



Perspective Analysis: The Significance of ICT in the Organisational Performance of Public Sector Banks in India

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ABSTRACT: In an era of economic crisis and vigorous competition, ICT (Information and Communication Technology) has taken centre stage in the lives of every human individual. ICT examples include cell phones, computers, robots, AI, television, virtual conferencing, online transactions, RFID technology etc. Banks play a crucial role in boosting any economy worldwide, and India is no exception. The purpose of this research is to focus on the significance of ICT, specifically with respect to the performance of public sector banks in India. This paper aims to analyse the role of Information and Communications Technology towards the welfare of the banking industry by improving the efficiency and services offered to customers by safeguarding their money, enhancing the better working of bank procedures, and supporting managerial decisions, to make a better place amongst other competitors and increasing economic growth by influencing their organisational performance. It hopes to emphasise the importance of equipping employees with adequate training and knowledge of the latest technologies in order to improve the overall organisation's role and performance in the service to their customers, with safe and sound banking systems in place. A 360-degree perspective analysis is conducted with the help of an unstructured interview in the form of a case study where the responses of bank officers, clerks and customers are obtained and a conclusion is drawn which reveals how ICT has helped in eradicating malpractices and, in turn, contributed to the higher efficiency of banks improving the organisational performance. Different perspectives of bank stakeholders are taken into consideration, and the hypothesis of the significance of ICT on the organisational performance of public banks in India is established.

KEYWORDS: ICT, Organizational Performance, Benefits of ICT, Banking Industry, Customers, Economic growth

I. INTRODUCTION

Technology has advanced and affected our lives more than we realise it has. Accessible banking services have led to an advantage of online payments like buying meals from Zomato or digital cash payments in Uber. Every moment we bond with the ease and efficiency of operations that technology offers us. Information has been a significant part of every organisation's operations and manager's tasks. Its value and the need to manage it are maximising at a nominal rate. Technology is a massive force that is taking the world towards commonalities. Since the genesis of the human age, technology has been one of the most essential and vital factors for the development of mankind. When we talk about financial activities, technological advancements have changed the way customers manage their finances and conduct financial transactions at the tip of their fingers! Digitalisation means using technology to convert essential and confidential data into a secure digital format. This has vastly affected the work culture and favourably impacted customer services in financial institutions such as banks. Earlier banking systems were tiresome and laborious, leading to unsatisfactory client experiences. This was mainly due to waiting in long lines, filing countless papers, and being physically available. Defects and blunders were more outstanding when banking relied entirely on human accuracy and skills. Human capacities are restricted; hence, they are prone to miss details or make calculation mistakes. The occurrence of errors has been minimised to virtually zero with the invention of computers. The digitalisation of banks helped in saving time and providing the scope for the accommodation of new services to customers. The development of mobile banking and net banking has taken down the time you spend on



banking-related duties, ensuring hassle-free customer support even from a distance.

The objective of the proposed study is to analyse the changed scenario of banks working before and after digitisation in the context of the tremendous economic growth of our Nation vis a vis the global scenario. "ICT innovation is becoming more and more relevant, mainly due to three significant trends; intense international competition, fragmented and demanding markets, and diverse and rapidly changing technologies", said Wheelwright

and Clark, 1992. We can understand from this statement that in the banking sector, especially the public sector, banks need to be more equipped with technology and services and bring in more innovation which in turn provides an opportunity to contribute to the growing economy. ICT plays a role in all processes associated with modern-day banking, including daily routines of maintaining payroll and order entry to strategic tasks such as acquiring a company. It has strengthened banks' internal control systems by enhancing their customer support service.

II. DEFINING BANKING SECTOR

The banking industry in India has been progressing since the 18th century, and it is said to be one of the world's earliest industries. The banking sector can be defined as a group of financial institutions and services that supply financial services to individuals, businesses, and governments. Banks play a crucial role in a country's economy by providing a safe place to store cash, offering loans and financial products, and providing services like international payments, investments, and insurance. Banks also facilitate payments and transfers. It is extremely regulated and adheres to strict rules and regulations. As years passed by, it has enhanced and expanded. Banks have been related with lengthy lines and enormous paperwork. acceptance is gained by streamlining services for customers and updating systems.

India's banking methods form the base for the country's economic development. Enormous and essential changes in the banking system and management have been noticed with the evolution of technology, keeping in mind the necessities of people. The start or history of banking in India can be traced back to the Vedic period when it was known as 'Kautilya's Arthashastra'. The East India Company established the Bank of Hindustan and the General Bank of Bengal and Bihar in the colonial era in 1770 and 1773, respectively. They were the first to develop and introduce modern banking practices in India. The first scheduled bank in India was the Bank of Upper India, established in 1863. Later on, the Allahabad Bank in 1865, the Punjab National Bank in 1894, the Bank of India in 1906 and the Central Bank of India in 1911 were established. In 1921, the Government of India launched the Imperial Bank of India, a state-owned bank, which was renamed the State Bank of India in 1955. Today, the banking sector in India is highly regulated by the Reserve Bank of India (RBI). It has implemented various measures to enhance financial inclusion and to make sure that

banking services are accessible to all sections of society. Government banks, as the name suggests, are significantly government-controlled, where the Ministry of Finance in India holds a significant stake, approximately more than 50%. Its shares are demonstrated on stock exchanges and its main focus is social welfare.

During the Pre Independence period, around 600 banks were registered in the country; however, only some managed to survive. There can be some conclusions which can be majorly drawn due to why the survival of banks was difficult and some eradicated, which are as follows –

1. Human mistakes, which led to significant calculation mistakes and eventually contributed to a lack of time management and tedious working hours
2. Fewer facilities in the organisation which could have made the work more convenient
3. Poor management expertise, which led to less organisational efficiency
4. The account holders started practising malpractices for their benefits
5. Lack of technical intervention led to exhaustion and errors

The post-independence period observed some significant changes in the banking field, like bank nationalisation introducing mechanisation in the banking industry, which has to date since then developed by leaps and bounds. After the establishment of banks in the country, the need for systematic monitoring and rules were implemented strictly and had to be followed to carry on with the profits provided by the banking industry. Banking in India has witnessed a rapid change in the previous two decades, which means that it started transforming from physical banking to becoming a digital platform that catered to its customers widely. It drastically changed from writing things on paper and maintaining it to



having digital payments and branchless banking all over the world. Ledger systems have been eliminated. The role of technology has developed from being a sheer cog in the strategic framework of companies to navigating, moulding and redefining business

III. IMPACT OF TECHNOLOGY

Services are streamlined for clients, and updated systems are gaining faster acceptance. Cash deposits, phone wallets (paytm, google pay etc.), receiving e-bills, and many such financial procedures have become common these days. Nowadays, people rely on artificial intelligence for most of their work and associate it with good banking practices. They find it more reliable, safe, time-saving and an asset for the future generation. Banking processes are faster as the past data is saved and can be retrieved whenever needed. Earlier, to withdraw cash, people had to stand in long queues but now they can withdraw cash from the nearby ATMs, which are located at multiple locations across each city of a country.

1. Minimisation of errors has been achieved and protection of data is ensured.

During a certain period, Human expertise was valued the most, which eventually led to a lot of errors due to overlooking a lot of details and trusting instincts. A lot of calculation errors would show up daily. With the invention of computers, these mistakes could be identified, rectified, and ensured minimisation of such errors. Another crucial aspect is the protection of data which is ensured by putting high security with the help of passwords and reducing the threats of losing them. During the manual period, data was stored in written form on paper, which could be easily replaced and retrieving them was difficult.

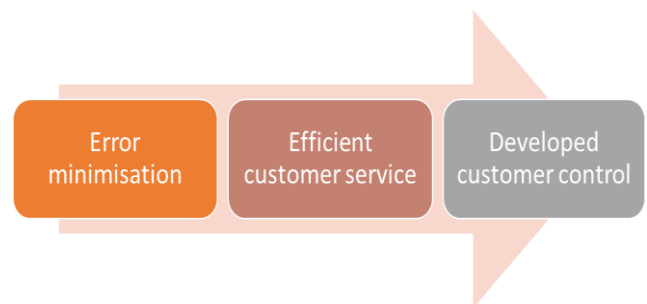
models and revenue streams. The current state of the banking industry development continues to play a significant role in facing newer challenges to keep the banking systems robust and risk-free from cyber-crimes and hacking of data.

2. Efficient services to customers, increasing customer loyalty and trust

Earlier, customers had to stand in long queues, fill tons of forms and complete paperwork, and be present to complete the formalities and procedures, which was time-consuming, exhausting, and impractical. Net banking has saved customers and has become a go-to choice wherein you can send money within seconds, withdraw cash from ATMs, tally your passbook and plan your future through specific government schemes like National Pension Scheme, Public Provident fund, Sukanya Samridhhi account etc.

3. Developed Customer control and access to data

The data of customers are crucial and hence the bank systems provide customers with the right to make their own settings, and hence they can decide who can access their details and at what degree or level. This builds up customers' trust and helps in managing data at a secure level. Customers are educated regarding the same and are told not to share any pins or passwords with outsiders. Customers can also get their transaction details quickly.



Advantages of inclusion of technology in banking



IV. RESEARCH METHODOLOGY

1. Hypothesis of Research

H₀ – ICT plays a significant role in the organisational performance of the government banks

H₁ – ICT doesn't play a significant role in the organisational performance of the government banks

Through research, a perspective analysis will be conducted to test the hypothesis. It is tested with the help of an unstructured interview.

2. Data collection techniques

The data collection technique used for the research in this paper was through the help of unstructured interviews. Three cases were created with reference to the malpractices happening in public sector banks and the stakeholders, which include the top-level managers, clerks and customers were interviewed personally and their opinions were taken down to the respective questions. The stakeholders involved in the research may hold divergent viewpoints, possess distinct sets of values, and have varying interests. The opinions were diverse in nature.

3. Target population

The target population for this research will be the stakeholders of the bank which involve the bank officers, clerks and customers. The number of bank officers who were interviewed were four in number, the number of clerks which were interviewed were six in number and the customers were seven in number. A hierarchical approach was taken into consideration.

4. Sampling techniques

The method used for data collection in this research is snowball sampling technique. In research investigations involving populations that are difficult to access, the non-probability sampling method known as snowball sampling is frequently utilised. This technique is also sometimes referred to as network sampling or chain-referral sampling. Participants in snowball sampling are recruited through the use of references from other participants in the research project. In most cases, either easy sampling or intentional sampling will be

used to select the first group of participants. After the initial volunteers have been chosen, additional individuals who might be eligible for the study are sought with the request that the initial participants make referrals. This procedure will continue until the required number of samples has been collected.

5. Limitations

1. The study has used snowball sampling technique with getting perspectives from a particular region which makes it difficult to apply for all stakeholders of the bank including bank officers, clerks and customers
2. As evidence pertaining and supporting the secondary data and due to time constraint, the number of total respondents are limited to 18.
3. The study is conducted through referrals

V. DATA ANALYSIS

Data Analysis is conducted based on a perspective analysis which is obtained by the top-level management of the banking industry, the clerks and the customers. Perspective analysis can be defined as a detailed and systematic examination of a person's point of view. The goal of a perspective analysis is to find and analyse the different things that could affect how different people see a particular situation or problem. This can include looking at the social, cultural, economic, and political situations around the issue, as well as the personal experiences and beliefs of the people concerned. By looking at the issue from different points of view, perspective analysis can help find biases or assumptions that might be making it hard to understand the problem. This can lead to better ways of handling problems and making decisions, as well as more empathy and understanding between people who have different points of view. The utilisation of perspective analysis is a crucial research methodology as it enables scholars to scrutinise intricate matters from various vantage points, thereby facilitating a more exhaustive comprehension of the subject matter under investigation. It can aid researchers in obtaining a deeper understanding of the viewpoints and encounters of those who may be directly impacted by the subject matter under investigation. Researchers can identify recurring themes and patterns that arise from diverse perspectives by collecting data from various sources, including surveys, interviews, and focus groups. This can facilitate the formulation of interventions and



policies that are better attuned to the requirements and apprehensions of diverse demographics. Through the analysis of the determinants that influence individuals' viewpoints and convictions, scholars can facilitate the reduction of disparities and foster enhanced interaction and cooperation. When we do a perspective analysis, we basically follow a few steps like the identification of the problem, and the process of identifying pertinent viewpoints, gathering data, analysing and

synthesising the findings, deriving conclusions and conveying the results of research. The paper is qualitative in nature. The analysis was conducted with the help of software named NVivo. It helps to organise, analyse, and discover insights in unstructured or qualitative data such as interviews, survey responses that are open-ended, journals, social media etc., in which deep insights are provided on the given data and analysis is made more convenient and more accessible.

Q.1 Was the act performed by Manish unethical and against the principles of banks?

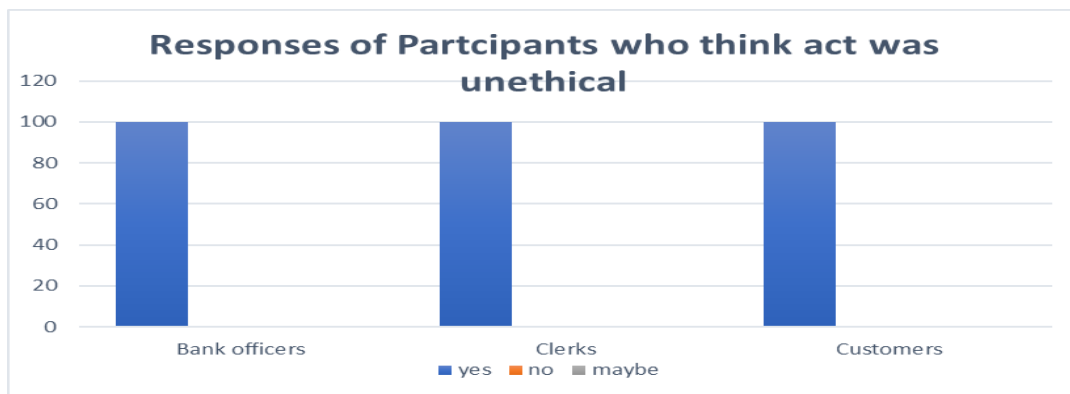


Fig. Responses of stakeholders who think act performed was unethical

From the above figure, we can draw the conclusion stating that all stakeholders, be it external or internal, feel that the act committed by Manish was against the ethics of the bank. Manish misused the power for his own benefits, and here is where we see that ICT was lacking. If ICT had been effectively used then this malpractice could have been avoided. Manish and such employees should definitely be terminated and not allowed to work in any financial institutions. No one should promote such creed and strict implementation of ICT should be practised in all banks.

Q.2 What decisions should be taken by the bank to eradicate such malpractices?

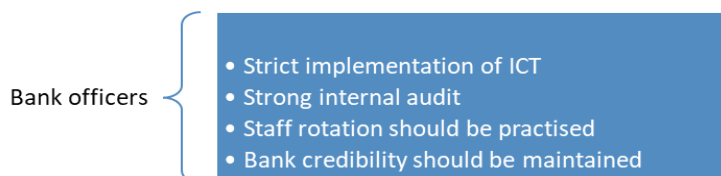


Fig. Perspectives of bank officers on steps that should be adapted by banks

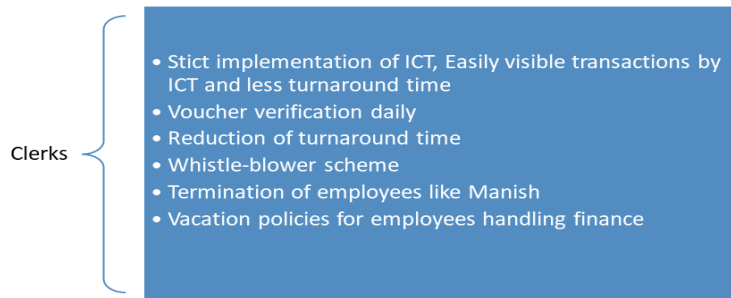


Fig. Perspectives of clerks on steps that should be adapted by banks

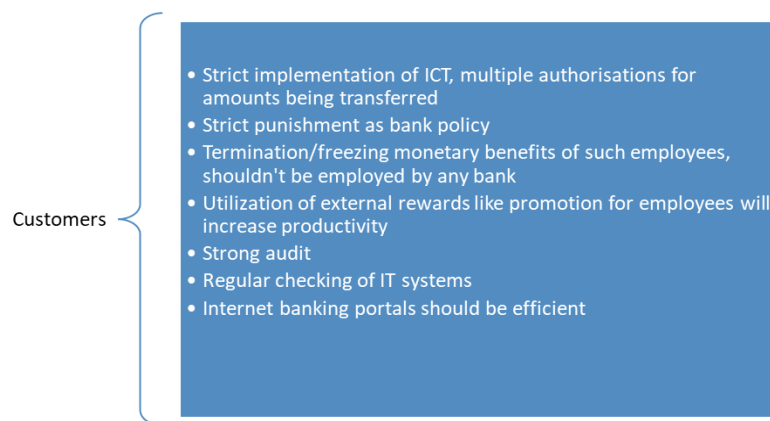


Fig. Perspectives of customers on steps that should be adapted by banks

From the diagram above, we can make the inference that all stakeholders have different perspectives but also have some commonality to them. All the stakeholders feel that ICT contributes significantly to eradicate such malpractices which in turn increase productivity and organisational efficiency. ICT can send multiple authorizations for amounts being transferred which can make the customer aware, visible transactions are encouraged and turnaround time has been reduced a lot. This encourages digitalisation. They have also listed that strong audits should be maintained by banks and employees like Manish should be terminated. The bank officers also suggested a few implementations the bank should consider taking like staff rotation that could prevent exhaustion and keep the internal system strong which would contribute towards the bank's credibility. The clerks

working have given certain employee benefit views like vacation policies should be enhanced so that employees handling financial accounts do not find their tasks monotonous and have some motivation to work. They also said that Voucher verifications should be done on a daily basis and Whistle-blowing schemes should be strictly practised. The customers of respective public sector banks feel that bank policies should have strict punishments for these acts like termination and freezing of monetary benefits. They also feel that employee productivity can be strengthened by giving promotion to employees which can motivate them to work effectively. A strong view was given regarding the updation and regular checks of the ICT systems which can in turn contribute to better working of Internet portals for customer convenience and easy accessibility.



VI. CONCLUSION

The paper portrays how ICT has turned out to be a boon for the banking industry and how government banks operate with much more convenient technologies now. The ledger system isn't there anymore, queues are avoided, the introduction of net banking and token systems are diminished and the process of taking a month to clear the station cheques has been eradicated. The introduction of ICT in the banking industry is helping them improve their self-efficiency, return on assets, and equity. It also talks about how it helped the employees to have ease in the banking process and how their motivation levels increased by greatly reducing their workload. This has led to higher organisational performance by increasing productivity. The perspective analysis of different stakeholders show how they share commonality in their viewpoints regarding how ICT has helped eradicate malpractices and helped in smooth functioning of the organisation but also diverse opinions on how banks should approach the era of digitalization and strengthen its technical systems. It has played a major role in serving customers and attaining customer satisfaction too. The paper depicts a positive relationship between ICT and the organisational performance of public sector banks and proves the hypothesis correct.

VII. RECOMMENDATIONS

There are certain recommendations which can be implemented. Strengthening of ICT and customer awareness are a priority and should be practised effectively. For bank officers, they can make the internal audit strong and implement staff rotation which can avoid misconduct and monotonous work load at workplaces. They can also educate the staff on certain technological updates. Bank employees should work with integrity and shouldn't breach the trust of banks. They should educate customers on the repercussions of sharing excessive information to any third person which can be dangerous. Customers should be more aware of banking principles and should be careful about such frauds and avoid sharing personal information. This can lead to a systematic working of banks which in turn maintains the bank's credibility.

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