

The Benefits and Prospects of adoption of Information and Communication Technology in cooperative banks

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Abstract

The adoption of Information and interchanges Technology is turning into an extraordinary assignment in every sector even in India the general population are satisfactory with present day Gadgets and Online patterns. Consequently the banking sector has just ventured into the application of ICT so as to endure and keep a secluded spot in the market, which uphold the Co-Operative Banks to do as such. In order to attain more profitability unique strategies are adopted by the banks. For those strategies Information and Communications Technology create good platform. Through this study the researcher could recognize the influence of benefits and prospects of Adoption of ICT into the overall performance of the bank.

Introduction

In this fast moving era we are witnessing a technological revolution in all the sectors. Even the banking sector has no exception from this technological revolution because; failing to adopt changes may lead to utter fall short. in order to prevent such failure already the banking industry has started to show its interest in adoption of ICT and realize how easy this is to access information and communication technology (ICT) and using it for quick and efficient service delivery. High service quality positively affects the effectiveness of business processes in terms of market share, reduced cost, positive attitude of customers, customer retention, etc. [1] it is clear that the high service quality matters in the successful operation of any bank especially co-operative banks. Several studies reveal that the co-operative

banks are much more intimate to ordinary people than the other banks do. To facilitate and perform qualitative service some of the co-operative banks implemented electronic mode of banking system and started to reap its full benefits. While some other co-operative banks are at its starting point and looking forward its benefits and prospects. Though there is some initial resistance and problems of ICT adoption, the benefits of ICT implementation are numerous. It provides aggressive edge to the banking institutions in terms of cost, better customer service- in terms of quick service delivery, convenient mode of transactions, easy accessible, users friendly etc... And it provides wider distribution area and development of exclusive product offerings and so on. The boom of information and communication technology has evoked several research efforts aimed at the same segment and considering the present circumstances the researcher investigate the possible Benefits, Prospects and positive effects of adoption of ICT in cooperative banks. so the main thrust of this article is to study the Benefits and Prospects

of adoption of Information and Communication Technology in cooperative banks.

Review of literature

The computer-based information systems otherwise called Information and Communication Technology (ICT) are considered as the fast growing technological innovation during this century. No any sector is excused from this technologies innovation and all sectors are reaping its benefits. Among them banking sector is enjoying its benefits at its peak point.

Ghosh Abhijeet, (2011) through his study entitled 'Broadband wireless access with WiMax current performance benchmarks and future potential' he says how the ICT influence and contribute in the rural development. Information and Communication Technology (ICT) has earned its reputation to be the key to information-flow for intensifying the development efforts in rural India and is being considered as an imperative strategy for achieving the goal of sustainable rural development.

Behavior of the customer has playing a vital role in the banking system. The emergence of technology has given well awareness regarding new technological innovations to the customers. Thus the customers' expectation and behavior also changed accordingly

Sarel (2003) observed through his study 'Marketing online banking services: The voice of the customer' that there are significant changes in the attitude as well as opinion of bank customers. Most importantly, new customers are fully aware about electronic banking. Many users are agreeing about advantages and the importance of electronic banking technology. The potential to expand the market for online banking services exists. The real success of IT in the banking sector depends upon the customer's satisfaction.

As he said if customer satisfaction is core focusing point it is quite relevant to discuss about what makes the customers happy and satisfied? Service is the first element. According to **Gronroos (1990)** service is nothing but “ a process consisting of a series of more or less intangible activities that

normally, but not necessarily always, take place in the interaction between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customers”

Service is nothing but it is good way of performing the things. There is no doubt that adoption of Information and communication technology will help to stimulate the performance which literary called service. Same like this adoption process bring a new culture of e-business. All the transactions and dealings suppose to be done via electronic mode.

Surjadjaja (2003) gives an exact view about trending e-business or e-commerce through his study named ' Determining and assessing the determinants of e-service operations' the rapid development of the Internet and communication technologies brings customers in the electronic marketplace. The terms e-business and e-commerce has been used interchangeably and can be defined as a variety of market transactions involving either physical or digital products that are enabled by

information technology. E-business can be categorized into e-commerce and e-service. E-service can be understood broadly as, services delivered electronically by using various information & communication technologies such as the Internet, mobile phones, and other handheld devices. Obviously after the implementation of ICT in banks those applications and service which provided by bank can be group as e-service. Same wise mobile Internet applications enable customers to gain access to a variety of services

Okazaki, 2005 In his study contested on the topic of ' New perspectives on m-commerce research' explain the means of mobile banking such as; Web information search, SMS (short message services), MMS (multimedia message service), banking, payment, gaming, emailing, chat, weather forecast, GPS (Global Positioning Service), and so forth. Collectively, this wide array of services will be called as mobile commerce (m-commerce)

Mobile banking makes the customers more convenient and users friendly so that the intensity of customer satisfaction may increase. As well as

they can save time and avoid avail the service at anytime and anywhere.

Scope of the Research

The main theme of this research is to investigate the Benefits and Prospects of adoption of Information and Communication Technology in cooperative bank. Besides, in this competitive modern Indian banking system co-operative banks are forced to step into the electronic mode of Banking. Obviously while adopting the ICT in co-operative banks will bring number of advantages and a positive impact same time there are several banks are stuck on the initial stage of ICT adoption. Findings of this study may be one of the encouraging factor for those banks. Therefore, there is scope of conducting a study focuses on Benefits and Prospects of adoption of Information and Communication Technology in cooperative bank

Significance of the study

This study aims at contributing to the segment of adoption of ICT by focusing on the Benefits and Prospects

of adoption of Information and Communication Technology in cooperative bank. It helps the banks those who are planning to shift conventional mode of banking into electronic mode of banking system, similarly it will be a valuable source of information regarding ICT adoption especially, in co-operative banks. The value of this study on ICT lies in its ability to assess the real Benefits, advantages and Prospects of adoption of Information and Communication Technology in cooperative bank and this research can be utilized as a reference and guide for future related studies.

Objective of the Study

To study the Benefits and Prospects of adoption of Information and Communication Technology in cooperative bank

Framework of the Study

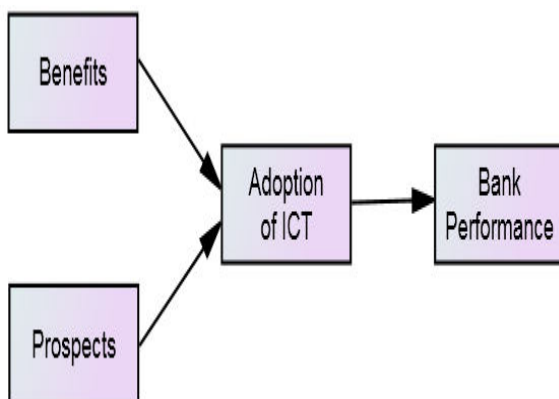


Figure 1: Conceptual Framework

Research Gap

Researcher has gone through the various references and reached the conclusion that, there are several studies were made on the topic related to Information and Communication Technology (ICT) focusing on several nationalized Banks. But it is quite evident that, no specific study is conducted focusing on Benefits and Prospects of adoption of Information and Communication Technology in cooperative bank.

Statement of the problem

Now days the use of Information and Communication Technology has increased in all segment and greatly created a new culture of digitalization. Rapid changes in every field have made it a key resource for survival in this world. So people are running behind the new trend and new technology assistance. This attitude and mentality of people directly or indirectly force all the sectors to imitate or adopt those hi-tech technologies to their particular sector. Even the Banking sector also forced to adopt the ICT in their banks to survive and to keep a safe place in competitive market. Apparently co-operative banks

also enforced to shift their mode of operation from manual way of doing into electronic mode. Now almost all the co-operative banks are at its starting point of ICT adoption. Apparently still some of the bank authority and employees are not much aware of the after effects of the implementation of Information and communication technology in their banks and some of them are having several fake ideas and misinterpretations regarding ICT. With available source of knowledge need of a detailed and scientific study seems very necessary and this can be coined as a research issue. That is why the researcher has decided to put his interest on the title of ' the Benefits and Prospects of adoption of Information and Communication Technology in cooperative bank'.

Research design and Methodology

This study is comprised of Descriptive research design. The purpose of this study was to collect detailed and factual data and to illustrate the existing occurrence. Target population of the study was employees of Primary co-operative banks in Thiruvananthapuram district, Kerala. There were 70 primary co-operative

banks in Thiruvananthapuram. 350 bank employees were selected through convenient random sampling method. A structured questionnaire designed to collect the assessment and view about adoption of ICT in Primary co-operative banks and the researcher used survey approach to collect the data.

Data Analysis

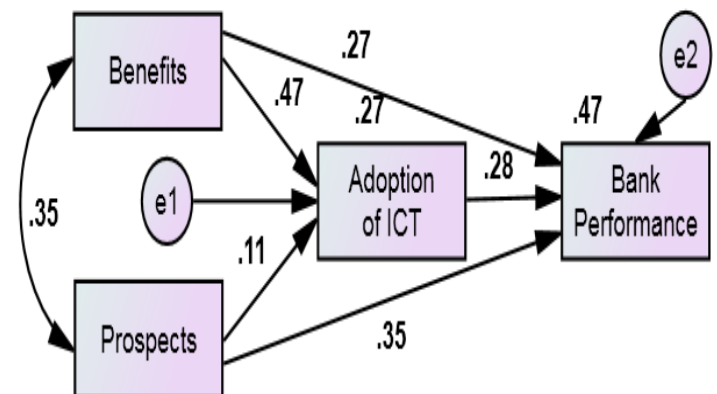


Figure 2: Path analysis of Benefits and Prospects of adoption of ICT

Table 1: Model Fit

Indicator s	Observe d	Recommend ed (Premapriya, et al. 2016) and Velaudham ans Baskar (2015)
Chi-Square	0.356	--
P	0.892	Greater than 0.050
GFI	0.999	Greater than

		0.90
AGFI	0.989	Greater than 0.90
CFI	0.999	Greater than 0.90
NFI	0.999	Greater than 0.90
RMS	0.012	Less than 0.080
RMSEA	0.001	Less than 0.080

Source: primary data

The above model fit table found that the calculated chi-square value was 0.356. The p value was greater than five percent level. The Goodness of Fit Index value and Adjusted Goodness of Fit Index values were greater than 0.90. This result was perfectly fit (Saminathan, et al. 2019). The calculated Comparative Fit Index and Normed Fit Index values were greater than 0.90. It was found that RMS and Root Mean Square Error of Approximation values were less than 0.08. The above indicators indicate that it was perfectly fit Velaudham and Baskar (2016).

Table 2: Regression Weights

DV		IV	Est imate	S · E ·	C · R ·	B et a	p
Adop tion of ICT	<- --	Be nefi ts	0.41 8	0.0 30	14. 018	0.4 72	0.0 01
Adop tion of ICT	<- --	Pro spe cts	0.12 5	0.0 37	3.4 07	0.1 15	0.0 01
Bank Perfo rman ce	<- --	Ad opti on of IC T	0.50 4	0.0 58	8.7 19	0.2 76	0.0 01
Bank Perfo rman ce	<- --	Pro spe cts	0.70 5	0.0 58	12. 213	0.3 54	0.0 01
Bank Perfo rman ce	<- --	Be nefi ts	0.43 6	0.0 52	8.3 03	0.2 69	0.0 01

Source: Primary data

H₀: There is no influence of benefits on adoption of ICT.

Influence of benefits on adoption of ICT calculated value of CR is 14.018. The Beta value was 0.472. The beta value indicates that 47.2 percent of influence is through benefits towards adoption of ICT. The p value

was 0.001. The p value was less than 1% and the hypothesis was rejected. Hence, it can be concluded that the benefits influences adoption of ICT in co-operative bank.

H₀: There is no influence of prospects on adoption of ICT.

Influence of prospects on adoption of ICT calculated value of CR is 3.407. The Beta value was 0.115. The beta value indicates that 11.5 percent of influence is through prospects towards adoption of ICT. The p value was 0.001. The p value was less than 1% and the hypothesis was rejected. Hence, it can be concluded that the prospects influences adoption of ICT in co-operative bank.

H₀: There is no influence of adoption of ICT on bank performance.

Influence of adoption of ICT on bank performance calculated value of CR is 8.719. The Beta value was 0.276.

The beta value indicates that 27.6 percent of influence is through adoption of ICT towards bank performance. The p value was 0.001. The p value was less than 1% and the hypothesis was rejected. Hence, it can be concluded that the adoption of ICT influences bank performance in co-operative bank.

H₀: There is no influence of prospects on bank performance.

Influence of prospects on bank performance calculated value of CR is 12.213. The Beta value was 0.354. The beta value indicates that 35.4 percent of influence is through prospects towards bank performance. The p value was 0.001. The p value was less than 1% and the hypothesis was rejected. Hence, it can be concluded that the prospects influences bank performance in co-operative bank.

H₀: There is no influence of benefits on bank performance.

Influence of benefits on bank performance calculated value of CR is 8.303. The Beta value was 0.269. The beta value indicates that 26.9 percent of influence is through benefits towards bank performance. The p value was 0.001. The p value was less than 1% and the hypothesis was rejected. Hence, it can be concluded that the benefits influences bank performance in co-operative bank.

Findings

- The analysis found that there is influence of benefits and prospects on adoption of ICT
- It is found that there is influence of benefits and prospects on bank performance
- The path analysis found that there is influence of adoption of ICT on bank performance

Conclusion

It is quite evident that the adoption of ICT in any sector brings certain benefits and prospects. Those benefits and prospects probably strengthen the working environment of any institution which is same in regarding banking sector too. Adoption of Information and Communications Technology generate sky-scraping level of profitability and overall performance. It appears that in this present competitive banking market each institution is adopting several unique techniques and strategies to accomplish the target. It looks like that all those strategies are mainly stick in to ICT (Information and Communications Technology.) so Adoption of ICT have a greater role in the effective performance of the Banks.

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