

ABSTRACT

As information technology is the modern trend on banking today, it's very imperative for banks to access its impact operational performance so as to justify if the capital invested on it is justifiable or not, analyze their problem and profit possible solutions. The objective of this study is to examine how the adoption of information technology affects the operations commercial banks and the effects information technology on banks, customer relationship the main research instruments used are questionnaire from staffs and customers of the bank. The simple frequency percentage was adopted as the statistical measure and hypothesis testing was analyzed using chi-square. In conclusion, the study reward that information technology has tremendously improved growth and performance of the Nigeria commercial banks. Information technology has led to increase to increase customer satisfaction, improved operational reduced transaction time, and gives the bank a competitive edge. In this project, the study is divided into five chapters. In chapter one, we present the introduction of the study, background of the study, statement of the problem, research questions, purpose of the study and significance of the study. Also, in the chapter, certain limitations encountered on the field of study were explained. Chapter two documents the literature reviewed in the course of the study. This chapter contains such items like historical background and theoretical framework of information technology on banks operations towards achieving effectiveness and efficiency. In chapter three, we documented the methodology adopted in this study, the research design, study population, sample and sampling techniques and data collection instrument. The validity and reliability of the research instrument used were also explained. The chapter four contains the data analysis and presentation while the chapter five concluded the study.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Information is unique and vital to the health of banks in Nigeria, if properly receive and manage effectively and efficiently through information management system in an organization. With the end of colonialism, the newly independent states had expected to compete in the new world order. The low productivity, profitability and efficiency of many Nigeria banks necessitate the introduction of information technology to find solution to the challenges of the present day banking system. This paper has tried to assess the impact of information communication technology on the efficiency of thirteen commercial banks in Nigeria.

The banking industry is one of the critical sectors of the economy whose contribute to the pace of development and economic growth cannot be fully quantified changes in today's modern world reveals that the important of natural factors cannot equip the banking sector fully to grapple with the exigencies of global completion. Information flexibility and fast response are the key new factors for coping with global competition information communication technology plays a critical role in these areas for the purpose of enhancement. Information technology transforms the way people do things, increasing the amount of information available to economic agents, information intensity of processes, occupations, institution, product and economics. It enhances working of markets reduces transactions and co-ordination cost within an across enterprises and institutions.

Information technology has radically change how banking is doing all over the world, the volume and speed of banking transaction has improved tremendously as a result of quantum growth in information technology which has created business opportunities for banks. The positive impact of information communication technology on the global criteria. The banking industry in Nigeria has witness tremendous changes linked with the development in information technology over the year. In Nigeria information technology gave birth to electronic baking. This represents benefit such as anywhere banking, anytime banking and elongated banking hours to customers. These benefits provide comfort, convenience and ease of use for banks transactions. Before the advent of electronic banking customers could only make transactions in the banking hall. Eliminating colonial dependence was held as the key to banishing backwardness and speeding up economic

growth and development through banks. These dreams have remained largely unfulfilled. The economic gap between the industrially developed and the developing countries of the world continues to widen due to lack of information technology system in the country. The resulting frustrations have emerged as unprecedented unrest and acute technological problems.

In today's world all aspects of economic development have witnessed and experienced the touch of information technology rapid changes are taking place in technological advancement, perhaps more than in any other field of human activity.

Up till now, developing countries have only paid up services to information technology as a factor of economic development through the banking industry. Hence, the running of the main productive sector of the economy is carried out on the basis of lack of advanced technological equipment's. All these have shown that information technology have not directly benefited the industrially advanced nations almost exclusively. The characteristic of non-development of information technology in poor nations has been the major factor for lack of social and economic progress in the banking sector of the economy.

No matter by what channels modern technology reaches developing nation like Nigeria, it is important that it meets the need of economic growth and development. The process by which the information technology of industrially developed countries is made to match the requirements of developing countries has been called adaptive of technology. The adaptation of technology forms and integral part of its transfer to developing countries in this wise government as well as stakeholders in the banking sector have role to play in bringing Nigeria to the fore of information technological development that will enhance economic growth in Nigeria.

1.2 Statement of the Problem

Modern technology is to a great extent introduced into Nigeria as an integral part of foreign investment, it has not met the desired success. The limits of information technological progress are set by the quality of human resources, the stage of industrial development and the prevailing economic policy frame are problem affecting information technology in Nigeria.

Recently in Nigeria, the banking sector witness unexpected turn around by the regulatory body (CBN) which almost led to the closure of some banks in the system due to mismanagement of shareholders and customers money by some of the directors.

Hence, poor management of investors and customers funds, inability to keep customers information for future use, poor network services, conversion of investors' money to personal money by some bank executives and poor customers relationship and orientation were now the order of the day due to lack of information technology in its operations. It is on this note the researchers want to examine the impact of information technology on banks operations in Nigeria using United Bank of Africa (UBA) Plc. as a case study.

1.3 Research Questions

The stated below are the relevant research questions formulated for the study.

- What are the impact of information technology on banks operation in Nigeria
- Do you think information technology system will increase banks efficiency in Nigeria?
- Do you think the banking industry is lacking in the area of information technology?

1.4 Objective of the Study

The following are the purpose of the study:

- To explain the impact of impact of information technology on banks operation in Nigeria.
- To know the impact of information technology on banks operations in Nigeria.
- To know the impact of banks on economic development in Nigeria.

1.5 Research Hypothesis

Ho: To explain the impact of information technology on bank operation

H1: Information Technology (IT) has contributed immensely to the operation of banks

1.6 Significance of the Study

The research is significant for the following reasons:

- It would give the researchers the knowledge of banks operations in Nigeria.
- It would also give the researchers the knowledge of the formulated policies to improve information technology in Nigeria.
- It would be useful to lectures of higher institutions of learning i.e. university and polytechnics.

- Information technology would give the researchers the knowledge of how

1.7 Scope/ Limitations of the Study

This research project is limited to the impact of information technology on bank operator in Nigeria using United Bank of Africa (UBA) as a case study since information must be received and processed into meaningful use for economic growth and development especially in the banking industry. Embarking on the work of this nature is a daunting task. The following are the factors which impeded the carrying out of the research as schedule:

Finance: Insufficient capital to carry out the research work slow the efficiency of the project writing.

Time: The researchers did not really have enough time to gather facts about the research topic.

Materials: The non-availability of the needed materials for the work also affects the project writing negatively.

Facts: Poor responses to facts disclose by the banks operators and stakeholders in the field also affect the project completion.

1.8 Definition of Terms

Information Technology: The study or use of systems (especially computers and telecommunication) for storing, retrieving, and sending information.

Bank: A financial intermediary that creates credit by lending money to a borrower. It's also a place where money is being deposited for future references.

Mismanagement: The process of not handling something competently.

Shareholder: This is one who legally owns a share of stock in a public or private corporation.

Investment: This is the time, energy or matte spent in the hope of future benefits actualized within a specified date or time frame.

Operation: This is a method or practice by which actions are taken.

Economic Development: This is the quantitative and qualitative changes in the economy.

Information is data that has been processed through the computer system. Information is processed or analyzed data that informs a recipient about a situation.

Data: - Data are raw facts, figures, event from when information can be developed a data is a basic raw fact that can be processed and converted to a meaningful output called information

Communication: It is the transfer of idea or information from data processing system to ultimate user the utilize purpose of communicating is to inform the recover.

Online: It is a term used for a direct or indirect communication link between two devices online

Data: - Data are raw facts, figures, event from when information can be developed a data is a basic raw fact that can be processed and converted to a meaningful output called information.

Offline: - This is the term used for input devices and auxiliary equipment that are under direct control of the central processing unit

Disk storage: This is data storage on optional or magnetic disk in memory system. It is characterized by low cost and relatively fast access to data stored on it.

1.9 Organization of the Study

In chapter one, we present the introduction of the study, background of the study, statement of the problem, research questions, purpose of the study and significance of the study. Also, in the chapter, certain limitations encountered on the field of study were explained.

Chapter two documents the literature reviewed in the course of the study. This chapter contains such items like historical background and theoretical framework of information technology on banks operations towards achieving effectiveness and efficiency.

In chapter three, we documented the methodology adopted in this study, the research design, study population, sample and sampling techniques and data collection instrument. The validity and reliability of the research instrument used were also explained. The chapter four contains the data analysis and presentation while the

Chapter five concluded the study.