

**AN ANALYTICAL STUDY ON THE
PERFORMANCE OF COMPUTERIZATION
WITH SPECIAL REFERENCE TO THE
PEOPLE'S BANK IN THE BATTICALOA
DISTRICT.**

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MISS KANAGARAJAH SUTHARSANI



**DEPARTMENT OF MANAGEMENT
FACULTY OF COMMERCE AND MANAGEMENT
EASTERN UNIVERSITY
SRI LANKA
2000**

Abstract

In the third Millennium, bankers will face many macro environmental forces that may affect the performance of commercial banks. The business cycle, changing levels of disposable income due to inflationary tendencies, international market tuemoils, unemployment and changing social trends in turn affect the micro environment in which banks operate profitability as well as performance of individual banks will be influenced by the above forces. In such a fast changing business environment, marketing, being a management of change plays a crucial role in the prosperity of commercial banks Technology continues to advance at a rapid pace. The marriage of IT with banking operations is such that a bank without networked systems will not be able to successfully compete in the market in the next millennium.

To achieve these goals People's bank in the Batticaloa district initially introduced the computer technology in all of their branches. They believe this new technology will enhance their profitability and with the help of the available resources they can go towards further growth and development. But the bank is uncertain whether the increased performance and the enhanced profits obtained are the result of the computerization.

In order to reach a conclusion about this uncertainty the responses of the managers and second officers of all the branches of the People's bank and the staff of regional head office in the Batticaloa district to the questionnaire given to them, and individual interviews will be studied systematically.

To analyze the collected data obtained through the questionnaires, hypotheses are formulated to evaluate the responses. To test the hypotheses at 5% significance level Null (H_0) and Alternative (H_A) hypothesis are formulated in this research.

From the analysis and evaluation, the researcher comes to the conclusion that the competitive advantage does not contribute to the banks' profit but the cost effectiveness contributes to the banks' profit. So it is recommended that the People's bank in the Batticaloa district take necessary steps to provide a good customer service by expanding their computer technology, so that the customers will enjoy the entire benefit of computerization. Meanwhile the cost effectiveness should be maintained which will continue to enhance the banks' profit.

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