

Impact of Cyberloafing on Employee Performance in Banking Industry in North Central Province of Sri Lanka

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Abstract

With the rapid growth of digital workplace trends, employees increasingly engage with the internet during working hours, creating new challenges for organizations worldwide. One such challenge is cyberloafing, which refers to non-work-related online activities during work hours. This has attracted growing attention in developed economies but remains underexplored in developing countries, particularly in the banking sector. Addressing this gap, the present study investigates the impact of cyberloafing on employee performance in public and private banks in the North Central Province of Sri Lanka, with a focus on three distinct categories: social cyberloafing (e.g., social media use), informational cyberloafing (e.g., reading news or research), and leisure cyberloafing (e.g., playing video games or watching videos). A quantitative research design was employed, using quota sampling to collect data from 332 banking employees. Structured questionnaires were administered, and the data were analyzed using descriptive statistics and multiple regression analysis. The results indicate that social and informational cyberloafing positively influence employee performance, as these activities help reduce stress, refresh cognitive focus, and enhance job satisfaction. In contrast, leisure cyberloafing exerts a significant negative effect on performance, primarily by reducing concentration and productivity. The findings highlight the dual nature of cyberloafing, demonstrating that some forms can serve as constructive mental breaks, while others undermine work efficiency. The study recommends that banks implement balanced internet usage policies that encourage limited positive forms of cyberloafing while restricting excessive leisure browsing, thereby fostering both productivity and employee well-being, and advancing understanding of cyberloafing in a developing economy context.

Keywords: banking industry, employee performance, informational cyberloafing, leisure cyberloafing, social cyberloafing