

Abstract of D.Litt./Doctoral Dissertation

Managing Transformation in Indian Banks through E-delivery Channels : Challenges and Opportunities¹

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Abstract

Transformation is a dynamic process during which all known tenors undergoes metamorphosis. It is a fluid state with an uncertain outcome. Due to its fluidity, it is difficult to determine its course. The Indian banking industry has grown substantially due to the changes in financial markets, institutions, and products. Using e-delivery channels, the present study analyzes the recent transformation in Indian banks. The study examines ebank customers' and employees' perceptions of this transformation in Punjab, as well as the effects of each e-delivery channel on bank performance during the pre-and post-e-banking period. The study concludes that transformation is rapidly taking place in new private and foreign banks but our public sector banks are still not using the latest technology. The challenge is great and yet, at the same time, it presents a great opportunity for our public sector banks. The study also suggests some strategies for increasing the use of modern technology in public sector banks.

JEL Code : D12, G4, G10, G14, G19, G21

Keywords : E-banks; Customers' Satisfaction; Bank; Employee; Satisfaction; IT Index; Performance; Indexes; India

I. Introduction

TRANSFORMATION IS A dynamic process during which all known tenors undergo metamorphosis. It is a fluid state with an uncertain outcome. Due to its fluidity, it is difficult to determine its course. Changes in financial markets, institutions, and products have all contributed to substantial development of Indian banking industry. These developments have facilitated greater choice for consumers, who have become more demanding and thus, compelling the banks to offer a broader range of products through

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IV. Conclusion and Recommendations

Indian banks are challenged by increasing competition, but they are also given a chance to enhance their business in line with international standards. In spite of the fact that IT leads to improvement in all banks, e-banks are gaining traction. It is important to recognize that Indian banks are not big enough to be able to function efficiently under the emerging environment, to make sufficient investments in skills training, and to come up with experiment with innovative ways to exploit opportunities and meet the challenges thrown up by a rapidly changing economic environment. With e-banking offering improved efficiency and reducing costs as well as more satisfied customers and employees, why shouldn't all the banks use it as a differentiating strategy to gain more competitiveness? Technology is the key to the future success of Indian banks because India could leap-frog the United States into internet banking much faster if they seize the opportunity. Consequently, e-banking is the need of the hour, which can't be ignored except at the cost of being eliminated from the competition.

8.1 Recommendations

Financial sector reforms assisted the impressive development of the Indian banking industry. However, in the current global competitive market, where information technology is permitting great developments and efficiency gains, India's banking sector reforms are far from complete. The financial system is being modernized in order to align it with best international standards. Though, e-banks are gaining momentum but partially IT-oriented banks need further development by fully adopting new technologies. As the study evaluates the poor productivity of these banks even customers are less satisfied, the following recommendations are given for the examined problems: remove structural rigidities, improve technology base, concentration towards non-banking business, improve work culture, try to reduce customers' shift towards e-banks, improve service quality in banks.

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