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**AN IT GOVERNANCE IN CO-OPERATIVE BANKS****Madhulika Shahoo Gupta**

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**Abstract:** Technology has turned into the vigor of the Indian co-operative banks since the past decade with the financial sector reforms providing the basis. The question of putting into practice the technology has now changed into 'how' from the former 'why'. It is a confirmed truth that technology lessens the cost of servicing. Furthermore, technology has resulted in enhanced quality of services, any time/anywhere banking, focused product delivery, cross selling opportunities, multi-channel touch points for using up of services, etc.

As the triumph of the co-operative banks is more and more inclined on the proper adoption and utilization of technology, IT Governance has assumed immense importance. Merely, IT Governance is nothing but a division of Corporate Governance apprehensive about guaranteeing suitable track and management of IT activities to the advantage of a Bank.

As the overseas banks operating in India made the start, the new banks assertively started offering services based on technology. Though, the public/cooperative sector banks had to move over from the load of the past inheritance.

Nevertheless, the speedy walk made by the technology sector and their quick espousal by the competitors have enforced these banks also to get into the act by commencing to offer IT-oriented products and services. Today, nearly all commercial banks and some cooperatives are at some phase of technology embracement, be it Automated Ledger Posting Machines, Total Branch Automation or Core Banking solution (CBS). According to latest estimates, CBS covers around 40% of the bank branches accounting for nearly 70% of the business volume. ATMs (including shared ATMs aided further by the National Financial Switch initiative of RBI), internet banking, any branch banking, credit cards, debit cards, etc. are being increasingly offered. There are over 11,000 ATMs across the country and 11 million net connections with around 23 million users.

**Keyword:** Governance , Co-operative , Technology , ATM.

**INTRODUCTION**

Technology has allowed the co-operative banks to visualize, deliver, control and incorporate their products in line with the customers' need. A variety of services is currently offered to the customers covering diverse financial products, channel financing, straight through processing, etc. The multi-channel banking has obtained additional scope to include third party payments, such as utility bills, through different channels including ATMs (the new ATM technologies come with nearly 510 types of offerings), mobile banking, etc. Complementary expansions of RTGS elevated the customers' hopes even higher. The day is not afar when the banks would be viewed more as technology savvy, offering banking products and services.

More technology expend is anticipated in the future on areas such as implementation of data centers, expansion of CBS, Business Continuity Plan (BCP)/Disaster Recovery Plan (DRP) installations, IT Security, Electronic Data Interchange (EDI), Storage solutions such as Storage Area Network (SAN)/Network Access Storage (NAS) to take care of the hundreds of terabytes of electronic data being generated, cheque truncation solutions, compliance to regulatory standards like Basel II implementations, Customer Relationship Management (CRM) solutions, data warehouse and data mining tools, channel integration, global treasury, performance monitoring tools, etc.

**Smart Machines; a predicament  
IT adoption - a problem**

The competition, the call for building a wider

market at low costs and tapering interest margins is inducing banks to discover ways of to shrink costs and still proffer superior services to customers. To achieve this act, there is no other way than using information technology munificently. As the existing condition of technology is positioned, it is not a replacement for human beings. Technology, being the slave, has to be beneath the human master.

Therefore, though few Co-operatives have embrace technology ardently, they have not dislodged the human masters wholly. That is why when Co-operatives mature; they have to employ fresh personnel to look out of the mounting business, on one hand, and to succeed the retiring workers, on the other. Hence, both the technology adoption and the human resources appointment go hand in hand in current banking. But, this may not be the fashion in the coming years.

The advancement in the banking business with the recognition of latest sophisticated technology creates genuine challenge to bankers in the upcoming years. They will have to race with Smart machines for the security of career and be geared up to toil in a virtual office atmosphere. The present competencies, expertise and the vigilance of bankers are not enough to countenance the new-fangled challenges. To face these challenges effectively, bankers will have to build up a tradition of uninterrupted wisdom for them. Such a tradition will necessitate them to transform their current practice of discontinue learning on the whole after they achieve a convinced place in life. Learning is a constant action for any person in the civilization. It is much more pertinent in a civilization where there is a speedy

transformation in the surrounding. Bankers will have to be trained constantly and become competent in order to remain dynamic in their relevant profession, or else, the Smart machines will supersede the bankers and they will have to work beneath these machines.

Cooperative Banking is a segment which is at the verge of swift transformation. The Co-operatives have yet to deal with this latest situation to a fuller amount. Hence, they have to transform wholly diverse from what they were in the recent past. Similarly, Co-operatives tomorrow will be entirely dissimilar from banks at present. Functioning in a completely computerized commercial bank today is like getting into a spaceship roaming at the pace of light across a countless quantity of galaxies, entirely baffled and bemused. The journey is unidirectional, no room to stop and watch and no option of go back to the original point. In the same way the bankers are like the space voyager are entirely baffled and bemused by the latest practices he is observing every minute. Bankers will have to make remarkable attempts to keep swiftness with the ever varying background of banking business.

#### How can Bankers conquer the hitch?

A smart machine is all the time in a beneficial situation if matched up to with a banker. It can learn new subjects rapidly, gain new expertise and can upgrade itself with the ever changing requirements. Its memory capacity and capability to recover information stored rapidly and proficiently are superior to the memory power of the humans. In a condition where humans and machines have varied expertise and capability, it is to the benefit of the banker to agree to his shortcoming and put himself on a incessant learning.

The key to conquer this hitch is that the humans put themselves on a continuous learning programme. Everybody will have to go back to school again i.e. will have to take training to get acquainted to smart machines. It is a need of time to keep oneself updated on the specific types of skills that are necessary to carry out a job and move ahead in career in this ever changing knowledge milieu.

The same is relevant to bankers, as the banking industry is undergoing a rapid transformation as contrast to other industries; therefore an incessant learning is inevitable for the bankers. If bankers want to beat these Smart machines, there is no other choice apart from educating themselves with the superior skills and becoming efficient than the smart machines. Hence, the biggest challenge for bankers in the upcoming days is to get their hands on latest skills and knowledge on an uninterrupted basis and buildup the required skill sets necessary for undertaking new tasks and duties in the future.

#### Fact/truth behind of IT supremacy

The blow of revolutionized technology on Urban Cooperative banking is not so far experienced due to the truth that computerization in the Co-operatives is at a somewhat less established state as compared to its opposite numbers; and therefore we are still to come to terms with the relative return in working on information support arrangement in place of conventional Co-operatives structure. As the

economic structure move slowly towards market based bank culture, particularly Co-operatives are alarmed. The latest hum is computerization and revolutionized technology. However is technology a solution to accomplish competitive lead, will technology change the face of cooperative banking in the nation in the subsequent decade? What do we do with the on hand procedures and expertise? What are the questions in administration of revolutionized technology in UCB in upcoming years? To wind up, it may be believed that technology is progressively becoming vital and is being indispensable to take banking function in cooperative banks. In past those commercial banks that have dealt with change in technology have now come out as best. Their development is extensive and ahead of the margins of each and every ones thought. They have used IT as a means for managing, performing and advancing banking business for today and tomorrow. It has been forecasted that within next five years there will be requirement of bankers who can manage technology as well. In fact, the Co-operatives have to go far ahead to get acquainted with this revolutionized technology. Cooperative banking industry is in the phase of getting bigger and is growing at the fast pace in the world today. To control the intensification, the cooperatives in India will need to get hold of and incorporate diverse IT improvement in their procedures both at branches and at head offices. The implementation of kind of technology will primarily depend on the objectives and the rate of achievement will rest upon the infrastructure expansion and its accessibility. The major thoughtfulness for use of technology would be reducing cost, increasing profitability and utility of services.

According to the recent trends in Banking business the use of modern technique became necessity of time / age now days. Executives of the branches feel that the main impact of teller system is customer satisfaction and speedy cash transaction, bank executives are in favor of the Phone Banking ,so as to minimize the personal contacts and accomplish speedy banking services.

Expansion in technology has brought a range of prospect for the cooperatives, along with lot of challenges to handle. The major challenge being the necessity to amalgamate numerous IT applications to cater to different services over a period of time and the cost involved. The banks have to think about the costs of massive investments in the IT products and its probable payback. Sadly, the response of the customers to the services offered is poor. Executives viewed that very few customers are familiar with IT Devices hence they must have been made known with modern technology, and for its practical use they should be given training. Executives are of the opinion that modern technology has been instrumental to increase the customer satisfaction due to rapidity in customer services

Customers are ignorant to modern technology. i.e. net /telephone banking etc. the main causes of may be Lack Of Awareness, Conventional habit to visit the bank, Inadequate publicity, no or less knowledge about the E-banking or computer etc.

Hence, the above matter call for exceptional interest from the banks before providing banking services through IT devices.

**CONCLUSION**

Looking to positive views over the installation of IT devices, it is recommended that the Govt. shall introduce all these modern banking techniques by giving full financial support to cooperatives. Use of modern technique became necessity of time / age now days and is instrumental to increase the customer satisfaction due to rapidity in customer services.

Main impact of Phone Banking, credit cards & teller system is customer satisfaction and speedy transaction. This signifies the utility of IT which is agreed by maximum customers.

Customers are ignorant to modern technology. If UCBs needs to remove these difficulties, may conduct the capsule banking literacy courses for the use of ignorant customers or even general public to turn them customers.

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