Reviewing the Software elements on developing E-Banking

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Abstract

In new era, organizations have no way, but using of computerized systems and information technology and developed media, and future would be belong to who consider the advantages and disadvantages of these systems very carefully and correctly and teach of others’ experiences, without paying their costs.

The present study is about reviewing the effective software elements on developing e-banking. Methodology is correlation and simple sampling and its statistical population is the employee of bank, by 150 questionnaire contributing among the statistical population and finally, 135 questionnaires returned and its information has been analyzed by use of spss software and its results are as follows:

1- There is relation between social-cultural obstacles and development of e-banking.
2- There is relation between managerial elements and development of e-banking.

Keywords: e-banking, development, software elements, Bank, employee.
1- Introduction

Establishing banking system besides rising positive impression in economical area has positive and also considerable effects on other social and economic dimensions. Hence, by taking into account e-banking in Iran, we remark that it falls behind other pioneer countries. So, the obstacles of establishing and developing of e-banking should be identified and suitable methods should be applied.

The obstacle of the establishment and development of e-banking could be compared in two aspects: inside and outside.
- The problems related to the basic infrastructure
- Lack of suitable human capital in order to develop e-banking in Iran

Transformations of the world by technology and information technology have made deep evolution in communication and the process of transmission of information, which had been followed by e-government and e-electronic information technology. A new context has been made by these circumstances to facilitate the trading affairs and business that led to increasing competition between organizations. The banks being institutions, whose functions are in different financial areas, are not an exception. In doing their tasks, banks encountered different obstacles and threats. In order to overcome of them, and attain potential opportunities of market, they should have necessary competence. Quick performance of tasks and saving time are the two most crucial elements of success in competition between banks. The e-banking services are essential and customers have right to identify the bank services through mass media. Then, in order to be efficient, banks required sufficient information of customers, understanding their interests and demands and developing the relation with them. The appearance of information technologies and communication, a great deal changing the all aspects of human lives, include trading. E-banking has been formed and originated from this viewpoint. Currently, modern process of banking has been known as the complement of new business, so far if they don’t enjoy of electronic exchanging systems, a great part of exchanging will be disabled. To our country which has newly experienced this kind of business, knowledge of international process in order to be quick in establishment and be efficient in e-banking systems will be useful. So, the present paper take the process of forming the elements and obstacles of developing e-banking in Iran, while defining the advantages of it and also the difference between this kind of banking with the traditional one, as well.

2- Importance and Necessity of Investigation

Quickness of doing tasks, sharing the information, keeping business connections and guiding the trading exchange through communication grids, have become an undoubted principle of success in market. Financial institution have anticipated during 1950s and 1960 that they could reduce the operational costs by omitting the errors of entering manual data, and also observed the
circumstances through which they could maintain their current customers and reaching to new ones by offering products and services and enabling the value of exist ones (Milindsathy, 1999). The main specifications of all these functions, are facilitate the business and administrative process, omitting unnecessary process in doing the tasks and reducing the costs by improving and enhancing the cooperation, reducing costs through improving and increasing cooperation, reducing administrative costs, in particular the costs of correspondence and improving access to customer and increasing the variety of offered services to customers.

**Hypothesis**

- It seems that there is relation between social-cultural obstacles and developing e-banking.
- It seems that there is relation between managerial obstacles and developing e-banking.

**E-Banking**

It had been used for the first time in 1995 in USA and then has been developed among developed countries quickly and after that in developing countries (Vandi, 2004). So many different definitions are offered for e-banking, concluding:

- Providing customers by accessing bank services by using safe mediators and without physical presence (Daniela Rusa, 2004).
- Customers can use of internet in order to organizing, testing and/or changing their bank accounts and/or investment in banks to offer banking operations and services (Nexhmi Rexha, 2004).
- Offering direct banking services and operation to customers through reciprocal electronic connections (Ibranimi, 2002).

Electronic banking, offering all bank services electronically and through safe mediator, and satisfying physical presence of customer in bank. Electronic banking provide customers with services such as the information about the account and its inquiry, transfer or transferring money between accounts, saving account, exchanging and paying the bills of water, electricity and in form of listing and scheduling. Electronic banking contain so many advantages such as increasing the customers and reducing the costs of banking dealings, while banks can offer services with high efficiency and low costs and keeping and enhancing the increased their market segmentation (Saeidi, 2003). Unlimited market from focusing on new contribution channels, brand competition, improving communication management, offering vast and vary services, focusing on costs and growth of income, reducing dealing and procurement costs, existing closed connection between banks, reducing pollution of environment, is another advantage of electronic banking (Kolodinsky et al, 2004).
3-The History of Electronic Banking

Surprising evolutions in banking systems could be classified into four era. Every era of evolution, allowed the reduction of wasted times in competitive environments and in higher area, offering services and enhancing their speed, quality, carefulness and verity of their services.

- **First era:** *counter automation*: the technology of counter automation had been prevalent in 1960s and allowed that books and cards omitted of branches and daily circulating of accounts have been sent to the central subsidies in order to be updated at the end of every day. This era was the start point of applying computer in banking systems and its main application was limited to book registration and turning paper documents into computerized files (Amaden et al, 2007).

- **Second era:** *Counter Automation*: it began at the late 1970, when the counter staff always access to the current account and it was possible to transmit information through using telecommunication and huge central computers. In this era, banks have used of exist telecommunication network which were dedicated to governance companies.

- **Third Era:** *connecting costumers to the accounts*: in this era which had been started from the middle of 1980s, costumers could access to their accounts. That is, customer could access to its account through phone or referring to ATM and using of intelligent card of magnetic card or PC. While doing receiving and paying operation, it could transform the money electronically. The most important characteristic of third era which make it identified from the earliest ones was developing their connective with their accounts.

- **Fourth Era:** Integrating and connecting customers with all banking operation of the last era of evolution in banking system was start when doing all banking operations were followed electronically. Both bank and customers could obtain needed information carefully and regularly, as the basis of new banking was customer center not account center. The actual saving in human resource was established in this era and money became thoroughly electronic and untouchable and the mutual interference instrument- customer and bank- is electronic services.

**Internet Banking**

Using of internet as a telecommunication channel for banking services is called internet banking. These services include traditional services such as opening account, transferring money and a new series such as providing electronic accounts. Banks are not limited to time and geographical limitation by use of internet, which it has so much benefit (Hekhirjaluto & et al, 2002). The first and most important element in using internet banking include: accessing to services, better prices and keeping higher private privacy. Success and/or fail in internet banking highly influenced by technical infrastructural with business process.
Efficient Elements on Adapting Electronic Banking

The key element in adapting e-banking is costumer trust and satisfaction of the bank which is indirectly influenced on adapting e-banking (Basle 1998). Banks should be cautious about e-banking influence on relation with costumer. Costumer participation in adapting e-banking is very important, as it causes the reduction or deletion the dealing between organization and costumer. The participation of costumer and bank is the element which is influenced on the quality of services, satisfaction and keeping the costumer. Based on investigation, being worry about security and then lack of awareness about e-banking and its advantages are the most elements of not using of this kind of bank services. Unfair price, lack of access to internet and computer, resistance against change and utility, are in second place. Indeed, the main obstacles of establishment and developing e-banking are set on these key elements [9]. Besides above mentioned key elements, technical, cultural, managerial and economical elements can be considered efficient on adapting and developing e-banking. The hypothesis of this study is set on this basis.

Reviewing Conducted Investigations

We proceed five thesis related to the topic of the present paper:
1- Topic: Reviewing the compared performance of Butane Co. before and after conducting automation project in order to obtain MBA certification in Governance Management course (Hassanzadeh et al 1384).

Study Objects
The objects of this paper are include: study and utter the different attitudes and ideas about automation, conforming the obtained information with documents, environmental exist documents and testimonies, comparing the company’s performance before and after automation, reviewing the effect of automation on company.

The Areas of Study
Topic area: the effect of automation Place area: Butane Co. Time area: 1381-83

The variables of the study
Dependent variable: the performance of Butane Co. Independent variable: automation
The yield result shown us that there is positive relation between two variables of automation and performance and automation improved the performance of company.

The questions of the study: Main question: are informatics systems having any influence on the performance of Tamirat Enteghal (Akhtar Bargh)? Secondary questions:
1- Do informatics systems have any influence on time scheduling in supervisory network of Tamirat Enteghal Co.?
2- Do informatics systems have any influence on the speed of amendment tasks in supervisory department of Tamirate Enteghal?
3- Do informatics systems have any influence on not redoing the amendment tasks in supervisory department of Tamirate Enteghal?
4- Do informatics systems have any influence on the amount of the useful employee performance time in Tamirat Enteghal Co.?

All four designed questions in this thesis according to investigator, are approved and finally it is concluded that informatics systems influenced on the main aspect of Tamirat Enteghal Co., it is to say on the scheduling, the speed of amendment tasks, not redoing amendment tasks, and at last the amount of useful performance time of employee. On the other hand, the amount and aspects of their influencing on every one of the secondary questions are measured through Friedman Test between every one of the related questions with the mentioned on in order to aware of strength and weakness of applying informatics systems from investigation population point of view, consequently by conducting Friedman Test between all secondary questions, the amount of their influence on the main question was observed.

3- **Topic: the effect of using computerized database on the coefficient of exactness and retrieval of information in searching (Tavakolizadeh·1375).**

The hypothesis of this paper include: training of utility of database to users has relative relation to lowering the time of searching, training of utility of computerized database to users has relative relation to enhancing the coefficient of exactness retrieval information, training the utility of database to users has positive relation to enhancing the coefficient of retrieve the retrieval information.

The investigator believed that determining the suitable words has related more to enhancing the topic knowledge and familiarity to specific needs, but it is necessary to have early familiarity to determine the keywords. The main hypothesis is not clear in this thesis. The hypotheses are applied by accuracy and exactness variables and up to date information and they have been used in analytical model, the result of study have not reject the hypothesis.

4- **Methodology and the instrument of data collecting**

The present study is descriptive one and conducted in a measurable way. The statistical population of the study includes all staff of Shadegan banks. Sampling is conducted in simple coincidence way and many of employees are participated as the sample of study. The instrument of data collecting is a questionnaire which is made by investigator that is approved by guidance master and the managers of the banks.
In order to reviewing the hypothesis of the study, by considering that the questionnaire is followed by likert project, we have applied the regression and the following results were yield:

Table 1- the descriptive statistics of cultural factors with developing banking

<table>
<thead>
<tr>
<th>Variable</th>
<th>Pearson coefficient</th>
<th>Correlation coefficient</th>
<th>Significant level</th>
<th>items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social-cultural factors</td>
<td>0.766</td>
<td>0.00</td>
<td>0.150</td>
<td>150</td>
</tr>
<tr>
<td>Developing of banking</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**H.1: it seems that there is meaningful relation between social-cultural factors with developing of banking.**

**Result:** by taking into account the above table, the hypothesis of null is rejected about the not having relation between social-cultural factors and the developing of banking, because the significant level is lower than 0.05, on the other hand, there is relation between these two variables.

Table 2- the descriptive statistics of managerial elements with developing of banking

<table>
<thead>
<tr>
<th>Variable</th>
<th>Correlation coefficient</th>
<th>Significant level</th>
<th>items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial elements</td>
<td>0.932</td>
<td>0.00</td>
<td>150</td>
</tr>
<tr>
<td>Developing of banking</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**H.2: it seems that there is meaningful relation between managerial elements and developing of banking**

**Results:** by taking into account the above table, the hypothesis of null is rejected about the not having relation between managerial elements and the developing of banking, because the significant level is lower than 0.05, on the other hand, there is relation between these two variables.

**5-Conclusion**

By developing information technology and communication, all dimensions of nowadays human life, especially its economical aspect has been deeply and basically changed and this process is going on. Not considering this process and delay in harmony with it, causes a disorder in economical, social and political relationship. Existing in global market by using of successful and efficient procedures are the necessities of adaption with present international systems. Undoubtedly, enjoying of information technology in different areas of business and financial is one of the essential instrument to enhancing the trading efficiency in national economic. Establishing a national efficient banking system which has connection with international systems provides new banking services, is the necessity
of establishing electronic business systems in the country. Some measurements have been put to action in this area from 1370s during last five years. It grows increasingly by establishing some infrastructural necessity (including legal and communicative infrastructural). But there is a long way to go in order to reach the goal and compensate the lost time. In this way, considering some functions and make them quick (some parts of it will be referred in suggestions section) could be effective in shortening the way.

On basis of anticipation an international institute, the volume of e-business will be more than billion dollars up to 2006.
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