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## IMPACT OF CORE BANKING SYSTEM ON WORKING EFFICIENCY AND CUSTOMER SATISFACTION OF WARDHA DISTRICT CENTRAL CO-OPERATIVE BANK, WARDHA

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### ABSTRACT

*Aim of this research paper is to study technological developments (extent of bank computerization) in co-operative banks, different aspects affecting development of cooperative banks, problems and prospects of bank computerization, views of bank employees and customers on bank computerization, and different software solutions available for bank computerization.*

*The scope of the research is limited only to the co-operative banks in Wardha District. From Wardha District co-operative bank have been selected for the purpose of this study. The banks have been selected on the basis that their working exists in Wardha district. As per the norms of RBI the computerization is compulsory for organized banking sector. Computerization in banking has its own importance. It is time saving, efficiency oriented and practically convenient process of modern banking. The co-operative banks have limited area of operation. However these are the segments of modern Indian banking system and hence cannot function independently on traditional method as it brings failure to them in new era of competition after globalization. Therefore this study focuses on technological development in co-operative banks.*



**KEY WORDS :** Core Banking System , Customer Satisfaction , technological developments.

### INTRODUCTION

Banking has changed over the years and evolved with the needs of the Indian economy. This transformation was primarily due to deregulation and globalization policies of Government of India in 1991, which led to the entry of multi-national and private sector banks. These banks being most techno-savvy, were in position to offer technology based services such as ATM, Internet Banking, Mobile Banking, Tele Banking etc. from day one. Amongst all the ICT initiatives of these banks, CBS implementation was the most important, as it formed foundation on which all the e-delivery services were built.

Core Banking Service (CBS) is one of the recent developments in the field of banking and it has proved to be very useful. Centralized Online Real-time Environment (CORE) banking enables anywhere banking. Bank's customers can operate their accounts from any branch of the bank. The present scenario in banking industry is once a customer opens his/her account he/she becomes the customer of the bank but not the branch alone. Core Banking Services provides for online banking services everywhere to fulfill the needs of the customers. Previously all the operations such as keeping a ledger of various transactions, maintaining customer information, interest calculations of loans and deposits etc. were done manually. With the advent of Information and Communication Technology (ICT) all the above core operations are done through the computers. CBS has been effective in bringing about a radical change in the field of banking.

CBS from the customer's perspective simplify their banking operations by allowing them to conduct common frequently used banking transactions without visiting bank's branches, thus saving a lot of time. On the other hand banks have improved upon their operational efficiency after the introduction of CBS. CBS provides for online banking, Mobile banking and ATM services on 24/7 basis to customers so that a customer need not visit a bank for his banking needs.

In the backdrop of above information this research paper present interpretation of data collected from 1000 customers and 100 employees in wardha District Central Co-operative bank, wardha. Hence, data is collected from total 1100 respondents. The collected data is analysed by using appropriate statistical tools. The analysed data is arranged in tables and is described appropriately. The results are presented at the end after description of each table.

**Table 1: Opinion customers regarding, service efficiency is increased due to bank computerization**

Service efficiency is increased due to bank computerization	Frequency	Percentage
Strongly agree	351	35.1
Agree	550	55.0
Disagree	99	9.9
Strongly Disagree	-	-
<b>Total</b>	<b>1000</b>	<b>100.0</b>
<b>Chi. Sq.</b>	<b>df</b>	<b>Sig.</b>
<b>237.168</b>	<b>2</b>	<b>&lt;0.05</b>

**Table 1** illustrates opinion of the customer regarding increase in service efficiency of the District Central Co-Operative Bank Wardha due to computerization. It is evident from the information that 55.0% customers agreed to the above statement, which was followed by customers strongly agreed to the statement that service efficiency is increased due to computerization (35.0%). Furthermore, 9.9% customer disagreed that service efficiency is increased due to computerized. The non-parametric chi square statistics showed that there is significant (Chi. Sq. = 237.168;  $P < 0.05$ ) difference among customers of bank with respect to their opinion about increase in service efficiency of bank due to computerization.

Thus, it is evident from the above information that most of the customers of district central co-operative bank Wardha agreed that service efficiency is increased due to computerized.

**Table 2: Information regarding satisfaction of customer with the core bankingservices**

Satisfaction with the Core Banking services	Frequency	Percentage
Strongly agree	98	9.8
Agree	751	75.1
Uncertain	88	8.8
Disagree	63	6.3
Strongly Disagree	-	-
<b>Total</b>	<b>1000</b>	<b>100</b>
<b>Chi. Sq.</b>	<b>df</b>	<b>Sig.</b>
<b>810.126</b>	<b>3</b>	<b>&lt;0.05</b>

**Table 2** illustrates information pertaining to satisfaction with the core banking services of the District Central Co-Operative Bank Wardha. It is evident from the information that 75.1% customer are satisfied with the core banking services, which was followed by customers highly satisfied with the core banking services(9.8%). Furthermore, 8.8% customer are uncertain whereas 6.3% customers are not satisfied with the core banking services. The non-parametric chi square statistics showed that there is significant (Chi.Sq. = 810.126;  $P < 0.05$ ) difference among customers of bank with respect to their satisfaction about core banking services.

Thus, it is evident from the above information that most of the customers of district central co-operative bank Wardhaare satisfied with the core banking services.

**Table 3: Opinion of customer regarding effectiveness of Core Banking Solution In this bank**

Effectiveness of Core Banking Solution In this bank	Frequency	Percentage
Strongly effective	211	21.1
Effective	523	52.3
Neither effective nor	124	12.4
Ineffective	97	9.7
Strongly not effective	45	4.5
<b>Total</b>	<b>1000</b>	<b>100</b>
<b>Chi. Sq.</b>	<b>df</b>	<b>Sig.</b>
<b>417.127</b>	<b>4</b>	<b>&lt;0.05</b>

**Table 3** illustrates opinion of customer about the effectiveness of core banking solution of the District Central Co-Operative Bank Wardha. It is evident from the information that according to 52.3% customer core banking solution of the bank are effective, which was followed by strong effectiveness of core banking solutions (21.1%). Furthermore, according to 12.4% customer core banking solutions are neither effective whereas according to 10.0% customers core banking services are more convenient. The non-parametric chi square statistics showed that there is significant (Chi.Sq. = 417.127; P<0.05) difference among customers of bank with respect to effectiveness of Core Banking Solution In this bank.

Thus it is evident from the above information that most of the customers of district central co-operative bank Wardhafeel that core banking services are time saving and have easy transaction.

## CONCLUSION

The customers of district central co-operative bank Wardhaare aware about the core banking services. They are satisfied with the core banking services.

Benefits of core banking solution in the District Central Co-Operative Bank Wardha is core banking services are time saving and has easy transaction, cost efficiency and are reliable and safe, core banking services are more convenient. Core banking services are are more effective than other banking services. Personal interest is taken by staff in service/ solving problems. Prompt services provided by staff at all counters.

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