

## **A Study of Impact of Use ICT in Co-Operative Banks W.R.T. Employees Satisfaction in Thane City**

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### **Abstract:**

Information and Communication Technology, the language of the new age and its grammar which is Science has become an indispensable and veritable tool for enhancing effectiveness and efficiency in all other aspects of life. Banking industry has learnt the grammar and understands the language of the new age and tremendously transforms the Industry from what it used to be to the economic mover of the whole wide world, through the magic hands of Computer Science innovations. The adoption of ICT in banks has improved customer services, facilitated accurate records, provides for Home and Office Banking services, ensures convenient business hour, prompt and fair attention, and enhances faster services. The adoption of ICT improves the banks' image and leads to a wider, faster and more efficient market. It has also made work easier and more interesting, improves the competitive edge of banks, improves relationship with customers and assists in solving basic operational and planning problems.

This paper work analyses the impacts made by the Information and Communication Technology in the Banking Industry with respect to employees perception particularly in Co-operative banks in Thane City.

**Key Words:** ICT, Banking industry, Computer.

### **Introduction:**

The present cooperative banking scenario is far from the anywhere and anytime banking. This is mainly because system reengineering for anywhere and anytime banking, demands use of high level of technological tools on one hand and strengthening the infrastructural facilities like communication system, networking etc. on the other. In addition to this, enhancement of the knowledge skill of the employees of the banks, play an important role to achieve this end. This apart, the level of awareness amongst the customers, consciousness of the banks for extending such facilities to the customers is very low, so the Indian banking sector has not yet considered the anywhere and anytime banking as one of the important parameters for their customer service. The reason for non implementation of anywhere and anytime banking in the cooperative banking sector may be listed as follows:

1. Lack of consciousness of the cooperative banks about extending the facilities like anywhere and anytime banking to the customers
2. Lack of awareness amongst the customers about their rights to various banking facilities
3. Lack of the necessary computerised systems and tools
4. Lack of proper communication system required for such facilities
5. Requirement of the banks funds for investment on computer and communication System
6. Lack of knowledge and skill of the bank employees
7. Inability of the customer to use IT related facilities due to lack of knowledge
8. Resistance against change in the system at all levels i.e. the employees, management & the top executives of the banks.

**Review of Literature:**

1. Mishra A. K.<sup>1</sup> examined the reasons for the satisfaction of the customers with the services rendered by the Urban Cooperative Banks. The author described that, urban cooperative banks are operating in a more competitive environment and therefore, the need to take care of customer requirements has become more important. The branches of UCBs must cater to the betterment of the customers. They should also improvise on their own image, customer satisfaction and their profits. The time norms for specific business transactions should be displayed prominently in the banking hall so that it attracts the customers' attention. In the ultimate analysis, what is necessary for improving customer services is the active participation of employees at all levels in the bank functions. The author also raised some points which can be a plus point for UCBs to impress & attract their customers. These points are: effective board of management, efficient employees/staff, cordial personalised services, proper guidance, provision of loan facilities, good systems, computer systems, prompt services, good work culture, convenient timings, proper clearing services for outstation cheques and demand drafts, split hour facilities, Sunday working day, discounting facilities for outstation cheques, and good location of the bank.

2. Uppal R. K., (2008)<sup>2</sup> described that in the post-LPG (Liberalization, Privatization and Globalization) era and Information Technology (IT) era, transformation in Indian banks is taking place with different parameters and the curves of banking services are dynamically altering the face of banking, as banks are stepping towards e-banking from traditional banking. The paper empirically analyzes the quality of e-banking services in the changing environment. With different statistical tools such as weighted average method and ranking, the paper concludes that most of the customers of e-banks are satisfied with the different e-channels and their services, but the lack of awareness is a major obstacle in the spread of e-banking services. The paper also suggests some measures to make e-banking services more effective in the future.

3. Jadhav Anil (2004)<sup>3</sup> described various channels of e-banking services such as ATM, Telephone banking (Tele-banking), Mobile banking, Internet banking and its features. The focus is also given on e-banking opportunities, challenges and security aspects while performing the banking transactions on the internet. Comparison of public, private, foreign and co-operative banks and barriers to the growth of e-banking in India are also discussed. Finally the paper discusses an overview of the major private sector banks such as ICICI, HDFC, IDBI, UTI & GTB banks which provides e-banking services.

4. V. Raja, Joe A., 2012<sup>4</sup> This paper explores the various levels of internet banking services provided by banks using the secondary data. It also compares the traditional banking systems with net banking. It lists out the various advantages of internet banking and the successful security measures adopted by different banks for secured banking

<sup>1</sup> Mishra A. K., "Internet Banking in India" (<http://www.banknetindia.com/banking/ibkg.htm>)

<sup>2</sup> Uppal R. K., "Customer Perception of E-Banking Services of Indian Banks: Some Survey Evidence", The ICAI University Journal of Bank Management, Volume-VII Issue-1 (Feb. 2008) Pages 63-78

<sup>3</sup> Jadhav A. S., Mrs. R. A. Jadhav, "Status of e-banking in India", National annual convention of CSI 2004.

<sup>4</sup> V. Raja, Joe A. (2012), "Global e-banking scenario and challenges in banking system", Asian Journal of Research in Banking and Finance, Vol. 2 (3), pp. 92 - 101.

*Variorum Multi-Disciplinary e-Research Journal*  
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transactions. It also analyzes how E-banking can be useful for banking industry during this global financial meltdown.

**Objectives of Study:**

1. To study the concept of bank computerisation and use of ICT in banking sector.
2. To ascertain the progress made by selected banks in the context of bank computerization.
3. To study the reactions of bank employees about computerisation in banking sector.

**Hypotheses of Study:**

1. Ho: Satisfaction level regarding training of the employees and increase in level of productivity are independent of each other.

H1: Satisfaction level regarding training of the employees and increase in level of productivity are dependent of each other.

2. Ho: Satisfaction level of employees and reduction in error rate are independent of each other.

H1: Satisfaction level of employees and reduction in error rate are dependent of each other.

**Research Methodology:**

The data is also collected from 100 employees of each co-operative bank. The chosen banks for the data collection were Information and communication Technology based since 1999. The banks though co-operative in nature are fully computerised and equipped with core-banking solutions. Following are the banks of study:

1. Thane District Co-operative Bank Ltd.
2. Thane Janata Sahakari Bank Ltd.
3. Thane Bharat Sahakari Bank Ltd.
4. Gopinath Patil Parsik Janata Sahakari Bank Ltd.

The researcher has visited to at least 10 branches of each bank. The researcher used the questionnaire to collect data.

The questionnaire for bank employees have started with personal data of the employees and further it was divided into two parts i.e.

1. Training on ICT and its nature, duration aspects
2. Use of ICT and Nature of work

The copy of questionnaire is attached in appendix.

**Analysis and Interpretation:**

**Hypothesis 1**

Null Hypothesis: Satisfaction level of the employees regarding training and increase in level of productivity are independent of each other. The above hypothesis can be tested by applying Chi-square test of Independence of attributes. The respondents were classified according **Satisfaction Level of Employees Regarding Training and Increase in Productivity** in banking as follows:

*Variorum Multi-Disciplinary e-Research Journal*  
*Vol.,-04, Issue-II, November 2013*

**Table 1: Satisfaction Level of Employees Regarding Training and Increase in Productivity**

| Satisfaction Level of Employee Regarding Training / Increase in Productivity | Yes | No | Total |
|------------------------------------------------------------------------------|-----|----|-------|
| Yes                                                                          | 400 | 0  | 400   |
| No                                                                           | 0   | 0  | 0     |
| Total                                                                        | 400 | 0  | 400   |

**Source: Primary Data**

**Interpretation:**

As all of the employees are in favour of the satisfaction level of employees regarding training and increase in productivity of the work, the null hypothesis is rejected. Employees of all the banks are 100% happy on the training given by the banks with regards to use of it in day – to – day operations. According to employees ICT has resulted in faster work and in turn productivity of the bank staff.

**Hypothesis 2**

Null Hypothesis: Satisfaction level of the employees and reduction in error rate are independent of each other. The above hypothesis can be tested by applying Chi-square test of Independence of attributes. The respondents were classified according to SATISFACTION LEVEL OF EMPLOYEE/ REDUCTION IN ERROR RATE in banking as follows:

**TABLE 2: Satisfaction Level of Employee/ Reduction in Error Rate**

| Satisfaction Level of Employee/ Reduction in Error Rate | Yes | No | Total |
|---------------------------------------------------------|-----|----|-------|
| Yes                                                     | 400 | 0  | 400   |
| No                                                      |     | 0  | 0     |
| Total                                                   | 400 | 0  | 400   |

**Source: Primary Data**

**Interpretation:**

As all of the employees are in favour of the satisfaction level of employees regarding use of Information and Communication Technology and reduction in the error rate of the work, the null hypothesis is rejected. Employees of all the banks are 100% happy as ICT has resulted in reduction in error rate with regards to use of it in day – to – day

*Variorum Multi-Disciplinary e-Research Journal*  
*Vol.,-04, Issue-II, November 2013*

operations. According to employees ICT has resulted in accuracy of the work and in turn satisfaction level of the bank staff.

**Conclusion:**

1. Out of the 400 employees of the various co-operative banks of Thane city, 100% employees are provided the training by Co-operative bank regarding the operations to be done.
2. 80% of the employees have been given less than 6 months training for the use of ICT in banking. The bank only has sponsored the training cost for the same along with concession was given by the banks to the employees in the routine work.
3. 100% employees are satisfied with the amount of training given and of the opinion that it has resulted in enhancement of productivity of bank branches. It has smoothened their work with 100% accuracy.
4. According to response of employees it is also clear that, use of ICT has 100% resulted in increase in database of customers which has in turn resulted in increase in CRM strategy by the bank. The employees are in favour of ICT as it has reduced the error rate of transactions rather than doing it manually.
5. ICT has resulted in increase in international market accessibility to these co-operative banks. They deal with foreign exchange conversions, import and export transactions as well as they also provide assistance in letter of credit.
6. ICT has resulted in increase in productivity, profitability and increase in accuracy of data of the bank.

**References:**

- ✓ Mishra A. K., "Internet Banking in India" (<http://www.banknetindia.com/banking/ibkg.htm>)
- ✓ Uppal R. K., "Customer Perception of E-Banking Services of Indian Banks: Some Survey Evidence", The ICFAI University Journal of Bank Management, Volume-VII Issue-1 (Feb. 2008) Pages 63-78
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