augmenting the overall financial resilience of military organizations. Moreover, the collaboration between military organizations and banking institutions in the realm of digitalization has engendered opportunities for innovation and continuous enhancement. Through collaborative efforts, these entities can identify and tackle specific financial challenges faced by armed forces personnel, harnessing emerging technologies to devise groundbreaking solutions. This encompasses advancements in digital identity verification, blockchain-based transaction systems, and artificial intelligence-powered financial planning tools, among other cutting-edge developments. The perpetual dialogue and exchange of expertise between military and banking professionals have nurtured a symbiotic partnership, fostering the evolution of state-of-the-art financial services tailored to the distinctive requirements of military organizations. The coordination and processing of payments associated with these vendors present a complex and time-consuming undertaking. Nonetheless, the presence of digital banking systems greatly enhances the efficiency of the entire payment cycle. By automating payment processes, including invoice verification, approval, and fund transfers, the time required for vendor payments is significantly reduced. Consequently, military organizations can ensure the timely disbursement of funds to their vendors, thereby upholding positive relationships and avoiding any delays in the procurement of essential supplies or services. The integration of digital banking systems in vendor management for military organizations addresses another crucial aspect: accuracy. Such errors can result in financial discrepancies, strained vendor relationships, and damage to the organization's reputation. By embracing digital banking systems, military organizations can mitigate these errors through the implementation of automated processes.

These systems employ sophisticated algorithms and verification mechanisms to detect and prevent inaccuracies, thereby enhancing the overall precision of vendor payments. This not only fosters financial integrity within the organization but also cultivates trust and reliability with vendors. Furthermore, the digitalization of vendor management in banking operations provides military organizations with heightened transparency. Military organizations can effortlessly track the progress of payments, identify any discrepancies, and expeditiously resolve issues, thereby maintaining a high level of financial control and governance.

### Conclusion

The role of digitization in banking operations has become a crucial concern for military institutions, as emphasized by this analytical research. The study delved into the intricate facets of digitization and its impact on the financial landscape of military organizations. The adoption of digital banking solutions has the potential to streamline financial processes within military organizations, enabling swifter transactions, improved record-keeping, and heightened transparency. Safeguarding sensitive financial information and ensuring the resilience of digital

infrastructure must be prioritized by military institutions. All in all, the digitization of banking operations presents immense potential for military organizations to modernize and optimize their financial processes. By adeptly navigating the advantages and challenges associated with this transformation, military institutions can leverage digital banking solutions to enhance operational efficiency, elevate financial management, and ultimately support their core mission of safeguarding national security. Continued research and proactive measures will be vital in effectively addressing the complexities of this evolving landscape and harnessing the full potential of digitization in the military banking sector.

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