

E- BANKING: UPDATING HUMAN SKILLS THROUGH TECHNOLOGY UP-GRADATION.

Ms. Prajakta R. Patil and Ms. Bhagyashri Rathi

Asst. Professor, Godavari Institute of Management & Research, Addl. MIDC,
Near Bharat Petroleum, Jalgaon
Student, Godavari Institute of Management & Research, Addl. MIDC,
Near Bharat Petroleum, Jalgaon

Abstract : E-revolution (internet) is global phenomenon and going by the current growth statistics, India expects a drench in the Internet penetration in coming years particularly in the electronic commerce. Internet banking has attracted the attention of banks, securities trading firms, brokerage houses, insurance companies, regulators and lawmakers in developing nations since the late 1990s. With the rapid and significant growth in electronic commerce, it is obvious that electronic (internet) banking and payments are likely to advance. Researches show that impact of e- banking on updating human skills is tremendous and can be a potential tool for building a sound strategy through up gradation of technology . It has made the banking activities easier, faster and more accessible. Providing e- banking is increasingly becoming a "need to have" than a "nice to have" service. To sustain business competitiveness, more and more banks are transforming from their traditional approach of “bricks and mortar” into a “clicks and mortar” one under the recent emergence of electronic commerce and business. An individual’s skill affect toward using a system is determined jointly by the extrinsic and intrinsic rewards of using the up grating technology.

Key Words: E-Banking, Technology, Skill.

INTRODUCTION

BANKING ACTIVITY IN INDIA (AN HISTORICAL PERSPECTIVE):

The origins of banking can be traced to ancient times, starting with rudimentary money lending and bartering practices for agricultural and other commodities. But it gained great momentum only after the industrial revolution which commenced in Europe in the 17th century, when Europeans started establishing colonies around the world and the need for credit for trade was felt like never before Ever since banks started operating, their essential mode of operations remained much the same until late into 20th century. But the arrival of the Internet in the 1990s changed all that. A plethora of possibilities emerged for worldwide commerce, which naturally impacted the functioning of banks as well.

Before the establishment of banks, the financial activities were handled by money lenders and individuals. Between 1913 and 1948 there were approximately 1100 small banks in India. To streamline the functioning and activities of commercial banks, the Government of India came up with the Banking Companies Act, 1949 which was later change d to Banking Regulation Act 1949 as per amending Act of 1965 (Act No.23 of 1965). In the early 1990s, the then Narsimha Rao government embarked on a policy of liberalization, licensing a small number of private banks. The new policy & technology shook the banking sector in India completely. The new wave ushered in a modern outlook and tech-savvy methods of working for the traditional banks. All this led to the retail boom in India. People not just demanded more from their banks but also received more. Currently (2007), banking in India is generally fairly mature in terms of supply, product range and reach-even though reach in rural India still remains a challenge for the private

E- Banking: Updating Human Skills through Technology Up-gradation.

sector and foreign banks.

Even now, technology evolution shapes the nature and extent of global economic activity and continues to fundamentally alter the global banking landscape. In India, banking as an institution originated in the late 18th century and primarily catered to the needs of the British. Post-independence, the nationalization of major private sector banks in 1969 – an important milestone in the Indian banking system – made banking accessible to the unbanked population in India. The economic liberalization in the early 1990s ushered in the era of privatization wherein many new private banks – the ‘new generation tech-savvy banks’ – were launched. A few foreign banks commenced their India operations as well. All these banks were quick to leverage emerging technology, were competitive in wooing customers and winning them over by providing professional services. This helped infuse a sense of urgency in public sector banks and older private sector banks to mend their ways, which in turn completely revitalized banking operations in India. The opening up of the Indian economy in 1991 almost corresponded with the worldwide Internet revolution which doubly impacted the Indian private and public sector banks that were still stuck in old ways of functioning.

Once Indian E-banking services started booming, it was just a matter of time before Indian banks wholeheartedly embraced technology. This paved the way for business process automation in banking, which enhanced customer e-service, reduced manpower costs and updating human skills. Continuing advances in technology rise in middle class income levels, and increase in demand from a consumer-oriented financial market, soon catapulted the Indian banking sector to a customer centric, technology driven, financial supermarket catering to the varied needs of its customers.

E- BANKING CONCEPT METHODOLOGY OPERATION:-

Internet banking system and method in which a personal computer is connected by a network service provider directly to a host computer system of a bank such that customer service requests can be processed automatically without need for intervention by customer service representatives. The system is capable of distinguishing between those customer service requests which are capable of automated fulfillment and those requests which require handling by a customer service representative. The system is integrated with the host computer system of the bank so that the remote banking customer can access other automated services of the bank.

The method of the invention includes the steps of inputting a customer banking request from among a menu of banking requests at a remote personnel computer; transmitting the banking requests to a host computer over a network; receiving the request at the host computer; identifying the type of customer banking request received; automatic logging of the service request, comparing the received request to a stored table of request types, each of the request types having an attribute to indicate whether the request type is capable of being fulfilled by a customer service representative or by an automated system; and, depending upon the attribute, directing the request either to a queue for handling by a customer service representative or to a queue for processing by an automated system.

In many ways, e banking is not unlike traditional payment, inquiry, and information processing systems, differing only in that it utilizes a different delivery channel. Any decision to adopt e banking is normally influenced by a number of factors. These include customer service enhancement and competitive costs, all of which motivate banks to assess their electronic commerce strategies. The benefits of e-banking are widely known and will only be summarized briefly in this document.

E-banking can improve a bank’s efficiency and competitiveness, so that existing and potential customers can benefit from a greater degree of convenience in effecting transactions. This increased level of convenience offered by the bank, when combined with new services, can expand the bank’s target customers beyond those in traditional markets. Consequently, financial institutions are therefore becoming more aggressive in adopting electronic banking capabilities that include sophisticated marketing systems, remote banking capabilities, and stored value programs. Internationally, familiar examples include telephone banking, automated teller networks, and automated clearinghouse systems. Such technological advances have brought greater sophistication to all users, commercial and “the man in the street”.

PREREQUISITES HUMAN SKILL FOR E- BANKING:

E- Banking requires high skilled manpower that is well familiar with latest technology. There are several e-banking requirements which are as listed below.

1. Technology up gradation
2. Educational Factor
3. Fluency on language

E- Banking: Updating Human Skills through Technology Up-gradation.

4. Can read & write English language
5. Knowledge of Computer & software
6. Consistency in participation
7. Willingness to learn new updates in technology
8. Constructive attitude about technology
9. Patience & self confidence for transaction
10. Over all good social behavior.

PERCEPTION OF BANK EMPLOYEES FOR E- BANKING:

The employees in comparative aspect like more facilities to employees, job satisfaction in employees, salary package. Top management involvement in branch level, working hours and yearly customer growth are more in e-banking with 41-75 per cent. Banks employees opted Salary packages, Working hours are more, Yearly customer's growth are better in E-banking when compared to Traditional Banking. Employees are having positive outlook towards future in line with banking future vision, whereas in spite of having highly advanced e-banking features bank employees opted traditional banking to be better in some comparative aspects. The employees have opted that in differentiating strategies like more information technology, providing better quality of service, Innovative products and services, More labor intensive techniques, recruiting young employees, expanding branch network and Pitching into mergers and acquisitions are better in E-banking is better than traditional Banking. This is due to information technology giving out innovative products and services though involving labour intensive techniques the customer base is increased..

Whether the banks are public owned or private is not the matter of concern, the main thing is the success of every business depends upon its employees. The motivational aspects of employees of any bank assume greater significance in the present environment. Now the working culture has been totally changed from manual work to computer work where the burden of paper work and delivery time is reduced, database management is improved with lesser strain of work load. If the employees are not satisfied from their job, working conditions, work culture, management etc. they can never make the customers satisfied with better quality services. Employee satisfaction is an important success factor for banks in this modern scenario of market. A big question to be answered for all the banks is how to manage human resources so that optimum production in terms of best services to customers can get along with the fulfillment of employee goals. Apart from attracting new customers, business organizations these days realize the importance of retaining the existence customers.

CONCLUSION:-

The advent of Internet has initiated an electronic revolution in the global banking sector. The dynamic and flexible nature of this communication channel as well as its everywhere reach has helped in leveraging a variety of banking activities & human skills. E-Banking has empowered its employee as well as customers more better locally to globally. At the same time, technology is allowing banks to offer new products, operate more efficiently, raise productivity, expand geographically and compete globally. A more efficient, human skill in banking industry is providing services of greater quality and value.

E-banking has become a necessary survival weapon and is fundamentally changing the banking industry worldwide. No country today has a choice whether to implement E-banking or not given the global and competitive nature of the economy. The invasion of banking by technology has created an information age and commoditization of banking services. Banks have come to realize that survival in the new e-economy depends on delivering some or all of their banking services on the Internet while continuing to support their traditional infrastructure. The rise of E-banking is redefining business relationships and the most successful banks will be those that can truly strengthen their relationship with their customers. Without any doubt, the international scope of E-banking provides new growth perspectives and Internet business is a catalyst for new technologies and new business processes. Last but not least E-banking is a borderless entity permitting anytime, anywhere and anyhow banking.

REFERENCES:

- 1.http://shodhganga.inflibnet.ac.in/bitstream/10603/2031/10/10_chapter%201.pdf
- 2.<http://www.infosys.com/finacle/solutions/thought-papers/Documents/banking-in-India-evolution-in-technology.pdf>
- 3.http://www.centralbank.org.bb/WEBCBB.nsf/web_documents/13D9F5886BC8048F042572FC00161

E- Banking: Updating Human Skills through Technology Up-gradation.

697/\$File/guideline_electronic_banking.pdf

4.http://shodhganga.inflibnet.ac.in:8080/jspui/bitstream/10603/8668/15/15_chapter%207.pdf

5.<http://bura.brunel.ac.uk/retrieve/1590/license.txt>

6.<http://www.ijsrp.org/research-paper-0813/ijsrp-p2061.pdf>

7.<http://colleges.jazanu.edu.sa/GirlsCampus/bac/Documents.pdf>

8.<http://arxiv.org/ftp/arxiv/papers/1209/1209.2368.pdf>

9.<http://www.globalcityinfo.org/upload/files/1392180488968.pdf>

10.<http://www.cavehill.uwi.edu/bdoffice/documents/AttitudesandPreferencesinRelationtoInternetBankingintheCaribbean.pdf>