

The Impact of E-Business on Organization: Effectiveness of Banks Sector

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Abstract— The purpose of this paper is to investigate the performance of a sample of economy growth and developing countries which analyze the e-business on organization in the impact of banking sector or system. In the recent years, e-business is one of the most important revolutions in the banking sector. This research measure the impact of e-business on organizational effective performance (business organizational strategy, e-business, job satisfaction, job performance, e-banking operations with the economy development and growth of competition in the banking sector), understanding of organizational customers has become more and more important method of banks system. Nowadays, a credible economy growth of the e-business is change in the way of business cooperation and business with consumers who are increase expecting higher organizational e-business services, intangibility, inseparability, heterogeneity and perish-ability of production, and e-business consumption, electronic service quality and performance becomes difficult to evaluate. This research adopted the co-relational research design , and sample are collected from the banking sector from the time of period of 4-5 months, in general it was found that the respondents trust that in e-business organizational effective performance in the banks sector from very pertinent significant results. The result of this study indicate a positive relationship of organization performance, electronic commerce, benefits and challenges, and telecommunication, implicating e-business, organizational improvement in term of e-business operations, job performance, and satisfaction in banking sector. Furthermore, this study offers implication and limitations of this research, to concluded positive evidence remarks to allocate their resource on the dimensions ie. e-business, plan security, telecommunication and improve organizational service quality, e-business performance in the banking sector.

Key words: Organizational Performance, E-Business, Electronic Commerce, Benefits and Challenges, Telecommunication

I. AN INTRODUCTION: BACKGROUND OF THE STUDY

In the last decades e-business has been carrying out the best resources and investment strategies for business man`s for economic development and growth their business as well as adequate and useful different types of the customers to acquire their needs. Now present days, everyone have wants to begin their e-business under the customer`s availability circumstances to established capabilities and business environment and valid facilities the customers in safe atmosphere. There are so many technologies have been very important role in e-business. We can say that, this technology has been helpful and plays a major role in particular banking sector. In this study we are described the importance of technologies brought huge impact on the banking sector and e-business, and many different ways

through which customers can interact with banks sector. The economy development and growth of electronic channels has been changed the environment of financial crisis services dispatched to customer`s requirement by the huge use of electronic banking technologies (e-business, mobile banking, Automated Teller Machine, e-commerce, loan, electronic fund transfer and direct swipe deposit money). Now last few years, banking sector has been grown day by day. According to banks sector report, the e-business banking transactions was 40.5 million`s during the years of 2010-2011 in which automated teller machine was also transaction were 21.8 million`s and the more increase values of other e-business banking system channels transaction 5.8 million`s in the same quarter. During the last few years e-business banking has major important role plays in the banking sector, economy growth, and in the organizational places.

In order to understand and need to cope up with the economy grow the demands of the sophisticated in the e-business organizational effective performance and impact on the banking sector. So many organization have taken the step towards huge amount of investments so as to provide facilities the operation within the business organizations and exploit their large capabilities and I shall able to analyze the e-business organizational techniques that have already been exiting within a banking sector organization by investigating its strategic analysis stage, technique choice, limitations and implications, concept, methodology and the e-business organizational model.

Banks are increase actors in the economy growth and development of any countries. The e-business well developed in banking system. They consists of many broad range of organizational system has been started from banks sector and includes many development growth of financial organization and most common banking sector to fulfill the requirement of multiple sectors. Now present, banking sector are operating which includes: private, foreign banks, nationalized banks etc. In the behalf of this, e-business is to facilitates and implement of business organization process through the use of telecommunications, internet banking, electronic commerce, internet technologies (Delone & Mclean, 2004), these technologies in e-business organization are accomplish to perform the many functions of e-business organization more commonly and effectively till now and more competitive by using the telecommunication, internet technologies. In many organizational business, they are used various types of models based on business strategies of e-commerce organizational performance includes business to business, business to consumers needs and consumer to consumers (Zwaas, 2003).

According to Michael Porter in his research, "organizational strategy and the e-business internet" has stated that "we should more away from the rhetoric about e-

industries”, e-business strategies a new economy growth and see the internet for what it is. In the other hand, he said that, the internet can be viewed as a set of more powerful tools that can be used in present, in almost any organizational institutions, industry, and as a part of e-business strategy. It can be stated that if we started any organizational strategies management, e-business organization and job performance and satisfaction consists of three major components strategic analysis, customers strategic availability and strategic implication and limitations.

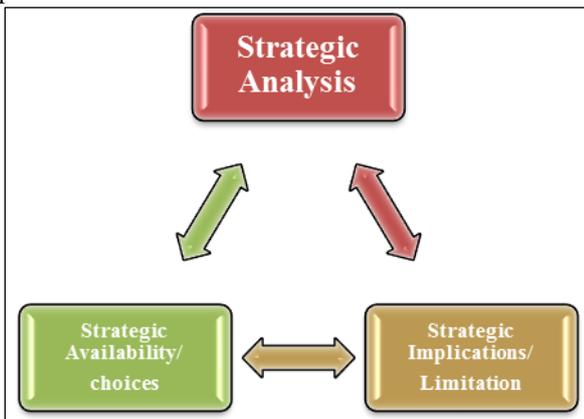


Fig. 1: E-business organization of strategic planning process

II. REVIEW OF LITERATURE

A. E-Business

E-commerce is a concept which means that the sales purchase or exchange of goods & services or information is by using internet, including the Internet banking with respect to telecommunication it is to provide information, services, payment and product using e-business organization, telephone networks and other electronic means (Galati, 2010). There are three type of e commerce i.e. business to business, business to customer and customer to customer. According to Watson et al. (1999), electronic e-business is the source of improvement in organizational performance by using internet. Turban et al. (2000) defined e-business as the process of buying & selling or exchanging of products or services and information via internet banking includes the electronic internet services. In e-business organization use electronic tools such as file transfer, fax, video conferencing, EDI and file transfer etc. In the past, trade is carry on with the physical presence of buyer and sellers but now a day with the technological has improve the business, it is not necessary for both to appear physically at the market take place. Buyer of product and e-business services can online order the product by using internet without physically appearing to that shop or office and seller deliver that product services according to the order. Through this buyer save its time as well as transportation cost and seller build a strong relationship with the customer and organizational sector.

There are some researchers suggested that the view e-commerce as the interpretation of e-commerce from the buying and selling over the Internet banking, and argue that the former is a subset of the latter (Turban et al., 2006). On the others defend that, although related, they are different concepts (Laudon et al, 2008). Others use both terms

interchangeably to mean the same thing (Schneider, 2002). (Kalakota and Robinson, 2000) proposed a definition of e-commerce that clearly stresses the difference between e-commerce and e-business. More precisely they assume that “e-business is not just about e-commerce transactions or about buying and selling over the Web, it is the overall different type of strategy of redefining old business models, with the aid of effective technology in the banks sector, to maximize customer value and profits”. Kalakota and Robinson’s explain is of great importance because it describes e-commerce as an essential business-reengineering factor that can promote economic development and growth.

The development in the e-commerce however means that an increasing number of jobs are being changed from traditional largest banking sectors, branch advisors, counselors. Bank staff is increasingly to provide highly qualified financial advice rather than perform simple teller functions. By using internet the communication is very fast in the banks sector. The banks can handle their transaction very fast online, using e-commerce and banking sector.

Karjaluoto in 2002 suggested that banks have the choice to offer their banking sector services through different internet, telecommunications, electronic distribution channels technologies such as Internet technology, video banking technology, telephone banking technology, and WAP technology. They also suggested that Internet technology is the main electronic distribution channel in the banking sector. On the other hands, e-banking as an online banking that involves the provision of banking services such as accessing accounts, transferring funds between accounts, and offering anonline financial service.

B. Organization Performance

E-business organizational performance are mainly focus on three areas of firm’s outcome i.e. Customer satisfaction, need for availability products, Product market performance and Product services quality and good performance Richard et al. (2009). E-business organization performance can be measured through efficiency and effectiveness on the banking sector (Robins et al., 2009). An organization is efficient if it is cost and time effective (Bardhan, 2005).The scope of this research is to measure the organization performance i.e. business operation, e-commerce, customer satisfaction and job effective performance in the banking sector.

1) Developing Business Models:

Banking sector are rapidly internationalizing; a trend most visibly demonstrated by the number of banks opening branches across the developing countries whilst new places, especially private, foreign, nationalized banks may soon emerge. Many banks have returned to the capital market to shore up their shareholders’ funds beyond the required decrease level of business organization, to enable them play more actively in the international arena.

2) In Customer Satisfaction:

Customers interpreted the product quality or services performance on the basis of expectation that product quality or services performance which satisfied or not. E-business operation involves activities that are involved in business operations organization to maximize the firm’s value. Job performance refers to the capabilities to perform a desired

tasks and responsibilities assigned to the individual or employee on job take place.

3) *Service Quality in Banking:*

The service quality in banking sector has been used to assess the service performance of various services and business organization includes banks sector (Cowling and Newman, 1995). Johnstos(1995), states that service quality in banking sector. They are: communication, access, availability, comfort, courtesy, achievement, flexibility, integrity, security and reliability. According to Johnson (1997), security and reliability were most important by customers, responsiveness communication, achievement and competence was important. He is also suggested that such as, cleanliness and aesthetic were worth more attention. Nantel (2000), proposed that six dimensions in banking, these are effectiveness assurance and banks sector, access price, banks service quality, portfolio and reliability in banks sector.

There are indeed no doubts that majority and minority of e-business organizations including the banks sector have taken the benefits of e-commerce, internet banking, required technologies to enhance their operations organization. Today most of them have website on the Internet banking, e-business in order to extend their better performance services globally, provide good quality of services and promote quality of service delivery (L.O. Ugwu, T.O. Oyebisi, M.O. Ilori and E.R. Adagunodo, 2000). Driven by their goal oriented aspirations to dominate the financial quality services, performance quality and under the leadership of a dynamic and visionary management team through information technology, banks sector has been rapidly transformed from being just a bank to a one-stop-shop financial solutions provider. As the economies continues to improve, markets quality that is, increased political stability, organizational performance, improved government finances, growing domestic consumer demand, product availability, high commodity prices and significant improvement in other economic growth indicators, in the banks sector.

C. *The Problem of the Study*

In this research e-business organization performance is our dependent variable and e-business as independent variable. Dependent variable (organization performance) is divided into business quality and services performance, business operation, customer satisfaction and job performance. There is significant relationship between electronic business and organization performance. In this research we will find the relationship between electronic business and organizational performance. By adopting the e-commerce practices the organizational performance increases. The organizations that implement e-business have tremendous benefits in service quality, cost, profit, and employee motivation This pertinent study is also useful in ensuring that e-business organization and training practice supportive credence and credibility in the organizational banking sector function by enclosing attributes found to be significant relation to more pertinent in the perception of e-business organizational effective performance in the banks system. The researchers investigated e-business organization in banks sector of significant based on the major importance of reaching a high

quality of product qualities, benefits of internet banking, job performance in banking sector. One of the most significant banking sectors to improve e-business organizational performance, e-banking development and economy growth. Moreover, the banks sector has an effective role in the transmission of monetary policy. Consequently, one can argue the e-business is essentially significant to the banking sector. In the current study the performance of financial quality issue is investigated for the following these reasons:

- 1) A competition in banking sector is high, e-business performance have become a significance issue for banking organization who look for to improvement of product quality and services the level of their banks sector.
- 2) Researcher investigating the e-business organizational financial performance is expected to help improve the different levels of product quality provided by the e-business, job performance, and internet banking system, ATM etc. and to find the most appropriate conditions that lead to high levels of e-commerce service quality.
- 3) In the other hand, Practical work and experience in the e-business organization performance is financial banking sector can help in connecting the intellectual ideas, observable perception with the real or exact practice training?

D. *The Objective of the Study*

This research aimed in general to examine the factors that lead to the world wide of the impact on the e-business organizational effective performance in the banking sector from the our point of view e-business achieved has been performing to achieve sub-goals were as following:

- 1) To examine the independence of the e-business through the valid information of the factors that lead to change the organizational effective performance in banking sector.
- 2) To examine the reason for the e-business strategies are commonly accepted that may affect on the banking sector.
- 3) To examine the e-business organizational factor for the effective performance and that may affect the change of the financial organizational performance in the banking sector.

E. *Research Methodology*

On the basis of this study`s objectives nature, the empirical analysis methodology was used in this research. This study`s sample consists of the banks sector. This study consists of community and a sample study of the e-business organizational performance in the banks of the other operating banking sector. This current study based on into mainly two domains:

The theoretical side: depends an access to banks, relevant studies specialized journals, internet materials and previous studies and some these others.

Secondly, it`s depends on the data collection by research designed a questionnaire submitted to a sample of the banking sector.

F. Hypothesis

- H1: There is positive significant relationship between e-business and organization performance.
- H2: There is positive significant relationship between e-business and e-business organization.
- H3: There is positive significant relationship between e-business and customers satisfaction.
- H4: There is positive significant relationship between e-business and job performance.

G. Data Analysis/Data collection

Data were sourced through the primary and secondary sources and data can be analyzed with appropriate techniques. This research adopted questionnaire method as a mean for data collecting to examine the main factors may affect e-business organizational performance in the banking sector. Questionnaire is used as a tool to conduct a survey in the cities because it is second largest city in the country as with rich of all businesses and having almost all bank sectors. The sampling technique which used in this study is probability random sampling for a selection criterion. In this research the participants was manger and operation manager from those banks sector which are operating business organization. Out of 60 questionnaires which are sent through mail 23 were returned which shows 48 % response rate from the respondents and 80 questionnaires are filled directly from the e-business & operating organizational banks sector through which 82 are used in this research.

Table 1 Gender

Table 2 Position in the e-business organization

Research Findings: Correlation Analysis

Table 3Correlations

Each hypothesis was then tested in the significant levels. The Pearson correlation provided the answer to the hypotheses. The first hypothesis, there is positive significant relationship between e-business and organizational performances. The significant positive correlation of 0.541 ($p < 0.001$) between the e-business and organization performance in the banking sector substantiates this hypothesis.

The second hypothesis is that, if banks sector adopt e-business application then the business operations would improve the product quality and services. The positive significant correlation of 0.506 ($p < 0.001$) between the e-business and business organization substantiates this hypothesis.

The third hypothesis is that, if banks sector adopt e-business applications then it does not may affect the customer satisfaction, there is weak correlation between e-business and customer satisfaction. The correlation of 0.104 ($p < 0.001$) between the e commerce and customer satisfaction substantiates this hypothesis. The fourth hypothesis is that, the e-business has significant positive correlation with job performance. The correlation of 0.562 ($p < 0.001$) between the e-business and job performance in the banks sector has substantiates hypothesis.

III. DISCUSSION, CONCLUSION, RESEARCH IMPLICATIONS AND FUTURE RESEARCH

There is a high degree of implementation and limitations of the e-business organizational performance in the banks sector and this underlines the most significant positive relationship for the bank and its reflection on improving the financial performance of the banks sector. This study evaluated the existence of positive significant relationship between the application of e-business and the organizational performance in the banking sector. It also helps them to understand the importance of e-business to improve the performance of banking sector. Finally, this study was limited to the non-financial aspects of organization performance in the banking sector, financial, business operating organization, etc aspect like return on assessment of quality of the services and productivity, return on equity, and dividend payout etc are not included. This study is limited to the banking sector but it can also conduct in other sectors like Education, e-banking sector, electronic communication, Sports, telecommunication, Textile, job performance and satisfaction in the banking sector etc.

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Ethical Consideration

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- [3] Ethical principles have been observed as is primarily done in subjective empirical studies.
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