



THE IMPACT OF ICT USAGE AND THE CHALLENGES FACED BY THE EMPLOYEES IN PRIVATE BANKING SECTOR AT MADURAI

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Cite This Article: P. Amali Fathima & Dr. Bindu Antony, "The Impact of ICT Usage and the Challenges Faced By the Employees in Private Banking Sector at Madurai", International Journal of Current Research and Modern Education, Volume 2, Issue 1, Page Number 28-32, 2017.

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Abstract:

The modern banking industry is characterized by extensive reorganization, restructuring, expansion and phenomenal growth with mergers and acquisitions among the public and private sector banks. The banking industry has witnessed tremendous changes linked with the developments in ICT over the years. The quest for survival, global relevance, maintenance of existing market share and sustainable development has made exploitation of the many advantages of ICT through the use of automated devices imperative in the industry. ICT has specifically resulted in a total alteration of the norms on the performance of the banks and in the provision of client facilities in the banking sector, also the ICT advancement has a considerable impact on the advancement of additionally accommodating and user friendly banking facilities. Indeed, internet banking as an important part of a new technology has presented a competitive advantage via cost reduction, and better satisfaction, trust and loyalty of clients. The universal application of ICT can change the way banking has been perceived. Beginning with customer centric services, back office set up, MIS needs of banks has dimensions of innovations and change in quality.

Introduction:

The Banking industry in India has changed spectacularly since 1991 due to the government of India policies in respect of liberalization, privatization and globalization, which has stepped up the level of competition in all kinds of economic activity. The modern banking industry is characterized by extensive reorganization, restructuring, expansion and phenomenal growth with mergers and acquisitions among the public and private sector banks. The growth of modern banking is both an innovative and creative human Endeavour. Jain Prakash (2013). The most significant characteristics of the third millennium can be pointed out as hastening advances on Information Communication Technology (ICT). This has created almost a silent revolution of all aspects of human life. So it is predictable that the next generations will witness a further boost in high tech and knowledge – oriented endeavors. The banking industry has witnessed tremendous changes linked with the developments in ICT over the years. The quest for survival, global relevance, maintenance of existing market share and sustainable development has made exploitation of the many advantages of ICT through the use of automated devices imperative in the industry.

ICT has specifically resulted in a total alteration of the norms on the performance of the banks and on the provision of client facilities in the banking sector, also the ICT advancement has a considerable impact on the advancement of additionally accommodating and user friendly banking facilities. Indeed, internet banking as an important part of a new technology has presented a competitive advantage via cost reduction, and better satisfaction, trust and loyalty of clients. In reality, it has led to an increase in service efficiency of banks, with lower costs of operations towards customers, thus reducing costs and improving profit margins for banks (Mastoori, 2009; Xu, et al., 2009; Ahmed, et al., 2009). Adoption has been explained as a decision to make full use of an innovation as the best course of action. The adoption of ICT is defined as a collective term for a wide range of software, hardware, telecommunications and information management techniques, applications and devices, that are used to create, produce, analyze, process, package, distribute, receive, retrieve, store, and transform information. (Rogers, 1983)

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 enhance faster services. The adoption of ICT improves the banks' s2.image and leads to a wider, faster and more efficient market. Information Technology (IT) is the automation of processes, controls, and information production using computers, telecommunications, software and ancillary equipment such as automated teller machine and debit cards. It is a term that generally covers the harnessing of electronic technology for the information needs of a business at all levels. Communication is the conveyance or transmission of information from one point to another through a medium.

Review of Previous Studies:

Sooraj T Malayil (2013) in his article, "Profitability Capturing the Rural Market" has identified the governments' initiatives like Information Communication Technology (ICT) and technology in financial inclusion, increase the technological absorption capacity of users and encourage an environment of innovation and cooperation among stakeholders. The challenge is to make use of latest technology to reach out every nook and corner with a minimum cost and optimum use of available resource with the bank.

Private Sector Banks:

Dr. Ram Jass Yadav (2012), in his article, "Measurement of Productivity and Efficiency A Study of Indian Banking Part" from his analysis, is obvious that foreign banks are most efficient almost in all four indicators of efficiency that is cost, productivity, intermediation and profitability efficiency with maximum efficiency scores, whereas private banks are having relatively high efficiency for three indicators as this group has high inefficiency in productivity.

ICT Usage:

M. R. Das (2011) in his article, "Increasing Employee Productivity in Banks" has discussed that; increasing use of modern technologies should complement the efforts of employees. Technological capabilities have enhanced the speed of transactions, lessened the cost of handling multiplied the number of products & services offered there by increased the turn over & productivity, besides imparting comfort to employees.

Eric Anklesaria (2012), in his study on, "Technology trends in Banking Journey from Branch to Branchless" has discussed that, the focus of technology in Indian Banking has been on transaction processing, data storage & service delivery, now the need is to shift focus to areas like internal management & backend processes. Which data storage & retrieval are successfully in computerized system the administrative processes are still largely manual & hence an area for technology intervention.

Neeraj Dubey (2013) in his article, "Technology and E-Payments System in India" has discussed that, banks in India are strategically adopting newer technologies to deliver better customer service, cut cost & gains with the increased digitization of customer awareness on privacy and IT act, privacy has emerged as an important focus area for banks in India. The banks responding to the contemporary security challenges through a formal security function that derives inspiration from leading security standards for overseeing security initiatives in the banks.

Statement of the Problem:

The Banking System in India reached a stage of rapid transformation in its post nationalization era. During last two decades, new dimensions have been added to the banking system to provide it an absolutely new face. The banking system has significantly assumed the character of need-based and purpose oriented activity from that of the profit oriented and security based activity. India in its economic development has assigned a pivotal role to banks bring about desired changes towards the economic growth. Banking system in India has grown in an environment where it provides what it wants to provide, where it want and when it wants. This has to change it favor of providing the customer what he wants, clearly is a pointer towards the new trends in Indian banking system. The process of Liberalization, Privatization, globalization and banking sector reforms adopted in 1991 has resulted into the setting up of new private sector banks in India. The aim of the study is to identify the impact of ICT usage and challenges faced by the employees in private banking sector at Madurai.

Scope of the Study:

The scope of the study is limited to Madurai city only. The banking sector includes ICT technologies and using as a part of business strategy for expansion, revenue increase, extension of customer network and creating competitive advantage among banking institutions. The study is an effort to investigate the impacts of ICT usage and the challenges of employees in the private banks.

Objectives of the Study:

- ✓ To analyze the impact of ICT usage on private Banks at Madurai.
- ✓ To examine the challenges faced by the employees on the usage of ICT in private banking sector.

Research Design:

The researcher in this study has adopted a descriptive research design, wherein the researcher has attempted to make an assessment of impact of ICT and the usage that is being followed in the private banks in Madurai through a survey conducted to the employees in the selected banks. The researcher has also analyzed the impact of ICT usage and the challenges faced by the employees in the private banks at Madurai.

Sampling Design:

Sampling was done in two steps. In the first step banks were selected and in the second step employees who are working in the selected banks were chosen. Banks and employees were selected in simple random sampling. Sample size is 100 Bank employees.

Findings:

- ✓ 41 % of the respondents belong to the age group less than 25 years.
- ✓ 65% of the respondents are male employees.
- ✓ 52% of the respondents are married

- ✓ 40% of the respondent's monthly income is above Rs.25000.
- ✓ 46% of the respondents have completed their Master degree.
- ✓ 40% of the respondents are working as officers.
- ✓ 56% of the respondents have years of experience of less than 5.
- ✓ 41% of the respondents said that people visit their bank website between 501 to 1000.
- ✓ 72% of the respondents said that their bank has provided the internet banking facility is more than Five years
- ✓ 42% of the respondents said that their bank has frequently updating their websites daily.
- ✓ Time Saving is ranked first for the reason of preferring ICT in private banks.
- ✓ The weighted average method is done in order to know the reason behind the introduction of ICT. Among various reasons, qualitative customer service is given first rank.
- ✓ 54% of the respondents are said that customer makes their awareness on the internet.
- ✓ The weighted average method is done in order to know the opinion regarding knowledge, training and developments given in banks. Among various opinions, effective training is given first rank.
- ✓ The intensity ratio is done in order to know the perception about the provision of electronic banking. . Vision of the future which is ranked first.
- ✓ To analyse the relationship between Age and the challenges of employees to work with ICT the Chi – Square test is applied. The hypothesis proves that “There is significant difference between age and challenges of employees to work with ICT”.
- ✓ To analyse the relationship between gender and the challenges of employees to work with ICT the Chi – Square test is applied. The hypothesis proves that “There is no significant difference between gender and challenges of employees to work with ICT”
- ✓ To analyse the relationship between Marital Status and the challenges of employees to work with ICT the Chi – Square test is applied. The hypothesis proves that “There is no significant difference between Marital status and challenges of employees to work with ICT”
- ✓ To analyse the relationship between Monthly Income and the challenges of employees to work with ICT the Chi – Square test is applied. The hypothesis proves that “There is significant difference between monthly income and challenges of employees to work with ICT”
- ✓ To analyse the relationship between educational qualification and the challenges of employees to work with ICT the Chi – Square test is applied. The hypothesis proves that “There is significant difference between educational qualification and challenges of employees to work with ICT”
- ✓ Based on factor analysis, the first factor is Usage of ICT at 49.71%.
- ✓ 68.368% of the respondents recommend for flexibility is the third factor.
- ✓ Flexibility (68.368%) is found to be the most dominant among three factors that the private bank employees towards the usage of ICT.

Suggestion:

- ✓ There is a need for bankers to invest more resources in ICT technologies to help reduce fraud as well as provide more online banking products to reduce crowding in banks and improve banking solutions.
- ✓ The success of the ICT usage in the banking sector based on the employees. To improve their efficiency and skill proper training can give to them.
- ✓ There should have positive relationship between the attitude of the branch staff plus, customers towards the ICT usage and the increase in branch performance.

Conclusion:

The Banking Industry is witnessing significant double digit growth. The sector is slowly emerging into a market and is becoming increasing, keeping with global trend and practices. Some of the key growth areas within the banking sector are private banking, wealth management and investment banking; they showed potential to become significant businesses in the coming years. With this high growth activity increasing competition in the banking sector has emerged as the key differentiator in the marketplace. The universal application of ICT can change the way banking has been perceived. Beginning with customer centric services, back office set up, MIS needs of banks has dimensions of innovations and change in quality. ICT application should further be used for diversification of more value added services, pursuing financial inclusion with more PoS terminals, developing CRM data, moving more non-customer activities to remote locations, better mapping of manpower competence, setting up data warehousing and MIS architecture to reduce dependence on operational units for monitoring and control.

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