

Gen Z's Perception of Investment Banks in the Era of Social Tech, Globalization and Digital Education in Indore City

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Abstract of the Study

This study analyses how Gen Z perceives investment banks in Indore in context with the ever- evolving landscape of social technology, globalization, and digital education. Gen Z is digitally savvy, internationally connected, and values transparency, equality, and ethical practices.

This study is based on 101 respondents from Indore City, and we have done a quantitative research analysis.

Findings of the Study

- This study found a positive correlation between the usage of social media platforms and the perception of Gen Z towards investment banks.
- A study has found a moderate impact of globalization on Gen Z's perception, but opinions vary.
- There is a significant positive relationship between the usage of digital education and Gen Z's perception, engagement, and interest in investment banks.

This study recommends investment banks increase their social media presence, highlight their global presence, and provide online education facilities. The study also provides future scope for future research. The study suggests further research can be done to explore any particular social media platform, research on the impact of a particular aspect of globalization, and research on the long-term effects of digital education on Gen Z. This research paper offers valuable insights for investment banks that seek to attract and retain Gen Z by aligning their work culture and recruitment process with the values of Gen Z.

Key Words: Gen Z, Investment Bank, Social Tech, Globalization, Digital Education.

Introduction

The financial world is eagerly waiting to welcome Gen Z, a generation that has grown up with every piece of information at their fingertips and seeks equivalency and translucency. But are traditional institutes like investment banks truly ready and prepared for Gen Z's appearance? This study will dive into how this globally connected, digitally literate, and tech-equipped generation perceives investment banks and careers in this field.

Investment Banks

Investment banks are financial institutes/intermediaries which assist in financial decisions of government, companies, cooperation and individuals having high net worth. Investment banks work and take financial decisions on behalf of their clients. Investment banks give financial advices, take care of mergers and acquisitions, assist and help in IPO (initial public offering) and assist companies in choosing suitable capital structure.

Investment banks are crucial part of every economy whether developed, developing and underdeveloped. These banks help economy to be stable and also help in economic growth. Overall investment banks are very important part of every economy. Smooth functioning, stability and growth of investment banks is very important.

Investment Banking Script in India

There are roughly 1,500 SEBI-registered investment banks in India (2024, according to SEBI enrollment estimates). The expected downfall in the profit of investment banks in 2024 is 1.23 trillion rupees. But there is an expected downfall in the revenue of investment banks of 1.96%. The anticipated profit by 2028 is 1.17 trillion rupees.

Get to know Gen Z (Generation Z)

People born between 1995 to 2010 are called Generation Z or Gen Z. Gen Z have grown up with world class technology and also enjoyed the life outside social media. This combination of tech world and real-world experience makes Gen Z one of the most desirable workforces.

Social Technology

Social technology is a type of technology that facilitates social relations and communication (like participating in studies, ideas, opinions, gestures, feelings,

etc.) with one another without being physically present. Some widely used social media platforms are: Facebook, Instagram, LinkedIn, Snapchat, X (Twitter), Telegram, WhatsApp, Quora, Reddit, etc. Currently, social media platforms have surpassed their initial ideal of social relations. These platforms have become strong and unstoppable forces that shape public comprehensions and opinions and impact their overall actuality.

Globalization

Globalization refers to a situation of interdependence and interconnectivity among countries, economies, societies, political cooperation, and individualities. Globalization consists of the buying and selling of goods and services across the globe, the exchange of information, the exchange or trade of technologies or ideas, the inflow of capital, etc., in order to make a more sustainable, integrated, and prosperous world.

Globalization has brought numerous opportunities, like exposure to different societies, increased use of technology (artificial intelligence, virtual reality), different job openings, etc. But globalization has also brought issues like cutthroat competition, an increase in income inequality, the exploitation of resources, etc. All of these factors are contributing to shaping the understanding of GEN Z towards investment banks.

Digital Education

Digital education refers to the operation and objectification of technology in the education sector. Which include the operation of online platforms like online courses, online programs, virtual classrooms, AI-powered teachers, and educational apps and websites. Digital education has opened the door to easy information access, increased ethical mindfulness, and increased financial knowledge amongst Gen Z.

The study aims to find out how rise in social media usage, globalization and digital education are some of the most important forces in shaping and reshaping the perception, understanding and viewpoints of Gen Z.

Literature Review

According to Morgan Stanley (2022) This study examines the rapidly growing interest of Gen Z in ESG (environmental, social, and governance). Also predicting what kind of ESG products and services attract Gen Z and how Gen Z will impact the investment banking industry in the long run.

According to Deloitte (2022) The paper explores how Gen Z and technology are shaping the investment banking world. And what skills does Gen Z bring to the finance industry? What are the possible challenges Gen Z will bring to investment banks in the future?

According to Accenture (2023) This study is focused on finding the interest and perception and job expectations of millennials and Gen Z. Also exploring the adaptability of traditional banks to more digitally upgraded banking systems in order to attract young people.

According to Chen and Volz (2023) This study analyses influencer marketing and how the banking sector is using influencer marketing to reach new and young audiences. Banks are focusing on building brand trust, spreading awareness, and promoting financial products or services.

According to Laura W. Entis, Daniel M. Gallagher, and Lauren Z. Weisenberger (2021), This study dives into the usage of social media platforms by investment banks in order to attract, recruit, develop, and retain skilled individuals.

According to Christopher Meservy, Alexander Ljungqvist, and Erik Nerlinger (2023), This research paper explored the effects of rising technology in investment banks (specially in Mergers and Acquisitions). Study also analyzed how investment banks are accepting new technology and getting benefitted from the new technology.

According to Michael S. Barr, Jennifer J. Johnson, and Andrew Metrick. (2023), This paper examines the rapid increase in demand for digital skills in the investment banking sector. This paper also analyzes the usage of digital education in upskilling investment bank professionals and how effective the courses offered by different universities and online platforms in the investment bank sector are.

According to Laura Davis, Jean-Pierre Benoit, and Anusha Chari (2021), Examines how effective online educational platforms are at providing education relevant to investment banks in the international market. The study also analyzes how effective cross- cultural online educational platforms are at providing knowledge and information relevant to individuals who want to have a career in the banking sector in developing nations.

According to Voltz and others (2023), This study tries to find out whether investment banks can help the United Nations resolve problems like hunger, poverty, global warming, etc. (SDGs). This study focuses on how the banking sector can make money by investing in green energy, job creation, and sanitation.

How investment banks can focus on sustainable development goals and make profit simultaneously. According to DeYoung and others (2023), This study focuses on the impact of fintech (financial technology) in the banking sector. This study tries to find how technology upgradation is affecting banks.

According to Habib and others (2023), This study showcases how investment banks are focusing on the importance of human resources in achieving their objectives. Investment banks are now focusing on attracting, developing, and retaining skilled human resources in the competitive and dynamic world of finance.

According to DeYoung and others (2023), This paper investigates how banks make use of social technology and follow rules and regulations. This study dives into how rules regarding privacy, advertising, and data protection alter banks social media activities. This paper also includes how banks can follow rules and regulations efficiently and properly.

Objectives of the Study

- To comprehend how Gen Z views investment banks in Indore and how they employ social media and technology improvements in regard to these.
- To study how international connectivity and globalization are impacting the perception of Gen Z about investment banks in Indore.
- To investigate whether there is a significant relationship between the utilization of digital education platforms and various aspects of Gen Z's engagement with investment banking practices, including their understanding, perception, and interest.

Hypotheses of the Study

Hypothesis 1 for Objective 1

H0: There is no significant relationship between the use of social technology, particularly digital platforms and social media, and Gen Z's perception of investment banks in Indore.

H1: There is a significant relationship between the use of social technology, particularly digital platforms and social media, and Gen Z's perception of investment banks in Indore.

Hypothesis 2 for Objective 2

H0: There is no significant impact of globalization on Gen Z's understanding of investment banks in Indore.

H1: There is a significant impact of globalization on Gen Z's

understanding of investment banks in Indore.

Hypothesis 3 for Objective 3

H0: The knowledge, perception, and interest of Generation Z in investment banking procedures do not significantly correlate with the use of digital education platforms.

H1: The understanding, perception, and interest of Generation Z in investment banking procedures are significantly correlated with their use of digital education platforms.

Research Methodology

Research Design	Descriptive and Exploratory research.
Sample Size	101 respondents
Sample Size Method	Random Sampling
Data Collection Method	Primary and Secondary
Data Collection Instrument	Google form
Data Analysis	SPSS Tool: Correlation, One Sample T Test and Descriptive Analysis

Data Analysis and Interpretation

Demographic Variables

Gender	Numerical Data	Percentage Data
Male	56	55.45%
Female	45	44.55%
Age Group	Numerical Data	Percentage Data
14-19	42	42%
20-25	25	25%
26-30	34	34%
Occupation	Numerical Data	Percentage Data
Employee	7	6.93%
Self Employed	16	15.84%
Professional	-	0%
Teacher	13	12.87%
Homemaker	7	6.93%
Student	58	57.42%

Data Analysis and Interpretation

Testing of Hypothesis 1

		STAffect	STHowAffect
STAffect	Pearson Correlation	1	.295 ^{***}
	Sig. (2-tailed)		.003
	N	101	101
ATHowAffect	Pearson Correlation	.295 ^{**}	1
	Sig. (2-tailed)	.003	
	N	101	101

Interpretation

The positive correlation coefficient of 0.295 suggests that there is a moderately positive relationship between respondents' perceptions of social technology's influence on their perception of investment banks and the impact of social media platforms on how they receive financial information.

This finding implies that individuals who perceive social technology as having a greater influence on their perception of investment banks are also more likely to report a greater impact of social media platforms on their reception of financial information.

Overall, these results indicate that there is a significant and positive relationship between the influence of social technology and the impact of social media platforms on Gen Z's perceptions and behaviors related to investment banks and financial information. So the null hypothesis is rejected as the p value is $<.05$, i.e.,.003.

Testing of Hypothesis 2

Descriptive Statistics

N		Minimum	Maximum	Mean	Std. Deviation
GZImpact	101	1.00	5.00	2.1980	.99015
Valid N (listwise)	101				

The responses vary from 1.00 (showing a minimum perception of globalization's impact) to 5.00 (representing a maximum perception of globalization's impact) for the variable "GZImpact" (How do you view the impact of globalization on investment banks?). Based on a sample size of 101

respondents, the mean perception score is 2.1980, and the standard deviation is 0.99015.

Interpretation

The average mean perception score of 2.1980 indicates that respondents believe globalization has a moderate impact on investment banks. The 0.99015 standard deviation suggests that respondents' opinions differ little from the mean. This implies that people's perceptions of how globalization has affected investment banks vary.

All things considered, these descriptive statistics shed light on the mean degree and variation of respondents' opinions about how globalization has affected investment banks.

One-Sample Test						
Test Value =0						
					95% Confidence Interval of the Difference	
	t	df	Sig.(2- tailed)	Mean Difference	Lower	Upper
GZImpact	22.310	100	.000	2.19802	2.0026	2.3635

Interpretation

Given that the p-value of 0.000 is smaller than any typical significance criterion (such as 0.05), the 2.19802 observed mean difference is statistically significant. Consequently, we reject the null hypothesis and come to the conclusion that globalization has had a major influence on Gen Z's comprehension of investment banks in Indore based on the presented one-sample test results. The average respondents' perception of the non-zero impact of globalization on investment banks is indicated by the mean difference of 2.19802. Furthermore, the genuine population mean difference, with a 95% confidence level, is found to lie between 2.0026 and 2.3935 according to the 95% confidence interval for the difference. The mean difference of 2.19802 refers to the average difference in respondents' perceptions of the impact of globalization on investment banks compared to a hypothetical value (the test value, which is typically zero in this type of analysis).

In this case, because the mean difference is 2.19802, it suggests that, on average, respondents' perceptions of the impact of globalization on investment banks are not zero. In other words, respondents, on average, perceive that

globalization does have some impact on investment banks in Indore. This finding supports the conclusion that there is a significant impact of globalization on Gen Z's understanding of investment banks in Indore, as indicated by the statistical analysis.

Testing of Hypothesis 3

		DEExtent	OcInfill B
DEExtent	Pearson Correlation	1	.433 ^{***}
	Sig. (2-tailed)		.000
	N	101	101
OcInfill B	Pearson Correlation	.433 ^{**}	1
	Sig. (2-tailed)	.000	
	N	101	101

Interpretation

The statistically significant positive correlation coefficient of 0.433 suggests that there is a meaningful relationship between the extent of digital education and the influence of online courses on understanding investment banking practices.

In simpler terms, individuals who report a greater extent of engagement with digital education also tend to perceive a stronger influence of online courses on their understanding of investment banking.

This finding supports the idea that digital education, to some extent, contributes to individuals' understanding of investment banking practices, and online courses play a role in shaping this understanding.

Overall, the results suggest that there is a significant association between the extent of digital education and the influence of online courses on understanding investment banking among the respondents.

In the interpretation provided, the correlation analysis reveals a statistically significant positive relationship between the extent of digital education (DEExtent) and the influence of online courses on understanding investment banking (OCInfillB).

Since the correlation is statistically significant (with a p-value of 0.000), it indicates that the relationship observed between these variables is unlikely to have occurred by chance alone. Therefore, the hypothesis that there is a relationship between the extent of digital education and the influence of online

courses on understanding investment banking is supported by the analysis, leading to its acceptance.

Findings of the Study

- Individuals who perceive social technology as having a greater influence on their perception of investment banks are also more likely to report a greater impact of social media platforms on how they receive financial information.
- This implies that there is a connection between the perception of social technology influence and the impact of social media platforms on financial information reception.
- Respondents perceive a moderate level of impact from globalization on investment banks.
- Respondents' perceptions vary somewhat around the mean, indicating variability in how individuals perceive the impact of globalization on investment banks.
- Respondents' perceptions of the impact of globalization on investment banks are not zero, indicating that globalization does have some impact on investment banks in Indore.
- Individuals who report a greater extent of engagement with digital education also tend to perceive a stronger influence of online courses on their understanding of investment banking practices.
- This suggests that digital education contributes, to some extent, to individuals' understanding of investment banking practices, and online courses play a role in shaping this understanding.
- The findings indicate a significant and positive association between digital education extent and the influence of online courses on understanding investment banking among the respondents, supporting the hypothesis and providing valuable insights into the role of digital education in shaping understanding of investment banking practices.

Recommendation

Social Media and Technology

- Investment banks should increase their social media presence, especially on platforms that are used by Gen Z. Create engaging content and showcase the investment bank's culture and job opportunities.
- Investment banks can and should take help of social media platforms to reach Gen Z. Banks can take use of social media platforms for advertising job opportunities and vacancies in the bank.
- Investment banks should collaborate with social media influencers, which are popular among Gen Z, in order to reach and engage with this

generation.

Globalization

- Investment banks should highlight their global presence and reach. And showcase the opportunity to work on global projects.
- Investment banks should promote their commitment to diversity because Gen Z values diversity and inclusion.
- Investment banks should start offering work-from-home opportunities to their employees, either on a short-term or long-term basis.

Digital Education

- Investment banks should consider offering financial education workshops and seminars to increase Gen Z knowledge and interest in finance.
- Consider collaborating with colleges and universities to offer finance-related courses and internship opportunities.
- Investment banks should create an online educational platform to offer finance and investment bank-related courses.

Further Recommendations

- Investment banks should emphasize on their eco-friendly approach towards financial services. And also highlight how they accept and promote eco-friendly products and services.
- Investment banks should create a supportive and inclusive work environment. In order to attract Gen Z.

Conclusion

This study explored the impact of social technology, globalization, and digital education on Gen Z's perception of investment banks in Indore, India. This study provided valuable insights for investment banks seeking to attract and retain Gen Z people.

Social Technology and Social Media: This study found a positive relationship between the use of social media platforms and the perception of investment banks.

Globalized World: Globalization has a moderate impact on the understanding and opinions of Gen Z towards investment banks. But their opinions vary.

Digital Education and Financial Literacy: This study found a significant positive relationship between the use of digital education and understanding of investment banks. This shows that digital education has contributed to the financial literacy of Gen Z.

Future Scope

- Deeper research on specific social media platforms. Further research can be done to determine the impact, level of impact, and content preferences of particular social platforms.
- Extended research on globalization. This study found a moderate impact of globalization on Gen Z's perception, but opinions vary. Further research can be done to explore the impact of a particular aspect of globalization (the impact of different cultures and exposure to international opportunities) on Gen Z.

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