

**THE IMPACT OF INFORMATION AND
COMMUNICATION TECHNOLOGY USAGE ON
BANK BRANCH PERFORMANCE
(PERSPECTIVE OF A LEADING COMMERCIAL
BANK IN SRI LANKA)**



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**MASTER OF BUSINESS ADMINISTRATION
IN
INFORMATION TECHNOLOGY**

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December 2008

THE IMPACT OF ICT USAGE ON BANK BRANCH PERFORMANCE

(PERSPECTIVE OF A LEADING COMMERCIAL BANK IN SRI LANKA)

By



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The Dissertation was submitted to the Department of Computer Science & Engineering of the University of Moratuwa in partial fulfilment of the requirement for the Degree of Master of Business Administration.

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December 2008

DECLARATION

I certify that this thesis does not incorporate without acknowledgement any material previously submitted for a Degree or Diploma in any University, contain any material previously published or written by another person except where due reference is made in the text.

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I endorse the declaration by the candidate.

Signature of the supervisor



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Dr Sanath Jayasena

ABSTRACT

Banks are investing huge amounts of money on Information and Communication Technology (ICT). After successful implementation of comprehensive banking solutions, institutions are now being concerned about the usage levels and the returns of such investments. Initial findings indicate a scarcity of empirical research with respect to benchmarking on the ICT usage at bank branches in Sri Lanka and the impact of ICT on overall bank branch performance.

This research study aims to provide an analysis on the impact of ICT usage at branches on the overall bank branch performance. It is from a perspective of a leading commercial bank in Sri Lanka. They have implemented a new comprehensive banking solution with a branch network commencing from the year 2004. The study is based on the analysis of primary and secondary data collected for the study. Perceptions of 18 branch managers selected from 18 branches, a minimum of 5 staff members and a minimum of 5 customers attached to each of the same set of branches of the bank were collected using survey method. All 18 branches selected are of an equivalent grade and situated in the western province of Sri Lanka. Three types of questionnaires were designed with structured and semi structured questions with 5 point and 4 point likert scale. Questionnaire distribution was done by post, via e-mail and hand delivery.

Data analysis was done using bivariate correlation and linear regression. Pearson's correlation coefficient was used to measure the linear relationship between variables. The analysis revealed that ICT usage has a positive linear relationship with financial performance and quality performance of bank branches. Bank branch performance was found to have a correlation with factors such as staff attitude towards ICT usage, ICT literacy level of branch staff and scope and complexity of the ICT applications. This paper concludes with a discussion and recommendation to overcome the barriers affecting the ICT usage at bank branches.

DEDICATION

This thesis is dedicated to my beloved parents who encouraged me to continue with my postgraduate studies.

H M C M Maldeni

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ABBREVIATIONS

ATM	-	Automated Teller Machine
DEA	-	Data Envelopment Analysis
FP	-	Financial Performance
ICT	-	Information and Communication Technology
ISDN	-	Integrated Services Digital Network
IS	-	Information System
IT	-	Information Technology
OC	-	Organizational Commitment
QP	-	Quality Performance
SEM	-	Structural Equation Modelling
SISP	-	Strategic Information Systems Planning
SPSS	-	Statistical Package for Social Sciences
TAM	-	Technology Acceptance Model
TQM	-	Total Quality Management



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