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GRT **INFORMATION TECHNOLOGY FACILITIES IN
CO-OPERATIVE *BANKING SECTOR* –A CASE STUDY
OF DAVANGERE DISTRICT**

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Abstract:-The co-operative banks have a history of almost 100 years. The co-operative banks are an important constituent of the Indian financial system judging by the role assigned to them, the expectations they are supposed to fulfill, their number, and the number of officers they operates. The co-operative movement originated in the west, but the importance that such banks have assumed in India is rarely paralleled anywhere else in the world Their role in rural financing continues to be important even today, and their business in the urban areas also has increased phenomenally in recent years mainly due to the sharp increase in the number of primary co-operative banks. Globalization has posed many challenges to the co-operative see for also like technological changes in customer services mainly about ATM services

Keywords: Banking Sector , Information Technology , Globalization , computerization.

INTRODUCTION:

Banking system in modern times has becomes part and parcel of life and one cannot do anything without banking. In the age of information technology, the banking systems have reengineered and have changed its total functioning. The use of information technology therefore seen as boost for other service sectors like Insurance. Hospitals, Postal, services, Income tax and other tax payments etc... The banking sector of all types viz. private, public, cooperative have all been in the race for deployment of latest technology solutions. Through, in comparison to other sector banks, cooperative banks are slow in IT deployment; the decision makers are serious on this issue. There is need to evaluate the technologies in use in individual cooperative banks. To begin with the exercise may needs to be divided into three phases viz. the cooperative banks with computerization of its all branches and head office, the cooperative banks with computerization of selected branches only and cooperative banks with little or no computerization and intending to spread the computerization in their branches and head office activities. The study with defined parameters in terms of Hardware, Application software, system software, system software, infrastructure, manpower employed will give an overview of computerization status, future scope for improvement and will help to arrive at conclusion to find out the investment made and success achieved through computerization. Such exercise will also guide for cooperative banks on the required investments for upgrading them within a set period.

However, the exacts status on computerization is not easily available in the desired format either at Reserve Bank of India or at Department of cooperation of the respective states. Moreover the cooperative banks do not communicate what their targets for IT are and the actions they have taken to realize them. The RBI also do not maintain details on information about IT investments made by the cooperative banks. The partial information on investment made on computerization through yearly balance-sheet of these banks. This would provide expenditure incurred on computerization and information technology including those relating to network associations but such spending often includes investments as well as operational expenditure. It is not easy to check whether the investment outlays, where they can be identified, are in line with the targets for the periods.

The technology Implementation in Cooperative Banks

Customers are demanding access to sophisticated products and services through multiple channels like the telephone, Internet, cellular phones and ATM. Today, the top managements of several Indian banks are viewing IT as a business enabler

and a vital part of their strategy. Banks are revisiting their technology architecture. Even at the risk of being labeled as gross generalizations, it is useful to appreciate at the outset that in the decade number of cooperative banks has increased their computerization base by adding any Branch Banking, Tele banking and ATM interface wherever required. This has facilitated the banks to provide efficient and effective customer services and has resulted in economizing on the costs per transaction. A part from computerization of basic operational systems, the cooperative banks especially Urban Cooperative banks have also computerized major loan account, the investment operations, and clearing systems have also been computerized at the head office levels. However still there are gaps in technology up gradation in the Cooperative banks. The new private sector banks and also to some extent commercial banks have moved their technology base to integrate the information systems and provide bank banking through core banking solution which is also referred as centralized banking. There is however, no such gap that is worth noticing between the new private banks and foreign banks in India. It is true that a majority of cooperative banks especially the customers of cooperative banks located in rural and semi urban areas are not comfortable with computers, there is no reason why technologically laggard banks should impose on their customers high transaction costs in terms of the time and money spent on visits to branch offices and in terms of the delays in completing their transactions. It is also true that the staff of the cooperative banks at operational, middle and top level is not very keen in making use of the information technology to its fullest extent in their day to day activities which is also one of the main reasons for the gap in implementation of information technology.

The technologically laggard Cooperative banks should realize that the economic class and age composition of their customers is already not favorable. Most young professionals, irrespective of their economic class, prefer to do business with technologically advanced banks. It would obviously be difficult for laggard cooperative banks to attract new young customers if they do not increase their investment of IT in right direction with cautious approach. It is now high time for the decision makers in cooperative banks to realize the need to enlarge the base of computerization and see that the real benefits are delivered at all the level, customers and stakeholders of the bank. The decision makers have to work out a definitive time frame for technological advancement in their respective banks with complete involvement in monitoring, controlling and evaluating the progress with set parameters. In the present context, these things are missing and therefore every cooperative banks bearing few exceptions needs to give serious thought on this aspect.

OBJECTIVES

- To highlight the various purpose for using accounts in co-operative banks.
- To know the requirement of ATM service in co-operative banks.
- To identify the problems in implementing ATM services in co-operative banks.
- To suggest suitable remedies to the problems

METHODOLOGY

The study has been conducted with the help of primary and secondary date. The secondary date collected was reinforced with primary date collected from selected respondents. A structured questionnaire was used for the purpose. Date for the study was collected from 200 respondents. A cover letter attached to each questionnaire explained the objectives of the survey and assured respondents of the confidentiality of their responses and the voluntary nature of participation in the survey.

Factors Influencing Technology Initiatives in the Banking sector

- 1)Heightened competition, a persistent bearish market, and a general erosion of consumer confidence continue to influence banks IT decisions.
- 2)Increasing number of banks are looking at IT deployment as part of a comprehensive IT strategy, Rather than as fragmented investments.
- 3)Offering of allied products such as insurance and investment products will drive the growth for total automation.
- 4)In wholesale banking, banks will further improve customer offering and service.
- 5)New initiatives by the RBI, such as date warehousing, real time gross settlement, cheque truncation will open a lot of new avenues.
- 6)Payment and settlement systems and computerization of the government securities, money market and foreign exchange operations in the banking sector as a whole.

PROBLEMS ASSOCIATED WITH NEW TECHNOLOGY

Deployment of the new technology in cooperative banks is not an easy task to the management mainly because of the non availability of required qualified professionals, the non competency of the existing staff to make use of IT to cover various activities of the banking. In spite of these problems cooperative Urban banks are adopting new technology to get the benefit of speed, efficiency, customized product development and increase volume of activity no doubt that the new technology brings process improvements and positive results but it needs proper identification of the benefits and its utilizations.

The major risks associated with innovative technology are;

- 1) Increased cash flow are not sufficient to cover the implementation cost
- 2) Integration of existing IT set up with new technology.
- 3) Emergence of new risks related operations, security and maintenance due to adoption of new technology
- 4) Control of cost.

Table 1: SHOWING AGE OF THE RESPONDENTS.

GENDER	MALE	FEMALE
25-35	25	17
35-50	63	22
50 AND ABOVE	59	14
TOTAL	147	53

TABLE 1: Shows age and gender of the respondents. Among the respondents majority are males and they are age between 35-50. By this table it is clear those male account holders are more than females. The age between 25-35 are very less respondents by this it is clear that the young people's are very less attracted by the cooperative banks when compare to the other national bank. Also the aged persons are high in co-operative bank and it shows that aged persons are very attracted by this bank.

TABLE 2: SHOWING THE ANNUAL INCOME OF THE RESPONDENTS

Income	Below1Lakh	1Lakh - 2 lakhs	3 Lakhs - 5 lakhs	5 Lakh - above	Total
	46	78	50	26	200

As per table-2 Annual income between 1Lakh- 3 Lakhs the respondents are high in numbers so it is clear that having middle annual income people are very high and attracted by the co-operative Bank. Also between 3lakh -4Lakh and below1 Lakh the respondents are almost same and it indicates that the people this income are quite less in numbers in co-operative bank. In lost above 5Lakhs income holder are very less and it indicates the heavy cash transactions are very less in co-operative bank. Then other using like cost cutting etc. it is clear that the ATM are the major service provider to customer.

TABLE 3: SHOWING THE PURPOSE OF USE OF ACCOUNT BY RESPONDENTS

Salary	Loan	Casual	Others	Total
30	147	13	10	200

Table-3 reveals account holders and their purpose of account using it is clear that majority of the respondents are having account in co-operative Bank. And its type is SB account also majority of the account holders are using that account for loan purpose when compared to other purpose like salary etc. so in co-operative Bank the deposits payment are very high neither than withdrawals [Receipts]

TABLE 4: SHOWING THE RESPONDENTS OPINION TOWARDS ATMs

Service Providing Machine	Cost cutting machine	Customer care machine	Others	Total
90	33	64	23	200

Table -4 shows the opinion about ATM from the respondents. Majority of respondents are think ATM is a service providing machine neither than the other using like cost cutting etc .it is clear that the ATM are the major service provides to customer.

TABLE 5 :- SHOWING ATM FACULTY REQUIRED IN CO-OPERATION BANK

Purpose	Yes
For Better Service	12
Smooth run of Work	75
For Customer care	74
others	22
Not required	17
Total	200

It is evident from table-5 that the ATM facility is very much required by the majority of the respondents. So it is clear that providing ATM facility will attract the customers by providing better services, smooth run of work and taking customer care

TABLE 6:- SHOWING PROBLEMS IN IMPLEMENTING ATM'S

Problems	Yes
Cost	20
Lack of Users	38
Burden of maintenance	30
others	04
No problem	108
Total	200

As per the table 6 majority of the respondents are mentioned that there is no problems in implementing ATM services in cooperative and some respondents think or feel that there may be problem in implementing ATM services like cost, lack of users and burden of maintenance. But as per the responses it is very clear that the co-operation account holders are very interested and they welcome if the cooperation bank implement ATM services and other IT facilities. It will be strength to the co-operation bank to compute with the National Banks. The implementation of IT facilities will boost the co-operative bank in increasing members as well as they transactions.

MAJOR FINDINGS AND SUGGESTIONS

- 1) Adopting new technologies in co-operative branches.
- 2) Processing the loan application at the quickest possible time.
- 3) They have to increase more branches with IT practices.
- 4) for attracting students, they have to give study loan at low interest and make them to get it through ATM's
- 5) They have to give service online banking and mobile banking etc

- 6) They don't have own ATM's and it has to tie up with the other banks, it is very help to customer to draw the money at any time, any where they want the payment.
- 7) They have to give more preference to customer satisfaction in timely payment and other related transactions.

CONCLUSION:

The cooperative banks of all levels viz., State district and cooperative urban banks therefore have to also ensure that technologies are continuously updated to achieve a high degree of risk management. Capability. This would require strategies that involve Asset and Liability Management. And take care of exchange, interest rate, liquidity and operational risks; these must be comparable with the prevailing standards. In addition, cooperative banks would need to take measures to have appropriate technology for access control and security the area of great concern in today's highly competitive environment. The cooperative banks thus have to have more attention on Information Technology deployment with IT policies and procedures in place to guide these banks on the lines of prevailing standards and solutions.

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