



Management Dynamics Shaping the Adoption of Technology Driven Banking and Deposit Service in India

Ramya R¹, Dr. Pankaj Kumar²

¹Research Scholar, Dept. Of Management Asian International University, Imphal, Manipur

Ramyasubramaniv@Gmail.Com

Abstract- There is an ongoing paradigm shift within the banking system of India due to advancements in digital public infrastructure, innovative regulatory measures, and changing customer expectations. This research paper attempts to study the dynamics of management such as governance, strategic leadership, regulatory interaction, and culture within organizations that define technology-based banking and depositing services in India. By analyzing the secondary data available through various regulatory, industry, and institutional reports for the years 2021–2026, the research evaluates the relationship between technological capabilities and managerial preparedness. The results indicate that the ability to adopt technology in banking is not about advanced technology but rather about the governance, oversight by the board of directors, and integration of legacy systems with digitized processes. The research proposes a management-focused approach to the understanding of digital transformation in banking, suggesting that sustainability of the deposit franchise is increasingly becoming contingent upon the quality of digital interaction rather than the availability of channels. Comparison of public and private sector banks indicates different approaches to adoption.

Key Word: Digital Banking, Deposit Services, Management Dynamics, Governance, Financial Technology, India, Digital Public Infrastructure

I. INTRODUCTION

There have been tremendous changes in terms of technological advancements within the banking sector in India over the last decade, driven largely by the establishment of digital public infrastructures [2][9]. The unified payments interface registered over 24 billion transactions during September 2026, registering an estimated year-over-year growth rate of twenty-three percent [4]. The digital payments index of the Reserve Bank of India, with a base of March 2018, stood at 516.76 During September 2025 [5]. This demonstrates a continued expansion in payment performance and enabler infrastructure. However, these aggregates only imply a digital banking sector.

However, beyond the aggregated figures is a more complicated scenario in terms of the adoption of technology-driven banking and deposits services. The adoption of such technological practices is much more than technological; it involves a management issue. While banks adopt these technologies, there is a need to understand that they are not technology companies but rather financial service providers regulated by prudential supervision and are responsible for public monies. This means that the managerial issues surrounding board oversight, executive leadership, risk governance, organizational culture, and regulatory relationship determine the extent of adoption of technology within banks [10].

This point is key. According to Sridharan, the continued inadequacy of digital customer experience in Indian banks shows how the transformation process is still incomplete in spite of heavy investments in technology [1]. Complaints take time to build up, people still demand responsibility from humans when there is a problem with the technology, and old processes which haven't been revamped to function digitally first end up being barriers. It is not possible for a bank to declare itself digitally mature if the customer meets automation and silence when he faces any trouble.

However, the Reserve Bank of India always stresses that good governance practices form the basis on which technological practices should be established [10]. According to RBI, innovation needs boards to analyze the technological narrative of management, business models, data integrity, and customer centricity. The regulator further indicates that many boards use old and incomplete data, that customer redressal system is only formal, that stress testing does not take place only when it comes to regulatory compliance, but also to consider operational, cyber, and liquidity risk aspects. All these facts indicate one general thing: management capacity, not technology availability is what limits the adoption of digital banking in India.

The Indian case also shows some significant differences between various categories of banks. The public sector banks which account for 61.46 Percent of the total banking business and private sector banks that grew their share up to 38.54 Percent show different paths of adoption of digitalization [3]. However, this differentiation is caused not only by different



investments in technology. Different management dynamics explain why it takes place.

The current study investigates the management dynamics governing the adoption of technology-enabled banking services and deposits in India. The study focuses on the dynamics of the governance structure, strategic leadership, regulatory relations, and organization in relation to the adoption of technology. Secondary data is collected from regulatory, industry, and institutional sources for the time period of 2021-2026. A management-focused framework has been developed for digital adoption in banking, along with the comparative adoption trends across various bank types.

II. LITERATURE SURVEY

The body of literature surrounding the technology adoption in banking has changed significantly, from technology-focused approaches to those that acknowledge organizational and institutional aspects as the prime drivers of the success of the adoption [2][10]. The current literature survey summarizes the existing academic and regulatory literatures related to the digital banking transformation process in India, focusing on management and governance aspects.

Early studies of digital banking tended to follow technology acceptance models that were concerned with how useful and easy-to-use the technologies were seen by users. However, more recent Indian academic literature has shifted its focus to institutional and managerial aspects. The interaction between the Reserve Bank of India and the fintech environment has become a subject of study, and the regulator has engaged in almost 500 interactions with fintech firms in fiscal year 2024–25 using platforms like Fininteract and Finquiry [9]. This approach to regulation (active engagement vs. Reactive regulation) has created an environment that influences the decisions about technology adoption by banks. The creation of a fintech repository and a self-regulatory organisation in the fintech sector is another example of institutional structures under construction.

One important stream in the recent literature is the examination of the role of digital public infrastructure in transforming banks [9]. The account aggregator framework, an infrastructure for consent-based sharing of financial data, now consists of 17 account aggregators, 650 financial information users, 150 financial information providers, and 160 million accounts managed, with 3.66 Billion data requests made [9]. The unified lending interface, launched in 2023, consists of 120 data sources and fifty-eight lenders, and facilitates 3.2 Million loan sanctions amounting to ₹1.75 Trillion [9]. While such infrastructure reduces the transaction cost of banking and deposit transactions, the use of such infrastructure is contingent upon the decisions of bank managers at the bank level.

The governance element of digital banking transformation has gained much attention. Regulatory guidance to bank boards makes clear that to be innovative is more than simply to use the latest technologies; one must also have a culture of being innovative that supports long-term goals, an infrastructure for innovation, as well as a framework for the risks involved in managing it [10]. The RBI has explicitly pointed out that there is a possibility of managers creating an optimistic narrative about technological development, while boards should critically examine them and challenge them, if necessary [10]. This observation is related to the principal-agent theory in corporate governance concerning the investment in technology.

The literature on change management and digital transformation of banks provides some recurring themes. First, legacy systems integration is the issue because those processes which are too old and have not been redesigned for the conditions of digital-first operation are a barrier, not an enabler [1][7]. The problem of automation versus orchestration has become crucial in the context of digital transformation; in particular, as one banking executive explained, the process of orchestration is not just data integration but a whole process of organization's thought and operation, compliance, and accountability [7].

However, comparative analysis of digital adoption trends between public and private sector banks has uncovered a number of disparities. While public sector banks continue to lead in terms of deposit mobilization and business transaction volume, holding as high as 61.46 Percent of all banking business in 2026, Private sector banks show significantly higher CASA ratios, a vital characteristic of a low-cost deposit franchise [2][3]. Therefore, deposit franchise capabilities, becoming increasingly dependent on digital engagement capabilities, are determined not only by technology expenditure but also by organizational specifics.

Additionally, the literature points out a number of issues related to the digital finance adoption process. For example, cybersecurity problems, the issue of the digital divide, and regulatory issues are among the most pressing issues [8][10]. The world bank stresses the necessity of carrying out demand surveys and customer journey mapping in order to understand the challenges in adopting digital payments, especially considering gender differences, and creating special market conduct supervision units to monitor consumer risks in digital financial services [8].

Financial inclusion index has witnessed overall progress, which has risen from 43.4 In March 2017 to 70.0 In March 2026, and where the latest progress has been made on the back of increased usage dimensions [6]. The difference between access and usage is crucial for analysis: whereas there has been a huge improvement in access dimension because of programs such as Pradhan Mantri Jan Dhan Yojana, where 54 crore accounts have been opened, deeper financial



inclusion through usage of digital banking and deposit services constitutes the next managerial challenge [6][8].

III. PROPOSED METHODOLOGY

The study uses a qualitative analysis approach based on documentation and secondary data. The objective of the approach is to understand the management dynamics that influence the adoption of technology-based banking and deposit services in india, including governance, decision-making, regulation interaction, and organization. It is an interpretive approach and not an experimental one, in which analytical generalizations are sought through structured observation of regulatory communications and industry data.



Figure 1: Conceptual Framework of Management Dynamics Shaping Technology Adoption in Banking

This is a depiction of a tripartite conceptual framework. The first layer refers to the external institutional environment that includes regulatory frameworks, digital public infrastructure, and competition. The second layer refers to management dynamics within organizations, which include governance, leadership, risk management frameworks, and organizational culture. The third layer refers to the technology adoption outcomes in banks and deposits, which include digital channel usage, customer engagement methods, and deposit franchise attributes. Two-way arrows denote reciprocal linkages between layers, implying that adoption outcomes have implications for management learning and regulation.

The research design follows four phases of analysis. The first phase entails a systematic review of regulatory publications from the reserve bank of india in the form of press releases, speeches, and bulletin articles for the period january 2021 to march 2026. Such publications represent authoritative statements on regulatory expectations with respect to bank governance, technology adoption, and consumer protection.

The second phase encompasses the identification of industry-wide trends from data from industry associations such as the indian banks' association, bank statements and disclosures, and financial data providers. This would help in understanding adoption patterns among banks. The third phase consists of a comparison of the performance of public and private sector banks in terms of digital transaction volume, deposit franchises, and consumer experience measures.

Management dynamics can be operationalized by means of four dimensions which were based on the documentary material. The maturity of governance covers the board oversight of the technology strategy, the integration of risk management, and the accountability system. The strategic consistency relates to the match between digital strategy and its implementation, including the integration of the legacy systems and Process re-engineering. The regulatory interaction reflects the nature of communication with the regulatory bodies, including the compliance and regulatory responsiveness.



Figure 2: Research Process Flow and Analytical Dimensions

The flow chart above shows how research takes place from review of documentation all the way to the framework synthesis. There are four analysis streams depicted above which include governance documents, industry data, comparative institution analysis, and regulatory communication. All the streams feed into one point where synthesis of the research takes place, and the results are the identification of the patterns across all the streams and synthesis into the four management dimensions.

There are certain limitations associated with the use of secondary data. Documentation data is influenced by the institutional perspective and may not reveal the complete picture of managerial practices inside organizations. Industry data consolidates personal experience of banks in one category and can ignore differences in the same category. However, the framework proposed here can be considered an interpretation of the issue but not a tested one. Despite such



limitations, the approach can serve as a basis for further research on the issue of technology adoption from the perspective of management practices in a context when there are numerous practical limitations to do observations at scale.

The timeframe 2021-2026 was chosen for the research as it includes important events, such as the fast-growing number of upi transactions, launching and development of the aa and uli frameworks, changing regulation concerning ai in the banking industry, and multiple publications of the digital payments index and financial inclusion index.

The analysis is guided by the understanding that technology adoption in banking is a regulated process and hence management dynamics take place within the context of expectations set by regulations. The guidance of the rbi to bank boards on governance not being a hindrance to innovation pace but rather the base of Building systems acts as a basis of assessment of the observed management practices. Again, the customer centricity approach of rbi in terms of governance influences the evaluation of adoption results.

IV. ANALYSIS

This analysis studies management-related dynamics that affect the uptake of technology-based banking services and deposits across four interrelated dimensions, namely: maturity of governance, strategic consistency, regulatory interactions, and organizational culture. The findings are provided in conjunction with numerical measures wherever possible, accompanied by relevant charts.

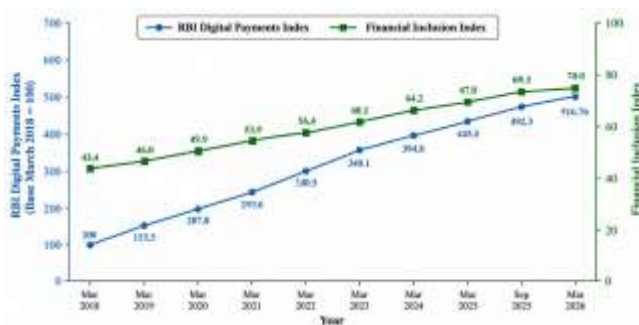


Figure 3: Growth Trajectory of Digital Payments Index and Financial Inclusion Index, 2018–2026

In the two-axis line graph, there is the rbi digital payments index (left axis, base march 2018 = 100) and the financial inclusion index (right axis), starting from march 2018 to march 2026. The digital payments index maintains a steady increase until it reaches a value of 516.76 In september 2025. The financial inclusion index increases at a slower pace from

a value of 43.4 In march 2017 to 70.0 In march 2026. The difference in the rates of increase in payments digitization and financial inclusion indicates faster development of payment structure than deposit/credit structures.

The quantitative data points to a major increase in the digital payment system infrastructure and adoption. Upi saw 24.07 Billion transactions worth ₹29.37 Lakh crore in september 2026, with average daily transaction numbers crossing the 800 million mark for the first time. The year-on-year increase of twenty-three percent points to a sustained trend. However, the monthly sequential decline in transactions compared to the record 24.51 Billion seen in august, partly due to september having one less day, emphasizes the need for making such distinctions.



Figure 4: Comparative Digital Adoption Indicators by Bank Category, 2025–2026

This is an example of grouped bar chart that has compared the performance of public and private sector banks on the following aspects: digital transaction share percentage, casa ratio, digital customer acquisition as a percentage of new accounts, and digital service usage. It shows that the private sector banks perform well in terms of casa ratio and digital customer acquisition whereas the public sector banks have higher transaction volume and deposits.

From the above comparative analysis, different management strategies used by private and public sector banks are evident. Public sector banks were dominant in terms of total banking business, accounting for 61.46 Percent of banking business in 2026, with state bank of india, punjab national bank and bank of baroda being among the leading private banks with substantial market shares. Private sector banks exhibited better casa ratio, which is an indication of deposit franchise power and efficiency. Notable private sector banks had casa ratio of more than forty percent, while some were close to fifty percent. On the other hand, the casa ratio of public sector banks was around mid-thirties. The difference in the above measures implies that the retail deposit mobilization strategy used by private sector banks has resulted into franchise strengths not attained by public sector banks.

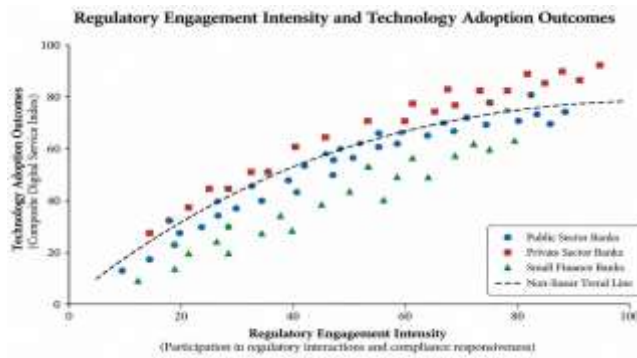


Figure 5: Regulatory Engagement Intensity and Technology Adoption Outcomes

Scatter plot shows the connection between regulatory engagement intensity (in terms of structured interaction and responsiveness to regulation) and adoption results (composite measures of digital services). Positive yet non-linear connection is found; the return on investment diminishes when engagement intensity increases. From the graph, it may be seen that regulatory engagement is required but not sufficient for success in technology adoption, while managerial ability is an intermediary between engagement and adoption.

Management dynamics analysis uncovers some common patterns of adoption. First, governance maturity helps distinguish banks that have managed to transform their technology investments into adoption from those that have failed in this endeavor. The rbi guideline which explicitly states that boards should scrutinize management explanations, guarantee integrity of data, and sustain customer orientation testifies to the understanding that the quality of governance acts as a binding constraint on the success of the adoption process. Those banks that have created effective mechanisms for managing technologies in the form of technology committees, independent reviews, and accountability systems show more logical paths of adoption compared to those that handle technology questions on an operational level.

The second important factor that is revealed as a crucial distinction point is the concept of strategic coherence, which refers to the alignment between the stated digital strategies and their implementation. This distinction point was highlighted by the banking leaders when they made the difference between the concepts of automation and orchestration. It can be said that banks that see the digital transformation of the business as a series of technological projects rather than an operating model shift within years will underperform when it comes to adoption criteria.

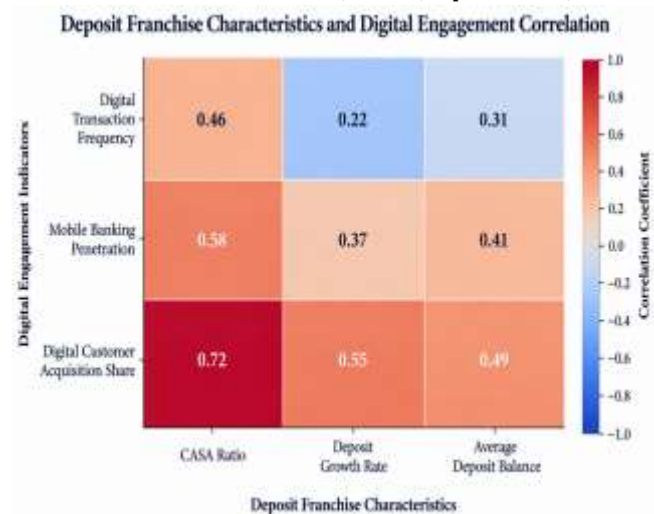


Figure 6: Deposit Franchise Characteristics and Digital Engagement Correlation

The heat map presents the correlation between digital engagement metrics (such as digital transaction volume, mobile banking adoption, digital acquisition as percentage of total customer acquisition) and deposit franchise attributes (casa ratio, deposit growth rate, average deposit account balance) in a sample of prominent indian banks. Higher correlation is noticed between digital acquisition and casa ratio compared to digital transactions and deposit growth rate, indicating the greater influence of acquisition-related digital capability than transaction-related digital capability on the deposit franchise.

Third, the quality of engagement between the regulators and the organization affects the adoption process. The proactive involvement by the rbi in the fintech eco-system using means such as fininteract, finquiry, and fintech repository allows banks to be able to make their technological strategy fit within the regulatory expectations. Those banks that engage actively in these mechanisms of engagement and take regulatory guidance as strategic advice and not compliance burden can adapt more easily to changing technologies and regulation. The formation of a self-regulatory organization by the regulatory authorities for the fintech firms is another example of the same.

The fourth point where technology adoption is influenced by organizational culture is that it is mediated in such a way that it is hard to measure quantitatively, but very easy to recognize qualitatively through outcomes. As indicated by rbi's worry about the tendency to perceive customer grievance mechanisms as mere formality and not a resource of significance, there is the cultural aspect in which organizations that take into consideration customers' experiences, even during friction points with digitalization



processes, see higher adoption and usage than organizations that consider digitalization only in terms of cost Reductions.

The fact that customers show preference for having someone to hold accountable when automated system fails shows this point.

Table 1: Comparative Analysis of Management Dynamics by Bank Category

Management Dimension	Public Sector Banks	Private Sector Banks	Analytical Implication
Governance Maturity	Formal technology oversight structures; slower decision cycles; accountability dispersed across hierarchical layers	More agile governance; board-level technology expertise more common; clearer executive accountability	Governance agility affects adoption speed
Strategic Coherence	Digital strategies often articulated but legacy process integration lags	Digital-first strategies with more consistent operational translation	Strategic-execution gap is larger in public sector
Regulatory Engagement	High compliance orientation; less proactive engagement with innovation frameworks	More active participation in regulatory sandboxes and fintech engagement mechanisms	Engagement quality moderates adoption
Organizational Culture	Risk-averse; change management challenges; customer service treated as obligation	Innovation-tolerant; customer experience positioned as competitive differentiator	Culture is a binding constraint
Deposit Franchise	Scale advantages in absolute deposits; lower CASA efficiency	Efficiency advantages in CASA mobilization; higher digital acquisition	Different models, different management imperatives

V. CONCLUSION

There are several implications from this comparative analysis. The differences between public and private banks go beyond the level of investments into technology. In fact, the analysis highlights management capabilities—in particular, governance agility, alignment between strategy and execution, and focus on Customers—as the key determinants of success. Scale advantage that public sector banks have when it comes to mobilizing absolute deposits acts as a buffer that reduces pressure for digital transformation, while private sector banks need digital engagement efficiency to remain competitive. This creates different management requirements and adoption dynamics.

The findings of the analysis also indicate that the influence of regulatory engagement on adoption outcomes depends on the capability of bank management. Regulated frameworks, such as the account aggregator and the unified lending interface, reduce the technical barriers for adoption but the bank management should possess certain capacity for integrating such frameworks into the operational model. The RBI's note that the boards of banks work on the basis of incomplete or even outdated data implies that data integrity and analytics capability—management capability rather than technology—are the limitations of the effective use of digital public infrastructure.

This study has considered the management dynamics influencing the adoption of technology-enabled banking and deposit services in India using documentary and secondary data from 2021 to 2026. There are many important findings that could have implications for bank managers and leaders, regulators, and future researchers.

First of all, the key lesson from this research is that technology adoption is a management issue, not technological. The Indian banking industry has world-class digital public infrastructure, such as frameworks for UPI, account aggregator, and unified lending interface, that reduces the technical issues associated with the provision of digital services. However, there are very significant differences in adoption outcomes between different banks and different types of banks. These differences cannot be attributed to technology availability. Instead, they are the result of different levels of governance maturity, strategic alignment, regulatory quality, and corporate culture.

These numbers prove the above conclusion. The digital payments index stood at 516.76 in September 2025, which signifies an improvement in infrastructure development. The financial inclusion index stood at 70.0 in March 2026 due to dimensions of usage that have been contributing to the growth in recent times. Transactions under the UPI system keep growing at an amazing rate. But there is variance among institutions when it comes to such metrics. Private sector banks show greater CASA ratios and better digital customer



acquisition, whereas public sector banks have scale advantages regarding deposits.

The implications for banking management are clear. The boards must see technology governance as an integral part of their fiduciary duties and cannot delegate technology governance to management. The recommendation From the rbi about technology governance being the basis of ai and digital transformation and not as a restriction on it offers the normative approach. This involves the development of board-level technology expertise, independent review of management's digital narratives, and inclusion of technology risk in enterprise risk management. The rbi's observation that most of the time, boards have incomplete information indicates that improvement in management information system is a governance issue in its own right.

The implications for the deposit franchise strategy are especially important. According to the findings, digital quality of customer interaction is linked more tightly to the casa efficiency than the actual deposit size. Banks managing to combine digital onboarding with relationship deepening through digital channels, not just using them as a medium for transactions but for customer interactions and deposits mobilization, gain a franchise advantage. The difference between access and use of digital channels mentioned by the methodology of the financial inclusion index is relevant for banks as well as for the entire population – having digital channels is one thing and having clients use them for deposits and relationships is another.

The implications for regulatory policies are equally important. The innovative approach to engagement used by the rbi, including structured engagements with fintechs and the recognition of sros, represents an example of adaptive governance in face of technological changes. Nevertheless, the analysis indicates that regulation alone cannot make people use digital services. The banks should have the management competence to take advantage of the digital channels made possible through regulation.

However, a number of weaknesses must also be highlighted. First, the use of secondary data implies that internal management processes will be studied indirectly and based on their results rather than directly. Second, the comparative analysis, although helpful from an analytical point of view, can mask within-category differences. This theory needs to be validated using primary data and involving participants in bank management and governance in the study. Further research is needed to look into the connection between particular mechanisms of governance, such as technology committees of the boards, independent technology audits, and accountability mechanisms, and adoption outcomes.

The value of this paper consists of looking at the adoption of digital banking as a managerial issue, not as a technological one. In case of the indian banking sector, when digital public infrastructure ensures a strong base for further progress, the

limits of the process have shifted from technological to managerial ones: governance capabilities, strategy, culture, and focus on customers. To solve these issues, more technologies are not needed but improved managerial practices and change in organizations. Banking in india is going to become digital in the future, but only if managerial dynamics catch up with technology possibilities.

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