

A STUDY ON INFORMATION TECHNOLOGICAL DEVELOPMENT OF DISTRICT CENTRAL CO-OPERATIVE BANK IN SALEM DISTRICT

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Abstract

Information Technological Development (ITD) is a basic resource in today's society. Without ITD people cannot live in the society. Today most of the people are sending and receiving the messages through electronic way. The present day world is passing through the era of IT or ICT. Today, small enterprises and petty shops also apply ICT on a scale according to their very need. ITD is used in DCCBs and its branches to increasing productivity, profitability, banks process time, and quick services to the customers. The co-operative movement in India has a long history of a century with more than 5.49 lakhs total co-operatives, and India has 372 DCCBs. In that we have 23 total numbers of DCCBs in Tamil Nadu and we have 749 branches of DCCBs throughout Tamil Nadu. In the present study, 13 DCCBs branches were selected based on the ranked for total deposits, operating of computers, use of IT in branches. This study was based on primary as well as secondary data. The primary data were collected through questionnaire from the employees of SDCCB and through interview schedule from the customer of the SDCCB. The secondary data were collected from various newspapers, journals, magazines, articles, books, reports, websites etc. It was observed that most of the SDCCB branches were without their own websites. It is observed that more than 1/3 of the banks provide these facilities to their customers.

Key words: Information technological development, district central co-operative banks, internet banking, telephone banking, technological transformation, etc.

1. Introduction

Information Technological Development (ITD) is a basic resource in today's society. Without ITD people cannot live in the society. Today most of the people are sending and receiving the messages through electronic way. The present day world is passing through the era of IT or ICT. Today, small enterprises and petty shops also apply ICT on a scale according to their very need. ITD is used in DCCBs and its branches to increasing productivity, profitability, banks process time, and quick services to the customers. Today, small enterprises and petty shops also apply ICT on a scale according to their very need. ICT is playing new strategic such as e-commerce, e-banking, e-actions and e-services, etc. At present, ICT wings have embraced various departments such as railways, transport, health care services, educational institutions, postal services, banks, co-operative department, supermarkets, etc. ICT helps management like saving time, money, energy, increasing number of customers minimizing paper work, customers waiting time in queues, and

good work of efficiency. The DCCBs in the country found to be lagging behind in adoption of ITD. ICD offers opportunities for DCCBs to leapfrog earlier stages of development. It is also important to note that the DCCBs need to adopt ICD practices, otherwise, they may fall further behind and the gap they have with the commercial banks could get wider. Therefore, the need of the hour is that DCCBs in the country need to adopt ICD aggressively to benefit the urban as well as rural India.

2. District Central Co-operative Banks

The co-operative movement in India has a long history of a century with more than 5.49 lakhs total co-operatives, and India has 372 DCCBs. In that we have 23 total numbers of DCCBs in Tamil Nadu and we have 749 branches of DCCBs throughout Tamil Nadu including Salem District Central Co-operative Bank and its branches. The leading co-operative banks in India have brought about changes in rural life. The future development of DCCBs will depend upon the proper information technological development and effective communication planning and ICTs. India among the developing nations has always adopted innovative approach in the adoption of new ITD.

3. New trend of ITD in DCCBs

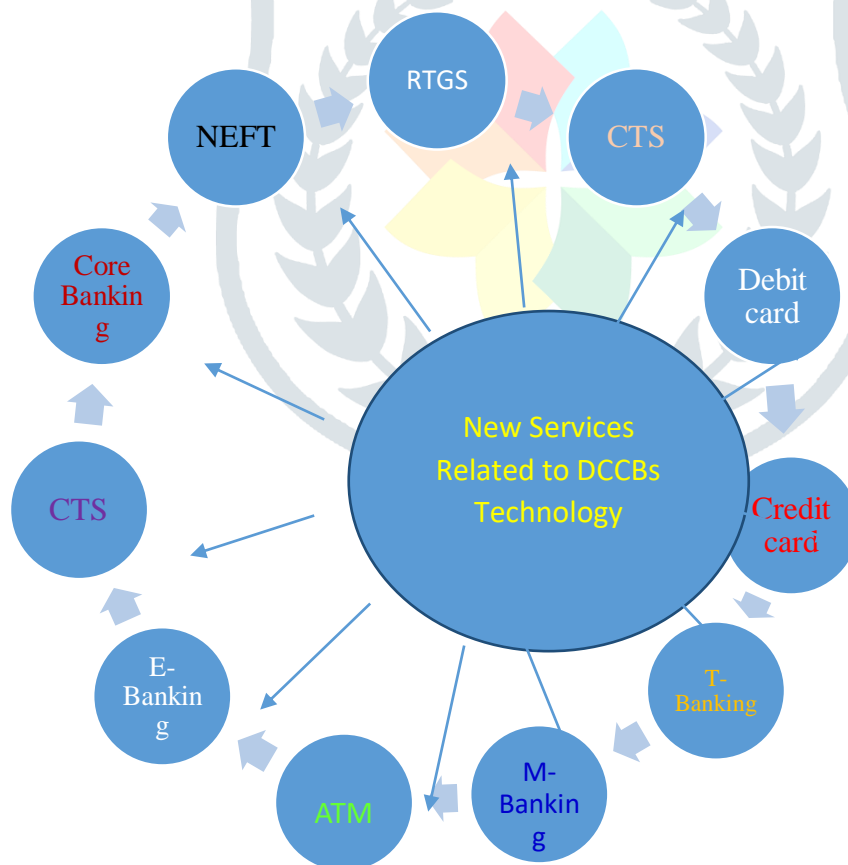
Today, DCCBs gainfully utilize computers in development work. This system is very useful in mechanized accounting, data processing and communication system. Above all, the expectations of customers in terms of speed, quality and convenience of service to customers have gone up. Today with electronic global scenario the main concern of DCCBs is the use of ITD applications in new economic activities. Management information system ensures timely flow of information and proper management of data generated in the DCCBs which are improvements necessary for effective project monitoring. Thus a scheme for computerization was introduced in 1984–85 with the objective of motivating federations of banks to go in for computerized MIS. Under this scheme, national level federations, state level federations, state level co-operative banks implementing National Co-operative Development Corporation project and district level co-operative societies have been benefited. ITD has a lot of influence on DCCBs. It ensures quick services with low transaction cost of the customers. But most of the customers of DCCBs don't know much about the bank transactions with electronic devices. The success of ITD in banks depends upon the employees and customers awareness about the same.

4. Role of ITD in DCCBs

- ITD is used in DCCBs to increase the speed and accuracy of record keeping.
- ITD is used in DCCBs to speed up the transfer of money through e-transfer and to have superior cash management.

- ITD is used in DCCBs and its branches to improve record keeping system and quick preparation of general ledger and reconciliation statement.
- ITD is used in DCCBs to improve day to day customer services.
- ITD is used in DCCBs and its branches to increasing productivity, profitability, business process time, reengineering, quick service of goods, total quality management and bench marking.
- ITD is used in DCCBs to increasing inter-branches transactions and quick clearance of cheques and all transactions.
- ITD is used in DCCBs to increasing job satisfaction of employees and managers.
- ITD is used in DCCBs to improve communication between head office and branches office at all levels.

5. New services related to DCCBs technology



National electronic funds transfer: NEFT is offered by the Reserve Bank of India. It is a nation-wide payment system facilitating one-to-one funds transfer. Under this scheme, individuals and firms can electronically transfer funds from any bank branch to any individual, firm or

corporate having an account with any other bank branch in the country participating in the scheme. NEFT service charges may be differing from payment of amount.

Real time gross settlement: It is as the continuous settlement of funds transfer individually on an order by order basis. Real time means the processing of instructions at the time they are received rather than at some later time. Gross settlement means the settlement of funds transfer instructions occurs individually. The minimum amount to be remitted through RTGS is Rs. 2 lakhs, for inter-bank fund transfer there is no floor.

Cheque truncation system: It is an online image-based cheque clearing system introduced by RBI for faster clearing of cheques. As the name suggests, truncation is the process of stopping the flow of the physical movement of cheque in its way of clearing. In its place an electronic image of the cheque is transmitted with key important data. Cheque truncation thus obviates the need to move physical instruments across branches and effectively eliminates the associated cost of movement of physical cheques, reduces the time required for their collection and brings elegance to the entire activity of cheque processing.

Debit card: This card entirely different from the credit card. The card allows instant purchase, removing the correct balance from the user's bank account to be deducted immediately, instead of by using a line of credit that can be repaid at a later time. However, this card usually has daily purchase limits, meaning it may not be possible to make an especially large purchase with a debit card.

Credit card: This card also known as limit of card. The cardholders have the authorization to purchase goods and services upto a predetermined amount of limit. The funds may be used as payment for goods and services, with a condition that the cardholder will pay back the original and plus any additional agreed upon charges. This card can be used domestically and internationally and can also be used to withdraw cash from ATM and for transferring funds to bank accounts, debit cards and prepaid cards within the country.

Tele banking: Telephone banking is a service, provided by the financial institutions like banks which allow their customers to perform transactions through the telephone. It is a service which makes banking easy from any touch tone telephone.

Mobile banking: This app used for performing balance checks or enquiry, accounting transaction, payment mode via a mobile app. This app most often performed via short message services and used special programmes know as clients downloaded to the mobile device.

Automated teller machine: ATM have removed the time limitations of the customers service and banks offers this service such as cash deposits, withdrawals cash, balance enquiry, appropriations and transfers.

Internet banking: It is known as electronic banking. It is a result of the growing expectations of bank's customers services through system way. This involves IT based banking system and services offers delivered by way of a computer controlled system.

Core banking: Core banking solution stands for centralized online real-time exchange based banking solution and transformed itself from only a deposits taking, loan providing system to an institution which provides an entire extent of products and services under a wide umbrella. It refers to a centralized system established by a bank which allows its customers to conduct their business irrespective of the bank's and branches. It helps the banks to achieve centralized processing of each and every service of the customers.

6. Objectives of the study

The objectives of the study are follows

1. To study the improvement of ITD in the performance of DCCB in Salem district.
2. To examine the problems faced by the DCCB employees in Salem district.
3. To study on implementing the ITD instruments in DCCB in Salem district.
4. To offer suggestions and conclusion based on the findings of the study.

7. Research methodology

This study is based on primary data as well as Secondary data. The primary data were collected through well questionnaire from the DCCB, directors, manager and employees and the interview schedule was used to collect data from the customers. The secondary data were collected from newspapers, journals, magazines, articles, books, reports, websites, etc.

8. Scope of the study

This study is based on the data which is provided by the sample DCCB branches and it based on the IT which is provided by the DCCB employees and customers. This study is based on ITD and DCCB branches in Salem district only.

9. Sample selection

There are 70 DCCB branches in Salem district. The researchers have selected 13 branches based on the performance of total deposits, investment of computers, operating of computers and use of IT in banks.

10. Findings

1. Positive response was observed from the samples concerning increased profitability and time saving facilities with adoption of information technological development.
2. There is reduction in the level of employment of banks and its branches at the time of computerization and adoption of information technological development.
3. The bank and its branches are providing new services such as NEFT, SEFT and RTGS. It's very popular services provided by the banks. It is observed that more than 1/3 of the samples provide these facilities to their customers.
4. DCCB and its branches have lot of influence of computer, IT, internet, information technological development and use of ITD in regular working activities of bank and its branches. The bank may adopt cheque books issue machines.
5. Internet banking is one of the most important for time saving and convenient facility for the customers of the banks. Only head office provides that type of facility but its branches have not providing this facility to their customers.
6. DCCB and its branches using information technological development, at the time improvement of qualities and skills of employees such as multiple skills are development of the employees, technological development awareness, improvement in accuracy knowledge of employees and improvement in the service provider to their customers.

11. Conclusion

ITD plays a major role of DCCB and its branches and employees' development. ITD have remarkable contribution towards improvement of employees as well as services to customers in DCCB. DCCB implements ITD services are global and more competitive world of economy. DCCB needs to take new technological services to retain more competitive. The DCCB and its branches adopted modern facilities to their customers which may also help them in improving their efficiency, accuracy, quickness, productivity and profitability.

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