

THE INFLUENCES OF MANAGERIAL FACTORS ON THE ADOPTION OF ICT IN CO-OPERATIVE BANKS.

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Abstract

Researcher observes the level of influence of Managerial factors on Adoption of ICT in co-operative banks. And present a Conceptual frame work which explains the relation between the Technical hoisters, Security Cost and fee and Standards towards the ICT adoption Positive collaboration of all these three factors shows a green signal to adoption of ICT which leads to overall performance of the Bank.

Introduction

Now a days the banking Industry is witnessing tremendous changes due to the emergence of Technological up gradation. Even undereducated people are much aware of the use of new gadgets, same way they expect such upgraded services from the banks. By considering that changing phenomena In order to survive and keep a safe place in the market all the Financial Institutions has already stepped into the adoption of Information and Communication Technology (ICT). It is quite evident that while adopting the ICT there may be internal and external factors that influence adoption of ICT especially in co-operative banks. The internal factors include Regulatory /Supervision panel's characteristics, firm characteristics, legal, cost and return on investment, and external barriers include, infrastructure, social, cultural, political.[1] Taking into consideration of all these elements, Internal Factors otherwise called managerial factors are given much more importance in the process of implementation of ICT in co-operative Banks. Studies on the same segment reveal that, most of the co-operative panel members are still sticking on the traditional way of banking and the reason for that is the illiteracy over technology. Apart from that there is considerable evidence that there are number of banks which successfully adopted ICT under the special initiative of the bank authority and reap the full benefits offered by electronic mode of banking. The role of regulatory / supervision body is listed in the top among the managerial factors followed by Legal, Infrastructure and role of training also listed in the group of managerial factors. The above mentioned factors directly or indirectly influence the process of adoption of ICT

especially in Co-operative banks. Through this study researcher investigate the significant role of managerial factors on adoption of ICT. There for; the main thrust of this article is to study the Influence of managerial factors on adoption of ICT in Co-operative banks.

Review of literature

The fast growing technological innovation during this century is nothing but the computer-based information systems otherwise called Information and Communication Technology (ICT). No any sector is excused from this technologies innovation. While considering banking industry adoption of ICT is not a simple task and there are several factors have to be treated, especially the Managerial factors.

Huy, L. E. Van (2012) through his study entitled 'An empirical Study of Determinants of Ecommerce Adoption in SMEs' clearly says the major acceleratory factors of adoption of ICT. in his words Organization tends to adopt the technology if the consistency with their culture, values, preferred work practices and the availability of the infrastructure. Geographically, organization that has international or global orientation will accelerate the adoption process of ICT.

According to **(Azadegan & Teich, 2010)** Organization factor is one important factor in the adoption of information technology addition technical factor. Organizations can have different perspectives on how useful a technology may be.

Execution of Information and Communication Technology adoption in co-operative banks, it needs resources, the most important resources to adopt the new technology consist of finance, Human and technology resources where technology and finance are least important resources than the human Resource. Human Resource represents the Executives who play a crucial role in the process of implementing ICT investments

Saunders (2000) narrates the role of supervisory board through famous book named 'Methods for Business Students' that, Managers require a road map for strategic adoption of ICT but its implementation which will inevitably be unsuccessful if the organization's culture is not properly aligned with, and supportive of an overall business strategy.

For the successful implementation of ICT in banks all the supportive factors should act together. Proper leadership and their ability to take appropriate decisions can positively contribute the growth of all the institutions same like the co-operative banks too.

Cushing, (2002) lack of clear project goals and objectives changing during the project are considered the key factors in ICT project failure, on the other hand, failure to bring together those factors includes of : lack of infrastructural facilities, lack of funds, cost of implementation, lack of awareness, lack of appropriate government policies, lack of skills and training, cultural factors,

electricity constraints, corruption, low levels of education, illiteracy, lack of proper information, and so on.

Here the author reveals the major factors which can cause the utter failure of the project which indicate the importance of those factors.

Moran, C.R (1998) describe that the factors for success are those occurrences whose presence or absence determines the success of an ICT project. They can be drivers or enablers. Their absence can cause failure and their presence can cause success. Drivers are the factors that encourage or reinforce the successful implementation of ICT projects. Some of these are listed below:

- Vision and strategy
- Government support
- Employee assistance
- Rising consumer expectations
- Legal Support

While going through all the literatures it seems that Enablers of Adoption of Information and Communication Technology are the active elements or factors which help overcome the potential barriers of ICT adoption. the researcher recommend that those managerial factors such as : Supervisory / authority board, Training, Legal support and Infrastructure should be given considerable importance in the ICT adoption in co-operative banks.

Objective of the Study

To study the influences of Managerial factors on the adoption of ICT in co-operative banks.

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). But it is quite evident that, no specific study is conducted focusing on influence of Managerial factors on adoption of ICT in co-operative banks. Hence the present study is carried out with the hope that the findings and suggestions arrived throughout this study will help the co-operative banks during implementation of ICT in their banks.

Scope of the Research

The main theme of this research is to study the influence of Managerial factors towards the adoption of the ICT in co-operative banks. Besides, in this competitive modern Indian banking system co-operative banks are forced to step into the electronic mode of Banking. While adopting the ICT there are certain barriers to overcome, in particular managerial aspects seems highly

important among them. Therefore, there is scope of conducting a study focuses on how the managerial factors influence the adoption of ICT in Co-operative banks.

Significance of the study

This study aims at contributing to the segment of adoption of ICT by focusing on the influence of managerial factors of ICT adoption in co-operative banks. 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 influential level of managerial factors on the process of ICT adoption and this research can be utilized as a reference and guide for future related studies.

Statement of the problem

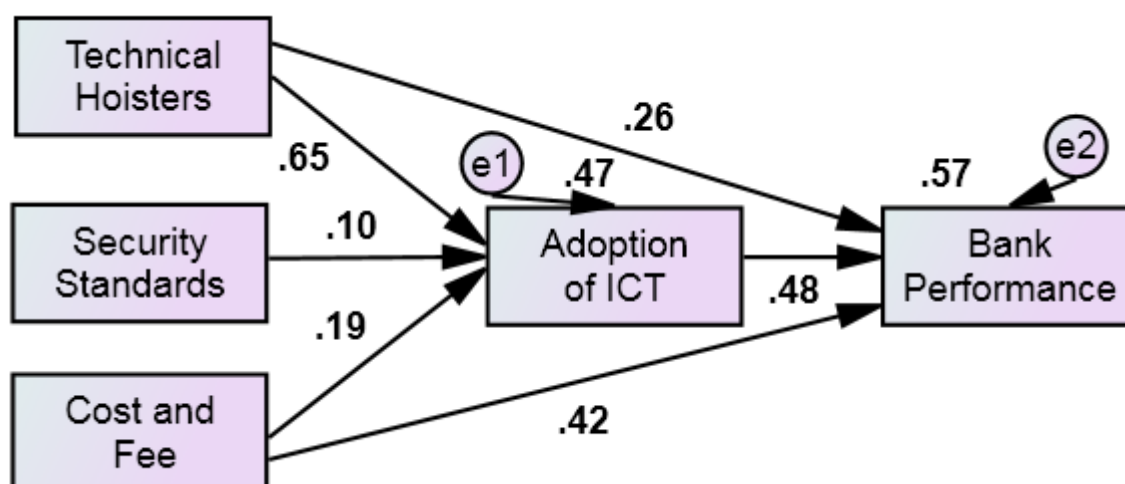
In recent years the adoption of Information and Communication Technology has emerged in all sectors and greatly transformed the mode of its operation. In this era of technology, banking sector also forced to adopt the ICT in their banks to survive and to keep a safe place in competitive market. Apparently co-operative banks also enforced to shift their mode of operation into electronic mode. Now almost all the co-operative banks are at its starting point of ICT adoption. To the best of knowledge all the new proposals must undergo through some barriers and obstacles. Regarding co-operative banks there are some factors which have to be given huge attention. Literarily we can group it as managerial factors. The characteristics of the Regulatory/ supervisory panel are first in list. Seeing as, the supervisory panel is made through election there is a huge influence of politics too so all the members may not be skilled or educated. Illiteracy over technology may compel the regulatory authority to bond with traditional way of banking system. Besides that, the legal formalities also seem one of the influential aspects of adoption of ICT. Infrastructure and money are equally important to above mentioned barriers. with available source of knowledge it appear as an attractive topic which can be coined as a research issue. that is why the researcher has decided to put his interest on the title of ' the influences of managerial factors on the adoption of Information and Communication Technology (ICT) in co-operative banks'.

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 phenomenon. 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.

Conceptual framework



Data Analysis

Table 1: Model Fit

Indicators	Observed	Recommended (Premapriya, et al. 2016) and Velaudham ans Baskar (2015)
Chi-Square	3.104	--
P	0.324	Greater than 0.050
GFI	0.988	Greater than 0.90
AGFI	0.944	Greater than 0.90
CFI	0.999	Greater than 0.90
NFI	0.999	Greater than 0.90
RMS	0.001	Less than 0.080
RMSEA	0.000	Less than 0.080

Source: primary data

The above model fit table found that the calculated chi-square value was 3.104. 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	Estimate	S.E.	C.R.	P	p
Adoption of ICT	<---	technical hoisters	0.407	0.059	6.905	0.653	0.001
Adoption of ICT	<---	security standards	0.093	0.085	1.093	0.103	0.274
Adoption of ICT	<---	Cost and Fee	0.145	0.074	1.968	0.186	0.049
Bank Performance	<---	Technical Hoisters	0.242	0.105	2.298	0.263	0.022
Bank Performance	<---	Cost and Fee	0.487	0.101	4.809	0.423	0.001
Bank Performance	<---	Adoption of ICT	0.715	0.172	4.149	0.482	0.001

Source: primary data

H₀: There is no influence of technical hoisters on adoption of ICT.

Influence of technical hoisters on adoption of ICT calculated value of CR is 6.905. The Beta value was 0.653. The beta value indicates that 65.3 percent of influence is through technical hoisters 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 technical hoisters influences adoption of ICT in co-operative bank.

H₀: There is no influence of security standards on adoption of ICT.

Influence of security standards on adoption of ICT calculated value of CR is 1.093. The Beta value was 0.103. The beta value indicates that 10.3 percent of influence is through security standards towards adoption of ICT. The p value was 0.274. The p value was greater than 5% and the hypothesis was accepted. Hence, it can be concluded that the security standards not influences adoption of ICT in co-operative bank.

H₀: There is no influence of cost and fee on adoption of ICT.

Influence of cost and fee on adoption of ICT calculated value of CR is 1.968. The Beta value was 0.186. The beta value indicates that 18.6 percent of influence is through cost and fee towards adoption of ICT. The p value was 0.049. The p value was less than 5% and the hypothesis was rejected. Hence, it can be concluded that the cost and fee influences adoption of ICT in co-operative bank.

H₀: There is no influence of technical hoisters on bank performance.

Influence of technical hoisters on bank performance calculated value of CR is 2.298. The Beta value was 0.263. The beta value indicates that 26.3 percent of influence is through technical hoisters towards bank performance. The p value was 0.022. The p value was less than 5% and the hypothesis was rejected. Hence, it can be concluded that the technical hoisters influences bank performance in co-operative bank.

H₀: There is no influence of cost and fee on bank performance.

Influence of cost and fee on bank performance calculated value of CR is 4.809. The Beta value was 0.423. The beta value indicates that 42.3 percent of influence is through cost and fee 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 cost and fee influences bank performance 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 4.149. The Beta value was 0.482. The beta value indicates that 48.2 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.

Findings

- The analysis found that there is influence of technical hoisters and Cost and Fee on Adoption of ICT in co-operative banks.
- It is found that there is influence of technical hoisters and Cost and Fee on bank performance in co-operative banks.
- The analysis identified that there is influence of adoption of ICT on bank performance in co-operative banks.
- It is also found that there is no influence of security standards on Adoption of ICT in co-operative banks.

Conclusion

It is evident that the procession of adoption of ICT consists of several factors. Among them technical factors are first in list. Through this research study the researcher found that there is influence technical hoister and cost and fee on bank performance. Same as adoption of ICT also influence the performance of the Bank.

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