

UNIVERSITY OF CAPECOAST

ELECTRONIC BANKING AND THEIR IMPLICATIONS FOR HUMAN
RESOURCE MANAGEMENT: A CASE OF AGRICULTURAL
DEVELOPMENT BANK

EMELDA ESI TAMAKLOE

2013

UNIVERSITY OF CAPECOAST

ELECTRONIC BANKING AND THEIR IMPLICATIONS FOR HUMAN
RESOURCE MANAGEMENT: A CASE OF AGRICULTURAL
DEVELOPMENT BANK

BY

EMELDA ESI TAMAKLOE

DISSERTATION SUBMITTED TO THE CENTRE FOR DEVELOPMENT
STUDIES, FACULTY OF SOCIAL SCIENCE, UNIVERSITY OF CAPE
COAST IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR
AWARD OF MASTER OF ARTS DEGREE IN HUMAN RESOURCE
MANAGEMENT

APRIL, 2013

DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this University or elsewhere.

Candidate's signature: Date:

Name: Tamakloe, Emelda Esi

Supervisor's Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Supervisor's signature: Date:

Name: Mr. E. Y. Tenkorang

ABSTRACT

The study was guided by four broad objectives; to explore the perception of employees and customers about the introduction electronic banking services, examine staff and customers perceptions of these innovations, assess the effects of these innovations on staff training and management and ascertain how staff are coping with the innovations. In all, 82 ADB staff including junior, middle and management and 120 customers responded to the questionnaire. The researcher conveniently selected 6 staff each from 13 of the branches in Accra and an additional 4 from the Head office. The researcher ensured that the various sub groups were adequately represented. They included 3 junior, 2 middle and 1 managerial staff. This procedure was repeated at all the 13 branches. The remaining 4 were purposively selected from the Head office and are, Head of IT, Head of data Centre, Head of HRD and Head of research. Also using the accidental sampling method, which is a non-probability sampling technique, 120 out of a total population of 180,000 representing 0.06% customers of the bank who were available at any point in time were also selected for the study.

The study clearly established the fact that indeed ADB had introduced some innovative ideas into their banking system particularly the ATM and the concept of networking. The result also indicated customers were very positive about the use of innovative ideas at the bank. It was also found out that less staff were trained and some of them also feel threatened. Nevertheless, majority of staff were competent in using the innovations at the bank. Besides, it was also revealed that the human resource function is becoming more strategically

involved with the business, evolving from a purely personnel or administrative role since the head of HR is a member of the management.

The introduction of modern trends in banking has indeed brought improvement in banker customer relationships greater relationship between managers and employees. It was therefore recommended that: management must share their visions, missions and objectives for innovation with their subordinates and make them an integral part of the same; Organization must provide employees the rationale for change; Organization need to develop their Human Resource proactively to achieve competitive advantage; Banks must necessarily and continuously review their innovative strategies in order to remain in business.

ACKNOWLEDGEMENTS

I must say how indebted I am to Drs. Nana Gharthey, a lecturer at the IDS through whose support and encouragement despite his numerous engagements took time off to supervise the work and suggested ways of making the dissertation what it is. Many thanks to my daughter for her many calls to me at school that gave me more encouragement to finish hard.

Besides, my gratitude will be incomplete if I fail to acknowledge the encouragement, advice and all manner of help given me by my family and true friends such as Evans Sokro , Moses Amegbe and Sylverster Yaw Adu. Finally. I am grateful to my Mother Lucy Yawa Mortty Afedoh without whose constant prayers, the dissertation will not have seen the light of the day.

DEDICATION

To my daughter, Amanda Yawa Tamakloe for her love, care and encouragement.

TALBE OF CONTENTS

Contents	page
DECLARATION	ii
ABSTRACT	iii
ACKNOWLEDGEMENTS	v
DEDICATION	vi
TABLE OF CONTENTS	vii
LIST OF TABLES	x
LIST OF FIGURES	xi
CHAPTER ONE: INTRODUCTION	1
Background to the study	1
Problem statement	5
Objectives of the study	6
Research questions	6
Significance of the study	7
Scope of the study	7
Organisation of the study	8
CHAPTER TWO: REVIEW OF RELATED LITERATURE	9
Introduction	9
Concept and history of banking	9
Ghanaian banking in retrospect	11

Brief profile of Agricultural Development Bank	13
Brief history of computerised banking in Ghana	14
Definition, concepts and genesis of electronic banking	17
Developments in the electronic banking system	21
Effects of these developments on banking operations	23
Effect of e-banking on employees	25
Effect of e-banking on customer relationships	27
E-banking implications for HRM	31
Conceptual framework	37
Human resource planning	38
Convenience service oriented environment	43
Quality product and pricing	43
Conclusion	44
CHAPTER THREE: METHODOLOGY	45
Introduction	45
Research design	45
Research setting	46
Target population	47
Sample size and sampling procedure	48
Sources of data	49
Research instruments	49
Mode of data collection	50

Ethical cconsideration	51
Analysis of data	51
CHAPTER FOUR: RESULTS AND DISCUSSION	52
Introduction	52
Background of staff and customers	52
Knowledge and perception of staff/customers of e-banking	57
CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS	75
Introduction	75
Summary	75
Conclusion	76
Recommendations	78
Limitations of the study	81
REFERENCES	82
APPENDICES	94
APPENDIX A: Questionnaire for staff	94
APPENDIX B: Questionnaire for customers	100

LIST OF TABLES

Table		page
1:	Different forms of electronic banking	18
2:	Age distribution of respondents	53
3:	Educational qualification of staff/customers	54
4:	Occupation of customers	55
5:	Customer level of satisfaction of implementation process	58
6:	Level of skills and competency of staff	60
7:	Staff/customer's perception of the use of e-banking services or ideas at the bank	62
8:	Support and receptiveness of customers of ADB in implementing e-banking services or innovative ideas	65
9:	Level of e-banking services at ADB compared with other banks	69
10:	E-banking services/innovative practices have achieved desired results	71
11:	State of ATM machines performance as observed by customers	71
12:	Effects of e-banking services and innovations on staff training and maintenance	72

LIST OF FIGURES

Figure		page
1:	The study concepts	38
2:	Years of service at ADB/ number of years for being a client	56
3:	Receptiveness & supportiveness of staff in implementing e-banking services	59
4:	Preferable way to carry out activities at the bank	64
5:	Customers satisfaction with e-banking services	66
6:	Customers' perceptions of the use of e-banking services at the bank	67

CHAPTER ONE

INTRODUCTION

Background to the study

The new millennium brought with it new possibilities in terms of information access and availability simultaneously, introducing new challenges in protecting sensitive information from some eyes while making it available to others. Today's business environment is extremely dynamic and experience rapid changes as a result of technological improvement, increased awareness and demands on Banks to serve their customers electronically. Banks have traditionally been in the forefront of harnessing technology to improve their products and services Steven (2002). As a result the Agricultural Development Bank in 1990 decided to move from its manual system of operating to electronic banking.

ADB bank in the past with respect to its operations was using manual systems of recording all transactions in journals and ledgers. However, in view of the numerous problems inherent in the manual system of banking and the philosophical views of the bank in adapting to innovative practices based on customer needs and technological advances, the bank in 1990 introduced a stand-alone computer system called PC Banker.

This automated system, was implemented at some selected branches in Accra and Kumasi after a year's trial. The PC banker was a batch processing system by which customer balances were produced on computer printouts. At

the branch level, the report is referred to when customers are being served. This system wastes a lot of time since one would have to take a cheque from the counter, transport it to the back office for verification to ensure that the transaction could go through before the cheque is brought back to the cashier for the necessary payments to be made. The PC banker was introduced at other branches whilst the majority of them remained manual.

To improve upon this therefore in 1994, the bank bought two other banking packages: the CA (Current Account software) and Grand Master system. This system essentially backs up and updates all transactions at the end of each day so that they could be accessed the following day on the PC. This was also implemented at the large profit-making branches.

The main limitation of this system was that it was not possible for a customer to have access to accounting information instantly after he/she had undertaken banking transaction unless the following day. To reduce or overcome the problems associated with the grand master system and the earlier ones, the bank then settled on Micro Banker in 1998. In 1998, the Bank selected the MicroBanker banking software, developed by I-flex solutions limited (I-flex) of India, as the main IT platform for its Banking operations. Implementation of this MicroBanker started in March 1999.

This new system, which is an online, real-time, front office device, eliminated all the problems associated with the previous systems. With it, all information about a customer could readily and instantly be made available to the cashier for the necessary transactions to be effected. Also, any customer who wished to have access to information about his/her account could just

walk to the bank's counter, provide his/her particulars and instantly all information about the account could be made available to him/her.

Initially, the bank implemented a Metropolitan Area Network (MAN) connecting eight branches and departments in Accra using the Micro Banker software as well as introducing the ATM on this network. Eighteen branches were using the MBX (mother board exchange) with Obuasi branch as the only stand-alone branch with ATM. But in 2001, the bank decided to go in for a more sophisticated banking package that would include SMS (short message service) and internet banking. MicroBanker is principally for corporate banking, and in order to enhance its services to its customers, ADB started migrating to the FLEXCUBE universal banking solutions, also a product of I-flex in 2002. FLEXCUBE provides a centralized banking solution with modern customer delivery channels to enhance product development and customer service. The delivery channels include branch operations and International Organization for standardization ISO complaint interfaces for ATM/POS (point of sale), internet banking and Web TV. Apart from branch and ATM/POS operations, the delivery channels come as operational modules. In July 2002, the first eight pilot branches and departments were hooked to the Flexcube system. After the initial rollout there was a stopgap till August 2005, when the bank started rolling-out to all the branches. As of August 7, 2006, the bank had hooked twenty-three branches to the new system, but seven were still on the MBX, with sixteen branches on the manual system. The remaining MBX branches were slated for conversion by the end of the year 2006, and the manual ones were scheduled to follow. Dr Monney, (Head of ICT Department of ADB, personal communication)

With the introduction of the Flexcube, all banking transactions and information can be effected or made available to customers or managers without delay. In addition to these achievements, the bank as at 2006 installed a total of eighteen ATM's nationwide. This had made the customers of the bank to transact business from Kumasi down to the Takoradi, Cape Coast and Accra-Tema Metropolis branches with ease. As at 2009 the bank had hooked all its branches onto the Flexcube.

In 2011, the bank realised its big dream of internet banking when it went for more advanced software the UBS (Universal Banking Solution) which is currently running at the head office and all the branches of the bank. The modules implemented are retail and corporate. The main delivery channels in use at the moment are the SMS Alert (QuickAlert) which gives prompt SMS alerts on your banking transactions anytime anywhere through your mobile phone, Email Alert (QuickMail) which also delivers prompt messages on your banking transactions through the help of a personal computer, ADB QuickNet which is internet banking, whereby a retail or corporate customer at the comfort of his home or office can perform various transactions such as checking of account activities, transfer of funds between accounts both internally and externally, view and print statements etc, the ATM, which has received very heavy patronage mainly because it offers the Bank's customers 24-hour access to their accounts, and help in decongesting branch premises and the Visa cards which is issued to professionals and business executives who travel extensively within the country and outside for various forms of payments. With the expansion of the Bank's wide area network, now covering over eighty (80) sites and the Bank's investment in

banking technology, the need to expand banking services to customers became imperative. (Get to know ADB) The number of customers who choose online banking as their preferred method of dealing with their finances is growing rapidly. The future looks bright with more people using the internet on a daily basis for electronic banking amongst various other things.

Problem statement

The banking sector remains one important sector that has experienced tremendous change as a result of advances in technology. Although banking institutions continue to pursue vigorous transformation with a view to improve their services and maximizing profits, some level of negative perceptions of electronic banking services is increasing throughout the entire banking industry. Most of these negative perceptions come from both the staff and customers of the bank who have raised concerns about the reliability and availability of these new technologies' been introduced and the ability of the banks to manage them efficiently for their outmost benefit. Another concern is the effect of this roll out of electronic banking services on staff job security.

Notwithstanding the importance of electronic banking in customer satisfaction, much work has not been done by both academia and practitioners in Ghana to ascertain the real or perceived impact of electronic banking on service delivery and human resource management in the banking sector.

The importance of electronic banking and its impact on human resource management, coupled with the dearth of such information in the Ghanaian context has provided the impetus to undertake this research.

The study sought to find out the appropriateness and effectiveness of electronic banking services and its implications on human resource management. It is crucial then that during the implementation of these new technologies, attempt is made by human resource management to manage the process effectively for the outmost result.

Objectives of the study

The general objective of the study was to explore the implications of e-banking on the human resource situation of ADB Branches in the Accra metropolis. Specifically, the study attempted to:-

- Explore the perceptions of employees about the introduction of electronic banking services.
- Examine customers' perceptions of electronic banking services.
- Assess the effects of electronic banking services on staff training and management; and
- Ascertain how staff are coping with the electronic banking services.
- Make policy recommendations.

Research questions

The study sought to answer the following questions:

- What are the perceptions of employees about the introduction of electronic banking services?
- What are customers' perceptions of electronic banking services?
- What are the effect of electronic banking services on staff training and management?

- How are ADB staff coping with the electronic banking services?
- How can ADB improve upon its human resource development activities in the face of increased adoption of e-banking services?

Significance of the study

A study of this nature is important for bank executives and indeed the policy makers of banks and financial institutions to be aware of electronic banking as product of electronic commerce with a view to making strategic decisions in their human resource planning. It is expected that the result of this study could direct human resource policy of the ADB. This is because views of staff will be known which management might not ordinarily get. These views could form the basis for whichever policy that management would want to adopt. In addition, the study would create the platform for the blending of views from all categories of staff (junior, middle level and managerial staff). The findings could be useful to other institutions that employ innovative methods of transacting business in general and to financial institutions in particular. Also, the findings would be useful as a source of literature for further researches.

Scope of the study

In pursuance of the objective of the study; attention was be focused on electronic banking with special emphasis on ATM and branch networking among other electronic commerce implementation. In order to conduct an empirical investigation into the adoption of Electronic banking in Agricultural

Development Bank and will also examine the implications of electronic banking on HRM from the bank's branches in Accra.

Organisation of the study

The study is divided into five chapters. Chapter one covers the introduction including the background of the study, statement of the problem, objectives of the study, research questions, significance, scope and organisation of the study. Chapter two is devoted to the review of related literature and theoretical framework whilst methodological issues are discussed in the third chapter. This deals with issues such as research design, population, sample and sampling procedure, research instruments and approach to data analysis. Chapter four presents the analysis of data and the discussions of major findings, while the summary, conclusions and recommendations for policy implications are presented in chapter five.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

Introduction

The first part of this literature review discusses ideas relating to the concept and history of banking, Ghanaian banking in retrospect as well as a brief report on manual system of banking. The second part takes us into the world of electronic banking where we look at the definition, concepts, genesis and the developments in the e-banking system. The third part looks at the effects of e-banking on the employees and the customers as well as its implications for human resource management within the banking sector. Finally, the theoretical basis and the associated concepts for the study are presented. It is worthwhile to discuss some of the management concepts used in connection with such studies on electronic banking and their implications for human resource management.

Concept and history of banking

The concept of banking dates back to the early period of civilization when people at the time found the need to protect their gold and other treasures. In that era, the temple was considered to be the safest place to keep one's gold and jewellery. This was because the temples were constituted of solid and safe structures; constantly attended with a sacred character which was believed might deter criminals like thieves. In Egypt and Mesopotamia,

for instance, gold was deposited in temples for safe-keeping though these resources were idle there, while others in the trading community or in government had desperate need of it. However, in the 18th century in Babylon there were records of loans made by the priests of the temple. This initiated the concept of banking (Gascoigne 2001).

According to Even (1993) in the days of old in Europe, money was not used much in everyday business transactions. Most of those transactions were simple direct exchanges, barter. However, the kings, the lords, the wealthy, and the big merchants owned gold, and used it to finance their armies' expenses or to purchase foreign products.

But the wars between lords or nations, and armed robberies, were causing the gold and the diamonds of the wealthy to fall into the hands of pillagers. So the owners of gold, who had become very nervous, made it a habit to entrust their treasures for safekeeping with the goldsmiths who, because of the precious metal they worked with, had very well protected vaults. The goldsmith received the gold, gave a receipt to the depositor, and took care of the gold, charging a fee for this service. Of course, the owner claimed his gold, all or in part, whenever he felt like it.

The merchant leaving for Paris or Marseille, or travelling from Troyes, France, to Amsterdam, could provide himself with gold to make his purchases. But here again, there was danger of being attacked along the road; he then convinced his seller in Marseille or Amsterdam to accept, rather than metal, a signed receipt attesting his claim to part of the treasure on deposit at the goldsmith's in Paris or Troyes. The goldsmith's receipt bore witness to the reality of the funds (Even 1993).

It also happened that the supplier, in Amsterdam or elsewhere, managed to get his own goldsmith in London or Geneva to accept, in return for transportation services, the signed receipt that he had received from his French buyer. In short, little by little, the merchants began to exchange among themselves these receipts rather than the gold itself, so as not to move the gold unnecessarily and risk the attacks from robbers. In other words, a buyer, rather than getting a gold plate from the goldsmith to pay off his creditor, gave to the latter the goldsmith's receipt, giving him a claim to the gold kept in the vault.

As time passed, the goldsmiths began to issue receipts for specific values of gold, making buying and selling easier still. The smiths' receipts thus became the first banknotes. The goldsmiths, now fledgling bankers, noticed that at any one time only a small proportion of the gold held with them was being withdrawn. So they hit upon the idea of issuing more of the receipt notes themselves, notes that did not refer to any actual deposited wealth (Even 1993).

Ghanaian banking in retrospect

In 1953 the Bank of the Gold Coast was set up by the then Government and Alfred Engleston, formerly of the Bank of England. With the passage of time, the Bank was split into two: the Bank of Ghana, operating as a bank of issue, to be developed into a complete central bank; and the Ghana Commercial Bank, to be developed into the largest commercial bank with a monopoly on the accounts of public corporation. In July 1957, Alfred Engleston was appointed as the first Governor of the Bank of Ghana. As expected, the Bank of Ghana took over the management of the currency

and in July 1958 it issued its first National Currency - the Cedi - to replace the old West African currency notes. The Ghana Commercial Bank assumed the role and functions of Government bankers and began to take over the finances of most Government departments and public corporations (BOG Legal Regulatory Framework 2009).

The advent of the new Government, elected by popular vote in 1957, brought the establishment of more banks. Banks incorporated by legislation between the periods 1957 to 1965 include: the Ghana Investment Bank as an Investment Banking Institution; the Agricultural Development Bank for the development of Agriculture; the Merchant Bank for merchant banking; and the Social Security Bank to encourage savings. In conformity with the economic policy of the time all these institutions were incorporated as state-owned banks.

Thus, the Banking Law was enacted in 1989, enabling suitable locally incorporated bodies to file applications for licences to operate as banking institutions. Provision is made for the licensing of non-banking financial institutions under the Financial Institutions (Non-Banking) Law 1993 (P.N.D.C.L. 328). This legislation makes provision for the licensing of non-banking financial institutions seeking to operate as, inter alia, discount companies, finance houses, building societies, or leasing and hire-purchase companies (BOG Legal Regulatory Framework 2009).

According to Buckle (1999), subsequently, a number of corporate entities were licensed to operate as banks, including Meridian (BIAO) Trust Bank, CAL Merchant Bank, Allied and Metropolitan and ECOBANK. Peprah and Camara (2011) stated that since 1976, the concept of rural banking has

evolved through many stages of successes and failures with increasing number of clientele across the corners of Ghana.

Before the establishment of RCBs (Rural and Community Banks) in the late 1970s and the subsequent expansion of other service providers into rural areas, according to Nair, (2010) access to institutional credit for farm and nonfarm activities was scarce. The main sources of credit were money lenders and traders that charged very high interest rates. In many rural communities, secure, safe, and convenient savings and payment facilities hardly existed. Many rural dwellers had to travel long distances to receive payments (such as salary and pension deposits), transfer funds, and cash check payments for their agricultural produce. This situation led the Government of Ghana (GoG) to take several measures to increase access to credit in rural areas. After establishing an agricultural lending requirement for commercial banks and creating a publicly owned agricultural development bank, the Government of Ghana facilitated the establishment of rural and community banks. (Nair 2010)

Brief profile of Agricultural Development Bank

In 1964, Bank of Ghana set up a Rural Credit Department to prepare the necessary legislation, plans and procedures for the establishment of a specialized bank for the provision and administration of credit and other banking facilities in the agricultural sector.

In 1965, Parliament passed The Agricultural Credit and Co-operative Bank Act, 1965 (Act 286) which incorporated a bank under that name. In 1967, National Liberation Council Decree (NLCD 182) was passed to change the name of the Bank to Agricultural Development Bank (ADB) and amended

certain sections of the original Act to allow ADB to undertake the acceptance of deposits on current and savings accounts and transact banking business normally carried on by commercial banking institutions, including raising loans from foreign sources

In 1970, The Agricultural Development Bank Act, 1970 (Act 352) was passed to broaden the Bank's functions. ADB was granted a full banking licence in that year under the Banking Act, 1970 (Act 339). In 2004, ADB gained a Universal banking licence under Banking Act 2004 (Act 673) which removed restrictions on banking activity

From its original Head Office on Tunisia Road, ADB moved to the Ring Road Central, then to the Cedi House on Liberia Road in 1993, before finally settling at its current ADB House Head Office premises on Independence Avenue in 2005 (www.adb.com.gh)

Brief history of computerized banking in Ghana

In Ghana, the earliest forms of electronic and communications technologies used were mainly office automation devices. Telephones, telex and facsimile were employed to speed up and make more efficient, the process of servicing clients. For decades, they remained the main information and communication technologies used for transacting bank business.

Later in the 1980s, as competition intensified and the personal computer (PC) got proletarian, Ghanaian banks began to use them in back-office operations and later tellers used them to service clients. Advancements in computer technology saw the banks networking their branches and operations thereby making the one-branch philosophy a reality. Barclays

Bank (Gh.) and Standard Chartered Bank (Gh.) pioneered this very important electronic novelty, which changed the banking landscape in the country (Abor, 2010).

The introduction of the National Payment System (NPS) also means that Rural and Community banks (RCBs) must change from manual system of operation to computerised system which involves networking. In this direction the ARB Apex Bank, United Nations Development Programme (UNDP), Millennium Development Authority (MIDA) and the Bank of Ghana (BOG) according to Peprah and Camara (2011) took a bold step to assist in the computerization of some Rural and Community banks in pilot basis which will be extended to all rural banks in the future.

The rationale is that there is growing consensus that computerization of banks improve efficiency in service delivery, reduce transaction cost for clients and makes them more competitive. The use of these computers in the Rural and Community banks as expected will make banks better integrate their plans and enable quicker response to change and development

The Rural Bank Computerization Project according to Mida (2007) was commissioned on the 20th of November 2012, at Dangme Rural Bank in Prampram which aims to provide Information Communication Technologies (ICT) to Rural Banks in Ghana to improve their service delivery and support local enterprise, the bulk of which is in Agriculture. This program is to benefit the following categories of people:

Bank Customers: Easier access to more, varied and cheaper banking services with longer banking hours and greater convenience.

Bank Staff: Shorter working hours and flexibility in rolling out more and cost effective services. Better career opportunities as rural banks work on the same hi-tech platform as the larger banks.

Bank Operations in General: ICT services take the drudgery out of service delivery and enables banks to focus on customer services. The needs of the customer become central to the decisions of banking business which is less determined by the limitations of current manual systems.

Economic Development of Rural Areas: Rural economies with the state-of-the-art banking system acquire the critical infrastructure to support the commercialization of their economy away from the subsistence level especially with regards to payment services as well as savings and credit facilities from cheaper and safer regulated financial service providers.

Aside the ATMs and branch networking which the most are popularly known another technological innovation in Ghanaian banking is the various electronic cards, which the banks have developed over the years. The first major cash card is a product of Social Security Bank, now Soceite Generale SSB, introduced in May 1997. In the earlier part of year 2001 Standard Chartered Bank launched the first ever debit card in this country. A consortium of three (3) banks (Ecobank, Cal Merchant Bank and The Trust Bank) introduced a further development in electronic cards in November 2001, called 'E-Card'.

Banks have recognized the internet as representing an opportunity to increase profits and their competitiveness. Currently, various banks are offering internet banking (e-banking) in Ghana. (Abor ,2010)

Definition, concepts and genesis of electronic banking

Daniel (1999) defines electronic banking as the delivery of banks' information and services by banks to customers via different delivery platforms that can be used with different terminal devices such as a personal computer and a mobile phone with browser or desktop software, telephone or digital television.

According to Peprah and Camara (2011) e-banking is when the activities of the banking system are provided via the use of computerised and networking facilities. These computerised activities include withdrawals, deposits, account opening, checking of balances, and the provision of electronic products. It is also asserted that computerization enables banks to break the barrier of serving low-income market and have the ability to processes large amounts of data at high speed and with high degree of accuracy.

E-Business according to Varma and Gopal (2011) is a web-based solution that takes advantage of the latest web application technology to deliver an online real-time business solution. Karakanian (2000) went on to say that e-business redefines traditional business models. It uses a business strategy employing digital media and network technology in order to optimize customer value delivery. It utilizes Internet-based computing, which supports the open flow of information between systems as well as business portals (established over the Internet) to interact with customers. He argues that technology is used as the actual cause and the driver of the business strategy so that the product or service is developed, better choices are provided to the customer, and delivery options are enhanced

Karjaluoto (2002) argues that electronic banking is a construct that consists of several distribution channels. He went on to say that electronic banking is a larger concept than banking via the internet and its value to customers and banks is continuously increasing (Karjaluoto, 2002; Mattila, 2001). According to Daniel (1999) there are different forms of electronic banking summarised in Table 1.

Table 1: Different forms of electronic banking

Form of banking	Description
PC banking	The customer installs banking software on his or her personal computer. The customer has access to his or her account with that specific software.
Internet banking	Customer can access his or her bank account via the internet using a PC or mobile phone and web-browser.
TV-based banking	The use of satellite or cable to deliver account information to the TV screens of customers.

Source: Daniel, 1999.

Violano and Collie (1992), argues that increasing labour costs in the 1960s placed pressure on labour intensive industries like banking to look forward automating some of their functions.

The current trend is the movement from traditional branch banking to electronic banking, which provides many benefits, challenges, and opportunities for the whole banking sector (The Finnish Banker's Association 2004b). Henceforth it is imperative to understand comprehensively the evolution of e-banking. Safo (1979) traces the introduction of electronic funds

transfer of which ATM is ironically identified as its first product in Ghana to Ghana Commercial Bank on trial basis in 1992, followed by The Trust Bank in 1994, and the Standard Chartered Bank in the same year.

According to Pang (1995), computerisation in the Malaysian banking industry got off to a slow start and only picked up momentum in the 1970's. The increasing volume of banking transactions was the inevitable motivator for the introduction of computers in Malaysian commercial banks. Then, by linking up technological developments in telecommunications and information technology, real-time on-line electronic funds transfer came into existence.

The first form of electronic banking according to Kass (1994) was the ATM (Automated Teller Machine) as a computerised telecommunication device that provides the customer of a financial institution with access to financial transactions in a public space without the need for a bank teller

Initially, ATMs were not sophisticated, and served only as cash dispensers. There was scant understanding of the customers' needs or expectations and the role of ATMs in bank's retail delivery system was vague (Violano and Collie, 1992).

O'Hanlon and Rocha (1993) went on to say that in the early market stage, ATM was a product based on a radical technological innovation, and did not represent a solution to a customers' need at that point in time. However in the mid-1970s, features like cash balance inquiry, deposits and funds transfer that permitted these customers to conduct the majority of their routine transactions without visiting a bank branch was introduced. By the late 1980s, ATMs were viewed as a generic service, a commodity with no

competitive advantage. Since then e-banking has been able to successfully cross the chasm as a complete service within the financial service industry

Later developments according to Al-Ashban and Bimey (2001) were telephone banking by which a service is provided by a financial institution which allows its customers to perform transactions over the telephone. With the obvious exception of cash withdrawals and deposits, telephone banking offers all the virtual features that are accessed with the use of ATM such as balance enquiry, check latest transaction, bill payments, ordering of cheque books, funds transfers within customers account, order statements and check foreign exchange rates.

Telephone banking according to Liao, Shao, Wang, and Chen (1999), then paved the way for the development of home banking services. Home banking is therefore defined by Shao (2007), as conducting the transactions and assessing bank account via personal computers. Often home banking is referred to as electronic banking.

The advent of the internet has significant impact on the banking services that is traditionally offered by branches to the customers. Internet banking often referred to as online banking can be defined as performing of financial transactions through a banks web site.

Mobile banking according to Gurau (2002) refers to provision and availing of banking and financial services with the help of mobile telecommunication devices. The scope of offered services may include facilities to conduct bank and stock market transactions, to administer accounts and to access customised information. This service provides account information such as access to loans and card statements, alerts on account

activity, payments and transfers, portfolio management services and other loyalty related offers.

Porter (1985), creator of the value chain, stated that there is no value added by the internet itself, however the internet should be incorporated into the business' value chain. As a result the internet affects primary activities and the activities that support them in numerous ways.

Developments in the electronic banking system

In Sub-Saharan Africa, according to Balachandher, Santha, Norhazlin, & Rajendra (2001), electronic commerce is now thought to hold the promise of a new commercial revolution by offering an inexpensive and direct way to exchange information and to sell or buy products and services. This revolution in the market place has set in motion a revolution in the banking sector for the provision of a payment system that is compatible with the demands of the electronic marketplace

The banking system, like any other business organisation, according to Game & Pringle, 1984 and Child (1985), has seen tremendous modernisation since the introduction of electronic banking. It has evolved from its purely manual mode of operation to a new age of technology in the form of computerisation. The use of the computer today has made banking practice not only easier but also effective and efficient. The practice of networking has also advanced the course of banking practice and has constantly generated new business opportunities and has permitted banks to expand their services at very low cost. Banking has become more and more convenient, as self-service banking becomes dominant. Branch banking is not expected to vanish entirely,

but branch sizes are becoming smaller. The banking industry is expected to witness spectacular growth in online banking services in both retail and corporate sectors, and in wireless banking and payment services using simple Global System for Mobile (GSM) handsets. Globalization has increased competition and new technologies are just some of the influences, which have changed the banking industry. These new technologies have made the banking industry more efficient, improved flexibility, and reduced operating and labour costs (Game & Pringle, 1984; Child, 1985). ADB therefore stands to gain a lot if it redirects its investments in banking services towards offering more self-service banking channels.

According to Wang, Wang, Lin, and Tang (2003) citing .Sohail and Shanmugham (2003), in recent year's environment internet banking usage has become one of the most important e-commerce. They pointed out that a bank's promotional efforts indeed facilitate awareness of internet banking adoption and its benefits. Hence, Banks have found themselves at the forefront of technology adoption for the past three decades.

As a result, banks have used technology initiatives such as ATMs, telephone banking and the internet to migrate customers out of branches (Webb, 2003) where transactions undertaken are deemed to be labour intensive and much more expensive (Balakrishnan, 2003).

Wind (2001), on the other hand identified that other products and services such as mortgages, credit cards and bank accounts have been modified to suit mass-marketing techniques and strategies so that they can be sold more widely. Customer loyalty is still an issue, but the traditional bases of this loyalty are disappearing.

Effects of these developments on banking operations

According to Balakrishnan, and Webb (2003), these developments, in turn, requires organisations to be more flexible and responsive to customer and staff needs because if customers do not regularly visit a branch, banks will be unable to sell value-added services as well as encouraging customers to patronize such services

Cracknell (2004) stated that delivering financial services to the poor has long been dogged by high costs and poor quality information. Technology offers the potential to dramatically decrease operational costs improve the quality of financial information and makes banking for the poor more profitable and less risky for mainstream financial institutions. According to him, developing a successful e-banking initiative for poorer people entails a wide understanding of a host of inter-related issues including technology, pricing, financial literacy, functionality, partnerships, delivery channels, Point Of Sale (POS) distribution, and regulation. For a financial institution to achieve all these there is the need for financial literacy. Training of both staff and customers of the institution in e- banking operations is of key importance.

Gup (2002) also shows that, the trend towards increasing use of self-service banking is greatly influenced by the cost of offering banking services.

Advocates of electronic banking maintain that there are a lot of advantages to use online banking. They argue in favour of the speed, the effectiveness and the friendly prices that the internet can provide their customers (Gup, 2002).

However, compared to 'bricks and mortar' banks, web-only banks have difficulties when it comes to customers making deposits and withdrawing

cash (Gup, 2002). For example, there is nowhere online you can go to exchange your money. Emphasis is therefore no longer on using technology and internet to cut cost, migrate customers out of branches and make staff redundant, but rather encourage customers to utilize the branch through the skilling of jobs. Resources, skills and attributes essential to effective performance are defined collectively as critical success factors. The manipulations of these are therefore of critical importance in gaining competitive advantage in the industry which is generally measured by profitability (Gup, 2002). Another effect of e-banking on organizations is competition and this has led to the refurbishment of banking halls of most banks to make their edifices attractive and attesting to the banking industry becoming more customers focused (Daily Graphic Feb 2006).

A common platform has emerged for some banks to share their technology. For instance, five banks have collaborated in making their ATMs available to their customers using the VISA platform. It is said to bring a sigh of relief to customers to walk into any of the branches of these banks in the country to do business. All these services have enhanced the image of banking and made banking more convenient. SG-SSB two years ago, introduced the SMS banking, using mobile phones. Customers of the bank did not have to go to the banking hall to queue to check their balances. They could easily access their accounts anywhere (Daily Graphic Feb 2006).

Safo (1979), stated that time honoured by banks in their services delivery, changes in the way of transactions delivered and the formulation and implementation of monetary policy as well as changes in banking laws and practices on the operations of financial institutions, the number of employees

employed as cashiers and the in-service training of bank personnel are some of the implications of e-banking.

The concept of e-banking has changed over the years. There have been significant changes both to the branch and job design. Branches are now more open- plan so that there is effectively no barrier between the bank and the customer. Jobs have been re-designed so that employees are able to interact with the customer in the sense of “exploring their need” Human Resource Management therefore needs to be more skilful in screening staff for various positions at the banks in order to get the right calibre of staff with various problem solving skills.

Finally these developments in the banking system and their effects on organisations in particular call for the acquisition of additional skills for efficient functioning. As new infrastructure is being rolled out to the branches, the technology can be used to support employees in their interactions with customers more effectively. Human Resource is therefore becoming more strategically involved in e banking and as such banking is becoming more competitive.

Effects of e-banking on employees

According to Blount Casttaman and Swatman (2002b:2003), consumer banking practices have, over the years, moved away from dispersed branches with face-to-face interaction, manual processing to social relationships between employees and customers and a preference for employees with local ties and knowledge. For this reason employees have become the most important resource in every banking system.

Tellers must thus become more adept at managing relationships with customers, including solving problems and selling new products and services (Balakrishnan, 2003). Banks no longer rely on the local and traditional elements in the customer relationship and depend on employees to provide customer service in the new environment (although some smaller banks still market their services based on these “traditional” competencies). But how do banks ensure that their employees are engaged in advancing the banks’ interests?

Recruiting and retaining employees will therefore be key to providing the value-addition customers expect when they use the branch network. Another effect of e banking on employees is that, employees have been moved from behind counters to the front of the house. Employees in branches are able to take their time with customers. Jobs have been redesigned so that there are now two types of branch employees: tellers who primarily deal with cash transactions; and customer service officers, who specialise in building relationships with the bank’s clients (Webster, 1995; Piore & Sabel, 1984, Clegg 1990; Thompson and McHugh, 1995)

Employees working in e-business often are entering jobs that did not exist before (for example, Web master) and are working in an organization or division that did not exist before. Therefore, problems basic to human resource planning in general are exaggerated for e-business (Eckhouse, 1999). In some cases e-businesses cannot keep up with the need for additional employees with the needed skills in areas such as information technology (IT).

Therefore, key jobs may remain empty, or an employer may choose to outsource specific functions. If key jobs remain empty, the existing IT

employees may be given additional work in order to compensate for the shortage of needed employees. The increasing burden on existing IT staff can lead to job dissatisfaction and/or burnout. If employee burnout results in employees leaving the organization, the shortage of needed workers only become worse.

The most-needed employees often are aware that they easily can find an attractive job in an active job market in which their skills are in high demand. They may choose to look for another job, or another employer and/or a professional recruiter may actively recruit them. Thus, employers can be losing the very employees they most want to retain (Eckhouse, 1999).

Effects of e-banking on customer relationships

Loyal customers are crucial to business survival, especially in an electronic commerce context, because of its positive effect of long-term profitability (Reichheld & Schefer, 2000). In traditional services, both functional and technical quality dimensions have been shown to influence customer satisfaction (Gronroos, 2000). In an online setting, consumers are thought to base their repurchase decisions on complex evaluations of the full service offer. In contrast to traditional business situations, online customers typically do not interact with individuals. Instead, they interact with seller organisations through a user interface that enables them to initiate the desired transactions themselves (Semeijn, Riel, Birgelen & Strenkens, 2005).

Today, a successful company is a company that answers the needs of customers and not a company that proposes some products and services and waits that some customers will show interest in them. If special attention is

paid to their demands, customers will develop confidence in the service provider (Schultz, 2000).

The instalment of customer friendly technology (such as menu driven automated teller machines, telephone and Internet banking services) as a means of delivering traditional banking services has become commonplace in recent years as a way of maintaining customer loyalty and increasing market share (Joseph, & Stone, (2003).

From the customer's point of view, internet banking offers new value to the customer because it makes available a full range of services that are not offered in branch offices (Karjaluoto, 2002). Modern internet technology makes it possible to create customized banking services for every individual customer (Mattila, 2001). According to Daniel (1999), customers' value features in Internet banking such as convenience, increased choice of access to the bank, improved control over their banking activities and finances, ease of use, speed and security.

Johann Nortje and Liz Neethling in ([www. Intoweb co.za/article](http://www.Intoweb.co.za/article)), writes that due to technology and internet access in particular, they seldom have to leave the house if they don't want to. They can order flowers, pay bills, book a flight, make investments etc from the comfort of their homes.

Regarding the advent of, and increased of e banking, it can be postulated that web population would take advantage of all information they can find on the internet. Consequently, consumers would become more knowledgeable and sophisticated, thus their demands would be higher and higher. Indeed, in every business sector, consumers expect more and more and e-banking services are no exception (Shin, 2005).

Dabholkar (1994) stated that when the customer is in direct contact with the technology there is greater control such as with Internet banking. However, if there is an absence of direct contact, such as with telephone banking (since the technology itself is not visible to customers who are able only to press numbers on their telephone keypad) it is assumed that there is less control perceived by the customer during this transaction. Bateson (1984) has conducted a number of studies on the need for consumers to have control during service encounters. When a consumer freely chooses to use technology as a form of service delivery the impact is high in terms of quality attributes such as efficiency and speed (Bateson, 2000).

This concept is supported by Weatherall, D.J., Ledingham, J. G. G. and Worrell, D. A.(1984), who state that consumers are thought to have a positive perception of technology based service attributes since they believe technology will deliver a faster and more efficient service than that of the employee. Gummesson (1991) also stresses that reliability and user-friendliness are important factors in the evaluation of technology-based services. Service quality can be seen as the extent to which a service meets customer's needs and expectations (Lewis and Mitchell, 1990). Service quality can thus be defined as the difference between customers' expectations of service and perceived service. If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs (Parasuraman, A., Zeithaml, V.A. and Berry, L.L. 1985).

Sheshunoff (2000), admits that banks implement internet banking services in an attempt to create powerful barriers to customers exiting. In

general, it has been reported that internet banking saves time and money, provides convenience and accessibility, and has a positive impact on customer satisfaction (Karjaluo, 2002; Mattila, 2001).

However, Hiltunen, Laukka, & Luomala (2002), argues that the physical interaction between the bank and customer takes place in branch offices, which are limited in both time and location. It has been proposed that a branch office is the primary channel for purchasing many financial products because it offers the customer a secure physical location for the transaction of complex financial business with real people (Hadden, & Whalley, (2002)

According to Fazlollahi (2002), due to the fact that e-banking environments are less rich in communication and have less social presence than traditional face to face service setting, the use of this technology may have an impact on customer loyalty. It may be difficult for banks to effectively attract and hold to customers that favour personal communication and therefore may be less satisfied in an e-banking environment. Mostly, this is because richer communications channels (face to face) may be more effective in responding to customer questions and in handling service failure (Fazlollahi, 2002).

Nevertheless Fazhollahi (2002) argues that when dealing with exchange-oriented customers it is important for the bank to ensure that the services offered via the technology are flawless. Dodd (2003), went on to say that, despite all these challenges the number of registered internet banking customers is increasing and online transactions now rival other service delivery channels.

The main benefit from the customers' point of view is significant. The main advantages of e banking for corporate customers are as follows:

- Reduced costs in accessing and using the banking services
- Increase comfort and timesaving, transactions can be made 24 hours a day, without requiring the physical interaction with the bank.
- Quick and continuous access to information. Corporations will have easier access to information as, they can check on multiple accounts at the click of a button.
- Better cash management. E-banking facilities speed up cash cycle and increases efficiency of business processes as large variety of cash management instruments are available on internet sites some bank. For example, it is possible to manage company's short-term cash via the internet banks.
- Customer account information is fairly secure because the information is encrypted.

From the banks perspective the main benefits of electronic banking are cost savings, reaching new segments of the population, efficiency, cross selling, third-party integration, and customer satisfaction (Hiltunen et al., 2004; Joseph, 1999).

E-banking implications for HRM

The human resource function in organisations according to De Cieri and Kramar (2003), will become even more important as organisations deal with increased competition, globalization, ongoing technological changes and, in particular, the move to employees interacting with customers in an online

environment. Organisations will need to develop their human resources proactively to achieve competitive advantage.

Human resource professionals in the Web-based world need to become literate in Web-based technology to use it and create distinctive competence. The need is strengthened given that in the future human resource professionals will be at the intersection of three sets of skills: business strategy, human resource mastery, and technology (Ulrich, 2000).

Greengard (2000), indicated that human resource management obviously is affected by the move to e-business. Effects include a compressed technology cycle, growing demand for faster and better service, and greater dependence on speed as the determinant a polynomial expression that is inherent in the entries of a square matrix. The size n of the square matrix, as determined from the number of entries in any row or column, is called the order of the determinant of success Human resource management professionals can address these effects if they recognize the opportunities and threats inherent in conducting e-business

Organisations will need to consider how best to utilize their employees to achieve competitive advantage in this online environment. It appears job design can be used to identify jobs in which employees are more likely to develop new technologies. If new technology development and innovation are specified as goals of the job responsibilities, employees are more likely to focus on these goals (Dodd, 2003).

HR is one of the latest functions to be affected by the use of Web-based technology (Karakanian, 2000). According to McDonald (2006), the most obvious changes for human resource planning concern the need to

identify employees with skills different from those found in more traditional organisations. Typically, employees who are literate in e-business must be identified faster than they would need to be identified before the move toward e-business. Businesses competing in an e-business environment can be left behind their competitors if they cannot respond quickly enough to change and anticipate future needs (Eckhouse, 1999).

In the age of a Web-based economy, it would be most useful and beneficial for human resource professionals to understand the relation between human resource and information technology and utilize a theoretical approach in enhancing the performance of the human resource function through the integration of information technology (Patra, Khatik, & Kodwani, 2002).

Similarly stated, the fundamental role of HRM is essentially to maximize profitability, quality of work life and profits through effective management of people (Cascio, 2003). Given this premise, it can be easily inferred that human resource's role is to help create value for the organization through human resource management.

According to Blount, Castleman and Swatman (2002a), one of the key questions in dealing with the implications of e banking on HRM was "what capabilities (skills and knowledge) and personal qualities do retail banks need in their customer-service employees to satisfy both more demanding and sophisticated customers (for example; flexibility of interactions, responsiveness, convenience) and the organisation's own needs (for example; building on sales opportunities, cost containment/reduction, lower labour turnover) when implementing e-commerce applications.

Business success has come to depend on intangible assets for example, integrity, trustworthiness, collaborative relationships, research and development, than on traditional “hard” assets such real estate and equipment inventories (Zuboff and Maximin, 2002). Employees have become one of the most significant tangible assets determining organisational competitive success hence the need for effective and efficient HR management. Hax and Majluf (1996), state that the central priority of most managers requiring the greatest amount of time and attention is the proper identification, development, promotion and rewarding of key personnel.

There is the need for e-business to also affect the HR function of job analysis and job redesign. New job titles are created (Preston, 1999). Ulrich (2000) offered three guidelines for designing an HR system that become operational and work best in a web-based economy:

- Build new organisational capabilities, rather than focusing on structures or hierarchies.
- Create innovative HR practices such as staffing, training and development, compensation, and so forth that instils the desired capabilities into the organisation.
- Apply web-based technology to HR practices and the HR function. This application requires forming alliances between HR and IT so that integrated solutions to business problems can be developed and implemented.

Greengard (2000) also identified seven guidelines for human resource professionals who want to maximize the benefits of e-business and move at the necessary speed:

- Understand the fact that the internet makes e-business fundamentally different from other methods of conducting business.
- Obtain the support of senior management- HR needs to justify the need for specific changes and show the possible benefits of these changes.
- Create a task force or team who can make decisions quickly. In many cases these teams must include members from different departments because successful e-business requires participation from different departments. Decisions must be made quickly, and recommended actions must be implemented swiftly.
- Use Return-On-Investment (ROI) .The monetary benefits derived from having spent money on developing or revising a system. Many of the required changes include costs that lead to benefits such as greater loyalty and increased retention.
- Work with other departments to make sound business decisions. Other departments and Information Technology (IT) staff provide needed information so that HR can see the effect of various decisions on the whole organization, not only HR.
- Create an IT system that is flexible and scalable. The most appropriate hardware and software are needed in order to make the business run effectively.
- Do not let fear of mistakes slow decisions and actions.

Recruiting and retaining employees is the key to providing the value-addition customers expect when they use the branch network. For organisations to excel, the individual needs to excel. It is for this reason that

managements around the world are investing more money in developing their human capital resources (Hand, 2001).

With the advent of e-banking, ADB has put in place the following strategies in its strategic plan for the year 2009 to 2012 to help develop its human resource sector and the bank as a whole (ADB 5-year strategic plan 2009-2012). The bank has decided to develop an establishment that is concise in structure, well decentralized with clearer definition of functions and manned by well-trained and motivated staff to promote efficiency in operation (ADB 5-year strategic plan 2009-2012). It has also planned to make the Head office learner by posting more staff to the branch and area offices so as to raise staff productivity. Another plan is to infuse management with external expertise by filling important vacancies from outside. Staff development is to be achieved through mentoring and coaching instead of the traditional method of dictating (ADB 5- year strategic plan 2009-2012). The establishment is being reviewed and vacancies filled through internal or external recruitment. In the area of motivation the bank has decided to conduct an industry survey on remuneration and institute performance related bonus system.

In the area of recruitment, the bank has decided due to the new wave of internet fraud to institute a system of security checks on prospective employees before final appointment is made. It has also decided to conduct aptitude test where necessary before interview to get the cream of excellent expertise to the system. Finally the bank has decided to engage some top management staff from outside to inject new ideas into the bank (ADB 5-year strategic plan 2009-2012).

To bring the training and development aspect of it to be abreast with the new trends in banking, the bank has adopted the following strategies to ensure sustained training for staff on customer care. The bank has decided to maximize the facilities at the training school, determine training needs of staff before training, establish the relevance of training before nominating staff to attend, provide adequate training for faculty members, deepen IT content of the banks training curriculum, organize specific training for audit staff in flex cube, training must correspond to new positions and assignments and finally special training is organized for front desk staff (ADB 5-year strategic plan 2009-2012).

Conceptual framework

When a business moves toward becoming an e-business, the human resource function also must change in order to maximize the level of operating under the new conditions. Changes are necessary whether e-business is a small part of the business or the focus of the business. Technology is used as the actual cause and the driver of the business strategy so that the product or service is developed, better choices are provided to the customer, and delivery options are enhanced for customer's satisfaction (Karakanian, 2000). The end result of these changes is to maximize the profit of the company even though a firm's profitability is not so direct or easily measured on HR, s functions.

For HRM to succeed in its fundamental role of maximizing profitability, and quality of work life through effective management of people in an e-business sector there is the need for changes in the following; Human

Resource Planning; Job Analysis and Job Design; Recruitment and Selection; Orientation; Training and Compensation.

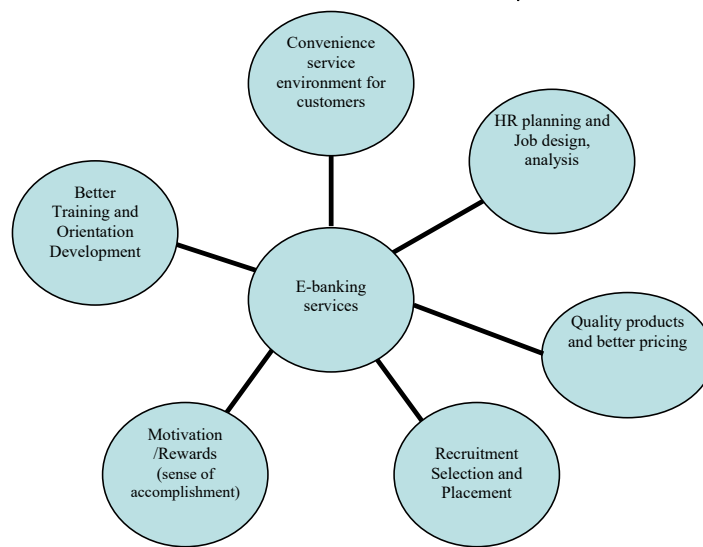


Figure 1:

Author's construct, 2007

Human resource planning

The most obvious changes for human resource planning concern the need to identify employees with skills different from those found in more traditional organizations. Businesses competing in an e-business environment can be left behind their competitors if they cannot respond quickly enough to change and anticipate future needs.

They may choose to create a separate "dot-com" division that handles the e-business part of their operation. This separate dot-com unit usually is expected to be integrated onto the rest of the operation. In some cases the

firms may actually create a spin-off dot-com organization. These separate divisions and/or spin-off organizations typically have a more entrepreneurial culture that is consistent with the operation of e-business. The resulting organizations are better able than their parent companies to attract the type of IT talent needed for rapid e-business development and successful competition in the e-business world (Schutte, 2000).

Job analysis and job design

One of the most obvious changes related to job design and job analysis concerns the descriptions of jobs found in e-business. New positions (for example, Vice President of E-Commerce) are created, and the employees holding these positions are responsible for the creation and execution of e-commerce (Preston, 1999).

The team must include technical staff like Web architects and designers, infrastructure specialists, Web developers, a Web site manager, Internet security experts, and a team administrator. The team also needs business-focused staff like content experts for marketing or sales and specialists like Web graphics designers. E-business employees need IT-related programming and analysis skills. They also need skills and knowledge related to strategic planning, relationship management, project management, content creation/management, and integration.

Recruitment and selection

Recruitment and selection are extremely important for e-business in order to find the people who can provide the needed results.. Unfortunately,

recruitment and selection are more difficult for e-business than for traditional business. Growth can be very fast, and there is a shortage of certain skills. Recruitment and selection must be completed quickly in order to satisfy the needs of a rapidly changing e-business. The traditional recruitment process is followed by a selection system used to identify the best recruit(s) from a field of possible employees. If employers choose to follow this traditional process, they often will lose the best recruits.

The selection process in e-business often must use a decision process focusing on the minimum necessary qualifications, rather than taking the time to identify the best possible recruit. If an e-business can identify a recruit who possesses the minimum necessary qualifications, a successful e-business may optimize its selection process by immediately extending a job offer. If the e-business takes the time necessary to evaluate all possible recruits and identify the best possible one, the best recruits may have accepted other job offers or no longer be interested in the job for other reasons (Wagner, 2000).

Orientation

Orientation for e-business takes on new meaning and importance. Effective orientation must go beyond the basic tasks of providing basic information concerning the firm, completing necessary forms, and describing employment policies and procedures. In addition to addressing basic needs such as enrolling in the health insurance program and obtaining identification for the security system, orientation programs must welcome employees to the organizational culture and reinforce their decision to join the organization.

Effective orientation can be an important means for integrating employees into the organization and making sure they are satisfied with their new jobs. Successful orientation can help the employer maximize retention (which is a challenge for e-business employers). If new employees understand the organization's values and feel as if they are part of the organization, their sense of belonging and commitment will be increased (Hutchins,2000).

Training

E-business' rapid change and the sophisticated technology mean that continuous and extensive training is necessary. However, successful training for e-business goes beyond increasing the speed of training and including new content. Even employees who are not directly involved in the "e" part of e-business must constantly be retrained in order to keep up with the latest technology.

The shortage of IT employees leads some firms to initiate massive retraining programs in order to develop needed skills in current employees (Richter, 2000). Such retraining efforts contribute to the success of e-business in a variety of ways. First, retraining programs produce employees with the needed skills. Since these employees already work for the organization, they do not require orientation or an adjustment period to become integrated into the employing organization. Second, retraining programs reduce the anxiety and potential opposition of long-term employees who may see the move to e-business as a way to eliminate them and replace them with new employees who have the latest skills. If retraining programs are truly successful, they produce employees who will have the needed skills and are less likely than

new employees to contribute to one of e-business' major human resource problems—that is, high turnover.

Mentoring is another type of training that is especially valuable in e-business. This type of training is found in entrepreneurial businesses that begin as e-businesses as well as traditional organizations that are adding e-business to existing methods of conducting business.

Compensation / reward

E-business faces many challenges related to compensation. The most obvious problem concerns the continually escalating salaries needed to attract and retain employees with much needed and difficult-to-find skills and knowledge. The increased demand for e-business skills, combined with the shortage of employees with these skills, has resulted in booming payrolls. Employers also must analyze the role played by compensation before assuming that increased compensation is the only (or even the best) way to attract and retain employees. Factors other than compensation influence employees' decision to work for a specific employer. The only real loyalty of e-talent is to their work (Schafer, 2000). In the rush to attract e-business talent, employers still must try to control costs (for recruitment, retention, and compensation). These costs should not enter the stratosphere (Schafer, 2000).

Also, alternatives such as retraining current employees actually may be more efficient in the long run than trying to compete with other employers through compensation alone.

Convenience service oriented environment

The instalment of customer friendly technology (such as menu driven automated teller machines, telephone and Internet banking services) as a means of delivering traditional banking services has become commonplace in recent years as a way of maintaining customer loyalty and increasing market share. Corporations will have easier access to information as, they can check on multiple accounts at the click of a button.

Quality product and pricing

Today's winners are those who overcome consumer cynicism by exceeding expectation and going beyond the point of encounter. These firms are successful because they have invested for the long term through recognizing that service fulfillment not only promotes growth of their customer base but retains customer loyalty (Lake and Hickey, 2002).

Companies who concentrate on quality and pricing will gain competitive advantage. A competitive advantage is 'a company's ability to perform in one or more ways that competitors cannot or will not match' (Kotler and Keller 2006). A competitive advantage is said to be sustainable when it has the means to edge out rivals when competing for the favours of customers (Porter 1980). Porter argues that 'competitive advantage results from an organisation's ability to perform the required activities at a collectively lower cost than rivals, or perform some activities in unique ways that create buyer value and hence allow the organisations to command a premium price' (Porter 1991). According to Kotler (1997) a competitive advantage is more or less focused on how the company utilizes its capabilities,

especially its distinctive capabilities. Companies which concentrate on improving their knowledge –based skills (for product improvement) through effective HRM will in no doubt gain competitive advantage over competitors.

Conclusion

The understanding of the above contemporary strategies offers some understanding into the implications of e-banking on human resource management. It will be seen that the performance and positional superiority of a business entity are as a result of its relative strength in skills and resources deployed. Skills relate to human resource development and so confirm the importance of quality HRM for effective performance of a business entity. Resources such as finance, technology, physical structures and human beings (people) combined with competencies; training and developments, motivation, capabilities and organizational redesigning are able to create competitive advantage for the firm to outdo its competitors

E-banking presents challenges for human resource management. In order to meet the changing needs of e-banking, human resource professionals must respond to the changing demands of e-banking by analysing the needs of the organization, current employees, and potential employees. Responses must be made more quickly than in more traditional business because of the greater speed with which e-banking is conducted. Human resource professionals can make significant contributions to the success of e-banking hence the role of HRM must not be ignored when more obvious function such as IT become the focus of change

CHAPTER THREE

METHODOLOGY

Introduction

This chapter presents the methods and procedures used in the collection and analysis of data relevant to the study. Specifically the research design, the research setting, the population and sample, research instrument, mode of data collection and analysis of the data are included in this section.

Research design

This study relied on the case study strategy since the focus was on one bank, the ADB. Whilst many investigators have raised concerns over its lack of rigor and its bias for scientific generalizations, the best findings about choosing a case study are two-fold: firstly, it allows for a better understanding to enable the researcher to understand the context of the problem being investigated and secondly it is most suitable in investigating the “how” and “why” of research questions about contemporary issues in society over which the researcher has little or no control (Yin, 1994). This study was intended to be investigative and qualitative, that is to discover, describe and analyze the nature, level and available technological trends at ADB rather than to measure the phenomenon.

Research setting

Agricultural Development Bank (ADB) branches in Accra provide the research setting. The Agricultural Development Bank was set up by an Act of Parliament (Act 286) in 1965 to promote and modernize the agricultural sector through appropriate but profitable financial intermediation. Its original name then was the Agricultural Credit and Co-operative Bank. The establishment Act gave its main objective as “to provide credit facilities to agriculturists and persons for connected purposes” (http://www.agricbank.com/about_adb.asp). In 1970 a subsequent Act of Parliament (Act 352) amended the earlier legal instrument of the bank and broadened its functions to make it a fully-fledged banking institution.

Currently ADB has 80 branches; however, as at the time the research was conducted ADB had 47 branches nationwide, including the head office. Accra had fourteen of these branches including the head office. These branches are grouped into seven Area Offices under the supervision of Managers who are equivalent to Heads of Departments at the Head Office.

The bank as at that time could boast of staff strength of about 1,054. (Head of HRD Department of ADB, personal communication), (Mr. Bediako, Head of HR ADB, ADB bulleting 2007) Its mission statement is to be ‘committed to building a strong customer-oriented bank run by knowledgeable and well-motivated staff, providing profitable financial intermediation and related services for a sustained and diversified agricultural and rural development’. In accordance with the legal instrument establishing it, the bank’s functions include:

- the provision of credit facilities for the development and/or modernization of agricultural and allied industries;
- the identification and promotion of agricultural enterprises in Ghana, whether singly or jointly, with persons or industries, both local and foreign;
- the initiation of, or participation in, the conduct of research and training designed to promote agricultural development in general;
- the mobilization of financial and human resources to meet the country's development needs in agriculture;
- Investment in the processing of agricultural produces;
- Operation of current, savings and fixed deposit account; and
- Financing of cottage industries.

Target population

Jankowicz (1995) also points out that in order to draw a sample; one has to know how many people are in the population, and how this total is made up of in terms of groups and subgroups which might be of interest or relevance for the study.

The 387 staff members of the ADB branches in Accra and 180,000.00 customers constituted the population of interest. Currently the staff could be classified into junior, middle level and managerial staff. Educational qualifications required of the junior staff ranged from Higher National Diploma down to no formal education at all (i.e. for cleaners). The middle level staff members were mostly first-degree holders in relevant disciplines such as accountants, customer relation officers, personal bankers, human

resource officers and research assistants. The managerial staffs, possessed master's degrees or other professional qualifications in addition. The study considered views from the clerical administrative and managerial staff of the bank. These were the categories of staff whose daily activities were directly affected by the innovations. The study also solicited views on customers' perceptions of these innovations.

Sample size and sampling procedure

A sample size of 82 staff representing 21.2% of the population was considered for the study. They included junior, middle, and managerial staff and made up of 36 females and 46 males. The researcher conveniently selected 6 staff each from 13 of the branches in Accra and an additional 4 from the Head office. The researcher ensured that the various sub groups were adequately represented. They include 3 junior, 2 middle and 1 managerial staff. This procedure was repeated at all the 13 branches. The remaining 4 were purposively selected from the Head office and are, Head of IT, Head of data centre, Head of HRD and Head of research. This was done to get divergent views from all of them to enable the researcher make a better generalization.

Also using the accidental sampling method, which is a non-probability sampling technique, 120 out of a total population of 180,000 representing 0.06% customers of the bank who were available at any point in time were also selected for the study.

The choice of 82 staff and 120 customer sample sizes were deemed to be adequate since according to Kwabia (2006: 82) citing Furguson et al

(1987:171), sample size of 30 to 40 is acceptable since it is a basic research. The questionnaire was self designed by the researcher to adequately address the issues and concepts on which the study was based.

Sources of data

Both primary and secondary data were collected for the study. Secondary data included facts about the bank obtained from records. Other information was obtained from relevant literature sources such as the bank's library and the University of Cape Coast library. The internet was also searched for relevant information. The specific sources of these pieces of information included books, published articles and other scholarly materials. Primary data were collected directly from the target population by means of questionnaires. The information obtained included the socio-demographic backgrounds of respondents their perceptions of the innovations in question and issues relating to management-staff relations.

Research instruments

Questionnaires as the main instrument was used to gather data (see appendix I and II). The use of the questionnaire as an instrument for data collection was based on the fact that it provided a wider coverage of the sample and also it facilitated the collection of a large amount of data (Fraenkel and Wallen, 1993). The use of questionnaire was also appropriate in this study because all staff were literate. Made up of simple questions, clear in meaning, respondents were also to provide information in their own time, reflecting

their experiences on e-banking services in ADB and their implication for human resource management.

The instruments consisted mainly of structured or close-ended questions and a few open-ended ones. Close-ended questions are known to provide control over the participant's range of responses by providing specific response alternatives (Borden and Abbott; 2002). This makes it easier to summarise and analyse the responses.

The questionnaire for both the staff and customers were based on the study objectives and consisted of four sections. Section A covered the background of the staff/customers such as information on the age, sex, and educational level; departments, rank and length of service of the staff. Section B of the questionnaires covered knowledge and perceptions about innovation as practiced within the ADB, and Section C had questions on staff and customers attitudes towards innovation. The fourth section, D, dealt with issues of effect of innovation on service delivery and implications for human resource management and development (Appendix I and II).

Mode of data collection

A letter of introduction obtained from the Institute for Development Studies, University of Cape Coast, was very useful in seeking the consent of the subjects to participate. It assured them that the study was purely academic. This helped to eliminate the misconception some of the subjects had about the study. By the use of convenience sampling technique, the questionnaires were administered to the various staff members who filled in the answers by themselves. But customers who could not read nor write the researcher

translated into the local languages of their choice personally and with the help of some other staff members.

For the staff who were not able to fill out their questionnaire on the first visit, two weeks was allowed them to do so. In sum, respondents were required to provide answers to some questions and rank factors in order of agreement or select options, which best described their views. In all data was collected by the researcher over the period of 2 months between April and June 2007.

Ethical consideration

For the purpose of ethical issues, the consent of the subject for answering the questionnaire was first sought and the aim for which the data was being collected was explained. The subjects were also assured of confidentiality. To ensure this, their names were not requested on the questionnaire. When the subjects accepted to respond, a questionnaire was given out to them to answer.

The analysis of data

The data collected were analyzed and presented in frequency distribution tables and in percentages. The Statistical Product for Service Solutions (SPSS) was used to capture the coded data for analysis. Descriptive statistics mainly frequency tables showing frequency and percentages of the responses given; and in some cases statistical summaries such as mean, median, and mode; were used to organize and present the findings from the data. In addition, cross tabulations were also used to compare the responses given by the staff and the customers.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter deals with the analysis, description and discussion of findings from the field. The results have been presented in tables and charts. The chapter has been organized under four major headings, namely, background of staff, knowledge and perception of staff on innovation, customer's perception of innovation, and impact of innovation on organisational activities particularly on human resource management practices.

Background of staff and customers

The respondents were made up of staff and customers of ADB. The staff of ADB and they were made up of 43.9 per cent females and 56.1 per cent males. Thus, most of the staff sampled were males, an indication of the dominance of males in the banking industry. On the other hand the customers were made up of 58.3 per cent males and 41.7 per cent females. The results in Table 2 show the age range distribution of the staff and customers.

Table 2: Age distribution of respondents

Age range	Staff		Customers	
	Male	Female	Male	Female
	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)
20-30 years	14 (30.4%)	6 (16.7%)	27(38.6%)	18(36.0%)
31-40 years	24 (52.2%)	16 (44.4%)	35 (50.0%)	25(50.0%)
41-50 years	8 (17.4%)	10 (27.8%)	5(7.1%)	5(10.0%)
51 years and above	0 (0%)	4 (11.1%)	3(4.3%)	2(4.0%)
Total	46(100%)	36 (100.0%)	70 (100%)	50(100.0%)

Source: Field data, 2007

The ages of the staff ranged between 23 and 57 years, with median and modal ages of 37.0 years and 39 years respectively. The average age of the staff was 36.8 years with a standard deviation of 8.04 years. It can be observed that 48.8 percent of the staff member respondents were between ages 31-40 years. Only a few 4.8 percent were aged 50 years or more. The ages of the customers ranged between 21 – 55 years, with a median age of 35 years and a modal age of 37 years. The customers average 33.8 years in age with a standard deviation of 8.07 years. Fifty percent of the customers were between ages 31-40 years. Thus, most of the staff and customers sampled were adults within the active working age brackets.

Table 3: Educational qualification of staff/customers

Educational qualification	Staff		Customers	
	Male	Female	Male	Female
	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)
GCE 'O' Level /SSSCE	5(10.9%)	1(2.8%)	4(5.7%)	1(2.0%)
GCE 'A' Level	5(10.9%)	9(25.0%)	6(8.6%)	9(18.0%)
Diploma	12(26.1%)	4(11.1%)	19(27.1%)	11(22.0%)
BA/BSc. Degree	9(41.3%)	19(52.8%)	33(47.1%)	27(54.0%)
MBA/M.A./M.Phil	5(10.9%)	3(8.3%)	8(11.4%)	2(4.0%)
Total	6(100.0%)	36(100.0%)	70(100.0%)	50(100.0%)

Source: Field data, 2007

In Table 3, the distribution of educational qualifications of the staff and customers is also presented. It can be observed that only a few, 7.3 per cent of the staff had GCE 'O' Level /SSSCE, 19.5 per cent of the staff had Diploma qualification, 46.3 per cent had first degree (BA/BSc.) and 9.8 percent had second degrees (MBA/MA/MPhil). It can also be observed that half of the customers also had BA/BSc. degree. These show that the majority of the staff and customers sampled had attained high levels of education.

On the ranks of the staff, 42.1 per cent stated that they belonged to junior grades and the remaining 67.9 per cent were senior staff. Thus, the majority of the staff sampled were in senior positions.

Table 4: Occupation of customers

Occupation of customers	Frequency	Percentage
Accountancy	25	20.8
Administration clerk	5	4.2
Businessman	30	25.0
Banker	10	8.3
Insurer	15	12.5
Security man	5	4.2
Social worker	10	8.3
Teacher	20	16.7
Total	120	100.0

Source: Field data, 2007

The occupations of the customers are captured in Table 5. The results show that a quarter that is 25.0 per cent of the customers are businessmen. It can also be observed that majority of the customers at ADB were engaged in formal jobs.

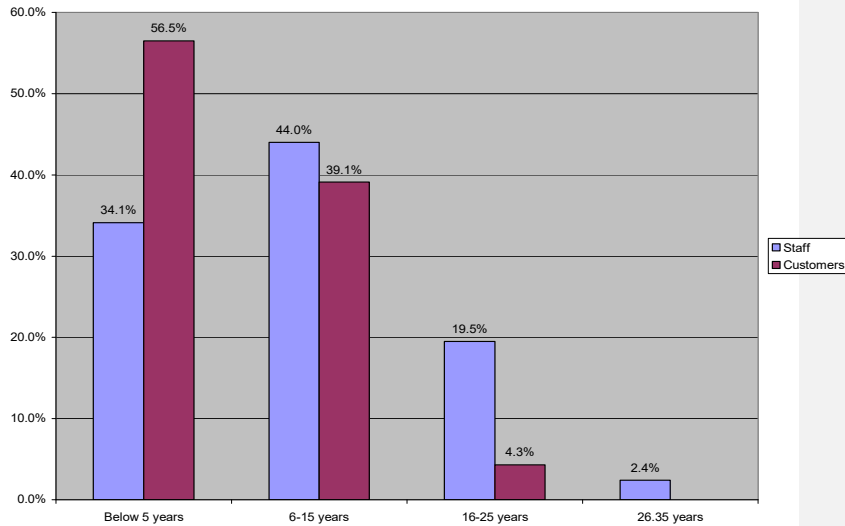


Figure 2: Years of service at ADB/ number of years for being a client

Source: Field data, 2007

When the staffs were asked how long they had been working at ADB, the responses in Figure 2 were obtained. It can be observed that only about a third 34.1 per cent of the staff have worked at ADB for less than 5 years, the majority 44.0 per cent had worked for at least 6 years and at most 36 years. Thus, the majority of the staff sampled had worked at ADB for a considerable number of years.

In response to the question on how long the customers had been clients at ADB, the majority 56.5 per cent of the customers indicated that they had been clients of ADB for 5 years or less. They added that they became clients of ADB due to its location, family affiliation and product choice.

Knowledge and perception of staff/customers of e-banking

The staff and customers seemed to have appreciable knowledge about modern trends in the banking industry. In responses to the question as to what they considered to be the important e-banking service in the industry, both the staff and customers mentioned new technology, improvements in banking processes, based on introduction of new technology, new services, new product development, conversion of old ideas into new ideas and the creation of new ideas. These indicate that indeed the staff and customers had a good grasp of e-banking services in the industry.

Specifically, the e-banking service at ADB that the staff and customers were aware of, included the following: over a third 36.6 per cent mentioned Automated Teller Machines (ATM) and the concept of networking of services as the new trend in ADB. The remaining staff mentioned credit card system, cellular phones for banking practices, internet systems, and gold drive. The customers also confirmed these. This is an indication that both the staff and customers were highly aware of the modern banking trends in ADB.

When the customers were again asked whether ADB sometimes adopted e-banking services of other banks, about 76.2% answered in the affirmative and only 23.8% responded negatively. They mentioned some of the innovations adopted by ADB as ADB/GCB Mondex, and credit card system, concept of networking, electronic banking, E-Zwich and gold drive. It can be inferred from this response that the clients were knowledgeable about the bank's operations so much so that they could tell which e-banking services were adopted from other banks. Knowledge according to Shin (2005), with regard to the advent of, and increased use of e-banking, it can be postulated

that web population would take advantage of all information they can find on the internet. Consequently, consumers would become more knowledgeable and sophisticated, thus their demands would be higher and higher.

With regard to staff and customer involvement in the development of new products/ideas before implementation, only 17.0 per cent of the staff affirmed that the management of ADB discusses new products with staff before implementation. About 13.0 percent of the clients also confirmed that they were not contacted before the implementation of any innovative ideas/products. This shows that some decisions of the bank were taken only at the management level. This is contrary to the suggestion of Greengard (2000) on staff and customer involvement when he stated that it is important to create a task force or team who can make decisions quickly. According to him in many cases these teams must include members from different departments and stake holders because successful e-business requires participation from different departments and stakeholders. In rating the implementation process, the results in Table 5 were obtained from the customers.

Table 5: Customer level of satisfaction of implementation process

Level of satisfaction	Frequency	Percentage
Very satisfactory	100	83.3
Satisfactory	10	8.3
Unsatisfactory	10	8.3
Total	120	100.0

Source: Field data, 2007

Despite the fact that the innovative ideas/products or e-banking services were not discussed with the parties involved before implementation, the customers seemed to be satisfied with the implementation process. The results in Table 6 show that only 8.3 percent of the customers indicated that the implementation process was unsatisfactory. Karjaluoto (2002) ascertained that internet banking offers new value to the users by making available a full range of services that are not offered in branch offices and as such gives the customers the satisfaction they need. This was reiterated by Mattila, (2001) when he said that modern internet technology makes it possible to create customized banking services for every individual customer and as such customers are satisfied.

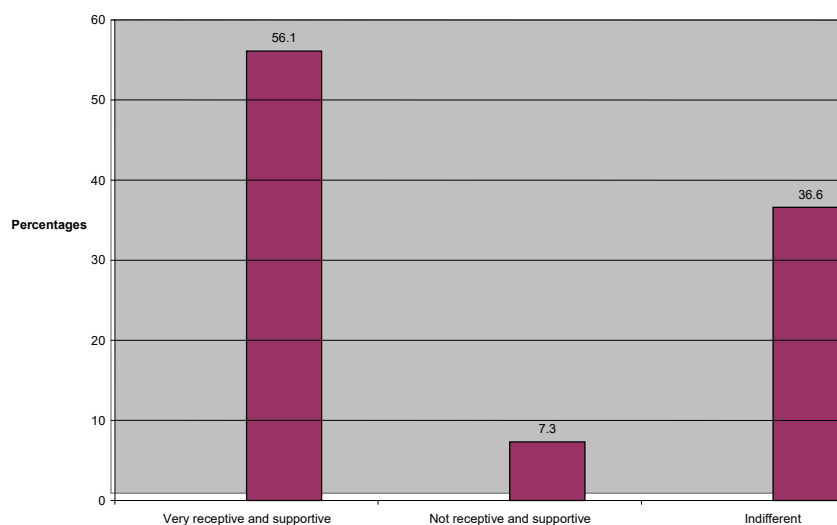


Figure 3: Receptiveness and supportiveness of staff in implementing e-banking services

Source: Field data, 2007

From Figure 3, it can be observed that a little over half of the staff, that is 56.1 percent indicated that they were very receptive and supportive of the management of ADB in implementing new ideas. On the other hand, quite a number of the staff that is 36.6 percent stated that they were indifferent to management efforts in implementing e-banking service innovation ideas, whilst 7.3 percent indicated that they were not receptive and supportive. This shows that staffs of ADB were very receptive and supportive of management's efforts in implementing innovative ideas even though management does not discuss the e-banking service innovations with them prior to implementation.

Table 6: Level of skills and competency of staff

Level of skills and competency (Staff)	Male	Female
Very competent	18 (39.1%)	2 (5.6%)
Competent	22 (47.8%)	26 (72.2%)
Slightly competent	4 (8.7%)	4 (11.1%)
Not competent at all	2 (4.3%)	4 (11.1%)
Total	46 (100.0%)	36 (100.0%)

Source: Field data, 2007

The staff also responded to a question on their level of competence in using the e-banking services (see Table 6). On the level of skills and competency of the staff in using the e-banking services, the results in Table 6 show that only a few 7.3 percent indicated that they were not competent at all in using the e-banking services of the bank. The rest of the staff sampled were either very competent 24.4 percent, slightly competent 9.8 percent or competent 58.5 percent. The results therefore show that majority of the staff

were competent enough to use the e-banking service of the ADB. Balakrishnan (2003) had the same perceptions on competencies needed in an e banking environment when he wrote that in looking at the challenges in providing e banking services tellers must thus become more adept at managing relationships with customers, including solving problems and selling new products and services. Competency is therefore key to e-banking services.

The customers also answered questions on training and skills of staff. About 90.9 percent of the customers indicated that ADB had staff with knowledge in the e-banking services and that the staff were adequate in implementing e-banking services delivery. They added that the staff had requisite skills in putting the innovative ideas into use. The majority 91.7 percent of the customers further indicated that the staffs were competent in using the e-banking services or ideas/products. This is an indication that training of staff in new skills for implementing new ideas was of paramount significance to the management of ADB. Richter (2000) confirmed this finding when he stated that the rapid change in e-business and the sophisticated technology means that there must be continuous and extensive training of staff. He went on to say that shortage of IT employees leads some firms to initiate massive retraining programs in order to develop needed skills in current employees

When the customers were asked a question on whether they received support from the staff with regard to the use of e-banking services or innovative ideas at the bank, the majority 87.0% answered in the affirmative. The staff also scored high on customer service and customer care management. The results show that the bank engages in best practices such as

customer service and support and customer care management. This was affirmed by Safo (1979) when he stated that the concept of e-banking has changed over the years. There have been significant changes both to the branch and job design. Branches are now more open- plan so that there is effectively no barrier between the bank and the customer. Jobs have been re-designed so that employees are able to interact with the customer in the sense of “exploring their need

Table 7: Staff/customer’s perception of the use of e-banking services or ideas at the bank

Staff/customer perception	Status of respondents	
	Staff	Customers
	Freq. (%)	Freq. (%)
Negative	6 (7.3%)	5 (4.2%)
Positive	56 (68.3%)	90 (75.0%)
Indifferent	20 (24.4%)	25 (20.8%)
Total	82 (100.0%)	120 (100.0%)

Source: Field data, 2007

The result in Table 7 shows the staff perception of the use of e-banking services or innovative ideas at the bank. It can be observed that a few 7.3 percent) and 4.2 percent of the staff and customers respectively had a negative perception of the use of e-banking services or innovative ideas at the bank. Also, 24.4 percent of the staff and 20.8 percent of the customers could not confirm or deny their perception on the use of the innovative ideas. The results therefore show that the majority, 68.3 percent and 75.0 percent of the staff and

customers respectively had a positive perception of the use of e-banking services or innovative ideas at the bank. This findings is supported by the Weatherall et al (1984), who contends that consumers are thought to have a positive perception of technology based service attributes since they believe technology will deliver a faster and more efficient service than that of the employee. Al- Hawari and Ward (2006) also demonstrates that service quality impacts on customer satisfaction which in turn affects the financial performance of banks

In response to the question on how they preferred to carry out their activities at the bank, the results in Figure 4 were obtained. It can be inferred from the results in Figure. 4 that only 2.4 percent of the staff and 12.5 percent of the customers indicated that they would prefer to carry out their duties manually.

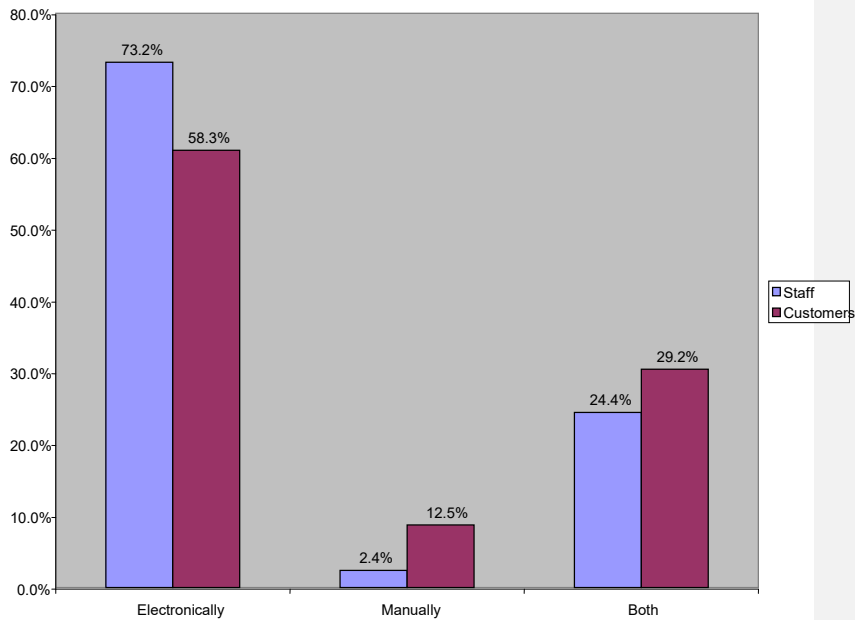


Figure 4: Preferable way to carry out activities at the bank

Source: Field data, 2007

The rest, however, indicated their preference for electronic assistance 73.2% or both 24.4 percent as in the case of the staff and 58.3 percent or 29.2 percent in the case of the customers. This is an indication that majority of the staff and customers preferred to carry out their activities at the bank electronically. Joseph& Stone (2003 confirmed that the instalment of customer friendly technology (such as menu driven automated teller machines, telephone and Internet banking services) as a means of delivering traditional banking services has become commonplace in recent years as a way of maintaining customer loyalty and increasing market share. Mida (2007) also confirmed that e banking services benefits staff in terms of shorter working hours and flexibility in rolling out more and cost effective services. Better career opportunities are opened as banks work on the same hi-tech platform.

Table 8: Support and receptiveness of customers of ADB in implementing e-banking services or innovative ideas

Support and receptiveness of customers	Status of respondents			
	Staff		Customers	
	No	%	No	%
Very receptive and supportive	44	(53.7)	75	(62.5)
Indifferent	30	(36.5)	40	(33.3)
Not receptive and supportive	8	(9.8)	5	(4.2)
Total	82	100	120	100

Source: Field data, 2007

When the staff members were asked whether the management of ADB communicated e-banking services or innovative ideas to customers before implementation, 43.2 percent they answered in the affirmative and 56.8 percent stated otherwise. The majority 73.9 percent of the customers also confirmed that e-banking services or innovative ideas were not communicated to them before implementation. This shows that the majority of the staff acknowledged that the management of ADB did not involve or seek the views of customers before implementing e-banking services or innovative ideas/products.

On the level of receptiveness and support of customers towards managers' efforts at implementing e-banking services or innovative ideas, the responses in Table 9 were obtained. Contrary to expectations, most 53.7 percent of the staff indicated that customers were very receptive and supportive of management efforts in implementing new e-banking services or ideas. This was further confirmed by 62.5 percent of the customers. This

finding is supported by Weatherall, D.J., Ledingham, J. G. G. and Worrell, D. A.(1984), who stated that consumers are thought to have a positive perception of technology based service attributes since they believe technology will deliver a faster and more efficient service than that of the employee. Gummesson (1991) also stresses that reliability and user- friendliness are important factors in the evaluation of technology-based services.

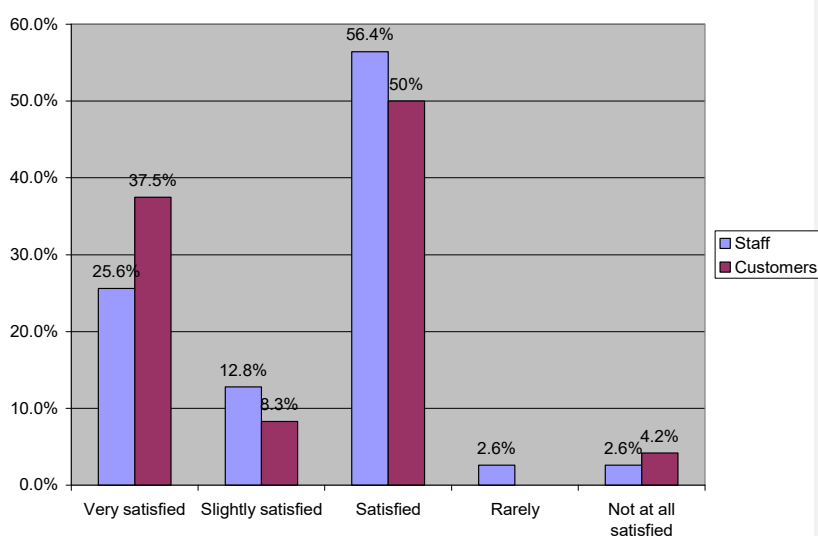


Figure 5: Customers satisfaction with e-banking services

Source: Field data, 2007

In response to whether customers were satisfied with the modern trend in banking especially with the use of ATM, the results in Figure 5 were obtained. It can be observed that 25.6 percent of the staff (and 37.5 percent of the customers) indicated that the customers were very satisfied and further 56.4 percent of the staff (and 50.0 percent of the customers)also acknowledged that customers were indeed satisfied with new trends in ADB especially the use of ATM. Only 2.6 percent of the staff (and 4.2 percent of the customers)

indicated that customers were not at all satisfied with new trends in ADB. Thus, the majority of the staff indicated that customers were satisfied with the new trends in ADB. This was also affirmed by the majority of the customers as indicated. As supported by Game & Pringle, (1984) and Child, (1985), new technologies have made the banking industry more efficient, improved flexibility, and reduced operating and labour costs. Technology has therefore introduced new ways of delivering banking to the customer, such as ATMs and Internet Banking making customers more satisfied with e banking than the traditional system of banking (Sohail and Shanmugham 2003).

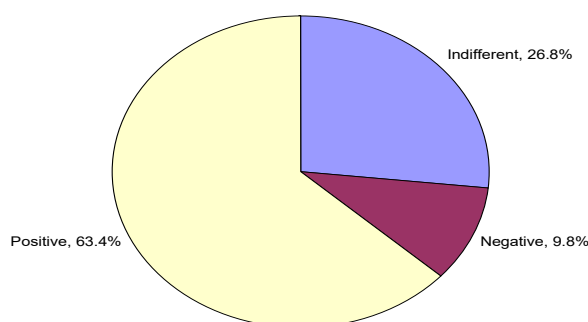


Figure 6: Customers' perceptions of the use of e-banking services at the bank

Source: Field data, 2007

The results in Figure 6 show customers' perceptions of the use of innovative ideas at the bank. It can be observed in Figure 6 that, majority of the customers' perception of the use of e-banking services or innovative ideas

at the bank were positive. This means that the customers had high regard for the use of e-banking services or innovative ideas.

When the staffs were asked if the e-banking services at ADB were achieving the desired results, 68.3 percent answered in the affirmative whereas 31.7 percent indicated that they were not sure. It can be inferred from the result that e-banking services or innovative practices at ADB were achieving desired results.

In stating the impacts of e-banking services or innovation and motivation at the Bank, the staff mentioned improved customer base, improved profits, reduced cost, improved ADB's competitiveness, improved bank's reputation, improved morale of staff, increased customer satisfaction, improved productivity, and ensured efficiency in resource use. Other impacts of e-banking services or innovation on motivation of staff are salary increments, promotion of staff and their open recognition by management such as praises and further training for higher positions. These mean that there had been appreciable impact of e-banking services on the motivation of staff at ADB. Hiltunen et al., 2004; Joseph, 1999 also supported the fact that banks benefit from e banking and the main benefits of electronic banking from the banks perspective are cost savings, reaching new segments of the population, efficiency, cross selling, third-party integration, and customer satisfaction

Notwithstanding the high level of impact attained by ADB, the staff indicated that there were problems with the implementation of the e-banking services or innovations. They mentioned some of the problems as lack of necessary logistics, inappropriate methods of implementation, lack of expertise and power outages. Others are poor attitudes shown by some staff

and customers, lack of maintenance culture, and the deliberate sabotage of innovative ideas by some staff. These challenges are confirmed by Ulrich (2000), who stated that human resource professionals in the Web-based world need to become literate in Web-based technology to use it and create distinctive competence. The need is strengthened given that in the future human resource professionals will be at the intersection of three sets of skills: business strategy, human resource mastery, and technology. It may be difficult for banks to effectively attract and hold to customers that favour personal communication and therefore may be less satisfied in an e-banking environment (Fazlollahi, 2002).

For banks operating in pure e-banking environment therefore increase attention should be paid to ensure that the services offered via the technology are flawless. With respect to customers, when asked whether the e-banking services or innovative practices at ADB were achieving the desired results, the results in Table 9 were obtained.

Table 9: E-banking services/innovative practices have achieved desired results

Customers' response	Frequency	Percentage
Yes	65	54.2
Not sure	50	41.7
No	5	4.2
Total	120	100.0

Source: Field data, 2007

The results in Table 10 showed that more than half of the customers, that is 54.2 percent affirmed that e-banking services or innovative practices at ADB have indeed achieved the desired results. But about 41.7 percent of them could not confirm whilst 4.3 percent responded negatively. To confirm this Dodd (2003) wrote that the main benefit from the customers' point of view is significant saving of time by the automation of banking services processing and introduction of an easy managing customer's money. Mida (2007) also confirmed that ICT services take the drudgery out of service delivery and enables banks to focus on customer services. The needs of the customer become central to the decisions of banking business which is less determined by the limitations of current manual systems.

When the staff respondents were asked to compare the rate of e-banking services adoption at ADB with other banks, the results in Table 11 were obtained. It can be observed in the Table 11 that more than half 53.7 percent of the staff and most 62.5 percent of the customers described the level of e-banking services or innovation at ADB as moderate. Only a few that is 17.1 percent of the staff 16.7 percent of the customers rated the level of innovation as high.

Table 10: Level of e-banking services at ADB compared with other banks

Level of e-banking services	Staff		Customers	
	Male	Female	Male	Female
	No %	No %	No %	No %
Very high	2 (4.3%)	2 (5.6%)		
High	0 (21.7%)	4 (11.1%)	11 (15.7%)	9 (18.0%)
Moderate	27 (58.7%)	17 (47.2%)	46 (65.7%)	29 (58.0%)
Low	6 (13.0%)	6 (16.7%)	11 (15.7%)	4 (8.0%)
Very low	1 (2.2%)	7 (19.4%)	2 (2.9%)	8 (16.0%)
Total	46 (100.0%)	36 (100.0%)	70 (100.0%)	50 (100.0%)

Source: Field data, 2007

From the results in Table 10, it can be inferred that the majority of the staff and customers had a moderate or fair perception about the level of e-banking services or innovation adoption at ADB as compared to other banks and that such innovations had some impact on staff competence and morale.

Table 11: State of ATM machines performance as observed by customers

State of ATM machines	Frequency	Percentage
Quite often	70	58.4
Never had an experience	40	33.3
Always operative	10	8.3
Total	120	100

Source: Field data, 2007

On how frequently the customers found ATM not operative, the results in Table 11 were obtained. It can be observed that most 58.4 percent of the

customers indicated quite often, the ATM was not operational. Contrary to the fact that ATMs according to Webb, (2003) are expected to migrate customers out of branches where transactions according to Balakrishnan (2003) undertaken are deemed to be labour intensive and much more expensive the frequent break down of ATM machines at ADB has shown otherwise.

Table 12: Effects of e-banking services innovations on staff training and maintenance

Effect of e-banking services/innovations on staff training activities	Frequency	Percentage
Less staff were being trained	16	39.0
More staff were being trained	12	29.3
More staff were being deployed	7	17.1
Staff feel threatened	6	14.6
Total	82	100.0

Source: Field data, 2007

The need for new and/or additional skills also has led to specification of new identities for employees who move organisations ahead in competitive high-tech industries. The results in Table 12 show the effect of e-banking services or innovations on staff training activities.

Some 14.6 percent mentioned that they felt threatened whilst 17.1 percent said more staff were being deployed. Twenty nine percent indicated that fewer staff members were being trained whilst another 29.3 percent said there had been more training of staff. It is quite clear, therefore, that a larger number of the respondents indicated that e-banking services or innovations

had had a rather negative effect on staff training. As confirmed by Richter (2000), retraining programs reduce the anxiety and potential opposition of long-term employees who may see the move to e-business as a way to eliminate them and replace them with new employees who have the latest skills. If retraining programs are truly successful, they produce employees who will have the needed skills and are less likely than new employees to contribute to one of e-business' major human resource problems--that is, high turnover.

In survey a remedy to reduce the impact of negative implications of e-banking services or innovations on staff development, the majority 68.3 percent of the respondents indicated that the bank should organize regular courses and provide equal training opportunity for all staff. Some 19.5 percent mentioned that the staff should be included in decision-making and be trained in innovations before their introduction, 2.4 percent said staff must be assured of their jobs, irrespective of innovation adoption, and 2.4 percent also said that staff promotion should be consistent with the bank's policy. And generally the opinion of the rest of the respondents indicated that staff should be provided with the requisite equipments so as to give of their best.

The results of the study clearly point to the shortage of IT employees in ADB which necessitated the initiation of massive retraining programmes in order to develop needed skills in current employees. Such retraining efforts contribute to the success of e-business in a variety of ways. First, retraining programmes produce employees with the needed skills. Since these employees already work for the organisation, they do not require orientation or an adjustment period to become integrated into the employing organisation.

Second, retraining programmes reduce the anxiety and potential opposition of long-term employees who may see the move to e-business as a way to eliminate them and replace them with new employees who have the latest skills. If retraining programmes are truly successful, they produce employees who will have the needed skills and are less likely than new employees to contribute to one of e-business' major human resource problems-that is, high labour turnover (Richter, 2000).

These changes in the field of human resource management have meant that human resource professionals are greatly concerned about their ability to add value to their organisation, and one clear way to add value is by maximizing the value of the organisation's human capital. This concern is related to technology in two ways: (1) using technology to optimize employee performance, and (2) using the human resource management function to maximize the likelihood that employees will develop and implement technologies contributing to the organisation's success. This latter concern (maximizing the likelihood of developing and implementing technology) is most closely related to the issue of disruptive technology. Human resource systems must encourage employees to create the best technologies (including disruptive technologies) for their employers. Also, human resource systems must encourage the adoption of disruptive technologies that will facilitate the long-term success of the organisation.

CHAPTER FIVE
SUMMARY OF FINDINGS, CONCLUSION AND
RECOMMENDATIONS

Introduction

This chapter discusses the summary of findings of the study as per the objectives, and the literature review and draws conclusions. It makes recommendations for consideration by ADB and other banks so that the banking sector in Ghana can exploit the potential benefits of modern banking trends for its human resource management and development.

Summary

- The study was guided by four broad objectives - to explore the perceptions of employees about the introduction of electronic banking of which ATM and the networking of services were the main focus; to examine customers perception of these innovations; to assess the effect of these innovations on staff training and management; and finally to ascertain how staff and customers are coping with the innovation.
- The study clearly found out that indeed ADB had introduced some innovative ideas into their banking systems. The study further revealed that over a third 36.6 percent of the staff mentioned Automated Teller Machines (ATM) and the concept of networking as the new trends in ADB.

- The results obtained confirm the positive regard that the staff had for the use of the ATM and the networking of branches. The majority of the staff indicated that they preferred to carry out their activities at the bank electronically.
- A number of the customers were very receptive and supportive of management efforts in implementing new ideas and the majority acknowledged that they were satisfied with the new trends in ADB.
- The study revealed that less staff were trained and some of them also felt threatened.
- The study revealed that the majority of the staff were competent in using the innovations at ADB. Similarly, the majority of the customers also expressed satisfaction with the level of innovations at ADB.

Conclusion

Majority of the staff stated that management did not discuss new product with them before implementation. The staff did not seem to be very receptive and supportive in the implementation of new ideas/products by the management of ADB since the level of staff involvement was low. The implication on HR is that strategies must be implemented to improve staff morale and change their culture so that the customer experience is enhanced Besides, Banks will have to have clear strategies on how they will be able to use their employees to enhance their competitive advantage. (Webb, 2003).

E-banking presents challenges for human resource management. In order to meet the changing needs of e-business, human resource professionals must respond to the changing demands of E-banking by analyzing the needs of

the organization, current employees and potential employees. The role of human resource management must not be ignored when more obvious functions such as IT and Marketing become the focus of change in the banking industry.

Responsibilities and expectations for employees in innovative organizations also have been expanded and modified for organisations expecting innovation from their employees. Critical functions included entrepreneurship, innovating, championing, idea generation, project leading, gatekeeping, sponsoring, and coaching (Markham & Aiman-Smith, 2001; Markham & Griffin, 1998; McDonough, 2000; Nochur & Allen, 1992; Quinn, 2000; Roberts & Fusfeld, 1981; Schilling & Hill, 1998). The field of human resource management has changed during the past century. The changes are not so dramatic as those observed in technology. However, these changes are significant enough to affect the role of technology in specific firms including ADB. Also, many of the changes are closely linked to technological changes, so the role of human resource management in disruptive technology should be considered a priority by the management of ADB.

Another implication of modern trends in banking is orientation. Orientation for e-business takes on new meaning and importance. Effective orientation must go beyond the basic tasks of providing basic information concerning the firm, completing necessary forms, and describing employment policies and procedures. Effective orientation can be an important means for integrating employees into the organisation and making sure they are satisfied with their new jobs. Successful orientation can help the employer maximize retention (which is a challenge for e-business employers).

Technological changes alter the nature of work through possibilities such as telecommuting. Therefore, orientation programmes at ADB must change the way in which they interact with employees and integrate them into the workplace. These changes are exaggerated in many e-businesses in which some or all of the employees are part of a virtual workplace that does not require them to be in the same location as other employees.

According to McDonald (2006) the development of e banking contains significant challenges for HRM. Clearly, the development of e banking will lead to significant challenges for the HRM strategies and policies of those companies that become caught up in this new technology. These challenges include recruiting, redeploying, training and retraining of labour to provide required IT skills. However, they also extend to the recruitment, training and re-training of management staff so that organisations are able to operate effectively and develop in the brave new world of e-commerce.

Recommendations

With reference to the findings discussed above, and the conclusions deriving from them and in view of some problems identified generally during the study, the following recommendations are made.

Staff involvement

Management must ensure that employee involvement should be sought in the total product development and implementation process. If a bank is to successfully develop and implement new trends in its banking activities, it is only appropriate that the staff who will eventually use the systems for their

daily functional activities must be involved in the conception, adoption and use of modern systems and services. This will enhance their acceptance and totally cooperation for successful implementation of innovation.

Skills in using innovations

The HRM department must initiate massive retraining programs in order to develop needed skills in current employees. Retraining programs would reduce the anxiety and potential opposition of long-term employees who may see the move to e-business as a way to eliminate them and replace them with new employees who have the latest skills. If retraining programs are truly successful, they produce employees who will have the needed skills and are less likely than new employees to contribute to one of e-business' major human resource problems--that is, high turnover.

Motivation or compensation

Considering the fact that motivation induces employees to work harder, it is recommended that the management of ADB must tie reward to performance. It is envisaged that this will stimulate healthy competition among the employees, boost employee morale while sending performance and productivity soaring.

Regular maintenance of I.T. systems

The I.T department in consultation with management must ensure that the I.T systems are maintained regularly since the bank's operations and most of the innovative products are technology-based or depends largely on these

I.T systems. An IT system that is flexible and scalable must be created and the most appropriate hardware and software must be made available in order to make the business run effectively

Planning and reviewing innovative strategies

Considering the increased competition in the business environment, businesses must necessarily and continuously plan and review their innovative strategies if they are to remain in business. In a situation where almost all organisations are vigorously developing new products and services, the organisations with the best marketing concept will retain and attract new customers.

Customer involvement

Management of the bank must increase their level of consultation with customers for their opinions on how they are faring in the industry. The need to use research data in key decision-making cannot be over emphasised. Since customers are human beings and human behaviour is erratic, the constant periodic review of innovative strategies and products must be encouraged and improved upon.

Banks should create complaint desks at all its banking halls to make it easier for aggrieved customers to seek redress and as well as make inputs towards the development of new products and services..

Training

Successful training for e-business goes beyond increasing the speed of

training and including new content. The HRD must ensure that employees who are not directly involved in the "e" part of e-business must constantly be retrained in order to keep up with the latest technology. As a result of e-business' rapid change and the sophisticated technology, it is important that there is a continuous and extensive training for employees all the time.

Limitations of the study

This study was limited to the staff and customers of ADB in Accra, Ghana and was aimed at investigating electronic banking services in banking and its implications for the human resource management at ADB. The study covered 14 branches of ADB in Accra. The study did not address the details in implementing new banking trends in ADB. Another minor limitation of the study was the inability to use the entire 375 staff members. This was not possible because of time limitation and the rather busy schedules of the staff. That notwithstanding, the sample size used was reasonably large; and the findings can be generalized for the entire ADB branches in Accra, but with possible limitations.

Even though questionnaires are known to have certain disadvantages such as low response rate or inaccurate responses, restriction of freedom of responses, and restricted opportunity for respondents to clarify some answers, the personal involvement of the researcher at every stage of the study helped to obtain detailed information about the issues studied and also helped achieve a high level of data consistency, reliability and accuracy even though the instrument was not pilot tested.

REFERENCES

- Abor, J. (2010). *Technology innovations and banking in Ghana: An evaluation of customers' perception*, (University of Ghana Legon Thesis) available on (www.financialanalyst.org)
- ADB 3-year strategic plan 2009-2011, (2010)
- Aina, L. O. (2003) Authors, journals and scholarly communication in library and information science: The missing links in Nigeria, *African Research and Documentation, Journal of the Standing Conference of Library Materials in Africa (UK)*. 91: 59-67.
- Al-Ashban, A. A. & Bumey, M. A. (2001). Customer adoption of tele-banking technology: the case of Saudi Arabia. *International Journal of Bank Marketing*, 19 (5) 191 -200.
- Al-Hawari, M. & Ward, T. (2006). The effect of automated service quality on Australian banks' financial performance and the mediating role of customer satisfaction, *Marketing Intelligence & Planning*, 24(2), 127-47.
- Balachandher, K. G., Santha, V., Norhazlin, I. & Rajendra, P. (2001) Electronic banking in Malaysia: A note on evolution of services and consumer reactions.
- Balakrishnan, V. (2003). *A season for renewal for bank branches*. (<http://www.banktech.com/story/currentIssue/BNK20030627S0002> accessed 27 June)
- Bateson, J. (1985), Perceived control and the service encounter, in Czepiel, J. A., *The Service Encounter: Managing Employee/Customer Interaction in Service Businesses*, Lexington Books, Lexington, MA.

- Bateson, J. E. G. (2000). *Perceived control and the service experience*. In Handbook of services marketing and management, ed. T. A. Swartz & D. Iacobucci, 127-44. Thousand Oaks: SAGE.
- Blount, Y., Castleman, T. & Swatman, P. M. C. (2002a). *E-commerce and human resource management: Theoretical approaches and issues for the banking industry*. IFIP Working Group 8.4 Second Conference on E-Business, Copenhagen: Multidisciplinary Research and Practice.
- Blount, Y., Castleman, T. & Swatman, P. M. C. (2002b). *Implementation of electronic commerce and human resource management strategies in an Australian retail banking context*. Proceedings of the Seventh Collector Conference on Electronic Commerce, Melbourne, VIC, Faculty of Informatics, University of Wollongong. (Accessed July 7, 2008)
- Blount, Y. Castleman, T. & Swatman, P. M. C. (2003). *Linking e-commerce and human resource strategies: A case study in a large Australian retail bank*. Proceedings of the 16th Bled e-commerce Conference, Bled, Slovenia,, University of Maribor Faculty of Organisational Sciences e-commerce Centre
- BoG Legal Regulatory Framework (2009), The evolution of banking in Ghana, available on <http://theevolutionofbankingghana.blogspot.com/history-of-gha>. (Accessed 17th September 2008)
- Borden, K. S., & Abbott, B. B. (2002). *Research design and methods: A process approach*, 5th ed. New York: McGraw-Hill.
- Carlson, J., Furst, K., Lang W. W. & Nolle, D. E, (2001). *Internet banking: Market development and regulatory issues*. Society of Government

- Economists Conference 2000, Washington D.C., November 17
(<http://www.occ.treas.gov/netbank/SGEC2000.pdf> (Accessed 20th
May 2009)
- Cascio, W. (2003). *Managing Human Resources: Productivity, Quality of
Work Life, Profits* (6th ed.). New York: McGraw-Hill Education
- Chaston, I. (2001). *E-marketing strategies*. New York: McGraw-Hill.
- Child, J. (1985). *Managerial strategies: New technology and the labour
process, job redesign critical perspectives on the labour process*. In D.
Knights, H. Willmott and D. Collinson. Aldershot, London: Gower
Publishing Company Limited, 107-141, England.
- Clegg, S. R. (1990). *Modern organisations: Organisation studies in the
postmodern world*. London: SAGE Publications Ltd.
- Crucknell, D., (2004). Electronic banking for the poor: Panacea Potential and
pitfalls. Nairobi: Microsave www.microsave.org
- Dabholkar, P. (1994). Technology based service delivery, *Advances in
Services Management*, 3, 241-71.
- Daily Graphic February 6, 2006
- Daniel, E. (1999). Provision of electronic banking in the UK and the Republic
of Ireland. *International Journal of Bank Marketing*, 17(2), 72-82.
- De Cieri, H. & R. Kramar (2003). *Human resource management in Australia:
Strategy, people, performance*. Sydney: McGraw-Hill Australia Pty
Limited.
- Dodd, A. (2003). Online banking soars. *The Australian*, 20 October.
- Eckhouse, J. (1999). Too many jobs, too few workers. *Information Week*, July
5, 2006

- Electronic Finance (2002). A new approach to financial sector development?,
World Bank Discussion Paper (431), 12-30, Washington.
- Evans, P. & Wurster T (2000). *Blown to bits: How the new economics of information transforms strategy* Harvard: Harvard Business School Press.
- Fazlollahi, B. (2002). *Strategies for e-commerce success*. Hershey: Idea Group Publishing, 9-20.
- Ferguson, G. A. & Fakane, Y. (1989). *Statistical analysis in psychology and education* 6th Ed., New York : McGraw Hill Book co.
- Fraenkel, J. & Wallen, N. (1993). *How to design and evaluate research in education*, 2nd ed, New York: McGraw-Hill Inc.
- Game, A. & Pringle R. (1984). *Gender at work*. London: Pluto Press.
- Gascoigne, Bamber. (2001) History World. <http://www.historyworld.net>
 (Accessed July, 26 2006)
- Gascoigne, Bamber. (2001) "History of Italy" History world, <http://www.historyworld.net/wrldhis>. (Accessed July 26,2006)
- Gummesson, E. (1991). *Qualitative methods in management research*, London: Sage Publications.
- Gurau, C. (2002). Online banking in transition economies: The implementation and development of online banking systems in Romania. *International Journal of Bank Marketing*, 20 (6), 285-296.
- Giaglis, G, Klein, S. & O'Keefe, R. (2002). *Disintermediation, reintermediation, or cybermediation? The future of intermediaries in electronic marketplaces* Brunel University, Uxbridge, UK
- Greengard, S. (2000). The need for speed. *Workforce*, 79, 20-21

- Grönroos, C. (2000). *Service management and marketing: a customer relationship management approach*. Chichester: John Wiley & Sons Ltd.
- Gup, B. (2002). *Future of e-banking*. London: Greenwood Publishing Group, Incorporated,
- Hadden, R., & Whalley, A. (2002). The branch is dead, long live the Internet! (or so you'd have thought if we hadn't listened to the customer). *International Journal of Market Research*, 44(3), 283-297
- Hand, G. (2001). *Naked among the cannibals: What really happens inside Australian Banks*. Sydney: Crows
- Hawkins, J & Mihalijek, D. (2001). The banking industry in the emerging market economies: Competition, consolidation and systematic stability: an overview. *BIS Papers* (4), 1-44.
- Hiltunen, M., Heng, L., & Helgesen, L. (2004). Personalized electronic banking services. In. Karat, C.M.; Blom J.; & Karat J. (Eds.), *Designing personalized user experiences in e-commerce*, 5, 119-140. Netherlands: Kluwer Academic Publishers.
- Hiltunen, M., Laukka, M., & Luomala, J. (2002). *Mobile user experience*. Helsinki: IT Press
- ISO_9241-11. (1998). *Ergonomic requirements for office work with visual display terminals (VDTs) - Part 11: Guidance on usability* (ISO 9241-11(E)). Geneva: International Organization for Standardization.
- Jankowicz, A. D. (1995). *Business research projects*. 2nd ed. London: International Thomson Business Press.

- Joseph, M., McClure, C. & Joseph, B. (1999). Service quality in the banking sector: the impact of technology on service delivery. *International Journal of Bank Marketing*, 60, 50-68.
- Joseph, M., & Stone, G., (2003). An empirical evaluation of US bank customer perceptions of the impact of technology on service delivery in the banking sector. *Journal of Retail and Distribution Management*, 31, 190 – 202
- Karakanian, M. (2000). Are human resources departments ready for E-HR? *Information Systems Management*, 17, 35-39.
- Karjaluoto, H. (2002). *Electronic banking in Finland: Consumers beliefs, attitudes, intentions and behaviours*. Unpublished Doctorial dissertation, Jyväskylä: University of Jyväskylä.
- Kass, R. (1994). Looking for the Link to Customers. Bank Systems and technology, February, 6 2004.
- Leedy, P. (1993). *Practical research planning and design* (5th ed.) New York: MacMillan.
- Lewis and Mitchell (1990). Dimensions of service quality: A study in Istanbul”, *Managing Service Quality*, 5 (6), 39-43.
- Liao, S., Shao, Y., Wang, H. & Chen, A. (1999). The adoption of virtual banking: an empirical study, *International Journal of Information Management*, 19 (1), 63-74,1999.
- Kotler,P. (1997). *Marketing management: Analysis, planning, implementation and control* (9th ed). Upper saddle River, New Jersey: Prentice Hall.
- Kotler, P. & Keller, K. L. (2006). *Marketing management* 12e, New Jersey : Pearson.

- Kwabia, K. (2006). *Theory in social research*, Accra: Woeli Publishing Services, Accra Ghana
- Louis, E. (1993). *In this age of plenty*, White Berets: Pilgrims of Saint Michael.
- Markham, S. K. & Aiman-Smith, L.A. (2001). Product champions: Truths, myths and management. *Research Technology Management*, 44 (3), 44-55.
- Markham, S. K. & Griffin, A. (1998) The breakfast of champions: Associations between champions and product development environments, practices and performance. *Journal of Product Innovation Management*, 15, 436–54.
- Mathews, J. (1989). *Tools of change: New technology and the democratisation of work*. Sydney: Pluto Press.
- Mattila, M. (2001). *Essays on customers in the dawn of interactive banking*. Unpublished Doctoral dissertation, Jyväskylä: University of Jyväskylä,
- McDonald, F. (2006). *E-commerce: The challenge for human resource management*. Human Resources in Business course module. Manchester: Manchester Metropolitan University
- Mida, (2007), Ghana rural bank computerisation project, available on <http://mida.gov.gh> (accessed 27th October 2010)
- Mulins, J. L. (2005). *Management and organisation behaviour*. New Jersey: Prentice Hall, January 2007
- Nair J. (2010), Rural Banking: The case of rural and community banks in Ghana, available on www-wds-worldbank.org (Accessed on 5th Feb 2013)

- Nielsen, J. (1993). *Usability engineering*. San Diego: Academic Press.
- O'Hanlon, J. & Rocha, M. (1993). Electronic banking for retail customers, banking technology Ltd.
- Nochur, K. S. & Allen, T. J. (1992). Do nominated boundary spanners become effective technological gatekeepers? *IEEE Transactions on Engineering Management*, 39, 265 -269
- Pang, J., (1995). *Banking and finance Malaysia*, Federal Publications sdn. Bhd, Malasia
- Parasuraman, A., Zeithaml, V.A. & Berry, L.L. (1985). A conceptual model of service quality and implications for future research, *Journal of Marketing*, 49, 41-50.
- Patra, R. K., Khatik, S. K., & Kodwani, A. D. (2002). Human resources professionals at the crossroads. *International Journal of Human Resources Development and Management*, 2(3/4).
- Peprah, J.A and Obeng, C. K (2011). Computerization of rural and community banks in southern Ghana: Clients' perception, *International Journal of Cross-cultural studies*, 1 (1).
- Piore, M. J. & C. F. Sabel (1984). *The second industrial divide: Possibilities for prosperity*. New York: Basic Bookd Inc.
- Porter, M. E. (1980). *Competitive strategy: Techniques for analyzing industries and competitors*, New York : Free Press.
- Porter M, & Millar, V.E. (1985). How information gives you competitive advantage. *Harvard Business Review*, 63(4) Jun/July, 149-160.
- Porter, M. (1985). *Competitive advantage: Creating and sustaining superior performance*. New York: Free Press

- Porter, M. E. (1991), 'Towards a Dynamic Theory of Strategy', *Strategic Management Journal*, Vol. 12, 1991, pp.95-117
- Porter, M. E. (2001). Strategy and the internet. *Harvard Business Review*, 79 (3), 62-79.
- Preston, R. (1999). New breed of internet executive is born. *Internet Week*, October 25, 54-55.
- Quinn, J. B. (2000). Outsourcing innovation: The new engine of growth, *Sloan Management Review*, (41:4), 13-29.
- Reichheld, F. & Schefer, P. (2000). E-loyalty: Your secret weapon on the web, *Harvard Business Review*, 78 (4) 105-113.
- Ribbink, D., van Riel, A. C. R., Liljander, V. & Streukens, S. (2004). Comfort your online customer: Quality, trust and loyalty on the internet. *Managing Service Quality*, 14 (6), 446-456.
- Richter, K. (2000). European staff feels the effects of e-commerce retraining programmes grow in response to shortage of tech-savvy workers. *Wall Street Journal*, June 7.
- Roberts, E. B., & Fusfeld, A. (1981). Staffing the innovative technology-based organization, *Sloan Management Review*, 19-34.
- Rogers, M. (2003). Custom clothing sets one to one retail examples. <http://www.1to1.com> (accessed 21/08/2008)
- Sarfo, D. B. (1979). Electronic banking. *Journal of Management Studies*, 11, March, 10-15.
- Semeijn, J., Van R., Van, B., & Streukens, S. (2005). E-service and offline fulfilment how loyalty is created. *Managing Service Quality*, 15(2), 182-194

- Schilling, M. A., & Hill, C. W. L. (1998). Managing the new product development process: Strategic imperatives. *Academy of Management Executive*, 12(3), 67-81.
- Schultz, D. (2000). Customer/brand loyalty in an interactive marketplace. *Journal of Advertising Research*, 40 (3), 41-53.
- S C N Education B.V. (2001b). *Electronic banking: The ultimate guide to business and technology of online banking*. Wiesbaden: View eg,
- Shao,G.(2007) The diffusion of online Banking: Research Trends from 1998 to 2006. *Journal of Internet Banking and Commerce*,12(2)
- Sheshunoff, A. (2000). Internet banking - An update from frontlines. *ABA Banking Journal*, 92(1), 51-55.
- Shneiderman, B., & Plaisant, C. (2005). *Designing the user interface: Strategies for effective human-computer interaction* (4 international ed.). Boston: Addison Wesley 23.
- Sohail, M.,and Shanmugham, B., (2003), "E-Banking and Customer Preferences in Malaysia: An Empirical Investigation, *Information Sciences*, 150(4), 207-217.
- Steven A. (2002). *Information system: The information of e-business*, New Jersey: Natalie Anderson, 11 – 36
- theevoltionofbankingghana.blogspot.com/.../history-of-gha (Accessed October 17, 2011)
- The_Finnish_Banker's_Association. (2004b). *Survey on Saving and Use of Credit*. http://www.pankkiyhdistys.fi/sisalto_eng/upload/pdf_saving_survey2004.pdf

- Thompson, P. & D. McHugh (1995). *Work organisations: A critical introduction*. Basingstoke: MacMillan, England.
- Ulrich, D. (2000). From eBusiness to eHR. *Human Resource Planning*, 23(2).
- Varma, S., & Gopal, R. (2011). *Leveraging innovation for successful corporate entrepreneurship*, available on <http://www.bioinfo.in/uploadfiles/> (accessed 24th Jan 2013)
- Vidal,L.,Buckle & Co., (1999) *Ghana: The History of Banking in Ghana*. available on www.mondaq.com (Accessed 4th February, 2013)
- Violano, M. & Van Collie, S. (1992). *Retail banking technology: Strategies and resources that seize the competitive advantage*, London: John Wiley and Sons, Inc.
- Wagner, D. L. (2000). *The development and future of workplace eldercare*. In *Dimensions of family caregiving: A look into the future*. Westport, CT: MetLife Mature Market Institute.
- Wang, Y. S., Wang, Y.M., Lin, H.H., & Tang, T. I. (2003). Determinants of user acceptance of internet banking: An empirical study. *International Journal of Service Industry Management*, 14(5), 501-519
- Weatherall, d. j., Ledingham, J. G. G. & Worrell, D. A. (1984). *Oxford textbook of medicine*, Oxford: Oxford: University Press.
- Webster, F. (1995). *Theories of the information society*. London: Routledge.
- Wind, Y. J. (2001). The challenge of "Customerization". *Financial Services Communications of the ACM*, 44 (6), 39-44.
- www.adb.com.gh (Accessed 14 June 2010)
- www.ehow.com/facts/5510268/history_banking_ghana.html (Accessed Nov. 4, 2011)
- www.scribd.com/doc/39357657/74 (Accessed Nov. 4, 2011)

Yin, R. K. (1994). *Case study research: Design and methods*, London: Sage Publications.

Zuboff, S. & Maxmin, J. (2002). *The support economy why corporations are failing individuals and the next episode of capitalism*. New York: Viking.

APPENDICES

APPENDIX 1

INSTITUTE FOR DEVELOPMENT STUDIES

UNIVERSITY OF CAPE COAST

QUESTIONNAIRE FOR STAFF

Dear Respondents,

This study is about modern trends in banking and their implications for human Resource Management: A case of Agricultural Development Bank. This is in partial fulfillment of a requirement for the award of a Master of Arts in Development Studies at the University of Cape Coast. I would be very grateful if you could help me achieve this aim by answering this questionnaire.

You are sincerely assured of high confidentiality.

Thank you for your time and co-operation.

Yours faithfully,

.....

Emelda Esi Tamakloe

Section A: Personal Information

1. Sex: i. Female ii. Male
2. Age: i. 20-30 ii. 31-40 iii. 41-50 iv. 51 and above
3. Organisational Rank:
 i. Junior staff ii. Senior staff iii. Management iv. Other (specify)
4. Years of service: i. Below 5 years ii. 6-15 years iii. 16-25 iv. 26-35 v.
 36 & above
5. Educational Level:

- i. MSLC ii. G.C.E.‘O’Level/SSSCE iii. G.C.E.‘A’Level iv. Diploma
 v. B.A/Bsc. Degree vi. MBA/M.A./M.Phil vii. PH.D

Section B: Knowledge and perception of staff on innovative ideas

6. What is your understanding of banking innovation (Please tick)

i.	New technology	
ii.	Improvement in processes	
iii.	Improvement in technology	
iv.	New services	
v.	New product development	
vi.	Extension of old ideas to new ideas	
vii.	Creation of new ideas	

7. What are some of the innovations at ADB that you are aware of?

i.	Automated Teller Machines (ATM)	
ii.	Credit card system	
iii.	Cellular phones for banking practices	
iv.	Use of internet system	
v.	Concept of networking	
vi.	Others (specify)	
vii.		

8. Does the bank sometimes adopt innovations by other banks? i. Yes ii. No

9. What are some of the innovations by the other banks that ADB has adopted and implemented?

.....

10. Does management discuss innovative ideas/products with staff before implementation? i. Yes ii. No
11. How receptive and supportive are staff of ADB in implementing innovative ideas? i. Very receptive and supportive ii. Not receptive and supportive iii. Indifferent
12. What is your level of skills/competency in using the innovative ideas?
i. Very competent ii. Slightly competent iii. Competent iv. Not competent at all
13. What are the staff perception on the use of innovative ideas at the bank?
i. Negative ii. Positive iii. Indifferent
14. How do you prefer to carry out your activities at the bank?
i. Electronically ii. Manually iii. Both

Section C: Customers Perceptions of Innovation

15. Does management communicate innovative ideas/products to customers before implementation? i. Yes ii. No
16. How receptive and supportive are customers of ADB in implementing innovative ideas?
i. Very receptive and supportive
ii. Not receptive and supportive iii. Indifferent
17. Are the customers satisfied with the modern trends of banking especially, with the use of the ATM
i. Very satisfied ii. Slightly satisfied
iii. Satisfied iv. Rarely satisfied v. Not at all satisfied
18. What are customers' perceptions on the use of innovative ideas at the bank?
i. Negative ii. Positive iii. Indifferent

Section D: Effect of Innovation

19. Are the innovative practices at ADB achieving the desired results?

- i. Yes ii. No iii. Not sure

20. If yes, what have been the impacts of innovation and motivation of staff at ADB?

i.	Improved customer base	
ii.	Improved revenue or profitability	
Iii	Reduced cost	
iv.	Improved ADB's competitiveness	
v.	Improved the banks reputation	
vi.	Improved the morale of staff	
vii.	Increased customer satisfaction	
viii.	Improved productivity	
ix.	Ensure efficiency in resource use	
x.	Increment in salary	
xi.	Promotion	
xii.	Recognition by management in the presence of staff	
xiii.	Recognition by management in the presence of staff and board of directors	
xiv.	Praises b management	
xv.	Further training for higher position	
xvi.	Others, specify	

~~20.~~ 21. What have been the problems with the implementation of innovations at ADB?

Formatted: Bullets and Numbering

i.	Innovations were not properly timed	
ii.	Lack of necessary logistics	
Iii	Inappropriate methods of implementation	
iv.	The idea was not understood by customers	
v.	The idea was not understood by staff	
vi.	The idea did not get the support of all management, staff and customers	
vii.	Some staff deliberately sabotaged the idea	
viii.	Lack of expertise	
xi.	Lack of maintenance	
x.	Poor attitudes	
xi.	Power outages	
xii.	Lack of training in its usages	

21-22. How will you rate innovations at ADB compared with other banks?

Formatted: Bullets and Numbering

- i. Very high ii. High iii. Moderate iv. Low v. Very low

22-23. What has been the effect of innovations on staff training and maintenance?

Formatted: Bullets and Numbering

i.	Staff feel threatened	
ii.	Less staff are being trained	
Iii	More staff are to be deployed	
iv.	More training of staff	
v.	Other (specify)	

23-24. State any comment or suggest remedy measures to reduce the impact

Formatted: Bullets and Numbering

of negative implications of these innovations on staff development.

.....

APPENDIX II
UNIVERSITY OF CAPE COAST
INSTITUTE FOR DEVELOPMENT STUDIES
QUESTIONNAIRE FOR CUSTOMERS

Dear Respondents,

This study is about modern trends in banking and their implications for human resource management: a case of Agricultural Development Bank. This is in partial fulfillment of a requirement for the award of a Master of Arts degree in Development Studies at the University of Cape Coast. I would be very grateful if you could help me achieve this aim by answering this questionnaire. You are sincerely assured of high confidentiality.

Thank you for your time and co-operation.

Yours faithfully,

.....

Emelda Esi Tamakloe

Section A: Personal Information

1. Sex: i. Female ii. Male
2. Age: i. 20-30 ii. 31-40 iii. 41-50 iv. 51 and above
3. Occupation:.....
4. Educational Level:
 i. MSLC ii. G.C.E. 'O' Level/SSSCE iii. G.C.E. 'A' Level iv. Diploma
 v. B.A/Bsc. Degree vi. MBA/M.A./M.Phil vii. PH.D
5. How long have you been a client of ADB? i. Below 5 years ii. 6-15 years
 iii. 16-25 iv. 26-35 v. 36 & above
6. How did you become a client of ADB? a. Word of mouth b. Location

- c. Family affiliation d. Product choice

Section B: Knowledge and perception of Customer on innovative ideas

7. What is your understanding of banking innovation (Please tick)

i.	New technology	
ii.	Improvement in processes	
iii.	Improvement in technology	
iv.	New services	
v.	New product development	
vi.	Extension of old ideas to new ideas	
vii.	Creation of new ideas	

8. What are some of the innovations at ADB that you are aware of?

i.	Automated Teller Machines (ATM)	
ii.	Credit card system	
iii.	Cellular phones for banking practices	
iv.	Use of internet system	
v.	Concept of networking	
vi.	Others (specify)	

9. Does the bank sometimes adopt innovations by other banks?

- i. Yes ii. No

10. What are some of the innovations by the other banks that ADB has adopted and implemented?.....

11. Does management discuss innovative ideas/products with you before implementation? i. Yes ii. No

12. How would you rate the implementation process?

- a) Unsatisfactory b) Satisfactory c) Very Satisfactory

13. How receptive and supportive are you in the implementing innovative ideas? i. Very receptive and supportive ii. Not receptive and supportive iii. Indifferent

14. Do you receive support from the staff with regard to the use of the innovative ideas? i. Yes ii. No

15. What are your perception on the use of innovative ideas at the bank?

i. Negative ii. Positive iii. Indifferent

16. How do you prefer to carry out your activities at the bank?

i. Electronically ii. Manually iii. Both

Section C: Customers Perceptions of Innovation

17. Does management communicate innovative ideas/products to you before implementation? i. Yes ii. No

18. How receptive and supportive are you in implementing innovative ideas?

i. Very receptive and supportive

ii. Not receptive and supportive

iii. Indifferent

19. How satisfied are you with the modern trends of banking especially, with the use of the ATM?

i. Very satisfied ii. Slightly satisfied iii. Satisfied

iv. Rarely satisfied v. Not at all satisfied

20. How would you rate the customer services provided by your bank with regards to innovative ideas?

a. Excellent [] b. Very good [] c. Good []

d. Satisfactory [] e. Poor []

21. How would you please describe the customer care management process in ADB?

- a) Very Efficient b) Efficient c) Inefficient d) Don't Know
- e) Waste of Time

Section D: Effect of Innovation

22. Are the innovative practices at ADB achieving the desired results?

- i. Yes ii. No iii. Not sure

23. How will you rate innovations at ADB compared with other banks?

- i. Very high ii. High iii. Moderate iv. Low v. Very low

24. How often do you find the ATM's not operative?

- i. Most often ii. Quite often iii. Never had an experience iv. Always operative

Section E: Training and Skills of Staff

25. Does ADB have staff with knowledge in innovative ideas? i. Yes ii No

26. Do you think staff at ADB have the requisite skills in putting the

innovative ideas into reality? i. Yes ii No

27. How will you rate competency of staff in using innovative ideas?

- i. Very incompetent ii. incompetent iii. Neither competent or incompetent
- iv Competent v. Very incompetent

28. What skill do you think the staff need to provide improved services to you?.....

29. Do you think ADB has adequate staff for implementing new ideas?

- i. Yes ii No