INFORMATION TECHNOLOGY AS A STRATEGIC DRIVER TO ORGANIZATIONAL TRANSFORMATION AND DEVELOPMENT
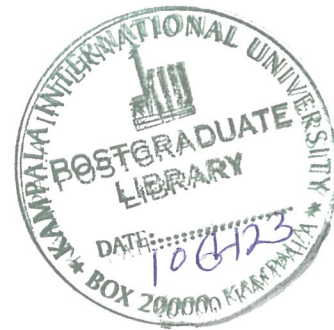
A CASE STUDY OF THE BANKING SECTOR IN UGANDA WITH SPECIAL REFERENCE TO NILE BANK

BY

JUBILEE LEONARD KAKWEZI

A dissertation submitted to the
School of Postgraduate Studies
In partial fulfillment for the award of the degree of
Master of Business Administration in Information Technology-MBA(IT)
Of
Kampala International University.

October 2006

Declaration

I, JUBILEE LEONARD KAKWEZI, hereby declare to the best of my knowledge that the work embodied in this research paper is my original work arrived at through reading and research and has not been published or submitted to any University or any other Institution of Higher Learning for any academic award.

The literature and citation from other scholars' work have been fully referenced and acknowledged in the text, footnotes and bibliography.

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Approval

This research dissertation has been submitted for examination with my approval as the Supervisor:

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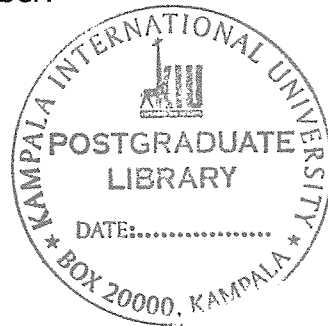
Prof. Dr. John Peter Opio PhD

(Supervisor)

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Dedication

This work is dedicated to my dear mother Mrs. Theopistar Kaburara Banserurra
Atwooki, who has inspired me for as long as I can remember.

Acknowledgement

I wish to thank my supervisor Mr. Denis Ssebuggwawo for the intellectual, parental, and academic guidance that have enabled me produce this work.

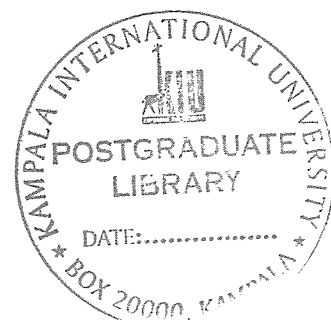I am deeply indebted to the Director School of Postgraduate studies KIU

Prof, Dr. John Peter Opio, whose inspirations and lectures in strategic management, organization transformation, critical path and co-operate renewal, pointed me towards the direction of inquiring into the subject of `information technology as a strategic driver to organizational transformation and development in the banking sector.

I would like to extend my profound gratitude to the Human Resource Manager and IT Supervisor Nile Bank and Mr. Magulu Bernard Bank of Uganda, for frank and valuable views on the topic of study. I also thank the management of Nile bank for assistance and information availed that made my research meaningful.

I thank all my classmates, friends and colleagues for the encouragement and for academic company during the course of study.

To my friend Miss Ogwaro Eunice Moora and my sister Abwooli K Peace! Am so thankful for all the encouragement, moral support, and prayers.

Lastly, I thank the almighty God through his son Jesus Christ for giving me a sound mind and body through out the study.
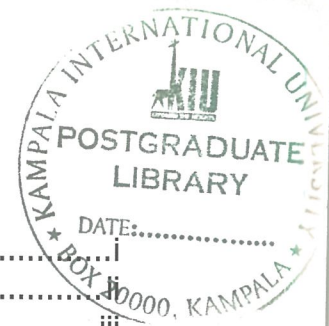
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List of Abbreviations and Acronyms

ATM	AUTOMATED TELLER MACHINE
BE	BUSINESS ENVIRONMENT SCANNING
BEF	BUSINESS ENVIRONMENT FORCES
BOU	BANK OF UGANDA
CBIT	COMPUTER BASED INFORMATION TECHNOLOGY
CEO	CHIEF EXECUTIVE OFFICER
CERUDEB	CENTENARY RURAL DEVELOPMENT BANK
KIU	KAMPALA INTERNATIONAL UNIVERSITY
UIB	UGANDA INSTITUTE OF BANKERS
IT	INFORMATION TECHNOLOGY
ICT	FORMATION OF COMMUNICATIONS TECHNOLOGY
MIS	MANAGEMENT INFORMATION SYSTEMS
LAW	LOCAL AREA NET WORK.
WAN	WIDE AREA NET WORK
OD	ORGANIZATION DEVELOPMENT
FAO	FOOD AND AGRICULTURE ORGANIZATION
USAID	UNITED ACTION FOR INTERNATIONAL DEVELOPMENT
UNDP	UNITED NATIONS DEVELOPMENT PROGRAMS

Abstract

The study of IT systems has evolved mainly as an interaction between the study of IT and the management of business organizations. The emergence and convergence of ICT remain at the centre of global social -economic and organizational transformation and development. The ICT sector is a gamut of industries and services activities, internet services provision, telecommunications equipment and services, information technology (IT) equipment and services, media and broadcasting, libraries and documentation centers, commercial information providers, network based information services and other related information communication activities.

This study examines whether information technology has played a significant role towards the transformation and development of a Banking Organization. We take as our case study Nile Bank. Problems experienced by Nile Bank include declining lending ratios, high cost income ratio and satisfaction of the needs of the modern growing customer base. The key differential in the banking market is *"IT management strategy"* that Nile Bank looks to have not explicitly articulated in its transformation and development plans. On the outlook, it is witnessed by long queues at the bank halls and ATM machines and sluggish operations of the internal customers. It is clear that the bank had essentially outgrown its Information systems, its organizational structure, management staff and its information technology infrastructures.

The study aims at establishing a more rounded understanding of the CBIT strategic implications upon the bank's diversification into organizational transformation and development and underpins the internal customer's perceptions on how Nile bank has used information technology towards its organizational transformation and development. This then begs the question:

> *Is IT alignment with business processes a strategic driver to organizational transformation and development?*

Our research reveals that information and the systems that handles information are the key resources of company and can be used to distinguish success from failure of organizations strategy for long term survival. Effective utilization of IT as a resource can provide a competitive advantage for successful business organizations, allowing them to out compete their rivals or raise the level of quality and quantity of their products and services to meet customer's needs and demands.

The research further reveals that Strategic business IT planning involves aligning investment in information technology with a company's business vision and strategic goals such as reengineering business process or gaining continued advantage.

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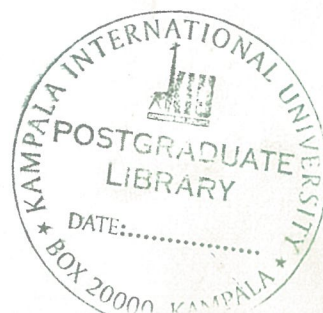
CHAPTER I

INTRODUCTION

1.0 General Introduction

The strategic and operational importance of information technology in the banking business is no longer questioned. However, as the 21 century unfolds many banks throughout the World intend to transform themselves into global powerhouses via major investments in e-business and other information technology initiatives.

This area calls for a real need for managers and professionals to understand how to manage this vital organizational function. An established banking practice and scholarly commentary suggests that corporate banking is most successful when it is strategy integrated with information system management. Information system management focuses on any organized combination of people, hardware, software, communication networks, and data resources that collects or transforms and disseminates information in an organization in the verge to achieve its future goals.

Some professionals rely on many information systems that use a variety of information technology for example, use of simple manual tools (paper and pencil), hardware devices and informal (Word of mouth) as communication channels

Organization transformation and development is based on information technology strategies that focus on value chain and maintaining individualized, partnering relations to profitable customers and business entities through definable process and appropriate use of information technologies.

1.1 Background of the Case Study

1.1.1 Banking and Finance sector

Uganda's banking sector has steadily recovered from the effects of the political turmoil that had left the country's financial system in an appealing state with

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substantial loan repayments, a weak currency, and soaring inflation

During the 1970s and early 1980s, Uganda accumulated a foreign debt that was used largely for nonproductive purpose. Debts climbed while the productive capacity or the country deteriorated.

To resolve these problems, the government of Uganda by then taped both external creditors and domestic sources, crowding out private-sector borrowers. When president Museveni took over power in 1986, his government then attempted to reduce the percentage of government borrowing from domestic sources and to reschedule payments of foreign loans. The government also implemented successive devaluations of the shilling in order to stabilize the economy.

1.1.2 Looking at the Banking Sector

Government-owned institutions dominated most banks in Uganda. In 1966 the bank of Uganda, which controlled currency issues and managed foreign exchange reserves, became the central bank.

The Uganda Commercial Bank, which had fifty branches through the country, dominated commercial banking and was wholly owned by the government. The Uganda Development Bank (UDB) then was a state-owned development finance institution, which channeled loans from international sources into Uganda enterprises and administered most of the development loans made to Uganda.

The East African Development Bank, established in 1987 and jointly owned by Uganda, Kenya and Tanzania, was also concerned with development finance. This is one of the few institutions, which survived the breakup of the East African community and received a new charter in 1980.

Whereas Uganda had 290 commercial bank branches in 1970, by 1987 there were only 84, of which government owned banks operated 58 branches. This number began to increase slowly the following year, and in 1989 the gradual increase in

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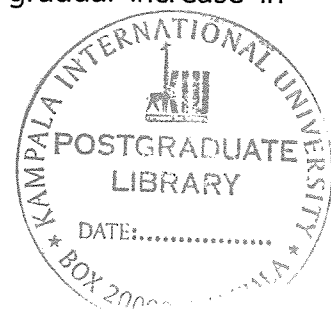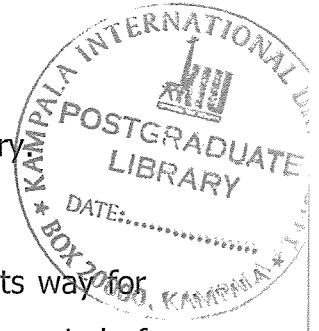
banking activity signaled growing confidence in Uganda's economic recovery

1.1.3 Transformation and Development of the Banking Sector in Uganda

The Ugandan economy that suffered a set back in 1998, started seeing its way for transformation and development after the financial sector went through a period of crisis. The Economy's Poor corporate governance practices, inadequate capital level, high levels of non-performing debts and an adequate legal and risk management framework by then characterized the sector.

However, between 1998 and 1999 four insolvent commercial banks were closed by the central bank. These measures were designed to stabilize the sector and to restore public confidence in that important industry, and by 2004 there were 16 commercial banks and two development banks. One major landmark in this sector was the sale of the gigantic Uganda Commercial Bank to Stanbic Bank of South Africa. This divested enabled government to get out of the business of running banks and it led to increased competitiveness.

In 2005, commercial banks continued to post healthy profits their earnings are coming under scrutiny as concerns amount about the disparity between lending and interest rates paid to depositors.

There are about 20 banks to day, operating in Uganda including Allied Bank, Bank of Baroda, Barclays Bank, Cairo international Bank, Citibank, Centenary Rural Development Bank, Crane Bank, DFCU Bank, East African Development Bank, National Bank of Commerce and Nile Bank. Orient Bank, Stanbic Bank, standard chartered Bank, Tropical Africa Bank, Diamond Trust Bank, Post Bank, Housing Finance and Uganda Development Bank.

In 2005, profit growth for most banks recorded double-digit growth. Increased lending to the public financed growing deposits boosted industry earnings. Private

sector deposits at banks raised from 6% of GDP in 1999 to over 15% today. Over the same period, total assets of the banking system also rose from 12% of GDP to about 25 percent. The non-performing assets as a ratio of total outstanding loans also declined from more than 50% in 1995 to less than 5% today.

Bank of Uganda (BOU) introduced new prudential regulations in 2003. The minimum capital requirement for financial institutions was increased; a measure intended to provide a cushion for losses and as safeguard for depositors' funds.

The creation of the commercial court increased the pace of settlements of commercial disputes, improved loan recovery further, and reduced non-performing assets acquired using bank loans.

This competitiveness has led banks into daily innovation to get more Ugandans banked. Commercial banks have been able to introduce new products such as debit cards, cash cards, Automatic Teller Machines (ATMS), electronic funds transfer system including real time gross settlement (RTGS), new banking services, and especially packaged accounts to attract savers.

1.1.4 Background of Nile Bank

Nile Bank limited is one of the commercial and micro-finance institutions in Uganda. Nile Bank was established in 1988 at a time when low cost banking was almost non-existent. By 1992, it had expanded to six branches including some established particularly to cater for the urban clients. Currently, Nile bank has branches in Entebbe, Jinja and Mbarara and with a number of ATM outlets across Kampala and the entire nation. Nile bank has rolled out many products and created a modern and conducive banking environment. Lacking an explicit information system, management strategy and still frequently committed to retail banking, in which it is the dominant player in commercial micro finance and small and big business leading Nile Bank diversified into a computer-based information technology. That is, use computer hardware, software, the internet and other telecommunications networks.

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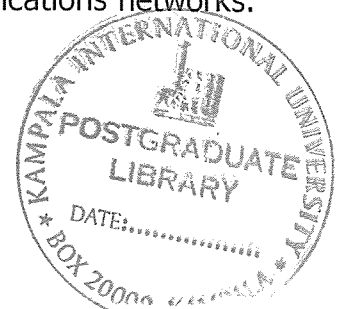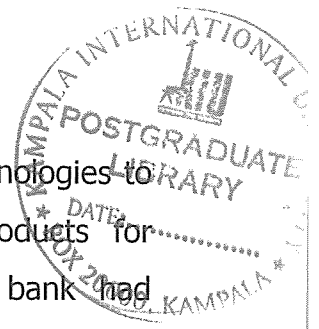
Computer based business transformation strategies and information technologies to transform data resource into an endless variety of information products for consumers and business professional in 1999. By mid 2002, Nile bank had segregated and networked all it corporate branches in Uganda.

However, one year later, we witness Nile Bank not yet commanding significant transformation and development in its operation, resulting from information technology business strategy. Yet, without such strategy, the bank may face an uphill challenge to attract, retain customers and for that, matter regain any lost corporate customers in a competitive market dominated by computer based information technology (CBIT) oriented players.

1.2 Statement of the Problem

Nile Bank a predominant commercial banking institution, diversified into the lucrative computer based information technologies as a strategy for transformation and development of its operations. This intended to over come limitations/ problems inherent in the micro banking market between 1970s and 1990s. Problems included declining lending ratios, high cost income ratio and to satisfy the needs of the modern growing customer base in Kampala city and other urban centers in Uganda for a competitive advantage in an IT dominated market. The key differential in the banking market is "IT management strategy" that Nile Bank looks to have not explicitly articulated in its transformation and development plans. On the outlook, it is witnessed by long queues at the bank halls and ATM machines and sluggish operations of the internal customers. It is clear that the bank had essentially outgrown its Information systems, its organizational structure, management staff and its information technology infrastructures, but still some large holes need to be covered.

The study aimed, at establishing a more rounded understanding of the CBIT strategic implications upon the bank's diversification into organizational transformation and development and underpins the internal customer's perceptions on how Nile bank has used information technology towards its organizational

transformation and development.

1.3 General Objectives

The general Objective of the study was to explore and underpin IT as a strategic driver to organizational transformation and development in the banking sector in Uganda. Particularly, it attempts to explore and analyze Nile bank's IT management strategies, and focus on understanding the competitive environment and the perceptions of Board of directors and management towards information technology as a strategic driver to its organizational transformation and development.

1.3.1 Specific Objectives

The specific objective of this research included among others,

1) *Obtaining an insight of Board and Management officials regarding why and how, Nile Bank diversified into use of Information Technologies.*

2) *Analyzing Nile bank's IT business processes alignment as a driver to organizational transformation and development and sagest how best can Nile bank put IT to its best use*

3) *Identifying IT related challenges currently faced by the bank and propose appropriate solution(s) and elements of information technology management strategy to strengthen the delivery of high quality banking services at low cost and just in time.*

4) *Establishing whether the bank has any articulated concepts of IT management strategy guiding corporate transformation and development goals and how it should address its organization impediments*

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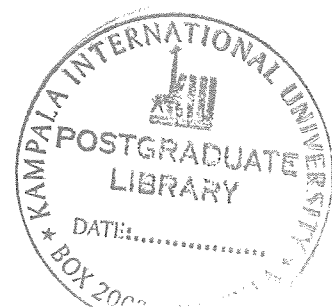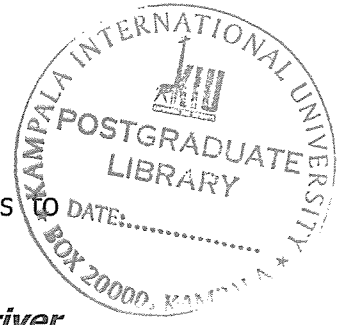
1.4 Research Question

Looking at the research problem and objectives, the study intends to answer the following question:

Is IT alignment with business processes a strategic driver to organizational transformation and development?

1.4.1 Research Sub-questions

To adequately answer, the above research question this research will further be guided by the following sub questions:

(i) *Why and how has Nile bank invested in computer based information technology (IT/ICT)?*

(ii) *What benefits have Nile bank enjoyed through the use of IT, over its Competitors?*

(iii) *What is the management's IT strategic concept, on organizational Transformation and development?*

(iii) *What challenges does Nile bank face in implementing CBIT in its business Operations?*

(iv) *Does the management have an explicit IT/ICT strategic orientation towards Internal customers in the context of organizational transformation and Development?*

1.5 Significance of the Study

Information technology has proved an indispensable tool in any profit making organization's operations today. The main functions of manager are 'decision making'. Effective decision-making requires information that is *accurate, relevant and timely*. The responsibility of providing such depends on a well-established organizational information system through the appropriate use of information technology. Therefore, the study is significant in a number of ways that include the

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following:

1. *The findings of this study provide an in-depth analysis of the internal customers (staff) perceptions on how the banks currently uses and manages information technology.*

2. *The research study serves as partial fulfillment of the award of Masters of Business Administration in Information Technology of Kampala international University.*

3. *The findings of this study contribute useful information to that which is already into existence regarding information technology as strategic driver to organizational transformation and development.*

4. *The data collected can be of help to policy makers, planners, business managers, government and non-governmental organization presently engaged in using appropriate strategies to transform and develop their organization to compete favorably in information oriented market area.*

5. *The study results can be of help to other researchers intending to carry out more studies in the field of IT, ICT and MIS in the banking sector. This ideal in encouraging the future researchers aimed at improving and reducing fear of information technology investments in developing countries.*

1.6   The Scope of Study

The research sturdy was a case study of Nile bank main branch Kampala Jinja road. Particularly, the research focuses on how the bank uses IT, ICT and IS strategically to satisfactorily ease management of bank's daily operations and deliver services to its customers to match with the changes in the competitive business market environment. The researcher used exploratory approach and interviewed at length and in depth the key managers closely connected with supervisory and operations management. The researcher succeeded in obtaining significant functional inputs from the following;

  ❖ *The manager corporate branch, Deputy Manager Business development,*

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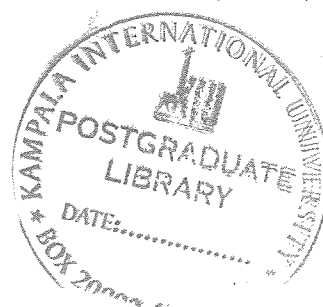
supervisor information technology department and the manager Human Resource.

❖ *Another component of the exploratory phase was conducted quantitative survey among 50 front managers (line staff) working with in the corporate Kampala main branch. The ideal was to measure the perceptions and analyze information technological business alignment in the match of the organizational strategy to achieve organizational transformation and development.*

1.7 Theoretical Framework

The theoretical and conceptual framework of our research is summarized in the figure below:
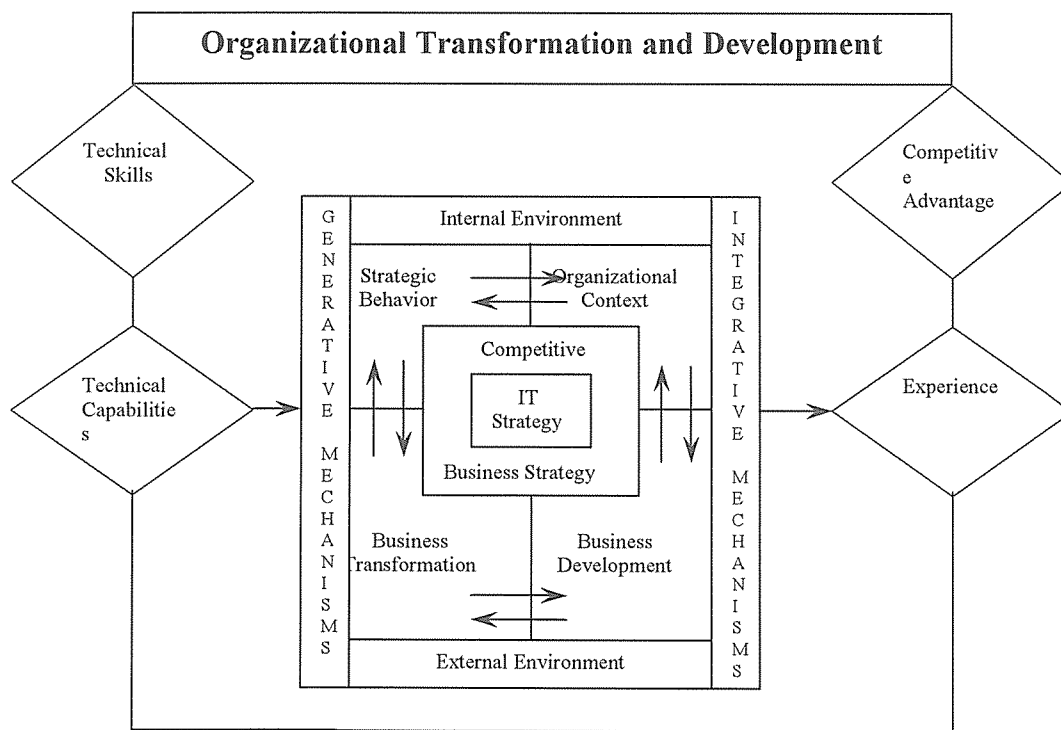
Figure 1. 1: *Conceptual Framework*

The idea expressed in figure above is that:

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"IT strategy emerges from organizational capabilities, shaped by the generative forces of the firm's strategic behavior and evolution of the technological environment, and by the integrative mechanisms of the firm's organizational context and the environment of the industry in which it operates".

Strategic behavior, strategy-making with respect to IT technology is a subset of the broader strategy-making of the firm. From an evolutionary perspective, a firm's concept of strategy impounds the social learning about the distinctive competences on which past success is based (Selznick, 1957; Burgelman, 1988). Mckelvey and Aldrich (1983), view distinctive competence as the combined work (technological) and organizational knowledge and skill, that together are most salient in determining the ability towards organizational transformation and development.

Largely strategic behavior is, indeed induced by the prevailing concept of business strategy of the firm and it is as results of new product and process development efforts falling within its scope, in the enhancement and augmentation of existing IT capabilities. The induced strategic process is likely to manifest a degree of inertia relative to the cumulative changes in the external environment (Hannan and Freeman, 1984 Burgelman 1988).

For instance, established firms when confronted with the threat of radically new IT technologies are likely to increase their efforts to improve on existing IT technology rather than switch to the new IT technology.

But firms will usually also exhibit some amount of autonomous strategic behavior, aimed at getting the firm into new areas of business, these initiatives often are rooted in IT development efforts to achieve organizational transformation and development

IT professionals may discover results that provide the basis for redirection or replacement of major technologies of the firm. The existence of a corporate R & D

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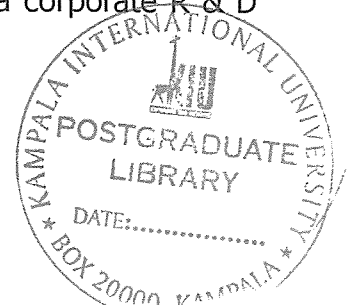
capability should provide a substratum for the emergence of such new technical possibilities (Rosenbloom and Kantrow, 1982; Burgelman and Sayles, 1986). Participants engaging in autonomous strategic behavior serve to explore the boundaries of a firm's capabilities and corresponding opportunity sets (Burgelman, 1983). As Itami (1983) has observed: "*in reality, many firms do not have... complete knowledge and discover the full potential of their ability only after the fact"*.

The degree, to which autonomous strategic behavior can be exploited. However, it depends critically on the *organizational context*.

Organizational context; internal context encompasses administrative (Bower, 1970) and cultural (Ouchi1980) factors which affect the participants' expectations about which types of strategic behavior are likely to be supported in the organization. From an OD point of view, organizational context serves as an internal selection mechanism (Burgelman, 1988), affecting the strategic management capacity of the firm. That is, the firm's ability to take advantage of opportunities associated with its current strategy *(induced process),* its ability to take advantage of opportunities that emerge spontaneously outside the scope of the current strategy (autonomous process)(Burgelman and Sayles, 1986).

The OD process perspective draws attention to the fact that organizational context takes shape over time, and reflects the dominant culture as it relates to IT. This is dependent on whether the firm's distinctive competences are rooted in changes of consumer behavior or the product and service development process has been driven by IT push, need pull or a more balanced approach; or operations are viewed as strategic or not; and so on.

Competitive strategy and the quest for competitive advantage take into account five major forces (Porter, 1980):

  i. *rivalry among existing firms*
  ii. *bargaining power of buyers*

iii.   bargaining power of suppliers

iv.   threat of new entrants, and

v.   *threat of substitute products or services.*

The interplay of these five forces is expected to determine the appropriate content of competitive strategy. Technological change affects each of the five forces (Porter, 1983) and technology strategy may serve as a potentially powerful tool for pursuing the generic competitive strategies:

- ❖ *overall cost leadership*
- ❖ *overall differentiation*
- ❖ *focused cost leadership*
- ❖ *focused differentiation*

Contextual factors affect the choice of leadership versus follower ship (Porter,1983). Examining this choice further, Tierce (1986) argues that the fundamental building blocks of a decision framework include:

       i.   the appropriability regime associated with a technological innovation

      ii.   complementary assets needed to commercialize a new technology

      iii.   and the dominant design paradigm.

The interplay of these factors affects the likely distribution of profits generated by a technological innovation among the different parties involved as well as the strategic choices concerning the optimal boundaries of the innovating firm's capabilities set of business operations. It should noted that, whether one plans to be an entrepreneur and run one's own business, any manager in a corporation or a business professional, Managing information systems and IT, will be one of the major responsibilities.
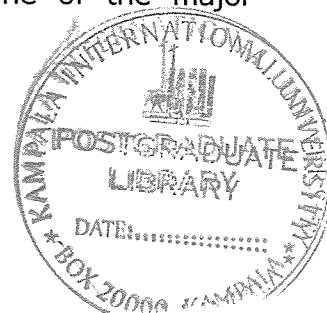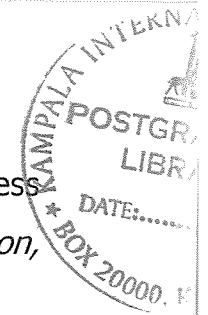
Abell (1980) identifies IT as one of three principle dimensions of business definitions. As he notes, *"IT is a dynamic character to the task of business definition, as one technology may more or less rapidly displace another one over time"*.

Potter (1983) observed that IT is among the most prominent factors that determine the rules of competition in any business organization. In this view, ***strategy is inherently as a function of the quantity and quality of organizational capabilities.*** Organizational capabilities are the source of opportunities, which are discovered, selected and retained in the strategy-making processes. Experience with ("performing") a strategy is expected to have feedback on the set of organizational capabilities.

The general structure of the capability-based perspective (Burgelman, 1984; 1988)

It is useful to note several key ideas underlying this framework. One is that successful firms develop distinctive IT strategies in the course of organizational transformation and development, and that the direction of this strategy cannot completely be determined at the outset. A second key idea is that increasing the firm's capabilities is a mechanism for stimulating IT strategic development. This is consistent with Itami's (1987) discussion of the accumulation of "invisible assets" as a key factor in an organizational transformation and development. It is also consistent with Maidique and Zirger's (1985) study of the product learning cycle. A third idea is that "unlearning" is an important aspect of organizational learning (Imai, Nonaka and Takeuchi, 1985; Levitt and March, 1988).

Within this perspective, "performance" is viewed in terms of experience with actually performing the different tasks involved in carrying out IT strategy. This view of performance is akin to the use of the term as technological work fusion (business process alignment), the computer experts and IT system managers studying the details of performing IT business strategy, may shed light on exactly how skills are accumulated and how organizational learning and unlearning, in their various forms actually come about with organizational development.

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The factors shaping IT business strategy comprise a number of varied forces, mediating the influence of capabilities and experience. This concept differentiates the factors accordingly within or outside the firm's functions of generative or integrative in the strategy process. We hope that this classification might help to focus research and enable managers to examine their firm's strategies within the conceptual framework.

1.8 Breakdown of the research book

This research is organized into five chapters.

- *Chapter one: Introduction*

This is an introductory chapter and introduces the research topic and the relevant research issues; contextualized the research theme, a prevailing discourse; the statement of the problem objectives research questions, scope, conceptual frame work, definition of key words and terminologies used as well as the breakdown of the rest of the dissertation.

- *Chapter two: Literature review*

This chapter analysis selected literature contributions of various authors on the research name and how some authors' views are reflected in the study.

- *Chapter three: Methodology*

This chapter elaborates the research strategy and design; introduces the research problem and spells out the research questions and discusses the analytical frame work used, the source data and techniques of analysis used.

- *Chapter four: Presentation of findings analysis and interpretations*

This chapter discusses the findings of the study, the analysis and interrelations. It establishes and substitutes answers to research questions and also discusses the limitations and constraints of the study.
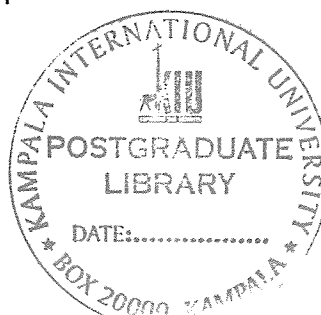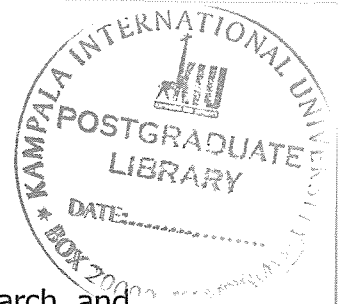
- *Chapter five: Conclusions and recommendations*

This chapter generally draws conclusions reached through the research and answers the last questions of this study by making both academic and practical recommendation to the company of study. It also points on areas to research scholars seeking to do further research.

CHAPTER II

LITERATURE REVIEW

2.0   Introduction

This chapter reviews literature related to the topic of study and covers the following: information technology in general, and IT as strategic driver (IT, ICT and MIS business strategies) to organizational transformation and development in the banking sector in Uganda. Particularly, it explores and interprets IT project's strategic requirements, objectives and the research gap.

2.1   Information Technology (IT)

James A O'Brien (2004) defines IT as:

"...a term used to cover abroad spectrum of computing and communication devices that capture data (input) processes and/or convert data, store data, and present data (output)".

Ronarnald T & Williaam C Baril (2003) defines IT as

"a system that is both simple and complete and electronic hardware devices and informal (word-of-mouth) communication chain net or computer based information systems that use hardware and software. Net internet and other telecommunications networks that transform data resources into an endless variety of information products".

Cash, James T and Jr. Roberts G (1994) defines IT as:

" Electro-Mechanical Device, which accepts to input data, process it according to programmed logical and arithmetic rules, store and output or calculate results".

They go a head to argue that the ability   to store programmed instructions and to take decisions which vary in the way in which a program executes (although within the defined logic of the program).

IT is an informatics (Computing Science) which deals with the design, realization,

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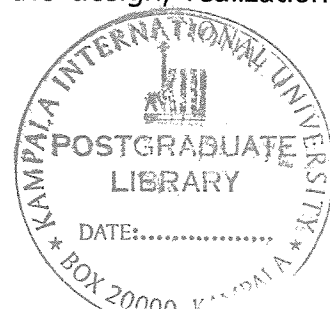
evaluation, use and maintenance of information processing systems including hardware, software organizational and human aspects. However, they disagree on the communication of the processed data since they do not tell us the final user of the data.

According to Kerry Young (1999), *"IT is any computer based tool that people use to work with information and support the information and information processing needs of an organization"*.

This definition is considered appropriate in this research, because it is specifically "computer-based". Keyboards, mice, screens, printers , modems, payroll software, accounting software, word processing software and operating systems software just to name but a few are the components.

Augeron and cornford (1993) observe that in recent decades there has been   an increasing recognition of the significance of information handling functions both in individual organizations and in the economy as a whole. They further state that modern organizations, particularly commercial businesses, devote to a great deal of attention to how they set them selves about capturing, storing and processing the information that they use in their operations and to inform their management decision making. In doing this, they have to rely more on the use of computers and telecommunication equipments.

It has been widely accepted that information and the systems that handles information are the key resources of company and can be used to distinguish success from failure of organizations strategy for long term survival. Effective utilization of IT as a resource can provide a competitive advantage for successful business organizations and nations allowing them to out compete their rivals or raise the level of quality and quantity of their products and services to meet customer's needs and demands.

The study of IT systems has evolved mainly as an interaction between the study of

IT and the management of business organizations. In fact, in economics the notion of information economy has been suggested to convey the prevailing perception that nations follow a trend of devoting to increasing proportions of their effort to information handling. The information economy is measured in terms of occupations concerned with the creation and the handling of information in a given business organization.

Nora and Minc (1980) in their report to the President of France, show vividly how the new information technologies and the increasing emphasis on information activities affect many more aspects of a society than its economic structure.

MacBride Commission (1980); Sauvant (1986); and Hamelink (1984) examined the disparities in information and information technologies around the world and criticized the international information order.

Many studies on information system applications in developing countries have shown how inadequate information resources are in many parts of the world, and how difficult it has been to utilize information technology as part of a development strategy for poor countries (Bhatnagar and Bjorn - Anderson, 1990).

Research has also addressed the social impact of the diffusion of new technology - based information system. Indicative studies include the pioneering work of Ida Hoos (1973), who criticized the validity, the moral basis and the consequences of computer - based information systems in public services in the United States. Continuing research at the University of Irvine in California has monitored the changes occurring in government with the implementation of new generations of information systems (Kraemer et al; 1987).

Financial institutions are now deeply enmeshed with information technology. In service delivery, management and administration and in their corporate strategies, the fundamental enablers are the information and the use of information and
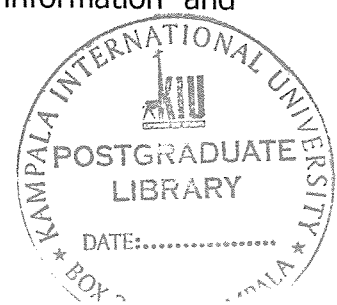
communications technology.

This reliance demands that the use of information technology in the information management be understood. This study examines whether information technology has played a significant role towards the transformation and development of Nile Bank.

Studies on the effectiveness of established procedures using modern information technology in the provision of information services in organizations in Uganda are scanty. The researcher sees a need to conduct a study with the aim of establishing whether the staff of Nile bank access and retrieve automated information that is required for operations and decision-making.

Bowden (1992) classified information available in electronic form into three main groups'

- *Factual*
- *reference and*
- *Informal information sources.*

He states that use of information technologies allows users to have information at minimum cost within a limited period. He argues that printed information sources go out-of-date immediately they are printed, whereas electronic information is easily and very regularly updated.

Observations supported by quantitative studies of influences on information technology use, conducted by Davis (1989) and Adams et el (1992) found that perceived usefulness has a stronger direct influence on information technology use than perceived ease of use. Almost every member of Nile Bank and computer staff interviewed for this study stated categorically that they knew why people used networked information resources. The reasons they gave were *ease of use, and availability of recreational resources to attract potential users to the network.* Users

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who were interviewed differed from this view. The users' view was that instead of improving ease of use, they preferred the approach of training the users about the potential, usefulness or applicability of networked information resources at work.

The advent of computers has made a wide spread image of instantaneous world access to information. This is deceptive. Access to information is increasingly dependent on wealth and skills (Feather 1994). Technology has made more information available to more people but the same technology has made access to more difficult (Feather 1994).

Printed information is, in many ways, flexible. It is portable, easily stored, familiar, user friendly and adaptable to many purposes. It however, has two major limitations: *it is impossible to change, and difficult to search*. With computers, however, updating, revision and correction of data can be a continuous process, and the user can have virtually instantaneous access to the updated version (Feather 1994). With computerized information, the search controlled by the user and not by the indexer.

2.1.1 Information and Communication Technology (ICT)

Information and communication technology (ICT) is the convergence of computing, telecommunication and video techniques - with computing providing the capability for processing and storing information, telecommunication providing the means for communicating it and video providing high quality display of images.

According to this study, there are two major concepts in which the term network makes sense.

Recent advances in electronic based ICTs are at the heart of social and economic transformation taking places in both the industrialized and many developing countries. As the cost of ICT continues to fall and their capabilities increase, their applications are becoming vital in all sectors of economy and society. According to
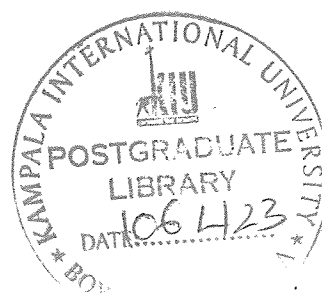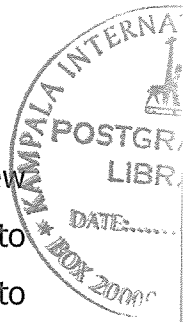
(Mansell and Wehn, 1998); the increasing spread and uses of ICT opens up new opportunities for developing countries to harness these technologies and services to serve their development goal. The application of ICT therefore has the potential to improve the quality of life for citizens in developing countries in general and Uganda in particular.

According to Horton (1990), the old ways of transacting business in a relatively slow-moving, paper based and tangible document oriented society are simply no longer appropriate to retain a competitive advantage in the computer age. Electronics images, online databases and world wide interconnectivity through the internet are the new order of the day for business, for government, universities, schools, libraries, hospitals, banks, private foundations, trade and professional associations and for private individuals. What this statement implies, according to Mansell and Wehn (1998), is that as developing countries join the global information infrastructure, each country will need to find effective ways of maximizing the benefits and controlling the risks from ICT. This will involve coordinated action through national ICT strategies encompassing the technologies and services as well as man aspects of the institutional environment. Strategies are needed which help to build the necessary scientific, technical and engineering knowledge as well as the management techniques and social and economic institutions that are consistent with creatively using ICT to reap the potential social and economic benefits.

In other words, developing countries like Uganda can no longer expect to base their development on their comparative labor advantage that is, on cheap industrial labor. The comparative advantage that counts now is the application of knowledge (Drucker, 1994). The generation and application of knowledge, however depends upon much more that access to a global information infrastructure. If developing countries are to experience empowerment through knowledge, they will need to build new partnership and focus on institutional and organizational transformation and development in the context of their development goals. For example, new

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partnerships and networks are being formed around the world linking banks *(bankcom)* and other financial institutions of all sizes into joint activities, marketing, production and research and development. These networks of public and private sector partners are relying increasingly upon the use of IT and ICT to make this possible.

The emergence and convergence of ICT remain at the centre of global social - economic and organizational transformation and development. *The ICT sector is a gamut of industries and services activities, internet services provision, telecommunications equipment and services, information technology (IT) equipment and services, media and broadcasting, libraries and documentation centers, commercial information providers, network based information services and other related information communication activities* (AISI, 1999). These technological components, which used to be counted as separate activities have converged to characterize all aspects of ICTs.

The recent millennium assembly of the United Nations emphasized this in its declaration on the right of access to information and communication. It says that *"information underpins the learning, research and debate that drive a country forward and that access to information is essential for describing and understanding the deficiencies of the present, building visions of a better future, developing practical ways to achieve these visions, and educating and inspiring those who must make the future (Godlee, 2000)".*

This implies especially with regard to the health sector according to Carlile and Sefton (1998) that the information age, combining rapidly developing ICTs and massive growth in biomedical and clinical data is placing special demands on healthcare workers as they become more and more dependent upon information from electronic databases and computer based information system to perform their duties.

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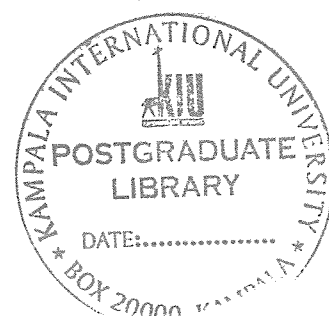
In summary, the enormous challenges facing every nation as rises to the demand of the information super highway and the global information infrastructure make the promulgation of overall national and sector specific information policies, including the unlimited creation, the effective management and equitable distribution of national information resources to all sectors and level of societies, absolutely essential. In their absence, a state of policy chaos exist which lead to confusion, waste, abuse and misuse of not just information resources but resources of all

The challenge to government, in general, and the banking sector in particular, therefore is the re-orientation of their role, their laws, their rules, regulations, and their national policies in the cyberspace era. This helps them to maximize the driving forces propelling them to exploit to the fullest potential the positive benefits of the information technology while at the same time minimizing the negative forces that are acting as barriers to frustrate this exploitation.

2.1.2   Computer Utilization in Organizations

Stonner (1989) recognized that we were rapidly moving from an industrialized-based society to an information-based one. The computer is at the centre of the information revolution. Computers are more suitable for most storage and retrieval tasks. Some machines could search with a speed of more than one million characters per second.

Very often organizations liberally invest in costly information technologies wishing that these 21st century technologies would be a panacea to their management in capabilities to meet the requirements of the increasing customer base (Hitchcook, 1971).

Many business concerns install computers for the wrong reasons. Haphazard launched into information technology without regard to the fact that, information

management is an academic discipline and a science could lead to missing the objective of information altogether. To a gullible top management, the most obvious solution to the information related problems would be to invest in advanced and expensive information technology under the guise of establishing an MIS.

But unfortunately, more often than not, these investments do not control the basic standards that warrant the title of an MIS rather it is just a mere data processing system, (Hitchcook, 1971).

It is the opinion of the researcher that the rate of advancement in computer based information technology by far outpaces the rate of its efficient and effective utilization. Computers have demonstrated their power as machines for processing objective information in useful was. Brookes points out that the pressing need now is to adopt the computer to the task of organizing information into coherent knowledge, (Odyy, 1981).

2.2   Management Information System (MIS)

There are several concepts of this subject. They are general not contradictory and are largely related. Their difference is that they emphasize different aspects of the subject. The ALA World Encyclopedia of Library and information services (1986) describes and information system as *"methods of accurately storing a large number of records and rapidly retrieving any particular requirements"*.

Lincoln (1986) describes an information system as a network or people, data, methods, equipment and financial resources. Lincoln conceives all the components of the information system as equal and necessary parts. The ALA World Encyclopedia of Library and Information Services (1986) describe information as an inactive object, which is being used by the interested parties. This view does not tally with that of Lincoln, which conceives information as an equal component with

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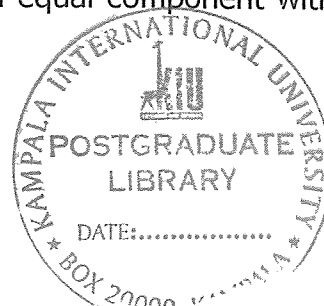
the others in the system. When the word "Management" is prefixed to "information system to make it *"Management information system"*, the essence swings in favor of Lincoln.
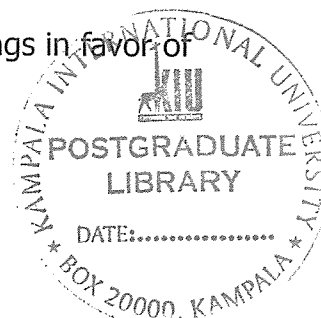
To the Encyclopedia of Library and information science (1976),

"an information system is described as a collection of people, procedures and equipment designed, built, operated and maintained to collect, record, process, store, retrieve and display information".

This view is synonymous with that of Lincoln because in both concepts human resource is seen to work hand in hand with equipment and procedures as equal entities to facilitate management of information.

Unlike those concepts that view an information system just as computers, libraries, registries even archives, Spivack (1978) sees an information system as a collection of data or information records or elements of some sort and the means of acquiring, organizing and retrieving, otherwise processing them for use.

The American Library Association World encyclopedia of library and information science further backs up Spivacks' concepts by describing an information system as that set of aspects of a general system (a natural phenomenon, a physical or logical construct) that are identified as information producing.

Thus, information systems not constitute computers but also other resources to include manpower, structures, procedures, guidelines, documents, events, business transactions, technical parts and data.

Therefore, information systems require a great deal of work: theoretical and practical and this is where the concept of management comes in.

Atherton (defines management as the judicious process by which the knowledge,

talents, and energies of people are directed and resources allocated to the achievement of objectives. Herein, a managerial attitude is essential regardless of the size of the information system or service.

Management information systems, though normally ignored, have probably been in existence ever since man formed the first primitive organization structure. This is because information was always required to execute and conduct the duties of the organization effectively.

According to the encyclopedia of library and information science (1976) a management information system is defined generally as:

"any reporting technique, manual or automated which provides the members of the organizations with data used in its operations".

The Encyclopedia of information science, however, defines management information system as:

"One unit normally provider of general file processing capabilities together with user interface methods to simplify the manipulation and analysis of stored data.

It includes simple record keeping provisions together with exceptions, reporting and output generating capabilities".

This view, however, does not emphasize management of information systems as intended only for decision-making.

In *Management Information Systems,* information is an independent factor that not only influences policy but determines policy and provides answers to managerial problems. *Management information* is a toll or an instrument for the execution of responsibilities.

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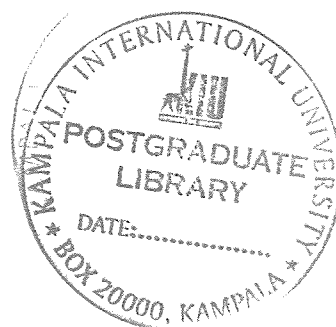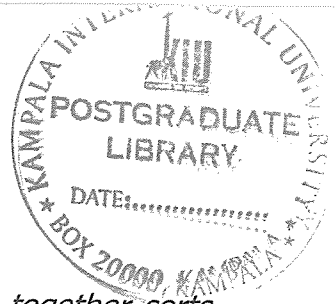
Kotler (1988) defines Management Information System as:

"a continuing structure of people, equipment and procedures which together sorts, analyses, evaluates and distributes pertinent, timely and accurate information for use by managerial decision makers to effect planning, Implementation and control".

Kotler also falls short of conceding that managerial information is a specific package of information which when consulted can provide answers to questions. His view that a management information system is a network of various actors and processes downplays the role of some specific information in the managerial function. Lucey (1991) describes a management information system as:

" a framework to convert data from external and internal sources, communicate it in an appropriate form to managers at all levels in all functions to enable them make timely and effective decisions".

Lucey seems to emphasize that information for managerial purposes is distinct from the rest that exists in an organization.

It is interesting to note that not all the information in an organization is managerial. Some information is therefore outside of the scope of the management information system. It may be easy to assert this distinction in theory, but it may not be as easy to do so in practice. If the distinction between managerial information is questionable then the whole concept of "Management Information" is hollow.

Management Information System is geared towards the proper execution of goals and objectives of an institution through planning organizing and co-ordination of functions. Cuadra (1974) also emphasizes that management information systems are environments of man-machine arrangements and procedures that are directed to augmenting human capabilities in dealing with planning, operation and control of

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data. Both their opinions point towards provision of accurate and timely information to managers with an aim of enabling them executes the organizations set goals and objectives. Therefore the concept of management information system has a diversity of views as presented by different scholars all of which portray the system as that aimed at management and provision of timely and accurate information to managers with an aim of aiding decision making with the objective of achieving the organization set goals.

2.2.1 MIS in Uganda

In a study of the management information system in shell (U) Ltd, Akishule (1997) found that the company had an excellent tapping and gathering process of both internal and external information. Akishule and Kayondo - Nakibinge (1998) made a study of the management information system in the United Nations Development Programme (UNDP) in Kampala. The study noted that the UNDP receives uses and generates a lot of documented information. It also noted the high degree of circulation in department, offices and individuals.

The quality of information that are bound within an organization does not quality a management information system. Even the high degree of circulation does not constitute a management information system. The best this situation amounts to is merely as "Information Systems".
This made him qualify it as a "Management Information System".

The level of technological advancement of the equipment to produce, process, store and communicate information cannot constitute a "Management Information System". The principle which qualities a "Management Information System: is the production and provision of specifically managerial information. A management information system can even be manual, that is, without any technology support and it will still be valid.

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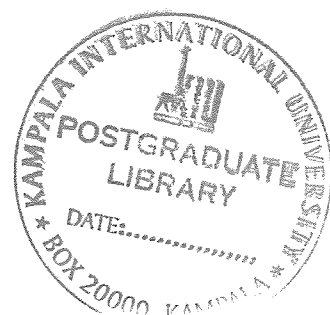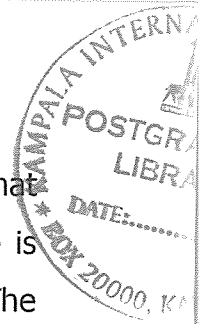
Kayondo & Nakibinge's findings in the UNDP should have led to a conclusion that there is a good information system in the Kampala branch of the UNDP. There is very good reporting and diffusion of the reports in the information system. The information just like the case of shell (U) Ltd is just accumulated probably for accountability purposes and other records purposes.

Nabukenya (1999) conducted a study on the need for effective Management Information Systems in business organizations in Uganda.
The study covered seven big corporations in Uganda, all of them located in Kampala. The general finding was that there was strong unawareness of the importance of management information systems in the organizations.

The problem with Nabukenya's work is that she attributes the failures of the adaptation of Management Information Systems to factors, which are irrelevant to the concept. Some of these are lack of information technology, budgetary constraints, lack of skilled work force to administer the system and absence of national policy supporting Management Information System applications.

The fact is that none of the seven corporations studied e.g. NHC, UEB, UTL, NWSC, AAU, Shell (U) Ltd CERUDED, can be prevented by external factors like finance from establishing a management information systems. All are very well established modern corporations, which cannot be easily constrained in any endeavor to adapt a profitable and efficient system.

The conclusion of Nabukenya that there is none or little use of the Management Information is, however, valid. The proposals of how to induce these corporations systems are also sound.

A study carried out by Bukirwa (1993) information systems management at the Ministry of Labour and Social Affairs portrayed that the ministry managed most of its

information in the libraries, registry and the archives. Active and semi-active records were seen to be stored in the registry and library respectively while the Inactive records were stored in the archives for historical purposes. Bukirwa also found that each department within the ministry contained these three information storage centers that were conceived as the information systems by the ministry.

Although within these centers she observed a considerable amount of information materials for the ministry, these material were poorly stored which provided problems of inaccessibility to required information. She attributed this to inadequate staff that she called understaffing within these centers.

Her findings also showed a rampant loss of information materials due to lack proper coordination between the managerial staff and the records officers. Despite Bukirwa's work being almost synonymous with that of Nubukenya, the biggest problem here is that even the management of the information centers the departments is poor hence does not quality these centers as information systems due to lack of coordination. Thus could not even be considered as having an element of the management information system.

Magara (1993) carried out a research on the management information systems, a case study of the ministry of finance and Economic Planning. His findings just like those of Bukirwa show that within the ministry the information system constitutes the library, registry and archives centers. These centers contain a consignment of books and other documents donated by the British Council, World Bank, and USAID.

Information within these centers is categorized under new arrivals, reference and publications with classified information.

Magara also noted that within this Ministry, the information system is not taken as a priority and some users of the facilities therein find the information inaccessible
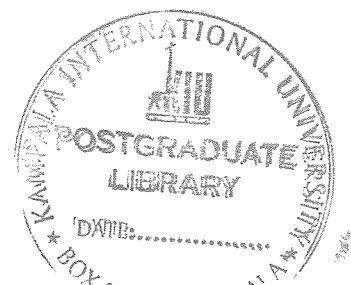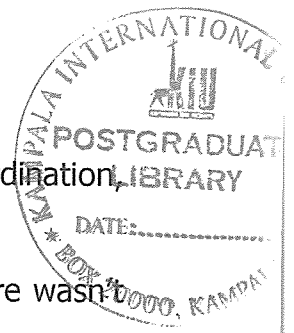
because retrieving information is a problem. He attributed this to poor coordination, inadequate computers and unnecessary misinterpretation of information.

A critical analysis of Magara's research shows that within this Ministry, there wasn't any managerial information stored in the centers and therefore like other researches carried out on government, parastatals, there wasn't any give of a management information system within the Ministry. Hence this calls for more research and guide into management information systems to enable government set up better ways of managing its information resources to enhance planning organization, staffing, directing, coordination and hence management of operations.

Further review of a research by Akello (1993), shows that the information system management at the National Water and Sewerage Corporation was poor. This, she attributed to lack of resources both human and financial. However, general observation tends to indicate that information management decisions in the corporation are often made in a non-systematic manner, which is less productive and costly in terms of organization. Just like the research carried out by Magara, in this corporation there is no sign of managerial information stored therefore no management information system was in place.

Another research carried out by Ariso (1993) at the United Nations.

Food and Agricultural organization (FAO) in Uganda showed that the organization maintained its information in the registry and library centers.

Here SHE observed a well and systematic arrangement of information materials which are limited in use only to workers of FAO. Although this organization has documentation centers, further observation showed that this information was not basically of a managerial nature, thus she concluded that there was no actual management information system in this organization.

2.2.2 Roles of Information Systems

With the changes in the business environment and information technology, it is important to get a clear idea of over all missions of information systems.

In the early days of transaction processing, they acted as "paper factories" to get employees paid, customers billed and so on. During the early days of computers, the objectives of information systems were defined by productivity measures, such as percentage of uptime for the computer and lines of program code written per week (Sprague, 1993). Later during the MIS era, the focus of information systems shifted to producing reports for management.

This era gave us the information system objective which is to get the right information at the right time (Lucey, 1991). The objective fails to note whether anything useful results from the delivery of the information. The mission of an MIS should be to improve the performance of people in organizations through the use of relevant information availed at the right time, in the right format to the right person.

Information systems grow in response to problems, and the information is for problem solving. An information system identifies problems, acquires helpful information and delivers the information to those who need it. Matching available information with an information need is the task of the information storage and retrieval component of an information system. Retrieval is made easier if the information is organized and this involves indexing and classification. This intellectual organization of information should reflect the organization of knowledge and the pattern of thought in the minds of users (Soergel, 1985).

Professor Mcmillan (1989) basing on a study carried out on computer networks in 19 large organizations concluded that *"there is a need to make information management less of a technical service and more of a strategic opportunity".*

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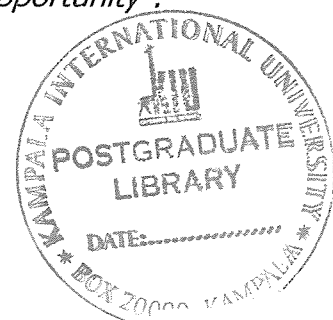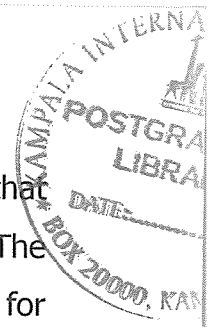
Stressing the importance of information management, Stonner (1989) says that information has become an important and indispensable business resource. The objectives of an information system are to collect data, record and store, provide for its retrieval and transmission (Sugura, 19985).

Oloa (1989) identified the objectives of an information system as provision of information, refining of information and organizing the information in an easily understood format. He further states that the value of information emanating out of an information systems (IS) depends on four factors:

i. *its quality*

ii. *timeliness*

iii. *quantity and*

iv. *relevance to management ability to take action.*

Stonner (1989) says that the design of an MIS must take into account the information needs of various managerial levels as well as meeting the routine transaction processing needs of the total organization.

2.2.3 Requirements for Management Information Systems (MIS)

Management Information Systems, like any other information systems, are kindled by the presence or availability of information which has proved to be a national resource. Information is the input which every decision maker should rationally use to produce for positive transformation. The kind of information required will definitely depend on the type of system and its user needs, in order to facilitate information gathering processing and analysis for decision making.

This shows that information availability and accessibility to decision makers is what constitutes a management information system because such information facilitates planning, organization, directing, and coordinating of the various decisions that managers make in running their respective organization.

Another basic component for management information systems is seen to be the human resource. This constitutes highly qualified personnel in the field of information who help match the right information to the right user at the right time. It is therefore clear that in order to have a sufficient management information system a trained and highly qualified work force is instrumental.

Coordination is also a vital component of the management information system. This facilitates current awareness within the system. Herein matching a solution to a need is made easy through provision of the right information.

In order to ensure proper coordination within a management information system, networking is very vital. In case of a centralized organization local area networks (LAN'S) are important to enable quick and ease of dissemination of information to the managerial staff while wide area networks (WAN's) are instrumental in case where the organization are decentralized and wide spread. This helps attainment of uniformity in provision of information and services to all those in need of a particular service.

There is no about whether automated or manual, the successes of Management Information Systems depend principally on:

1. *The knowledge of the decision makers top categories the type of information they require.*
2. *Their ability to identify the information sources, facilities and tools to be used.*
3. *How easily the required information can reach them or can be accessible.*
4. *The correct use to which the required information is put.*

Though the information requirements of large and small scale firms may differ, the basis for successful management consists of identifying and analyzing problems and synthesizing solutions. This all relies on good information. A management information system must provide data about the organization's performance to help in the process of good decision-making.
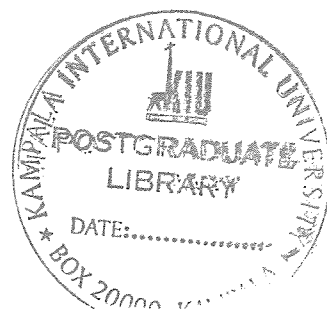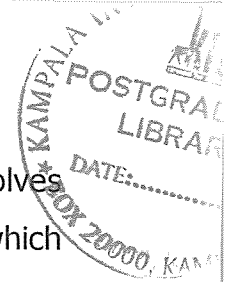
Guadra (1974) found that planning information systems and services involves activities such as identifying the information needs of the potential users to which information will be put. Designing systems, which will meet the requirements identified, and re-evaluating the resulting systems not only to close the gap between expectations and actual performances, but also to cope with the fact that information needs change with capacity to satisfy them.

Soegel (1985) affirms this by saying that information systems are all around us: management information systems, information and referral centers, message distribution systems and libraries. He continues to say that information systems grow in response to problems thus information is for problem solving. He concludes that information systems identify problems, acquire helpful information and deliver this information to those who are in need.

Cigler (1970) backs up Soergel's ideas by emphasizing that information activity requires a common coordinated activity of information system that observes the rules that govern every intentionally managed social activity taking into account the interests and requirements of the information users.

He further says that utilization of information in the process of decision making is defined only with regard to a certain aim which should depend on the degree of integration of information network and its services. Secondly, it should also consider the extent of comprehensiveness of the information system and the questions pertinent to it that is acquisition, storage, processing, availability and dissemination of information.

Also, of importance, is interlinking of the information system with other systems of the world. In this regard he also emphasizes starting of the hierarchy of the information requirements, extent and order of meeting the demands of science, managing and economic bodies. *The alertness, regularity, adaptability, extent of*

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information, degree of mechanization and automation as well as influence of human factor on the activity all of which enhance attainment of a good information system.
Hansi (1970) He also reported that:

.. information activities are still hindered by a number of factors that include lack of overall planning and coordination and inadequate funds. He concluded by recommending that comprehensive, Consistent and regular information measures could be of great significance in order to provide decision makers at all levels with a yardstick with which they would realize and assess the importance o Management information systems.

2.2.4 Objectives of a MIS
The major objectives of a management information system are:-

1) *To provide fast and accurate information in response to specific requests.*
2) *To provide information sources from which required information is accessed.*
3) *To provide for an information delivery structure through which information is channeled.*
4) *To control and monitor facilities of the information systems.*

For efficiency therefore, the situation demands for a high level of information management skills and greater efficiency in information handling wherever it takes pale in the information network. It is also important that the chain of communication between the users, the required information specialist is as short as possible to over come time wastage in the process of accessing information. To achieve this, there should be direct contact between these persons to enhance greater understanding of the user's information needs, which leads to improvement in quality of the information provided to such users.
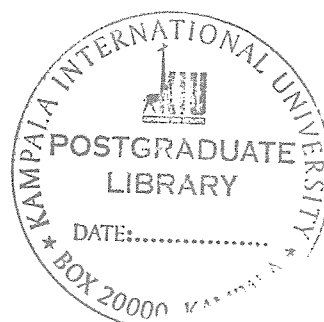
Therefore, for success, continued growth, development and existence of institutions and organizations, information systems and information technology are indispensable. If these systems are ignored, the institutions will fall short of proper guidance, adequate decision making and organization in general and the end result would be loss or misuse of information hence their down fall.
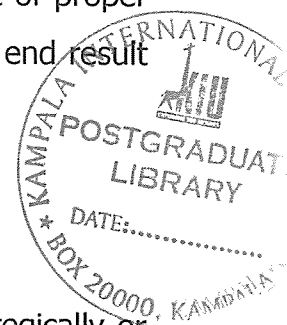
2.3   IT Business Strategy

Many companies may choose to use information technology system strategically or they may be content to use IT to support efficient every day operations. However, if a company emphasized strategic business uses of the IT, then management should view IT as major competitive differentiator. And the company would demise a business strategies that may led IT to develop services and compatibilities that would give the bank major advantages in the market it competes.

Betting on new IT innovations can mean betting the feature of a company. Leading-edge firms are sometimes said to be the "bleeding edge". Almost any business executive is a manse of disastrous projects that had to be written off often after large cost over runs, because the promised new information technology system did not work.

Planning for competitive advantages is very important today in Banking sector competitive business arena and complex information technology environment.
There is need for strategic business IT planning an examination of the potential benefits and risks a company faces when using IT based strategies technologies for competitive advantage. This notion of planning has been neglected by many companies that have invested in IT projects hence forth find it had to achieve long term organizational goals.

James A O'Brien (2004) suggests that "a strategic business IT planning must use a

strategic opportunities Matrix to evaluate the strategic potential of proposed business IT opportunities as measured by their Risk/payoffs probabilities.

Table 2. 1: A strategic Opportunity Matrix to Evaluate Risk /Payoffs of IT

High	High risk	High success
Strategic	High payoff	High payoffs
Business	opportunities	opportunities
Potential	High risk	Safe-but
	low pay off	Low pay off
Low	opportunities	opportunities

| | *Low* | *High* |

Firm's ability to deliver with IT.

The proponents of the blue wave theory argue that, "with competitive imperatives of real growth, globalization customer orientation and customer sophisticated expectations.

Business organization should cut thought and render competition useless by providing high quality products and services, at low prices, and Deliver them just in time. This can be achieved by planning and organizing for competitive advantage using IT business strategies build on the existing Business strategy.

However, the banking sector that to day used a lot of information technology to achieve organizational transformation and development has not been fully articulated and exploited this area.

What managers need to know is that there is no longer any distinction on information technology project and business initiative.

Information technology in Banking Business is a key component of the products and

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services that it must provide to their customer and guests their premises.

To provide effective support of company's strategies to gain a competitive advantage, the strategic role of management systems involves using IT to develop products services and capabilities that give a company a major advantage over the competitive forces it faces in the global market place.

(Macheal Robinson 1999) says *"IT is no longer an offer thought in forming business strategy but the actual cause and driver"*. It is against this background that managers must view IT systems as more than just a set of IT that support efficient business decision-making. It can change the way businesses compete so this study will view IT systems strategically, as a vital competitive network, as a means of organizational renewal, as a necessary investment in IT technologies that help a company adopt strategies and business process alignment that enable it to reengineer itself in order to survive and succeed in today's dynamic environment.

This creates strategic information technology systems (SITS) that support or shape the competitive position and strategies of a banking business enterprise. Therefore, SITS can be any kind (IT's, ICTs, MIS, etc) that use IT to help an organization gain a competitive advantage and reduce competitive disadvantage to achieve organizational transformation and development, (Neumann, Seer. 1994).

However, it should be noted:

"One would question, how should a business professional think about competitive strategies and what frame work should managers accept to follow and justify IT projects as a driver for organizational transformation and development".

A company can service and succeed in the long run only if it successfully develops strategies to confront five competitive forces that shape the structure of competitive forces in its industry, (Michael Potters 1985).

In a clerical model of competitive strategy, its argued that:

"any Business that wants to service and succeed must develop and implement strategies to effectively counter the rivalry of competitors and the threat of substitutes, the bargaining power of customers, the threat of new business entrants, and the bargaining power of suppliers".

Business can develop competitive strategies to counter the actions of the competitive forces they confront in the market place. The five basic competitive strategies include:

- *cost leadership*
- *differentiation innovation*
- *growth and*
- *alliance*

One would ask,   Can IT be used to boost the five basic competitive strategies? Strategic management views IT as a resource that is pervasively important in any organization, like financial and human resources. Its management is a basic business function. Viewing IT as a functional capability, implies the need to develop the IT strategy, analogous to financial and human resource strategies in new products/services for organizational transformation and development.

Business entities are changing continuously; hence, organizations have to keep pace, to achieve organizations responsiveness. Moreover, managers should minimize the uncertainty that exists in their units of management. The key to minimizing the uncertainty is by having accurate and timely information about the critical aspects of the environment. In a rapidly (turbulent) environments, the quantity of data and the speed at which the data changes is such that the managers can not keep truck of all meaningful events without using information technology both effectively and efficiently. Unless the purpose of information system can be clearly identified, that there is no way to evaluate the effectiveness of information system. Note that, well defined objectives of information technology projects also make it much easier to keep control of information technology management strategies and information
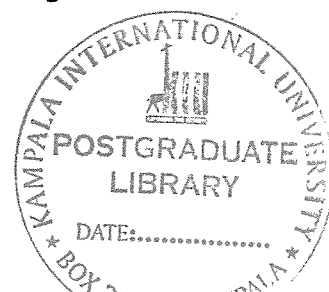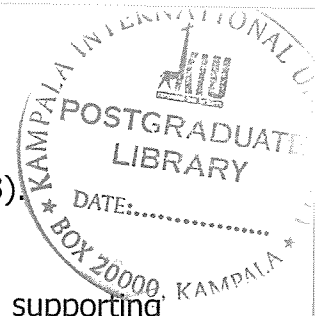
system development projects. (Ronald Thompson and W. Cats Baril, 2003).

It should be held strongly that, a clear strategy and well throughout supporting programmed may be useless if the firm fails to implement the clearly...... Indeed , strategy is only one of the seven elements like; structure and system are considered to as hardware of success and the other four-style skills and shared values as softwares (Kotler 1985).

2.4 Organizational Planning

Information technology has created a seismic shift in the way companies do business. Just knowing the importance and the structure of e-business is not enough, you need to create and implement an action plan that allows you to make the transition from an old business design to a new e-business (De Geus, Arie 1988).

```
┌─────────────────┐                                                    ┌─────────────────┐
│ Analyze the     │                                                    │ Articulate the  │
│ Organizational  │─────┐                                              │ organizations   │
│ Environment     │     │                                              │ plan            │
│                 │     │                                              │                 │
└─────────────────┘     │                                              └─────────────────┘
                        │                                                       ▲
┌─────────────────┐     │   ┌──────────────┐   ┌──────────────┐   ┌─────────────────┐
│ Forecast Internal│    │   │ Team Building,│  │ Establish    │   │ Develop         │
│ & External      │────▶│──▶│ Modeling &   │─▶│ Vision,      │──▶│ Strategies,     │
│ Development     │     │   │ Consensus    │   │ Mission, Goals│   │ Policies and    │
│                 │     │   │              │   │              │   │ Tactics         │
└─────────────────┘     │   └──────────────┘   └──────────────┘   └─────────────────┘
                        │                                                       ▲
┌─────────────────┐     │                                          ┌─────────────────┐
│ Evaluate        │     │                                          │ Develop,        │
│ Accomplishment  │─────┘                                          │ Implementation  │
│ s & Resources   │                                                │ Methods and     │
│                 │                                                │ Control         │
└─────────────────┘                                                └─────────────────┘
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Feedback
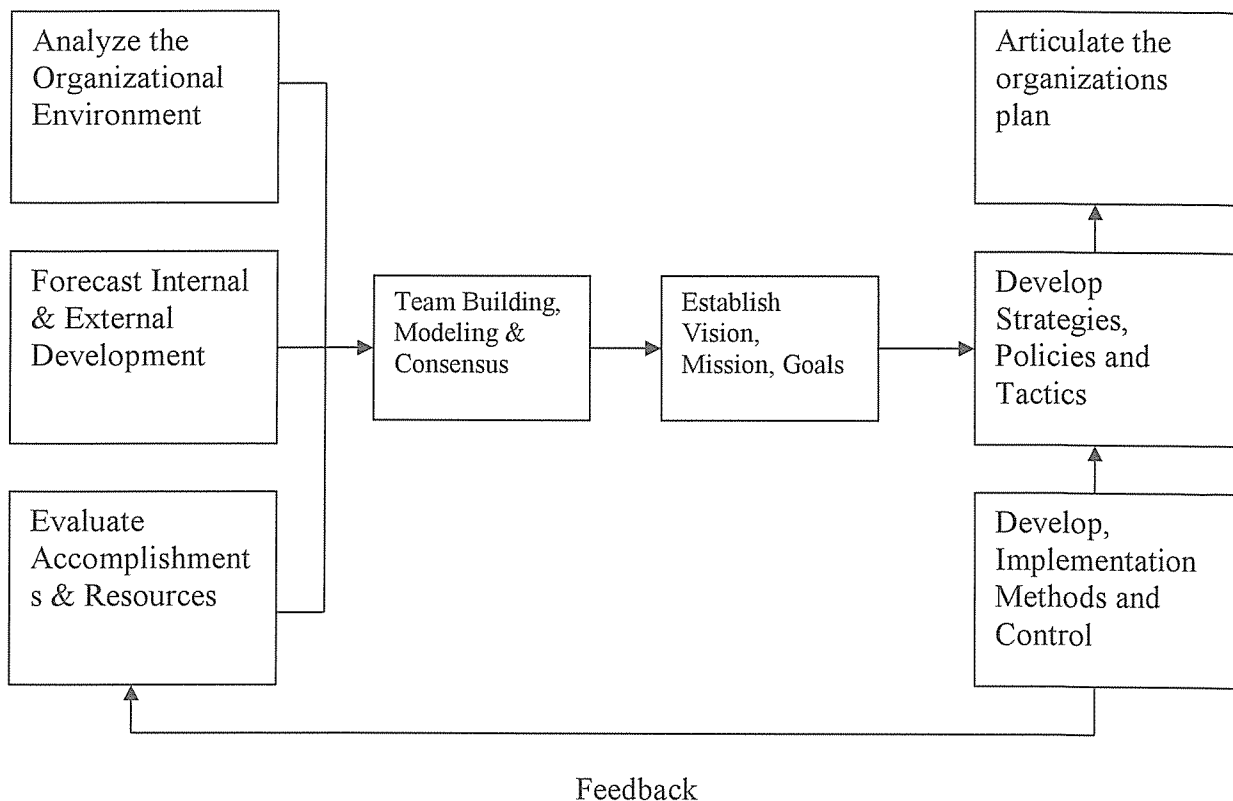
(Source: James A Obrean, Mgt information systems 2004)

Figure 2. 1: *The Components of Organization Planning Process*

The above planning process results into what we call *a plan* which formally articulates actions for the organization to achieve its goals therefore, organization plan is an action statement from actions results are produced. It should be noted that part of planning is learning from results.

2.4.1   Strategic Planning

Strategic planning is an action of developing an organization's mission goals, strategies, and policies. According to Earl Michael (1993), corporations develop strategic plans in three levels;

● *By sharing vision using techniques of team building, scenario building and consensus creating exercise by answering strategic visioning questions*

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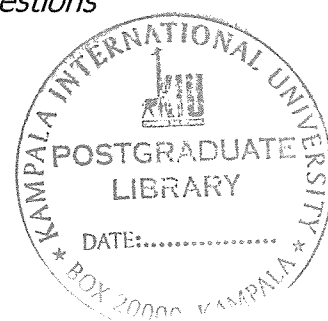
- *Tactical planning: this involves the setting of objectives and development of procedures, rules, schedules and budgets.*
- *Operational planning: this involves planning that is done on a short-term basis to implement and control day-to-day operations of an organization.*

Many organizations today use different planning methodologies to achieve their business goals.
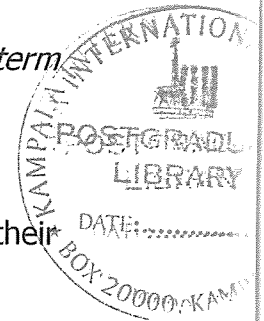
2.4.2 Scenario Approach to Organizational Planning

Managers and planners try different approaches to make planning easier, more accurate and more relevant to the dynamic real world business environment. The scenario approach to organizational has gained popularity as a less formal but more realistic strategic planning methodology for use by business professional.

In support for scenario approach to organizational planning, D Geaus early in 1988 argued, that planning and budgeting processes are notorious for their rigidity and irrelevant to management action. Rigid adherence to a process of rapid or efficient completion may only make the process less relevant to the true management agenda.

In scenario approach teams, of managers and other planners participate in what management author Peter Senge, calls "*Micro world or virtual world exercise*". According to him,

"*a Micro world is a simulation exercise managers can safely create experience and evaluate a variety of scenarios of what might be happening or happened in the real world*".

Thus in the scenario approach, to strategic IS teams of business and IS managers should create and evaluate a variety of business scenarios to come up with effective plans for their organizational transformation and development.

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Technology	Deregulation
● Electronic Commerce	● Regulated Markets opened up
● Customer IT	● Fewer Regulatory implements in business
● Death of Distance	● Single currency zones
● Digital Everything (Technology Convergence)	● Regulators out flanked by changing boundaries
● Information Content of products and Servicing	

Converging Trends

Competitive imperatives	Customer Sophistication/Expectations
● Imperatives	● Demand for better and more convenient solutions
● Real growth	
● Globalization	● Increased emphasis on service
● Customer orientation	● Demand for added value
● Knowledge and capability	
● New entrants	● Less tolerance for poor standards
● Enablers	
● Alliances	● Just-in-time delivery
● Outsourcing	● Brand "Savvy"

(Source: Martin Diese et.al., *2000)*

Figure 2. 2:Converging Business, Political and Technological trends that are shaping Strategic Business IT Planning

2.4.3 Planning for Competitive Advantage

Planning for competitive advantage is especially important in today's competitive business arena and complex information technology environment. So strategic business IT planning involves an evaluation of potential business and risks a company faces when using CBIT best strategies and technologies for competitive advantage. A model of competitive forces (Michael Potter 1985) that suggested cost leadership, differentiation, growth, innovation and alliance business transformation strategies need to be examined as well as a value chain process to help generate ideas for strategic use of IT to support organizational transformational and development for any business organization.
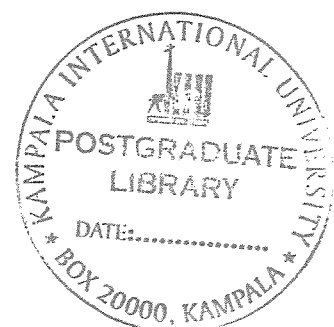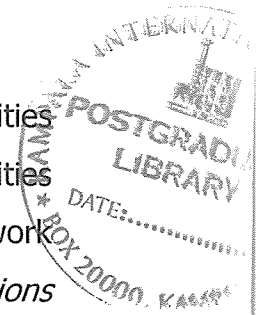
Also, popular in strategic IT planning, is the use of a strategic opportunities matrix to evaluate the strategic potential of proposed business IT opportunities as measured by their pay offs/risk probabilities. Kean Peter(1991), in his work shaping the future for organizations, he argued that *"beating on IT innovations can mean beating the future of the company".* Leading age firms are sometimes said to be on the "blending age" almost any business executive is aware of disastrous projects that had to be written off often after large cost over run because the promised new systems simply do not work. Hence, there is high need to plan for competitive advantage that would work as footsteps for organizational transformation and development.

2.4.5 SWOT Analysis

SWOT Analysis (Strength, Weaknesses, Opportunities and Threats) is one of the techniques used to evaluate the impact that each possible strategic opportunity can have on a company and its use on IT (Kean Peter, et.al., 1991).

- *Strengths*

  A company's strengths are its core competences and resources in which it is one of the market leaders.

- *Weaknesses*

  Weaknesses are areas of substandard performance in an industry or market segment.

- *Opportunities*

  Opportunities are the potential for new business market or innovative break throughs that might greatly expand the present market.

- *Threats*

  Threats are the potential for business and market losses posed by the actions of competitors and other competitive forces, changes in government polices, disruptive new technologies and so on.

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For example, a review of Dell Computer Company used SWOT analysis as a technique to put together its business strategy that included mass customization and just in time manufacturing (by letting the customers use the web to design their own computers) and then customers building their own systems. Against this background Dell's struck with its direct sales plan and developed and a world class E-Commerce website, to show case and sale its products (Margretta Joan, 2002)

2.4.6 IT Business Model and Planning for Organizational Transformation and Development

Business models was one of the great buzz words of the internet boom routinely as the writer Michael Lewis puts it "*to invoke all manners of half backed plans*", but a good IT business model remains essential to every successful organization whether it is a new venture or an established player (Margretta, ibid). A business model is a conceptual framework that expresses the underlying economic, logic and systems that prove how a business can deliver value to its customers at an appropriate cost and make money. A business model should answer vital questions about the fundamental components of business transformational strategies such as: *customer value, scope, pricing, revenue sources, connected activities implementation, capabilities and sustainability.*

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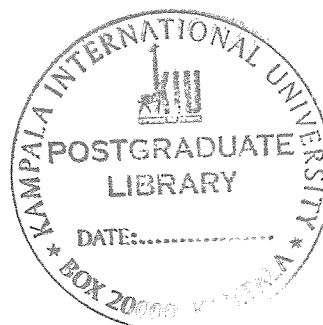
Table 2. 2: Questions that Illustrate the Components of all Business Models for Organizational Transformation and Development
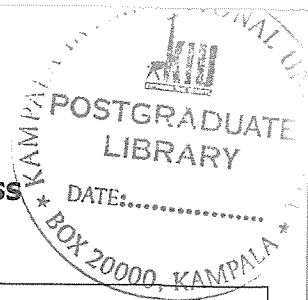
Components of business Model	Questions
Customer Value	Is the firm offering its customers something distinctive or at a lower cost than its competitors?
Scope	To which customers (Demographic and Geographic) is the firm offering this value? What is the range of products/services offered that embody this value?
Pricing	How does it price the value?
Revenue Resources	Where do we get capital? Who pays for what value and when? What are the margins in each market and what derives them?
Connected activities	What set of activities does the firm have to perform for offer this value and when? How connected are these activities?
implementation	Organizational Structure, system, people and environment does the firm carry out these activities? What is the fit between them
Capabilities	What are the firms' capabilities, capabilities gaps that need to be refilled? How does the firm fill these capabilities gaps? Is there something distinctive about these capabilities that allow the firm offer the value better than other firms and that makes them difficult to imitate? What are the sources of these capabilities?
Sustainability	What is about the firm that makes it difficult for other firms to imitate it? How does a firm keep making money? How does the firm sustain its competitive advantage?

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(Source: Allan Afuah and Christopher Tucci, Internet Business Models and Strategies New York, McGraw-hill/Irwin 2001)

It should be noted, however, that a good business model should effectively answer the questions in the table above to come up with and effective strategic plan for its transformation. Therefore, a business model is a valuable planning tool, because it focuses its attention on how all its essential components of business fit into a complete system. If it is done properly, it forces entrepreneurs and managers to think vigorously and systematically about the business IT initiatives and its future plans. Then the strategic planning process can be used to develop a unique business strategy that can capitalize on a firm's business model to help it gain competitive advantages in its industry and the markets it would want to dominate.

2.4.7 Business IT Planning

A Business IT Planning process focuses on discovering innovative approaches to satisfy a company's customer value and business value goal. This process leads to development of strategies and business models for new E-Business and E-Commerce platforms, processes, products and services therefore; companies should develop IT strategies and IT architectures that can support building and implementing their newly planned business applications.

Kelly Young(1999) in his work transforming organizations using IT, argued that both CEOs and CIOs of companies must manage the development of complementary business and IT strategy to meet their customer value and business value vision. It should be noted that the co-adoption of processes is important because information technologies are a fast changing but vital components in many business initiatives therefore; the business IT planning process of any company/firm should gave three major components:
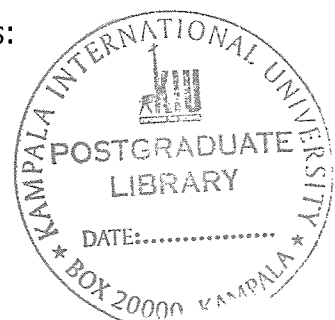
2.5   Information Technology Architecture

The IT architecture created by the strategic business IT planning process can be seen as a conceptual design or a blue print for organizations IT business alignment.
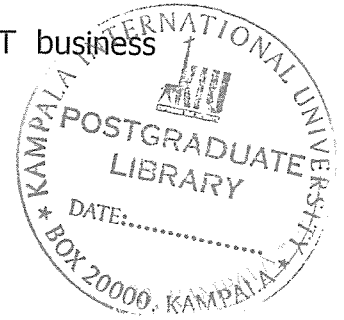
2.5.1   Major components of IT Business Architecture
- *Technology Platform*

    This involves internets, intranets, extranets and other networks, computer system, system software and integrated enterprise application software that provides a competing and communication infrastructure or a platform to support the strategic use of information technology for E-Business, E-Commerce and other business IT applications.

- *Data Resources*

    There are many types of operational and specialized databases including data warehouses and internet/intranet database store to provide data and information for business processes and decision support.

- *Applications Architecture*

    All business applications of information technology are designed as an integrated architecture of enterprise systems that support strategic business initiatives as well as a cross-functional business processes. O'Brean (2003) emphasizes that a good application of IT business architecture should support the development and maintaining enterprise supply chain, the integrated enterprise resource planning and customer relationship management applications.

2.5.2   IT Business Organizations
The organizational structure of IS function within a company and the distribution of IS specialists are designed to meet the changing strategies of a business. The form of IT organization of a company depends on the managerial philosophy and business strategies formulated during the strategic planning process.

As modern managers are put on acute task of answering questions related to information technology; like:

- *Can IT change/build barriers to new entry using switching costs, competition, balance of power in supply relations of products?*

- *Is there justification for IT projects as a strategic driver for organizational transformation and development?*

A researcher has a great hope that the study came up with findings that reflect practical contribution on knowledge creation technological and socio-economic value to managers and the world of academia.

2.6 Corporate Transformation

Francis J. Gouillart and James Kelly (1995) define business transformation as "the Orchestral design of the architecture of the corporation, achieved by working simultaneously...along the four dimensions of Reframing, Restructuring, Revitalization and Renewal".

"Unlike mere change, which occurs by default, transformation is the result of an enduring, organization-wide motivation and commitment to achieve a common set of "goals".

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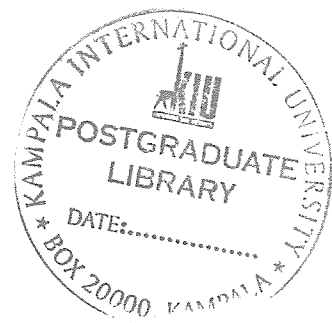
The 4 R's of Transformation / Transformation Phases
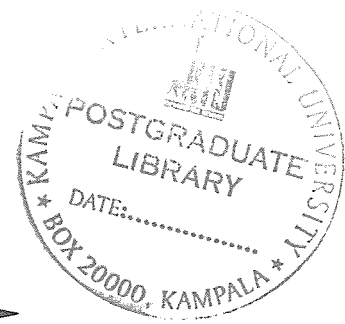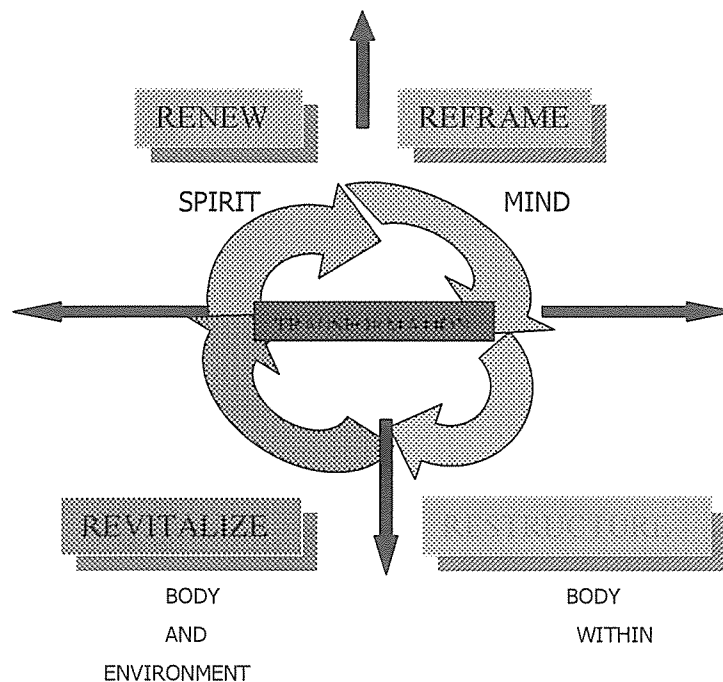
Figure 2. 4: The 4Rs of Transformation

Source: *Francis J. Gouiliat & James N Kelly. Transforming the organisation*

2.7.1 Key Routes to Business Transformation

Transformation is not a result of improving processes, or retaining total quality within the production, or successfully right-sizing the organization. These programmes are not opposed to the goals of transformation as such. Transformation involves all dimensions of the organization, focusing on four key elements:

(i) *Reframing*: *i.e infusing a strategic new Vision; "fundamentally changing the source of the firm's motivation, the standards of its judgment, and the values that underlie its sense of emotional well-being".It requires strategic leaders, having the right insight about the organization's future.*

(ii) *Restructuring*: *involves realigning an organisations human and material infrastructure to create dramatic improvements in quality, efficiency, and cost. Reengineering is central but not exclusive.*
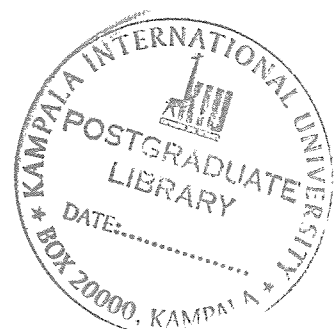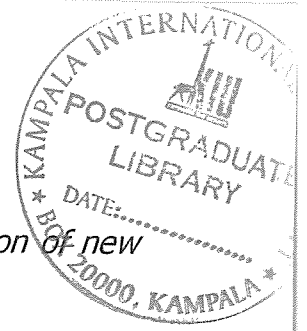
(iii) Revitalization: is about achieving market focus through the invention of new businesses and creating customer value.

(iv) Renewing: "is about investing people with new skills and new purposes", by fostering a sense of community among employees. Marketing is a key factor.

2.8 Research Gap

From literature reviewed in this chapter, two issues were significant.

- *The first was that there is need to clarify more on the concept of IT business strategy and its advantages towards organization transformation and development.*
- *The second was that, there is a need to find ways through which IT/ICT can be adopted in organizational transformation and development strategies in the banking sector.*

There is therefore a research gap in the two issues mentioned. The only way to clarify the concept of IT business strategy was to inquire into the applications of IT/ICT and MIS and their role in organizational transformation and development. The information available can be supported through further research towards the management of IT applications in business operations of Nile bank.

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CHAPTER III

RESEARCH METHODOLOGY

3.0 Introduction

This chapter includes various sections that portray how the research study was carried out. The methodology had both qualitative and quantitative aspects of data collection. It presents the methods, techniques and procedures that were used in order to gather the required data for the study. The details of the research design, geographical location of the study, description of the study population, sample selection and sample size, data collection instruments, data quality control and data analysis are described.

3.1 Research Design

The researcher employed a descriptive survey design which was mainly used as a qualitative approach with some quantitative aspects. The survey design was chosen because the study was to collect the experiences, views and opinions of the members of staff of Nile Bank to identify the contributions of IT as a strategic driver to organizational transformation and development.

- ### *The Geographical Location of the Study*

The study was conducted at the Nile bank Headquarters on Jinja road in Kampala the capital city of Uganda. This area was selected because of financial and time constrains of the researcher.

- ### *Description of the Study Population*

The study population was the staff members of Nile bank, from the clerical grade to senior management, but the researcher focused more on IT staff.
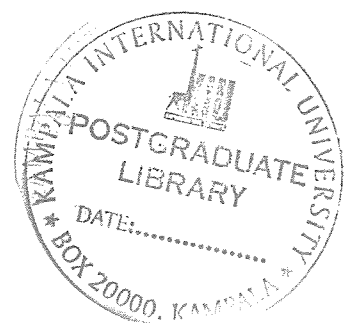
Sample Selection and Sample Size

A sample of 50 respondents was selected through stratified purposive sampling. The 50 members of staff selected have, by nature of their work, information on the contributions of IT as a strategic driver to organization transformation and development. The researcher chose this technique because, the aim was to select a representative sample that was information-rich and those who had a higher need for information in the performance of their work.

3.2   Data Collection Instruments

The researcher employed the methodological triangulation (i. e. use of multiple methods to study a single problem) in the process of gathering both quantitative and secondary data. The researcher used observation method, interview method and content analysis method.

- *Questionnaire*

Quantitative data was collected using the questionnaire.

This is divided into three sections.

- *Section 'A' requesting for the background information on the participants*
- *Section 'B' information about IT as a strategic driver and*
- *Section 'C' the banks management strategy towards transformation and development.*

- *Interviews*

Slater (1990) observes that if a researcher needed to dig in detail into the experiences and reactions of the respondents, he/she would do better to research by interview. The researcher also employed an open-ended interview method to allow respondents express their views freely in their own way with minimum influence from the researcher. An interview topic guides ware designed to keep the researcher on track.

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- *Observation method*

This method was aimed at satisfying the researcher's investigational interests about the distinctive tasks in the department surveyed. An observation guide was designed and used.

- *Documentation survey*

The documentation survey was also used in this research. This helped the researcher in taking appropriate measures to confirm the findings and make conclusions in line with the accepted ideas about IT business strategies as boost of Nile bank's organizational transformation and development plan.

3.3 Sources of Data

- **Primary data**

The sources of primary data used were, Nile bank staff members who provided fast hand information. This information was collected using questionnaires, interviews and observation methods.

- **Secondary sources.**

The secondary sources used are: internet, KIU library, periodicals/ publications, journals and the web site of Nile Bank, British Council library, Bank of Uganda library and Uganda Institute of Bankers library. The methodology of taping these sources was by documentary review.

3.4 Data Quality Control

The questionnaire was tested to prove its validity and reliability by discussing questions with experts including my research supervisors for modifications, guidance and secondly by piloting the instrument during Orient Bank exhibitions at KIU when opening their ATM KIU branch. The researcher also used interview topic guides and observation guide respectively.
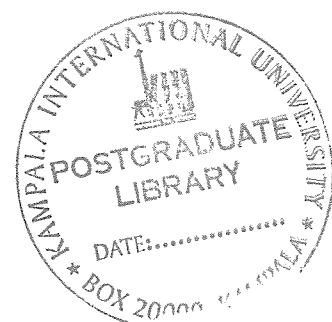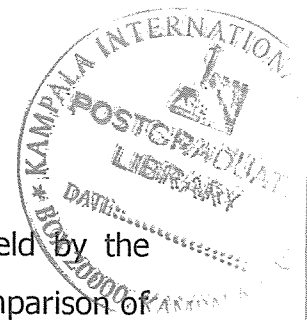
3.5 Data editing and Coding

Editing of data in this study was carried out in two phases, in the field by the researcher during interview sessions and after the whole research the comparison of the findings was done before data was coded.

3.6 Data Analysis Techniques

The researcher used conceptual ordered display matrix to analyze the quantitative data. The row displayed computer based information technology performance levels that was philosophical, strategic and tactical/operation. The columns displayed IT involved activities at Nile bank in comparison against the dominant IT practices for IT business strategies as measure for organizational transformation and development. The analysis of research findings was done by statistical analysis using **SPSS** to get means and percentages of data value for questionnaire items.

3.7 Limitations of the study

The study was constrained by security sensitivity of the case study since it is a financial institution. For example some sections of the bank was not easley accessed, and some information was not provided due fears of competitors.

The research was also very costly since it was student sponsored, may be the researcher would have taken comparative analysis approach.

CHAPTER IV

PRESENTATION OF FINDINGS AND INTERPRETATIONS

4.0 Introduction

The chapter discusses IT as a strategic driver to organization transformation and development of Nile bank.

The research was both qualitative and quantitative in nature. With no previous research to quote from, the study relied on interviews with Key managers and review of the banks documents like Nile Bank Five years business plan, operational procedures, manual reports, among others to establish whether Nile Bank management had an articulated IT business strategy towards its long term goals.

This findings presented were derived from a research questionnaire that tested Nile bank's IT business visioning strategy, that was more focused on how the bank uses the four main forces for competitive advantage Porter (1985) of; cost leadership, product/service differentiation business innovation and efficiency. The research tool also tested two key IT business transformational strategies; IT business process improvement and IT business process re-engineering. These were to analyses Nile Bank IT, business alignment as a strategic driver for transformation and development.

The transformation trends of Nile Bank from the manual Business process operations into use of computer based information technologies for a competitive advantage in dynamic market was also investigated

4.1 Existence of Vision and Mission Statements in the Organization

Staff members were asked whether the Bank has Vision and Mission Statements. Below is the analysis of the responses given by male and female staff members

Table 4. 1: Existence of Vision and Mission Statements in the Organization

Table 4.1: Existence of Vision and Mission Statements in the Organizat

			Does your bank have a mission and vision?		
			Yes	No	Total
Sex	Male	Count		18	18
		% within Sex		100.0%	100.0%
		% within Does your bank have a mission and vision?		72.0%	45.0%
		% of Total		45.0%	45.0%
	Female	Count	15	7	22
		% within Sex	68.2%	31.8%	100.0%
		% within Does your bank have a mission and vision?	100.0%	28.0%	55.0%
		% of Total	37.5%	17.5%	55.0%
Total		Count	15	25	40
		% within Sex	37.5%	62.5%	100.0%
		% within Does your bank have a mission and vision?	100.0%	100.0%	100.0%
		% of Total	37.5%	62.5%	100.0%
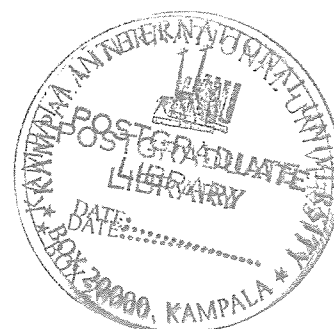
4.1.1 Employees' Knowledge about the Organization's Vision and Mission in relation to duration of stay at the Organization

Table 4. 2: Employees' Knowledge about the Organization's Vision and Mission in relation to duration of stay at the Organization

61
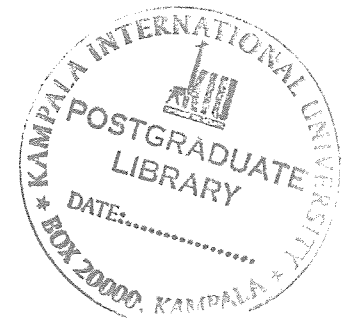
Table 4.2: Employees' Knowledge about the Organization's Vision and Mission in relation to Duration of Sstay at the Organization

| | | | In your view, how many of your fellow staff knows the vision and mission of your organisation? | | | | |
			All of them	Most of them	A fair number	A few of them	Total
How long have you worked with this bank?	One year and below	Count	4				4
		% within How long have you worked with this bank?	100.0%				100.0%
		% within In your view, how many of your fellow staff knows the vision and mission of your organisation?	100.0%				10.0%
		% of Total	10.0%				10.0%
	2 years	Count		6	4		10
		% within How long have you worked with this bank?		60.0%	40.0%		100.0%
		% within In your view, how many of your fellow staff knows the vision and mission of your organisation?		100.0%	16.7%		25.0%
		% of Total		15.0%	10.0%		25.0%
	3 years	Count			4		4
		% within How long have you worked with this bank?			100.0%		100.0%
		% within In your view, how many of your fellow staff knows the vision and mission of your organisation?			16.7%		10.0%
		% of Total			10.0%		10.0%
	4 years	Count			16	6	22
		% within How long have you worked with this bank?			72.7%	27.3%	100.0%
		% within In your view, how many of your fellow staff knows the vision and mission of your organisation?			66.7%	100.0%	55.0%
		% of Total			40.0%	15.0%	55.0%
Total		Count	4	6	24	6	40
		% within How long have you worked with this bank?	10.0%	15.0%	60.0%	15.0%	100.0%
		% within In your view, how many of your fellow staff knows the vision and mission of your organisation?	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	10.0%	15.0%	60.0%	15.0%	100.0%

(a) All staff who have been at the Organization for one year and below, said that all of them are aware of the vision and mission of the   organization

62
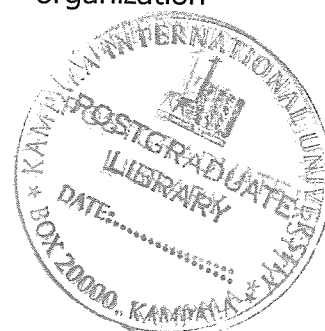
(b)   60% of staff who have been at the organization for 2 years said that most of them are knowledgeable about the vision and mission of the organization while 40% said only a fair number of them is knowledgeable about the vision and mission of the organization

(c)   All staff who have been at the organization for 3 years said that a fair number of them know about the vision and mission of the organization

(d)   72.7% of staff who have stayed at the organization for 4 years said that a fair number of them know about the vision and mission of the organization while 27.3% said that only few of them know about the vision and mission of the organization

(e)   Overall, 10% of the employees said that all the staff knows about the vision and mission of the organization. 15% said most of the staff know about the vision and mission, 60% said a fair number of them know about the vision and mission while 15% said only a few of them know about the vision and the mission of the organization
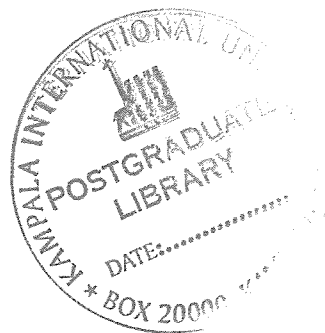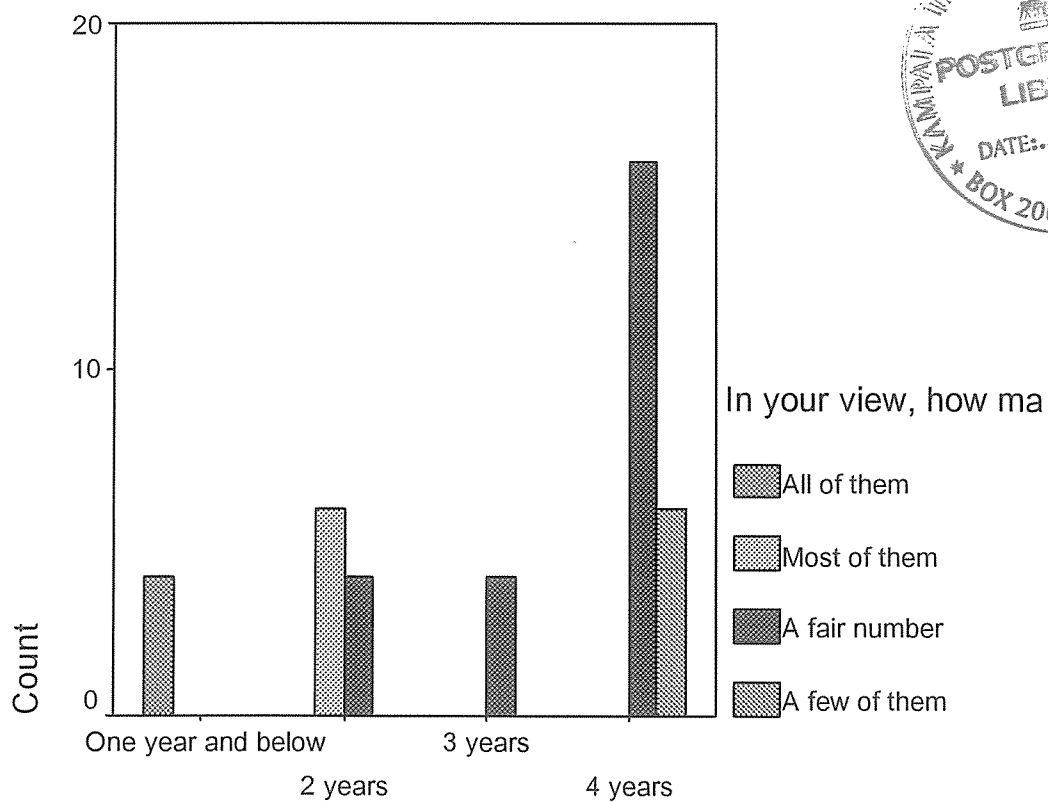
Figure 4. 2 : *Employees Knowledge about the Organization's Vision and Mission i relation to Duration of Stay*

4.1.2 Employees' Knowledge about the Organization's Vision and Mission in relation to Designation

(a) All support staff said that all of them are knowledgeable about the organization's vision and mission

(b) 78.6% of the Bank's staff said a fair number of them know about the organization's vision and mission while 21.4% observed that only a few of them know about the organization's vision and mission

(c) 50% of the supervisors observed that most of them are knowledgeable about the organization's vision and mission.   An equal percentage

observed that a fair number of them know the organization's vision and mission.

(d)   All the managers said they know a fair number of them know about the organization's vision and mission

(e)   Overall, 10% of the organization's staff said all of them know about the organization's vision and mission, 15% said most of them know it, 60% said a fair number of them know about the organization's vision and mission while 15% observed that a few of them know about the organization's vision and mission.

4.1.3   Employees' Understanding of the Organizations' Vision and Mission in relation to gender
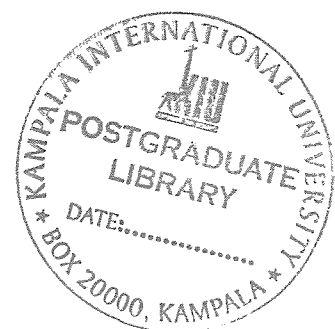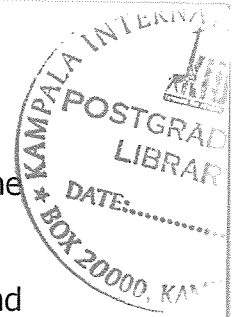
(a) All male staff strongly agreed that those employees understand the organizations' vision and mission

(b) 27.3% of the female staff strongly disagreed that employees understand the organization's vision and mission while 54.5% agreed that employees understand the organization's vision and mission while 18.2% said they strongly agree that employees understand the vision and mission of the organization

(c) Overall, 15% of the staff strongly disagreed that employees understand the organization's vision and mission, 30% agreed, while 55% strongly agreed that employees understand the organization's vision and mission

4.2 Organization's Commitment to Transformation and Development Using IT

Staff members were asked whether the organization places a premium on transformation and developing itself using information technology. The table and graph below give the analysis of their responses with respect to their age groups.

Table 4. 4: Organization's Commitment to Transformation and Development Using IT

Table 4.5: Commitment of the Organization to Transformation and Develo[relation to age group

| | | | This bank places a premium on ansformation and developing itse using infromation technology | | | |
			Strongly disagree	Agree	Strongly agree	Total
Age	20-29	Count	8	14		22
		% within Age	36.4%	63.6%		100.0%
		% within This bank places a premium or transformation and developing itself usir infromation technolo(	100.0%	70.0%		55.0%
		% of Total	20.0%	35.0%		55.0%
	30-39	Count		6	12	18
		% within Age		33.3%	66.7%	100.0%
		% within This bank places a premium or transformation and developing itself usir infromation technolo(		30.0%	100.0%	45.0%
		% of Total		15.0%	30.0%	45.0%
Total		Count	8	20	12	40
		% within Age	20.0%	50.0%	30.0%	100.0%
		% within This bank places a premium or transformation and developing itself usir infromation technolo(	100.0%	100.0%	100.0%	100.0%
		% of Total	20.0%	50.0%	30.0%	100.0%
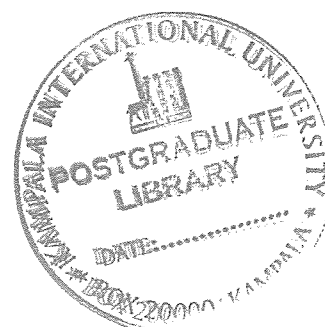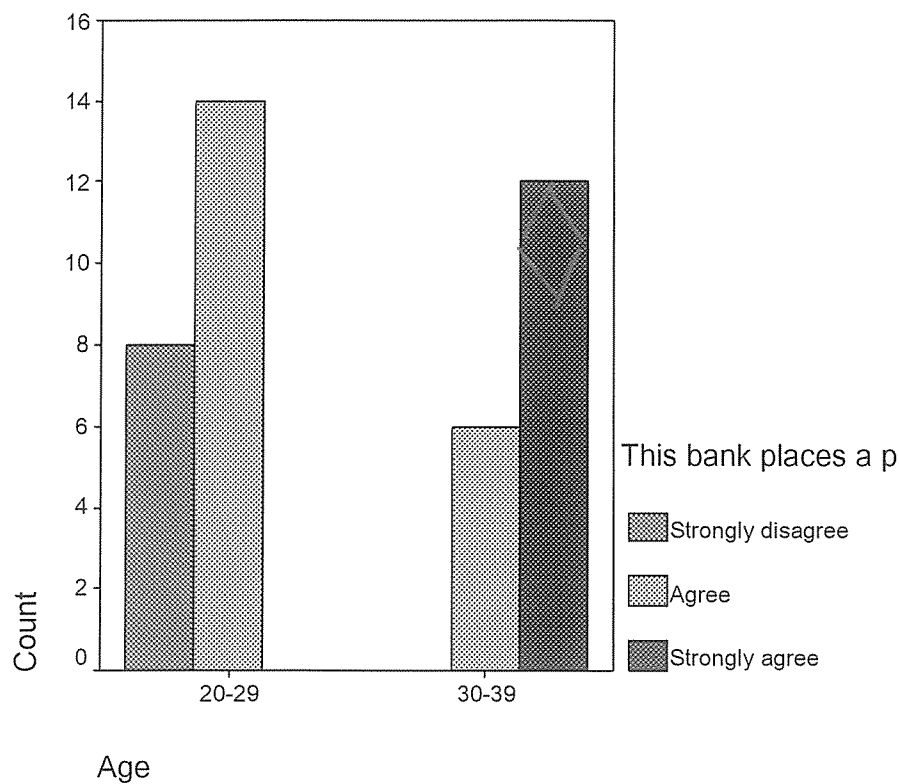
Figure 4. 4: *Commitment of the Organization to Development and Transformation using IT in relation to age group*

(a) 36.4% of staff in the 20-29 age group strongly disagreed that the organization places a premium on the transformation and development using `information technology while 63.6% agreed

(b) Within the 30-39 age group, 33.3% of staff agreed while 66.7% strongly agreed that the organization places a premium on the development and transformation of using IT

(c) Overall, 20% of the staff strongly disagreed, 50% agreed while 30% strongly agreed that the organization places a premium of the development and transformation using IT

4.2.1 Communication to Staff of the Bank's Commitment to IT in its Banking Services

Staff members were asked whether the Bank's commitment to Information Technology in its banking services is well communicated to all levels of staff.

Table 4. 5: Communications to Staff of the Bank's Commitment to IT in its Banking Services

Table 4.6: Communication to Staff of the Bank's Commitment to IT in its Banking Servi

			s bank's commitment to information technology in ing services is well communicated to all levels of					
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Total
Sex	Male	Count				14	4	18
		% within Sex				77.8%	22.2%	100.0%
		% within This bank commitment to information techno in its banking servi is well communicat to all levels of staff				70.0%	100.0%	45.0%
		% of Total				35.0%	10.0%	45.0%
	Female	Count	2	10	4	6		22
		% within Sex	9.1%	45.5%	18.2%	27.3%		100.0%
		% within This bank commitment to information techno in its banking servi is well communicat to all levels of staff	100.0%	100.0%	100.0%	30.0%		55.0%
		% of Total	5.0%	25.0%	10.0%	15.0%		55.0%
Total		Count	2	10	4	20	4	40
		% within Sex	5.0%	25.0%	10.0%	50.0%	10.0%	100.0%
		% within This bank commitment to information techno in its banking servi is well communicat to all levels of staff	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	5.0%	25.0%	10.0%	50.0%	10.0%	100.0%

70
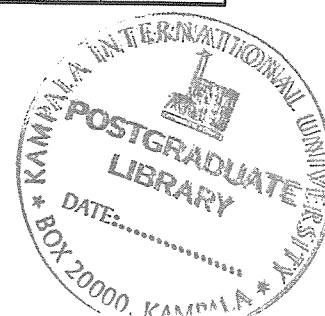
disagreed, 10% neither agreed nor disagreed, 50% agreed and 10% strongly agreed.

4.2.2 Integration of IT Strategy in all Facets of the Organization

Staff members were asked whether the Bank's Information Technology Strategy is integrated in all facets of the organization. The table and graph below give the analysis of staff with respect to their qualifications.

Table 4. 6: Integration of IT Strategies in all Facets of the Organization

Table 4.7: Integration of the Bank's IT Strategy in all Facets of the Organization in relation to qualifications

			This bank's information technology strategy is integrated in all facets of the organisation			Total
			Disagree	Neither agree nor disagree	Agree	
Academic qualification	Post secondary education	Count	6			6
		% within Academic qualification	100.0%			100.0%
		% within This bank's information technology strategy is integrated in all facets of the organisation	60.0%			15.0%
		% of Total	15.0%			15.0%
	University education	Count	4	8	18	30
		% within Academic qualification	13.3%	26.7%	60.0%	100.0%
		% within This bank's information technology strategy is integrated in all facets of the organisation	40.0%	100.0%	81.8%	75.0%
		% of Total	10.0%	20.0%	45.0%	75.0%
	Post-graduate education	Count			4	4
		% within Academic qualification			100.0%	100.0%
		% within This bank's information technology strategy is integrated in all facets of the organisation			18.2%	10.0%
		% of Total			10.0%	10.0%
Total		Count	10	8	22	40
		% within Academic qualification	25.0%	20.0%	55.0%	100.0%
		% within This bank's information technology strategy is integrated in all facets of the organisation	100.0%	100.0%	100.0%	100.0%
		% of Total	25.0%	20.0%	55.0%	100.0%

72

Std. Dev = .85
Mean = 3.30
N = 40.00
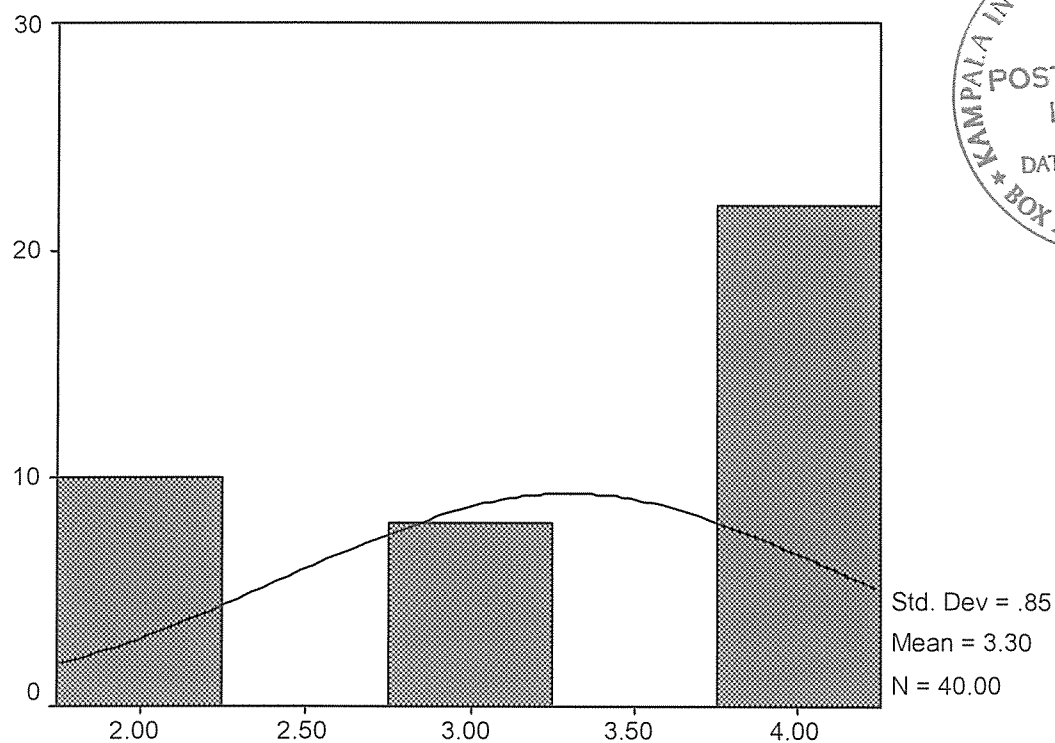
This bank's information technology strategy is integrated in all facets

Figure 4. 6: *Integration of the IT Strategy in all Facets of the Organization*

(a)   All staff with post secondary education disagreed that the Bank's IT Strategy is integrated in all facets of the organization

(b)   13% of first degree holders disagreed, 26.7% neither agreed nor disagreed, while 60% agreed that the Bank's IT Strategy is integrated in all facts of the organization

(c)   All staff with postgraduate education agreed that the Bank's It Strategy is integrated in all facets of the organization

(e)   Overall, 25% of the staff disagreed that the Bank's IT Strategy is integrated in all facets of the organization, 20% neither agreed nor disagreed, while 55% agreed

4.2.3 <u>IT Skills and Knowledge as an on-going Process of Organization Transformation and Development</u>

Staff were asked whether IT skills and knowledge development happens as an on-going process of Organization Transformation and Development. The table and graph below give the analysis of the responses of staff.

Table 4. 7: IT Skills and Knowledge as an on-going Process of Organization Transformation and Development

Table 4.8: IT Skills and Knowledge as an on-going Process of Organization Tranformation and Developmen in relation to age group

| | | | IT skills and knowledge development happens as an on-going process of organizational transformation and development | | | | Total |
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	
Age	20-29	Count	4	2	16		22
		% within Age	18.2%	9.1%	72.7%		100.0%
		% within IT skills and knowledge development happens as an on-going process of organizational transformation and development	100.0%	100.0%	100.0%		55.0%
		% of Total	10.0%	5.0%	40.0%		55.0%
	30-39	Count				18	18
		% within Age				100.0%	100.0%
		% within IT skills and knowledge development happens as an on-going process of organizational transformation and development				100.0%	45.0%
		% of Total				45.0%	45.0%
Total		Count	4	2	16	18	40
		% within Age	10.0%	5.0%	40.0%	45.0%	100.0%
		% within IT skills and knowledge development happens as an on-going process of organizational transformation and development	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	10.0%	5.0%	40.0%	45.0%	100.0%

74
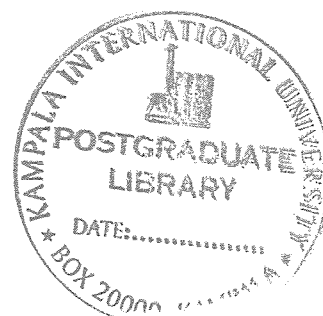
4.3 Use of Information Technology Strategy to Out-Compete Competitors

Bank staff members were asked whether the Bank strongly relies on Information Technology Strategy to out-compete its competitors. The table and graph below gives the analysis of the responses given by male and female staff members.

Table 4. 8: Use of Information Technology Strategy to Out-Compete Competitors

Table 4.9: Use of Information Technology Strategy to -Out-Compete Competitors in relation to

			ank strongly relies on information strategy to out co its competitors					
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Total
Sex	Male	Count				8	10	18
		% within Sex				44.4%	55.6%	100.0%
		% within The bank strongly relies on information strategy to compete its competito				50.0%	100.0%	45.0%
		% of Total				20.0%	25.0%	45.0%
	Female	Count	6	6	2	8		22
		% within Sex	27.3%	27.3%	9.1%	36.4%		100.0%
		% within The bank strongly relies on information strategy to compete its competito	100.0%	100.0%	100.0%	50.0%		55.0%
		% of Total	15.0%	15.0%	5.0%	20.0%		55.0%
Total		Count	6	6	2	16	10	40
		% within Sex	15.0%	15.0%	5.0%	40.0%	25.0%	100.0%
		% within The bank strongly relies on information strategy to compete its competito	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	15.0%	15.0%	5.0%	40.0%	25.0%	100.0%
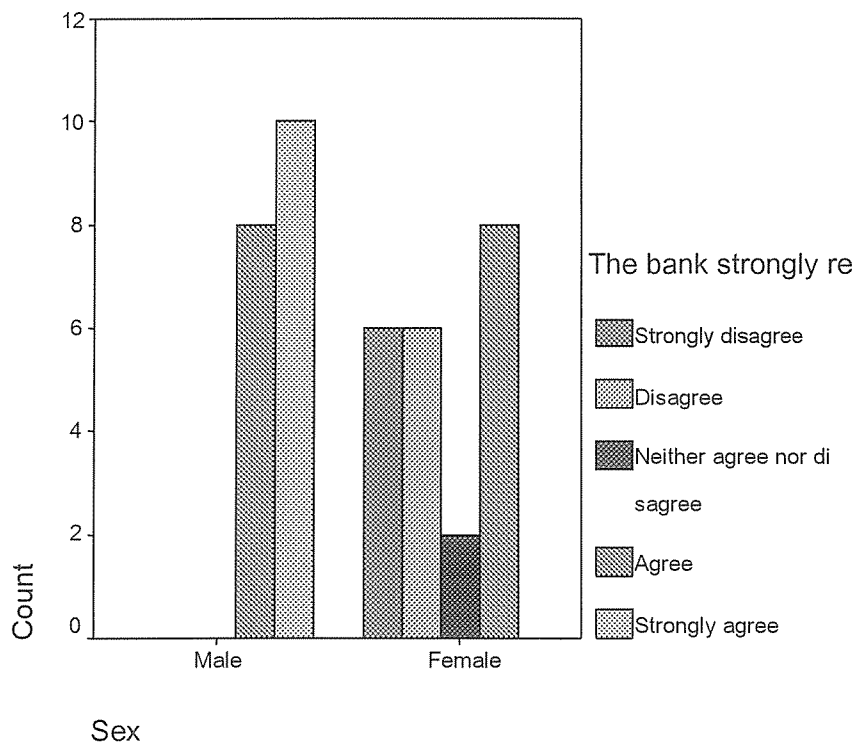
Figure 4. 8: *Use of Information Technology Strategy to out compete competitors in relation to gender*

(a)   44.4% of male staff members agreed that the Bank strongly relies on Information Technology Strategy to out compete its competitors while 55.6% said they strongly agreed

(b)   27.3% of the female staff members strongly disagreed, another 27.3% disagreed, 9.1% neither agreed nor disagreed while 36.4% agreed that the Bank strongly relies on Information Technology Strategy to out compete its competitors.

(c)   Overall, 15% of staff strongly disagreed that the Bank strongly relies on Information Technology Strategy to out-compete its competitors, an equal percentage disagreed, 5% neither agreed nor disagreed, 40% agreed while 25% strongly agreed.

4.3.1 Use of the Quality and Cost of Services and Products to Out-compete the Competitors

Staff were asked whether the quality and cost of the services and products beets the Organization's competitors. Below is the analysis of their responses in relation to duration of stay.
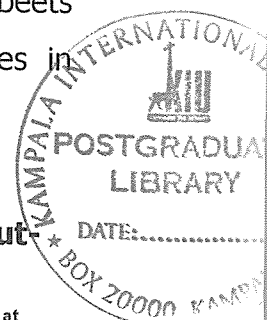
Table 4. 9: Use of the Quality and Cost of Services and Products to Out-compete the Competitors

Table 4.10: Use of the Quality and Cost of the Services and Products to beat the Competitors in relation to duration of Stay at the Organization

| | | | The quality and costs of our products and services beet our competitors | | | | Total |
			Strongly disagree	Disagree	Agree	Strongly agree	
How long have you worked with this bank?	One year and below	Count	4				4
		% within How long have you worked with this bank?	100.0%				100.0%
		% within The quality and costs of our products and services beet our competitors	66.7%				10.0%
		% of Total	10.0%				10.0%
	2 years	Count	2	2	6		10
		% within How long have you worked with this bank?	20.0%	20.0%	60.0%		100.0%
		% within The quality and costs of our products and services beet our competitors	33.3%	100.0%	42.9%		25.0%
		% of Total	5.0%	5.0%	15.0%		25.0%
	3 years	Count			4		4
		% within How long have you worked with this bank?			100.0%		100.0%
		% within The quality and costs of our products and services beet our competitors			28.6%		10.0%
		% of Total			10.0%		10.0%
	4 years	Count			4	18	22
		% within How long have you worked with this bank?			18.2%	81.8%	100.0%
		% within The quality and costs of our products and services beet our competitors			28.6%	100.0%	55.0%
		% of Total			10.0%	45.0%	55.0%
Total		Count	6	2	14	18	40
		% within How long have you worked with this bank?	15.0%	5.0%	35.0%	45.0%	100.0%
		% within The quality and costs of our products and services beet our competitors	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	15.0%	5.0%	35.0%	45.0%	100.0%

(e)   15% of staff strongly disagreed that the organization uses quality and cost of its services and products to out-compete its competitors, 5% disagreed, 35% agreed while 45% strongly agreed.

4.3.2 Use of Modern Technology to aid the Decision Making Process

Staff members were asked whether the organization uses modern technology to aid the decision making process in order to offer good services to customers. The table and graph below give the analysis of the responses given by staff.
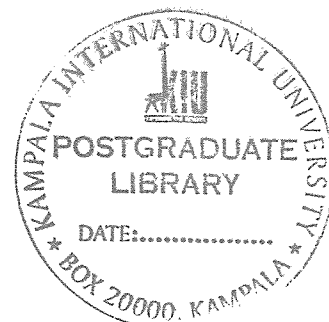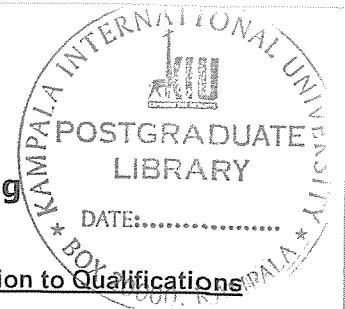
Table 4. 10: Use of Modern Technology to aid the Decision Making Process

Table 4.11: Use of Modern Technology to aid the Decision Making Process in relation to Qualifications

| | | | cision making process in this bank gets in th/ay of good customer services using modern technology | | | | |
			Disagree	Neither agree nor disagree	Agree	Strongly agree	Total
Academic qualification	Post secondary educati	Count	6				6
		% within Academic qualification	100.0%				100.0%
		% within Decision maki process in this bank ge in the way of good customer services usin modern technology	37.5%				15.0%
		% of Total	15.0%				15.0%
	University education	Count	10	8	10	2	30
		% within Academic qualification	33.3%	26.7%	33.3%	6.7%	100.0%
		% within Decision maki process in this bank ge in the way of good customer services usin modern technology	62.5%	100.0%	100.0%	33.3%	75.0%
		% of Total	25.0%	20.0%	25.0%	5.0%	75.0%
	Post-graduate educatio	Count				4	4
		% within Academic qualification				100.0%	100.0%
		% within Decision maki process in this bank ge in the way of good customer services usin modern technology				66.7%	10.0%
		% of Total				10.0%	10.0%
Total		Count	16	8	10	6	40
		% within Academic qualification	40.0%	20.0%	25.0%	15.0%	100.0%
		% within Decision maki process in this bank ge in the way of good customer services usin modern technology	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	40.0%	20.0%	25.0%	15.0%	100.0%
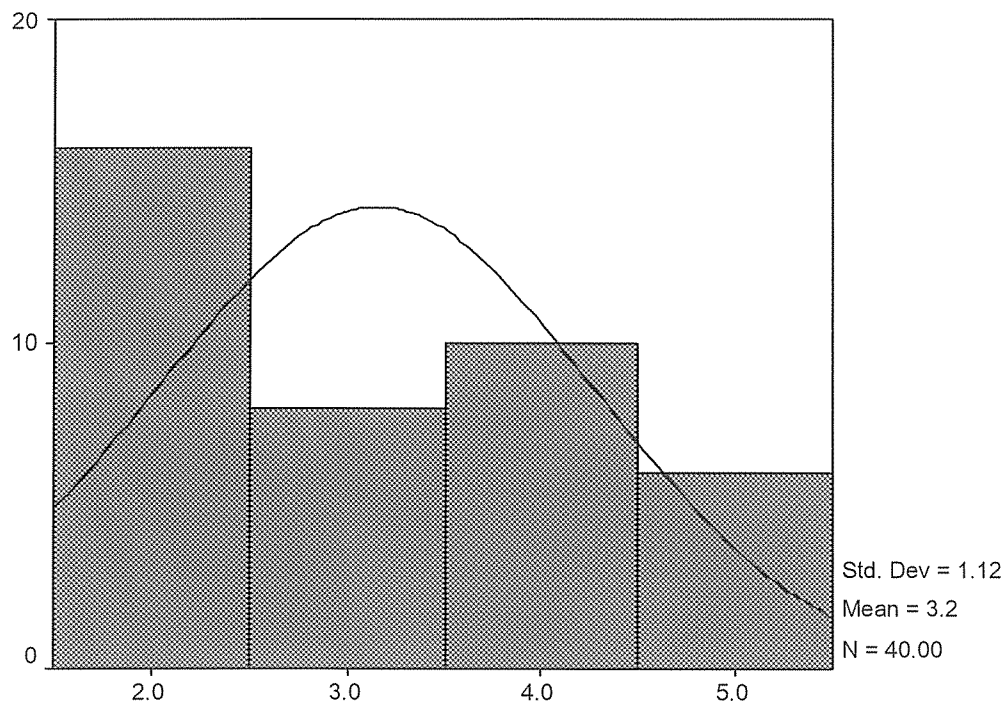
81

Std. Dev = 1.12
Mean = 3.2
N = 40.00

Decision making process in this bank gets in the way of good customer se

Figure 4. 10: *Use of Modern Technology to aid the Decision Making Process*

(a)   All staff with post secondary education disagreed that decision making process in the bank gets in the way of good customer services using modern technology

(b)   33.3% of staff with the first degree disagreed, 26.7% of the staff neither agreed nor disagreed, 33.3% agreed while 6.7% of the staff strongly agreed

(c)   All staff with postgraduate qualifications strongly agreed that the decision making process in the Bank gets in the way of good customer services using modern technology

(e)   Overall, 40% of the staff strongly disagreed, 20% disagreed, 25% agreed while 15% strongly agreed

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4.4 Strength of the Bank's Research and Information Systems at Gathering and Availing Information about Customer Needs

Staff members were asked whether the Bank's research and information system is good at gathering and availing information about customer needs. Given below is the analysis of the responses of staff in relation to gender.
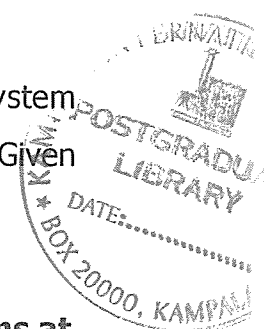
Table 4. 11: Strength of the Bank's Research and Information Systems at Gathering and Availing Information about Customer Needs

Table 4.12: Strength of the Bank's Research and Information Systems at Gathering and Availing Information about Customer Needs

| | | | The bank's research and information systems are very good at gathering and availing information about customer needs, competitive environment and the banking industry | | | | |
			Disagree	Neither agree nor disagree	Agree	Strongly agree	Total
Sex	Male	Count			16	2	18
		% within Sex			88.9%	11.1%	100.0%
		% within The bank's research and information systems are very good at gathering and availing information about customer needs, competitive environment and the banking industry			88.9%	100.0%	45.0%
		% of Total			40.0%	5.0%	45.0%
	Female	Count	10	10	2		22
		% within Sex	45.5%	45.5%	9.1%		100.0%
		% within The bank's research and information systems are very good at gathering and availing information about customer needs, competitive environment and the banking industry	100.0%	100.0%	11.1%		55.0%
		% of Total	25.0%	25.0%	5.0%		55.0%
Total		Count	10	10	18	2	40
		% within Sex	25.0%	25.0%	45.0%	5.0%	100.0%
		% within The bank's research and information systems are very good at gathering and availing information about customer needs, competitive environment and the banking industry	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	25.0%	25.0%	45.0%	5.0%	100.0%

83

Table 4. 12: Confidence of Staff in the Bank's Ability to Transform and Develop

Table 4.13: Confidence of Staff in the Bank;s Ability to Transform and Develop with respect to Duration of Stay at Organization

			I fill very confident about bank's capabilities to transform and develop into a leading one in Uganda				
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Total
How long have you worked with this bank?	One year and below	Count	4				4
		% within How long have you worked with this bank?	100.0%				100.0%
		% within I fill very confident about bank's capabilities to transform and develop into a leading one in Uganda	66.7%				10.0%
		% of Total	10.0%				10.0%
	2 years	Count	2	8			10
		% within How long have you worked with this bank?	20.0%	80.0%			100.0%
		% within I fill very confident about bank's capabilities to transform and develop into a leading one in Uganda	33.3%	80.0%			25.0%
		% of Total	5.0%	20.0%			25.0%
	3 years	Count		2	2		4
		% within How long have you worked with this bank?		50.0%	50.0%		100.0%
		% within I fill very confident about bank's capabilities to transform and develop into a leading one in Uganda		20.0%	20.0%		10.0%
		% of Total		5.0%	5.0%		10.0%
	4 years	Count			8	14	22
		% within How long have you worked with this bank?			36.4%	63.6%	100.0%
		% within I fill very confident about bank's capabilities to transform and develop into a leading one in Uganda			80.0%	100.0%	55.0%
		% of Total			20.0%	35.0%	55.0%
Total		Count	6	10	10	14	40
		% within How long have you worked with this bank?	15.0%	25.0%	25.0%	35.0%	100.0%
		% within I fill very confident about bank's capabilities to transform and develop into a leading one in Uganda	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	15.0%	25.0%	25.0%	35.0%	100.0%

85
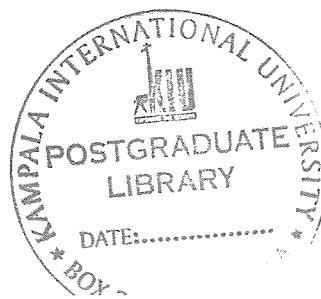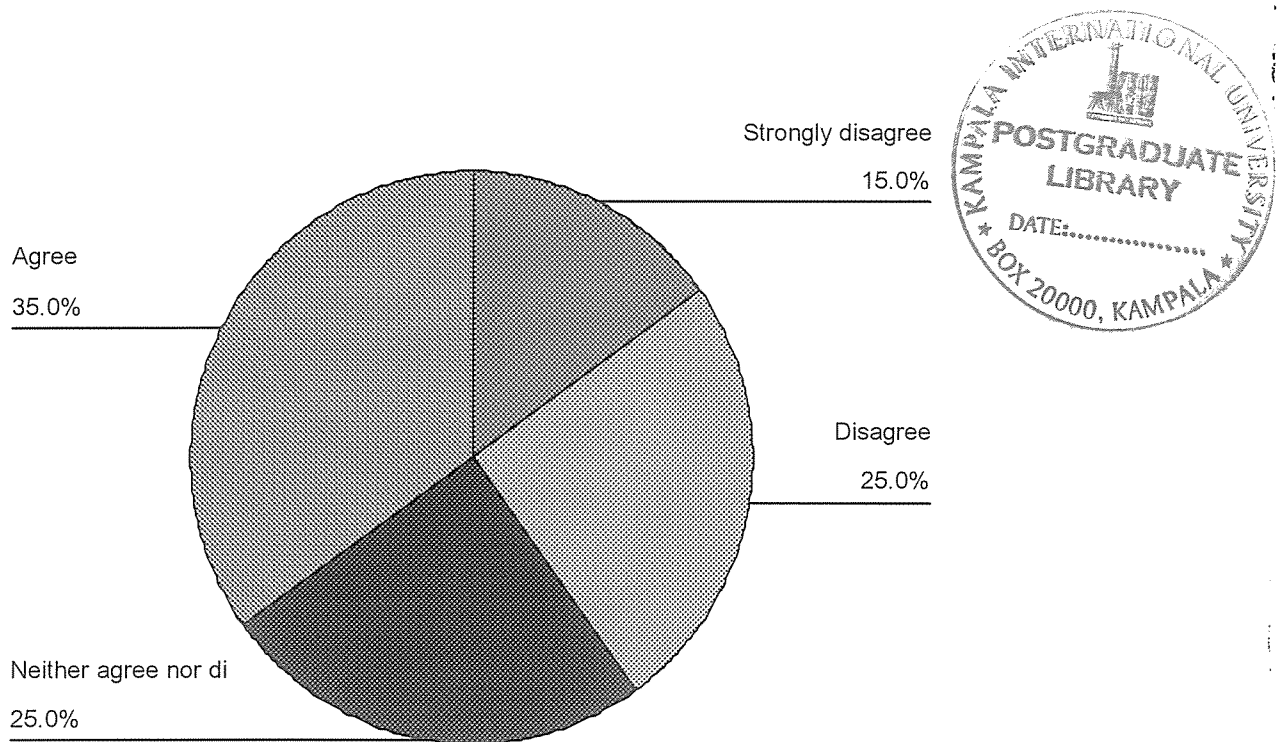
Figure 4. 12: *Confidence of Staff in the Bank's Ability to Transform and Develop with respect to Duration of Stay at Organization*

(a) All staff who have been at the organization for one year and below strongly disagreed

(b) 20% of staff who have been at the organization for 2 years strongly disagreed while 80% disagreed

(c) 50% of staff who have been at the organization for 3 years disagreed 50% neither agreed nor disagreed.

(d) 36.4% of staff who have been at the organization for 4 years agreed while 63.6% strongly agreed.

4.5　Use of IT in the Organization to Improve Business Process

Staff members were asked whether the Bank uses IT to substantially improve its business process. Given below is the analysis of the responses given by female and male staff members.

Table 4. 13: Use of IT in the Organization to Improve Business Process

**Table 4.14: The bank uses IT to substantially improves its Business Processes **

			| e bank uses IT to substantially improves Business process				
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Total
Sex	Male	Count			6	12	18
		% within Sex			33.3%	66.7%	100.0%
		% within The bank uses IT to substantially impro| its Business proce|			50.0%	100.0%	45.0%
		% of Total			15.0%	30.0%	45.0%
	Female	Count	2	14	6		22
		% within Sex	9.1%	63.6%	27.3%		100.0%
		% within The bank uses IT to substantially impro| its Business proce|	100.0%	100.0%	50.0%		55.0%
		% of Total	5.0%	35.0%	15.0%		55.0%
Total		Count	2	14	12	12	40
		% within Sex	5.0%	35.0%	30.0%	30.0%	100.0%
		% within The bank uses IT to substantially impro| its Business proce|	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	5.0%	35.0%	30.0%	30.0%	100.0%

87
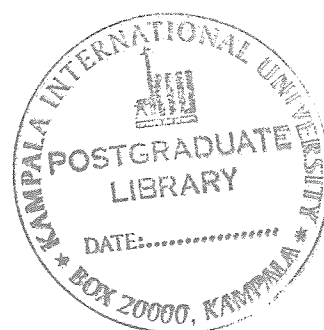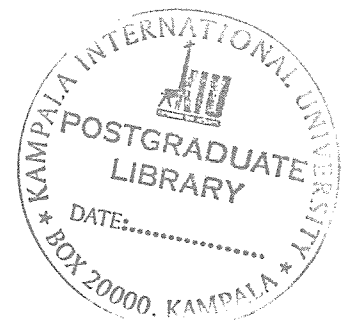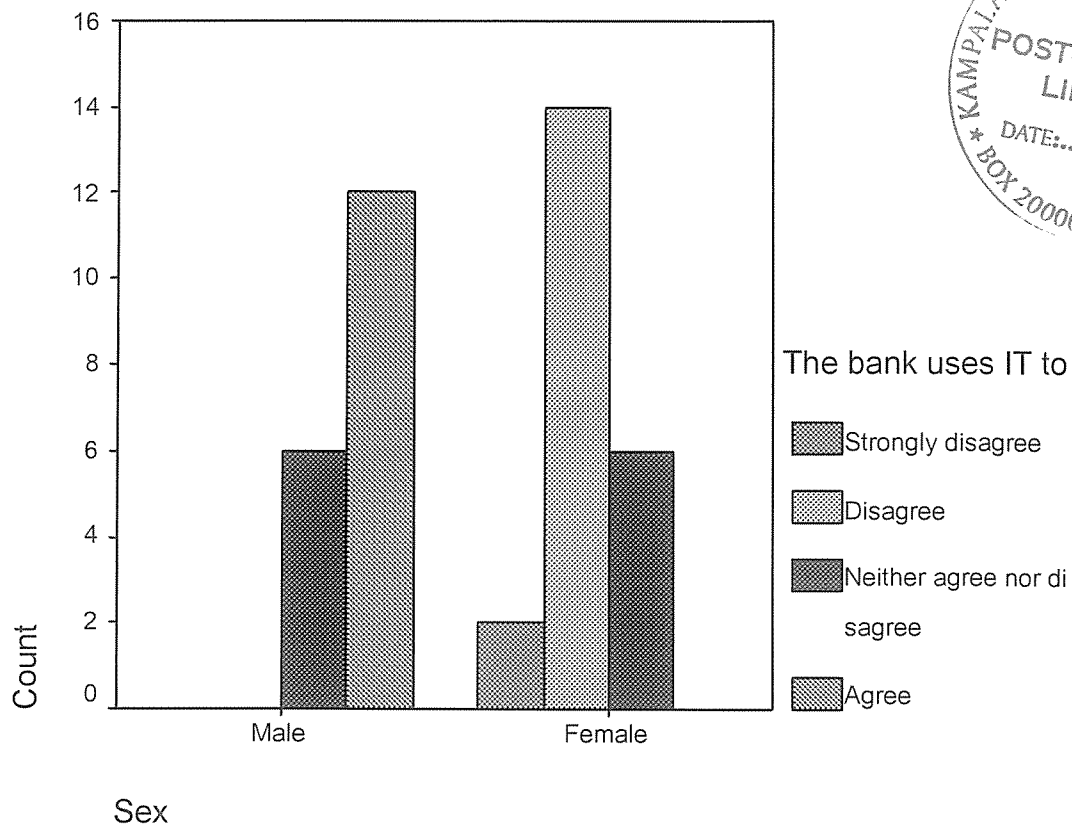
Figure 4. 13: *Use of IT to Improve the Organization's Business Process in relation to gender*

(a)   33.3% of male staff members neither agreed nor disagreed whether the bank uses IT to improve its business processes, 66.7% agreed that the Bank uses IT to improve its business process

b)   9.1% of female staff strongly disagreed that the Bank uses IT to improve its business process, 63.6% disagreed while 27.3% neither agreed nor disagreed

(c)   Overall, 5% of staff strongly disagreed, 35% disagreed,30% neither agreed nor disagreed while 30% agreed

4.5.1 Developing New IT Features to Differentiate Product and Services

Staff members were asked whether the Bank develops new IT features to differentiate products and services. The table and graph below gives the analysis of their responses with respect to their qualifications.

Table 4. 14: Developing New IT Features to Differentiate Product and Services

Table 4.15: Developing new IT features to differentiate products and services in relation to qualifications

| | | | The Bank develope new IT features to differentiate products and services | | | | |
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Total
Academic qualification	Post secondary education	Count	2	4			6
		% within Academic qualification	33.3%	66.7%			100.0%
		% within The Bank develope new IT features to differentiate products and services	100.0%	50.0%			15.0%
		% of Total	5.0%	10.0%			15.0%
	University education	Count		4	8	18	30
		% within Academic qualification		13.3%	26.7%	60.0%	100.0%
		% within The Bank develope new IT features to differentiate products and services		50.0%	100.0%	81.8%	75.0%
		% of Total		10.0%	20.0%	45.0%	75.0%
	Post-graduate education	Count				4	4
		% within Academic qualification				100.0%	100.0%
		% within The Bank develope new IT features to differentiate products and services				18.2%	10.0%
		% of Total				10.0%	10.0%
Total		Count	2	8	8	22	40
		% within Academic qualification	5.0%	20.0%	20.0%	55.0%	100.0%
		% within The Bank develope new IT features to differentiate products and services	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	5.0%	20.0%	20.0%	55.0%	100.0%

Std. Dev = .95
Mean = 3.3
N = 40.00
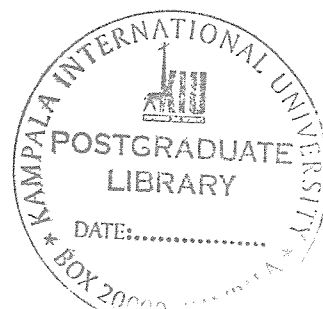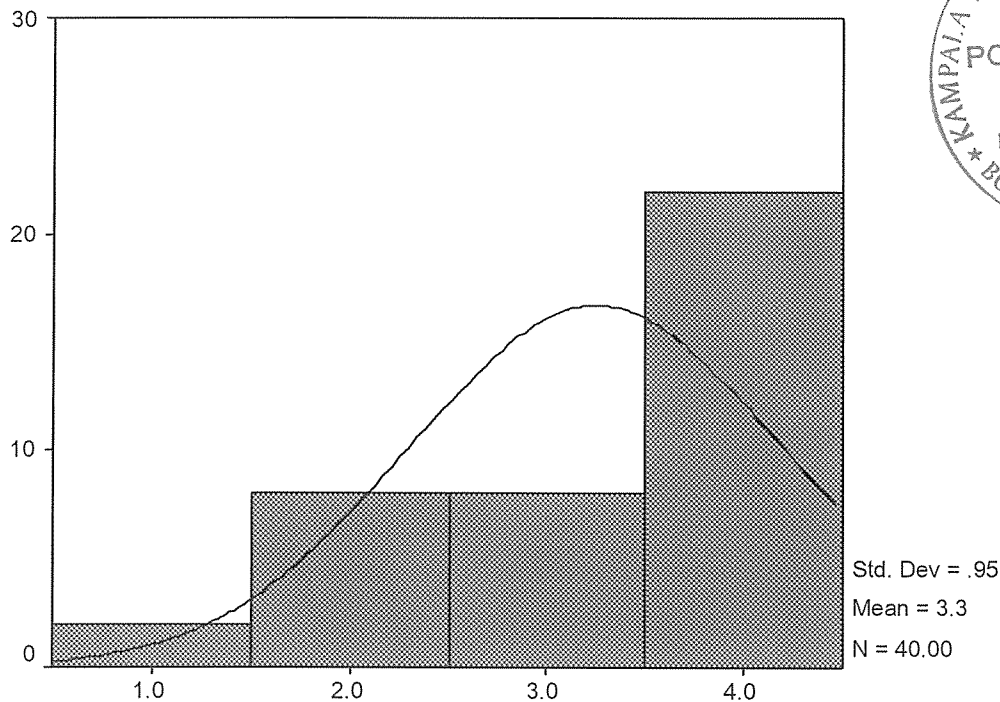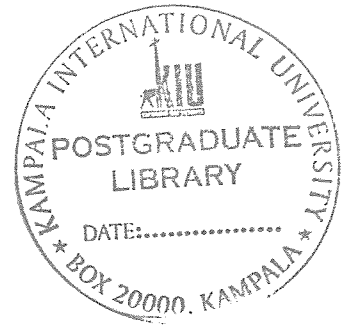
The Bank develope new IT features to differentiate products and services

Figure 4. 14: *Developing new IT Features to Differentiate Products and Services in relation to Qualifications*

(a)   33.3% of those with post secondary education strongly disagreed, while 66.7% disagreed that the Bank develops new IT features to differentiate products and services

(b)   13.3% of those with first university education (first degree) disagreed, 26.7% neither agreed nor disagreed while 60% agreed

(c)   All staff with graduate education agreed

(d)   Overall, 5% strongly disagreed, 20% disagreed, and 20% neither agreed nor disagreed while 55% agreed

4.5.2 Use of IT to Reduce Differentiation Advantages of Competitors

Staff members were asked whether the Bank uses IT features to reduce differentiation advantages of competitors. The table and graph below gives the analysis of the responses given by staff with respect to their designation/ranks.

Table 4. 15: Use of IT to Reduce Differentiation Advantages of Competitors

Table 4.16: Use of IT Features to Reduce the Differentiation Advantages with Competitors with respect to Rank

| | | | The Bank uses IT features to reduce the differentiation advantages with competitors | | | | |
			Strongly disagree	Neither agree nor disagree	Agree	Strongly agree	Total
What is your designation in this Bank?	Support staff	Count	4				
		% within What is your designation in this Bank?	100.0%				100.0%
		% within The Bank uses IT features to reduce the differentiation advantages with competitors	66.7%				10.0%
		% of Total	10.0%				10.0%
	Staff	Count			24	4	2
		% within What is your designation in this Bank?			85.7%	14.3%	100.0%
		% within The Bank uses IT features to reduce the differentiation advantages with competitors			100.0%	100.0%	70.0%
		% of Total			60.0%	10.0%	70.0%
	Supervisor	Count		4			
		% within What is your designation in this Bank?		100.0%			100.0%
		% within The Bank uses IT features to reduce the differentiation advantages with competitors		66.7%			10.0%
		% of Total		10.0%			10.0%
	Manager	Count	2	2			
		% within What is your designation in this Bank?	50.0%	50.0%			100.0%
		% within The Bank uses IT features to reduce the differentiation advantages with competitors	33.3%	33.3%			10.0%
		% of Total	5.0%	5.0%			10.0%
Total		Count	6	6	24	4	4
		% within What is your designation in this Bank?	15.0%	15.0%	60.0%	10.0%	100.0%
		% within The Bank uses IT features to reduce the differentiation advantages with competitors	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	15.0%	15.0%	60.0%	10.0%	100.0%

91

Strongly agree
10.0%

Strongly disagree
15.0%

Neither agree nor di
15.0%
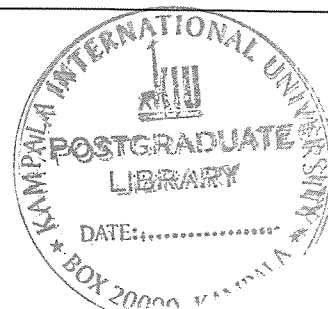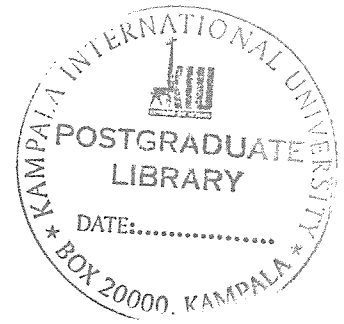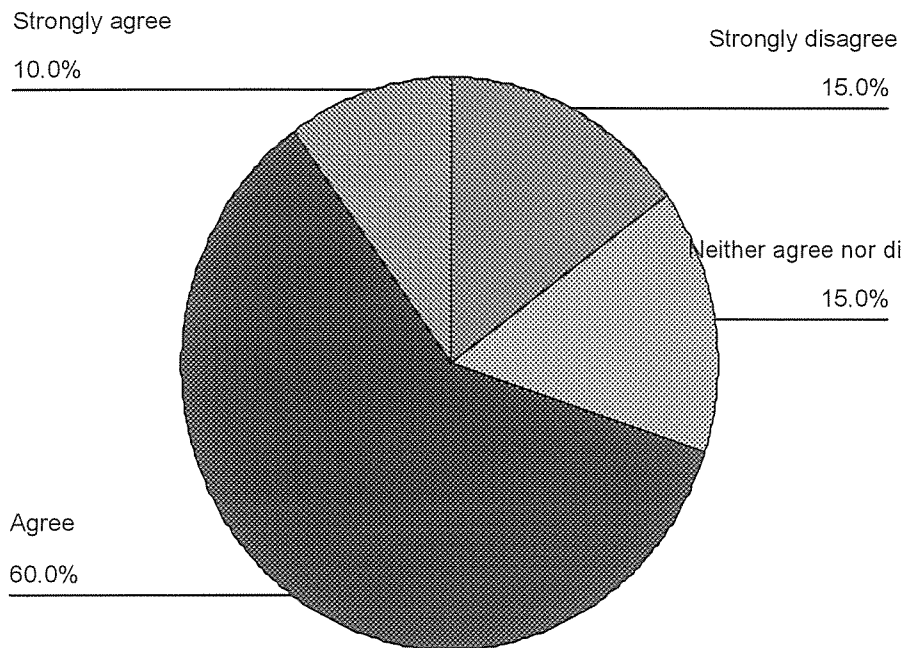
Agree
60.0%

Figure 4. 15: *Use of IT Features to Reduce the Differentiation Advantages with Competitors with respect to Bank*

(a)   All support staff strongly disagreed that the Bank uses IT features to reduce differentiation advantages of competitors.

(b)   85.7% of staff agreed while 14.3% strongly agreed.

(c)   All supervisors neither agreed nor disagreed that the Bank uses IT features to reduce the differentiation advantage of competitors.

(c)   50% of managers strongly disagreed while 50% neither disagreed nor agreed

(e)   Overall, 15% of staff strongly disagreed, 15% neither agreed nor disagreed, 60% agreed while 10% strongly agreed

4.5.3 Developing Unique New Market or Market Niches with Use and Help of IT

Staff members were asked whether the Bank uses IT to develop unique new market niches with use and help of IT. Given below is the analysis of their responses in relation to gender.

Table 4. 16: Developing Unique New Market or Market Niches with Use and Help of IT

Table 4.17: Developing Unique Markets or Market Niches with the help of IT in relation to gende

| | | | The Bank develops unique markets or market niches with the help of IT | | | | |
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Total
Sex	Male	Count		4	10	4	18
		% within Sex		22.2%	55.6%	22.2%	100.0%
		% within The Bank develops unique markets or market niches with the help of I		20.0%	100.0%	100.0%	45.0%
		% of Total		10.0%	25.0%	10.0%	45.0%
	Female	Count	6	16			22
		% within Sex	27.3%	72.7%			100.0%
		% within The Bank develops unique markets or market niches with the help of I	100.0%	80.0%			55.0%
		% of Total	15.0%	40.0%			55.0%
Total		Count	6	20	10	4	40
		% within Sex	15.0%	50.0%	25.0%	10.0%	100.0%
		% within The Bank develops unique markets or market niches with the help of I	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	15.0%	50.0%	25.0%	10.0%	100.0%
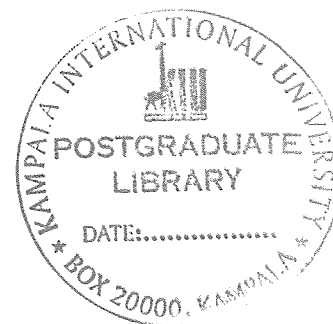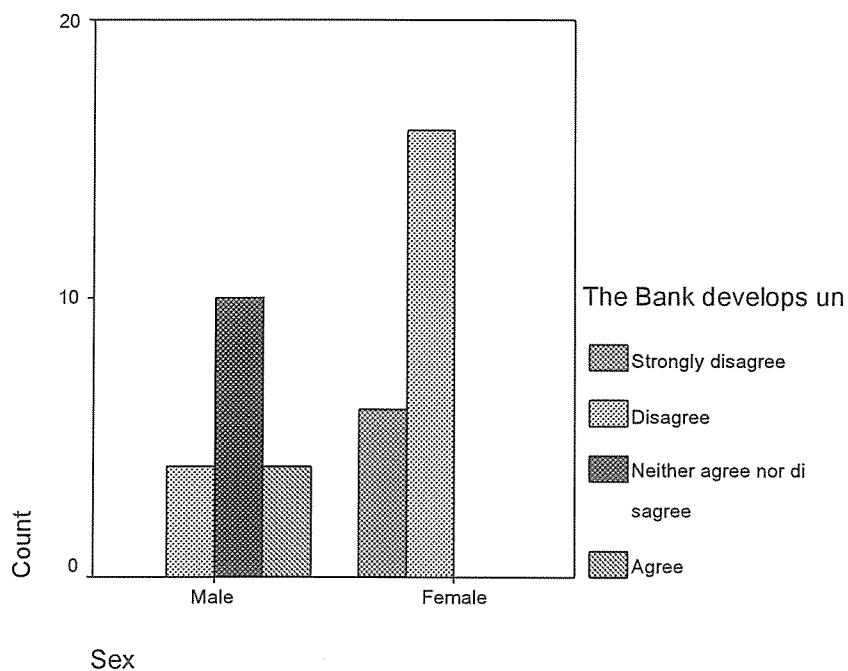
Figure 4. 16: *Developing Unique Markets or Market Niches with the help of IT in relation to gender*

(a)   22.2% of male staff disagreed that the Bank develops unique market new market or market niches with use and help of IT, 55.6% neither agreed nor disagreed while 22.2% agreed

(b)   27.3% of female staff strongly disagreed while 72.7% disagreed

(c)   Overall, 15% of staff strongly disagreed, 50% disagreed, 25% neither agreed nor disagreed, while 10% agreed.

4.5.4 Use of IT to Manage Regional and Global Business Expansion to Diversify and Integrate into Products and Services

Table 4. 17: Use of IT to Manage Regional and Global Business Expansion to Diversify and Integrate into Products and Services

Table 4.18: Use of IT to Manage Regional and Global Business Expansions to Diversify a othe products and services in relation to age group

| | | | Bank uses IT to manage regional and glob business expansions to diversify and integrate into othe products and services | | | | Total |
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	
Age	20-29	Count	8	10	2	2	22
		% within Age	36.4%	45.5%	9.1%	9.1%	100.0%
		% within The Bank use IT to manage regional and global business expansions to diversify and integrate into othe products and services	100.0%	100.0%	100.0%	10.0%	55.0%
		% of Total	20.0%	25.0%	5.0%	5.0%	55.0%
	30-39	Count				18	18
		% within Age				100.0%	100.0%
		% within The Bank use IT to manage regional and global business expansions to diversify and integrate into othe products and services				90.0%	45.0%
		% of Total				45.0%	45.0%
Total		Count	8	10	2	20	40
		% within Age	20.0%	25.0%	5.0%	50.0%	100.0%
		% within The Bank use IT to manage regional and global business expansions to diversify and integrate into othe products and services	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	20.0%	25.0%	5.0%	50.0%	100.0%

95

Std. Dev = 1.25
Mean = 2.9
N = 40.00

The Bank uses IT to manage regional and global business expans

Figure 4. 17: *Use of IT to Manage Regional and Global Business Expansions to Diversify and Integrate into other products and services in relation to age group*

(a) 36.4% of those in the age group 20-29 strongly disagreed, 45.5% disagreed, 9.1% disagreed, while 9.1% agreed

(b) All staff in the age group 30-39 agreed

(c) Overall, 20% of staff strongly disagreed, 25% disagreed, and 5% neither agreed nor disagreed while 50% agreed

4.6 Developing Inter Price Information Systems Linked by Internet and Extranets

Staff members were asked whether the Bank developed inter priced information systems linked by Internet and extranets that support strategic business relationship with customers, suppliers and subcontractors. The table and figure below give the analysis of their responses in relation to gender.

Table 4. 18: Developing Inter Price Information Systems Linked by Internet and Extranets

Table 4.19 : Developing inter price information system linked by internal and extranets that support strategic business relationship with customers, supplier and sub contractors

			Develop inter price information system linked by internal and extranets that support strategic business relationship with customers, supplier and sub contractors					
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Total
Sex	Male	Count				12	6	18
		% within Sex				66.7%	33.3%	100.0%
		% within Develop inter price information system linked by internal and extranets that support strategic business relationship with customers, supplier and sub contractors				85.7%	100.0%	45.0%
		% of Total				30.0%	15.0%	45.0%
	Female	Count	8	10	2	2		22
		% within Sex	36.4%	45.5%	9.1%	9.1%		100.0%
		% within Develop inter price information system linked by internal and extranets that support strategic business relationship with customers, supplier and sub contractors	100.0%	100.0%	100.0%	14.3%		55.0%
		% of Total	20.0%	25.0%	5.0%	5.0%		55.0%
Total		Count	8	10	2	14	6	40
		% within Sex	20.0%	25.0%	5.0%	35.0%	15.0%	100.0%
		% within Develop inter price information system linked by internal and extranets that support strategic business relationship with customers, supplier and sub contractors	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	20.0%	25.0%	5.0%	35.0%	15.0%	100.0%
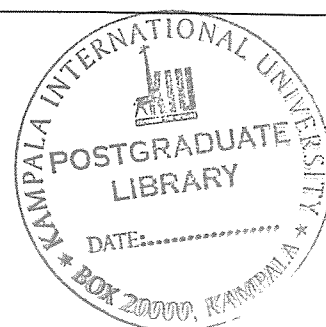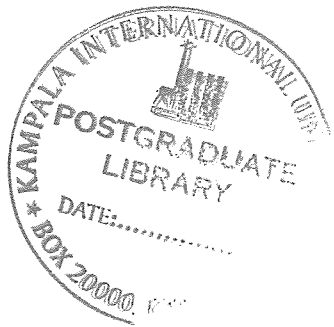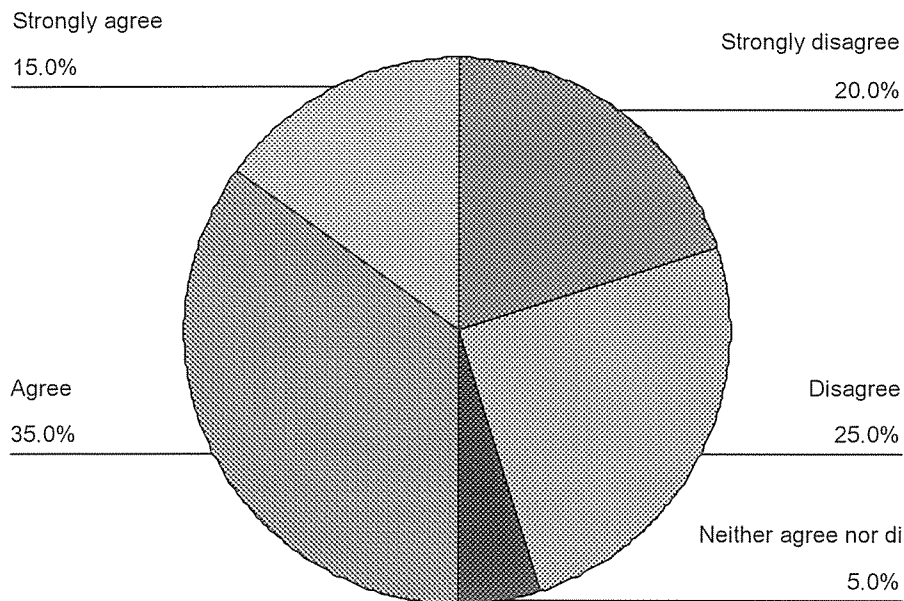
Figure 4. 18: *Developing inter price information system linked by internal and extranets that support strategic business relationship with customers, supplier and sub contractors*

(a)   66.7% of male staff members agreed while 33.3% strongly agreed

(b)   36.4% of staff strongly disagreed, 45.5% disagreed, 9.1% neither agreed nor disagreed and 9.1% agreed

(c)   Overall, 20% strongly disagreed, 25% disagreed, 5% neither agreed nor disagreed, 35% agreed while 15% strongly agreed.

4.6.1 Developing Inter-price Information Systems whose convenience and Efficiency Create Switching Costs

Staff members were asked whether the Bank develops inter-priced information systems whose convenience and efficiency create switching costs that lock in customers. The table and graph below give the analysis of their responses.

Table 4. 19: Developing Inter-price Information Systems whose convenience and Efficiency Create Switching Costs

Table 4.20: Developing inter price information systems whose convenience and efficiency create switching costs that lock in customers

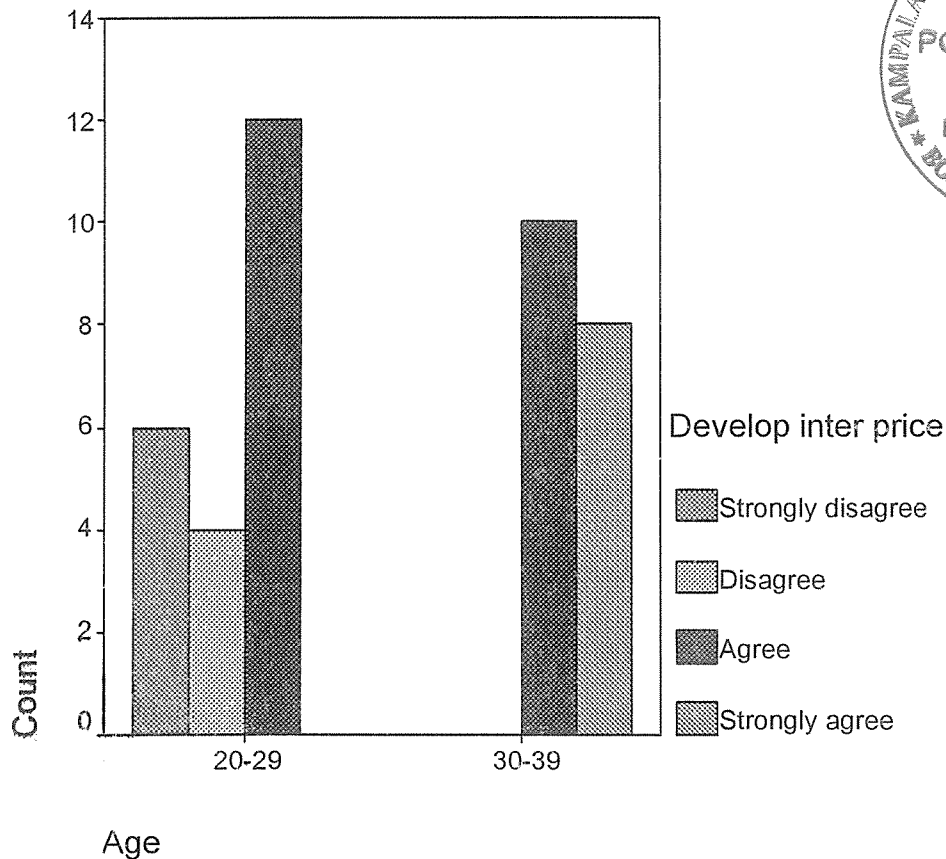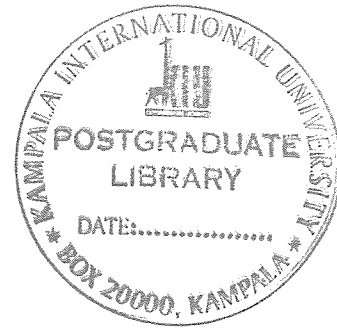|			Develop inter price information systems whose convenience and efficiency create switching costs that lock in customers.				Total
			Strongly disagree	Disagree	Agree	Strongly agree	
Age	20-29	Count	6	4	12		22
		% within Age	27.3%	18.2%	54.5%		100.0%
		% within Develop inter price information systems whose convenience and efficiency create switching costs that lock in customers.	100.0%	100.0%	54.5%		55.0%
		% of Total	15.0%	10.0%	30.0%		55.0%
	30-39	Count			10	8	18
		% within Age			55.6%	44.4%	100.0%
		% within Develop inter price information systems whose convenience and efficiency create switching costs that lock in customers.			45.5%	100.0%	45.0%
		% of Total			25.0%	20.0%	45.0%
Total		Count	6	4	22	8	40
		% within Age	15.0%	10.0%	55.0%	20.0%	100.0%
		% within Develop inter price information systems whose convenience and efficiency create switching costs that lock in customers.	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	15.0%	10.0%	55.0%	20.0%	100.0%
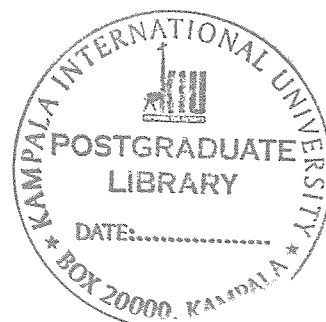
Figure 4. 19: *Developing inter price information systems whose convenience and efficiency create switching costs that lock in customers*

(a) 27.3% of those in the age group 20-29 strongly disagreed, 18.2% disagreed while 54.5% agreed

(b) 55.6% agreed while 44.4% strongly agreed

(c) Overall, 15% of staff strongly agreed, 10% disagreed, 55% agreed while 20% strongly agreed

4.6.2 Leveraging Investment in IT, People, Hardware, Software ,Database and Networks

Staff members were asked whether the Bank leverages investment in IT, people, hardware, software, databases and networks. The analysis of their responses is given below.

Table 4. 20: **Leveraging Investment in IT, People, Hardware, Software ,Database and Networks**

Table 4.21: Leveraging investment in IT's people hardware, software database and Network for operatio in strategic applications

| | | | Leverage investment in IT's people hardware, software database and Network for operational in strategic applications. | | | | |
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Total
Sex	Male	Count		4	8	6	18
		% within Sex		22.2%	44.4%	33.3%	100.0%
		% within Leverage investment in IT's people hardware, software database and Network for operational in strategic applications.		16.7%	100.0%	100.0%	45.0%
		% of Total		10.0%	20.0%	15.0%	45.0%
	Female	Count	2	20			22
		% within Sex	9.1%	90.9%			100.0%
		% within Leverage investment in IT's people hardware, software database and Network for operational in strategic applications.	100.0%	83.3%			55.0%
		% of Total	5.0%	50.0%			55.0%
Total		Count	2	24	8	6	40
		% within Sex	5.0%	60.0%	20.0%	15.0%	100.0%
		% within Leverage investment in IT's people hardware, software database and Network for operational in strategic applications.	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	5.0%	60.0%	20.0%	15.0%	100.0%
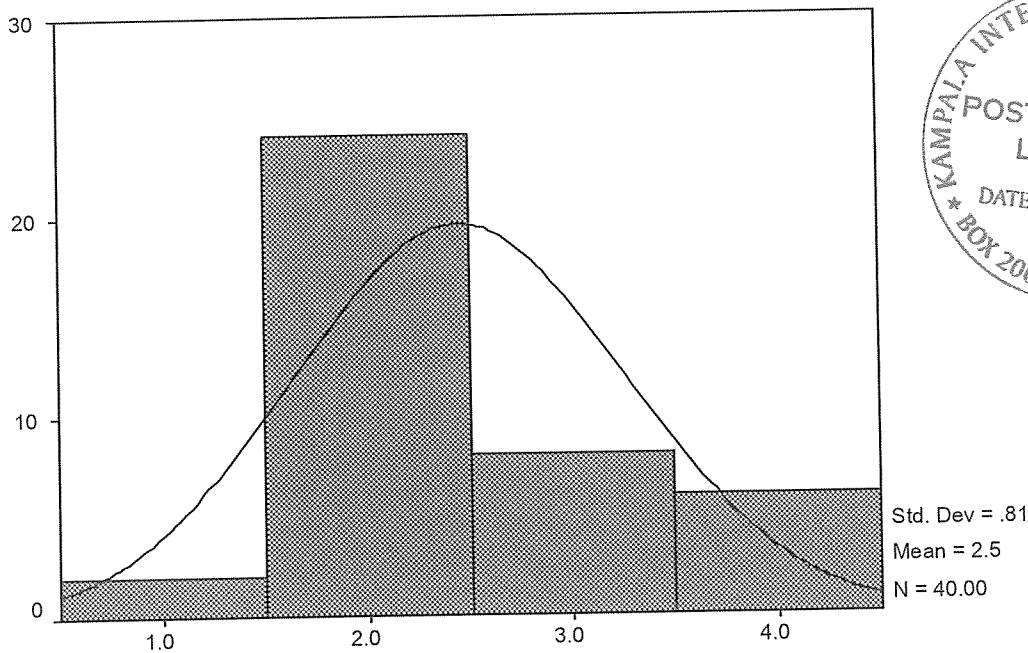
Leverage investment in IT's people hardware, software database and Netwo

Figure 4. 20 : *Leveraging investment in IT's people hardware, software database and Network for operational in strategic applications*

(a)   22.2% of male staff disagreed, 44.4% neither agreed nor disagreed, 33.3% agreed

(b)   9.1% of female staff strongly disagreed, 90.9% disagreed

(c)   Overall, 5% of staff strongly disagreed, 60% disagreed, 20% neither agreed nor disagreed while 15% agreed.

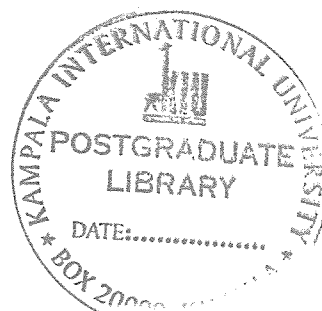## 4.7 Providing Education and Training in IT to Management, End-Users, Customers and other Business Stakeholders

Staff members were asked whether the Bank provides education and training in IT to management, end-users, customers and other business stakeholders.

Table 4. 21: Providing Education and Training in IT to Management, End-Users, Customers and other Business Stakeholders

Table 4.22 Providing Education and Training Services in IT technologies to Managment, End -Users, Customers and other Business stakeholders

			The bank provides education and training services in IT technologies to managment, end users, customers and other business stakeholders				
			Disagree	Neither agree nor disagree	Agree	Strongly agree	Total
Academic qualification	Post secondary education	Count	4	2			6
		% within Academic qualification	66.7%	33.3%			100.0%
		% within The bank provides education and training services in IT technologies to managment, end users, customers and other business stakeholders	100.0%	33.3%			15.0%
		% of Total	10.0%	5.0%			15.0%
	University education	Count		4	26		30
		% within Academic qualification		13.3%	86.7%		100.0%
		% within The bank provides education and training services in IT technologies to managment, end users, customers and other business stakeholders		66.7%	100.0%		75.0%
		% of Total		10.0%	65.0%		75.0%
	Post-graduate education	Count				4	4
		% within Academic qualification				100.0%	100.0%
		% within The bank provides education and training services in IT technologies to managment, end users, customers and other business stakeholders				100.0%	10.0%
		% of Total				10.0%	10.0%
Total		Count	4	6	26	4	40
		% within Academic qualification	10.0%	15.0%	65.0%	10.0%	100.0%
		% within The bank provides education and training services in IT technologies to managment, end users, customers and other business stakeholders	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	10.0%	15.0%	65.0%	10.0%	100.0%
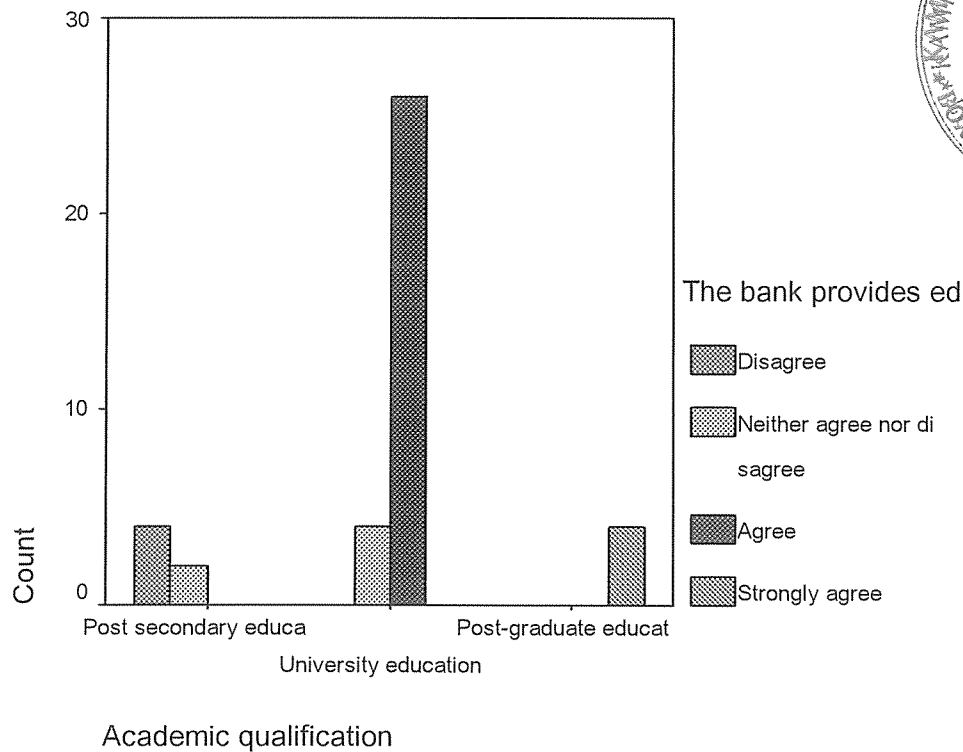
Figure 4. 21: *Providing Education and Training Services in IT technologies to Managment, End -Users, Customers and other Business stakeholders*

(a)   66.7% of staff with post-secondary education disagreed, 33.3% neither agreed nor disagreed

(b)   13.3% of staff with university education neither agreed nor disagreed while 86.7% agreed

(c)   All staff with postgraduate education strongly agreed

(d)   Overall, 10% of staff disagreed, 15% neither agreed nor disagreed, 65% agreed while 10% strongly agreed

4.7.1 Use of Consultants and Training Programs to Develop User Competencies in IT

Table 4. 22: Use of Consultants and Training Programs to Develop User Competencies in IT

Table 4.23: Use of Consultants and Training Programs to Develop User Competencies in IT

			The bank uses consultants or a training programs to develop user competencies of IT technologies				
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Total
Sex	Male	Count			8	10	18
		% within Sex			44.4%	55.6%	100.0%
		% within The bank uses consultants or a training programs to develop user competencies of IT technologies			100.0%	100.0%	45.0%
		% of Total			20.0%	25.0%	45.0%
	Female	Count	10	12			22
		% within Sex	45.5%	54.5%			100.0%
		% within The bank uses consultants or a training programs to develop user competencies of IT technologies	100.0%	100.0%			55.0%
		% of Total	25.0%	30.0%			55.0%
Total		Count	10	12	8	10	40
		% within Sex	25.0%	30.0%	20.0%	25.0%	100.0%
		% within The bank uses consultants or a training programs to develop user competencies of IT technologies	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	25.0%	30.0%	20.0%	25.0%	100.0%

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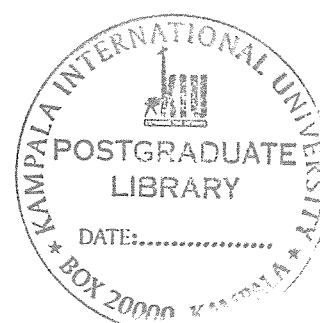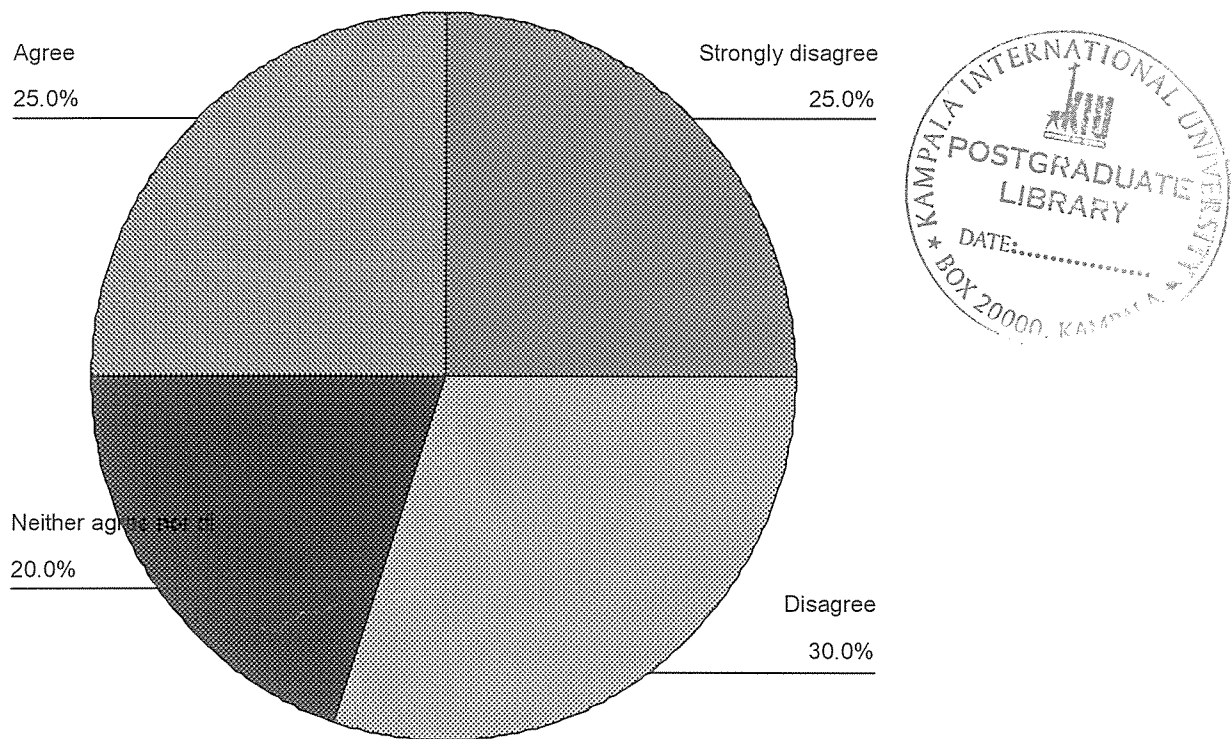
Figure 4. 22: *Use of Consultants and Training Programs to Develop User Competencies in IT*

(a)   44.4% of male staff neither agreed nor disagreed, while 55.6% agreed

(b)   45.5% of female staff strongly disagreed, while 54.5% disagreed

(c)   Overall, 25% of staff strongly disagreed, 30% disagreed, 20% neither agreed nor disagreed while 25% agreed.

4.7.2 Financial performance of Nile bank by December 2005

By 2005, Nile bank has continued to build on a track record of performance, with growth in all its market segments, namely the retail and cooperate markets. The balance sheet growth was 70% (U Shs 55 billion), from U Shs 79 Billion at the close of 2004, to U Shs 135 Billion at the close of 2005. this was a clear indication of the confidence that bank is gaining from its customers and the

general public, as this growth was mainly been funded by customer and financial institutions deposits which grow by 82% (U Shs 53 Billion) from U Shs 65 Billion to U Shs 118 Million. The advances book, which almost doubled in the year 2005, was achieved due to a robust credit risk management process which ensured that the benefits arises from lending opportunities are being realized

.

The key financial performance objectives and the attained results by 2005 are summarized as follows;

- Profit before tax was Ushs 5.0 billion, an increase of 26% (Ushs 1.1 billion) on the previous year's figure of Ushs 3.9 billion.

- We achieved balance sheet growth of 70% (Ushs 55 billion), from Ushs 79 billion in 2004, to Ushs 135 billion in 2005.

- Customer and financial institutions deposits, including Uganda Revenue Authority collections increased by 82% (Ushs 53 billion) from Ushs 65 billion to Ushs 118 billion.

- Customer advances net of provisions increased by 83% (Ushs 23 billion) from Ushs 28 billion to Ushs 50 billion.

- Operating cost were better than budget with a cost to income ratio at 75% against a budget if 76%. This was achieved despite the mandatory statutory general provisions now required of the bank on its entire advances portfolio in accordance to Statutory Instrument No. 43. Financial Institutions (Credit Classification and Provisioning) regulations 2005. The general provision is a one off charge equal to 1% of the total advances, and amounted to Ushs 509 million.

- Non-Funded Income increased by 26% (Ushs 1.8 billion), from Ushs 7.0 billion to Ushs 8.8 billion.

- Provisions for bad debts were maintained at below 1%
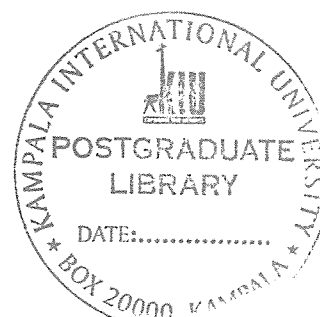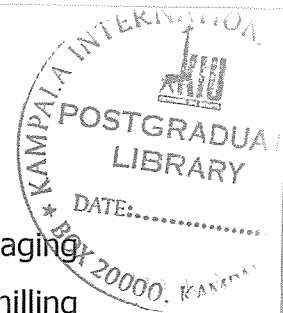
4.7.3 Nile bank's Business/ Economic Environment

The economy has generally been stable, with an annual growth rate averaging 6% in 2005. on the side of key economic variables, the Uganda Shilling depreciated during the year against the major currencies. The USD exchange rate from around U Shs 1730 at the beginning of 2005, and at U Shs 1810 by the close of the year. Interests rates showed a downward trend during the year, average yield on all the treasury bills tenors is now slightly below 9.9%; down from 10.9% in 2004. inflation trends were rather mixed, with the headline inflation rate increasing from 8% in January to a high 12% in May before declining to 4% in December. On the other hand, the underlying inflation rate was most stable at about 5% at the beginning of the year, and closed the year at 4.5%. the main challenge to the economy remains the oil, commodity and local food prices due to their response to the geopolitical tensions affecting the international markets as well as the local weather patterns respectively.

In the financial sector, there has an increasing competition. The moratorium on licensing new banks was also lifted during the year and several micro-finance institutions were licensed and have started accepting deposits from the public as a result of the new Micro-Finance deposit taking Institutions Act 2003. The financial sector saw the successful issuance of bonds by two financial institutions. Nile bank participated in each of the bond issues as a registrar and fiscal agent.

4.7.4 Strategic issues in Nile bank

By 2005 the bank was running on a strategic plan for the period 2003-2005. Under the new strategic plan, the bank focused mainly on the retail and mass market. During 2005, a new strategic plan for the years 2006-2010 was launched. The bank's vision in the new strategy is "**to be the respected and preferred consumer bank**". The mission statement is to provide affordable consumer banking services through creative people, delivering distinct customer service, innovative products and exceptional financial performance.

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4.7.5 Product Innovation

One of the main facets of our mission is to be innovative. In 2005, we were able to stand from our peers as an innovative bank. One of the strategies we used to won this position was to ensure that each product we launched was not only in line with consumer needs and aspirations but added emotional value to the customer. This has allowed customers to get more emotionally involved with the product or service thereby enhancing loyalty. Club steam was launched on a similar platform, the banking miles and lifestyle benefits set the product apart from competition. It grew faster that we had anticipated and are pleased with the customer feedback.

Another successful product was our Wheel Source product, a form of assets financing for motor vehicles. It was launched based in the rationale of saving time by driving to achieve one's progression goals. We were able to get into partnership with well-established dealers so that our customer could get good quality cars. We also negotiated competitive insurance rates with partner insurance companies.

Click Source our web-based product was a great innovation from the bank. We are the first bank to launch this product where customers cannot only print statements but access their balances and also pay utilities bills among other services.

4.7.6 Customer Service Dedication

In 2005 Nile bank pledged to give its customers a Nile Bank experience every time a customer walked into their bank halls. This was partly achieved by changing the ambience of the branches both internally and externally. Internally the bank created a serene ambience by having the water drop banner across the top bars of the teller counters. Externally they put up well-lit and branded signage that could easily identify the different branches. The bank's management

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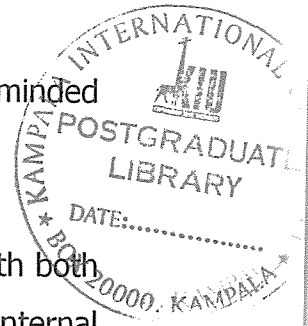
made sure that all signage were made uniform to communicate a single-minded brand in the consumers mind. Nile bank report 31st December 2005

All Nile bank staff went through rigorous training top equip themselves with both internal customer and external customer service, the rationale for the internal customer is that when staff learn to treat their fellow staff well, they can easily translate a similar attitude to the customer.

After each session of training, the bank conducted mystery shoppers, a research technique that tests whether the staff have understood the services and products and can communicate them clearly to customers. The results show that we have improved considerably on our customer dedication compared to previous years. The diagnostic study indicates that the bank has great customer service as one of the key strength.

4.7.7 Information Technology

The bank had started implementing a new information technology platform based on the Equinox core banking application software solution. This is replace the current Micro-banker platform. The key innovation is that Equinox is a data base system as opposed to Micro-banker, which is based on a flat file structure. The main advantage of the data base system over the flat file system is the case of data manipulation with respect to reporting and data integration. In addition, a Customer Relationship Management System had also being implemented to improve customer relationship management abilities. Implementation started in mid 2005 and is expected to be completed in the end of 2006.

4.5.8 How and why did Nile bank diversify into use CBIT intensive operation?

Nile Bank moved through several stages to transform and develop its operations as they implemented various e-business and e-commerce application. Nile Bank's

transformation IT strategy, were driven by their commitment to the Customer value focus of the (Free and Perfect). (Meeting the needs of the modern customers).

The bank first bought computers (hardware), software and servers. The bank implemented an automated micro banking system in 2000. The system was focused on providing to both internal and external customer satisfaction and value through the exploitation of generated efficiencies of automated core business process in banking halls. By establishing the banking system interconnectivity internally (LAN) and building a platform for enterprise collaboration and knowledge management by implementing their Nile Bank internet and data house in 2001.

According to the manager, Nile Bank also built a website on the internet to offer customers 24 x 7 online E-commerce transaction with the introduction of ATMs services and customer support services e.g (customers completes are received on line a feed back given).

Nile Bank connected with its partners in and outside Uganda (Western Union and other banks using bank com, by building an extranet (WAN) and supply chain management system that has enables the company to manage customer's purchases on line. The bank also established a customer account profile planner which integrates and uses the entire customer's information from other systems to better target its marketing activities and manage its customers contact.

4.5.9 GOALS FOR THE USE CBIT IN NILE BANK

❖ To Ease production of the company and come up high quality services and products to satisfy the high rising urban customer base in Kampala that came as a result of business development needs in the last decades.

❖ To transform the banks business operations that was indented to solve a problem of sluggish operations of front line staff (Tellers) and employees that deals with customers directly to reduce congestion in banking holes.
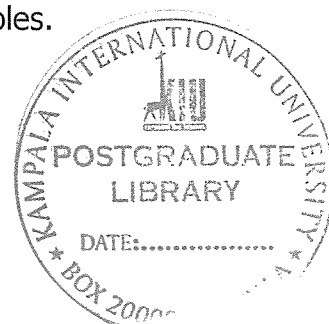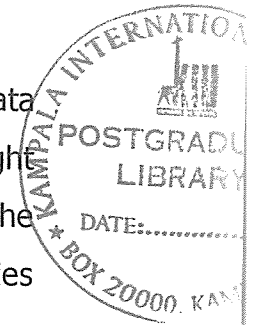
❖ The bank wanted to come up with an efficient data storage system (Data ware house) easy to quarry, update, and share information with the right users for effective decision making. And ease communication amongst the workers of Nile Bank and external customers using modern IT Technologies e.g intranets, extranets and internets, information sharing for a competitive advantage.

❖ Nile Bank used IT as strategy for business improvement targeting the existing business process, work simplification, and business operations efficiency. However this strategy did not bring any big changes to the bank's operations, because with IT business improvement strategy the organization remains with the same jobs just gets more efficient unlike if IT is used for business re-engineering/ revitalization.

❖ All the above IT technologies and IT strategy application his engulfed Nile Bank to, provide more value to its customers with first service delivery of high quality products and services. These initiatives created many new entrepreneur business links between Nile Bank and its customers and suppliers. However the researcher found out that, these major technological and business changes required the organizational planning system (end user involvements in it business IT strategy) which Nile Bank did not take into account during the diversification phase.

Free Perfect now

Value
Innovation

Customization

Time

Quality

Cost

Efficiency

Web site

WAN extranet

LAN intranet

Hard & soft

Localized	Internal	Business	Business`	Business
Implementation.	Integration	Process	Process	Scope
	Redesign	Net work	Redefinition	
		Redesign		

Figure 4. 23: *Nile Bank's CBIT, Diversification Process Analyzed using a Free Perfect Business Model.*

Free Perfect Now

Value

Innovation

Customization

Improve efficiency

Business Process improvement

New business initiatives

Time

Quality

Costs

Phase of organization

Transformation using IT

Localized Implementation	Internal Business Integration Redesign	Business Process Net work Redesign	Business Process Redefinition Scope

Figure 4. 24: Nile Bank IT Transformational Phase

Source: *Internal customer questionnaire*

According to Gosian Sonjay & Kerry young (1999) free perfect now business model, suggested that organizations transforming using IT must score its IT exploitation activities on Y and X axis. A free perfect now model (organization goals) and transformational IT organization process/phases on Y and X axis respectively.

Nile Bank IT transformation strategy as analysis in Fig 4.1 / Fig 4.2 shows that Nile Bank has not yet completed the transformation process it did not focus its strategy on customization and valve innovations which explains the sluggish operations of internal customers and long queues in their banking Hall and Money source centers (ATMs.)

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4.5.10 Challenges in implementation of CBIT in Nile Bank

- Challenges in implementing IT in Nile Bank because more intensive in 2000: The New Nile Bank E-business strategies application was a catalyst for major organizational changes enabled by information technology. For example implementing an application like credit management, software on line transaction processes brought efficiency note only to single business processes but Nile Bank core business process. However, implementing E-business application such as enterprise resource management or customer relationship management required reengineering of Nile bank core business process internally. Thus forced the Bank to model and implement business practices being implemented by leading banks in the banking industry in the world. (Nile bank five year strategic plan 2000).

Of course, any major new business IT initiatives enabled the bank management to redefine its core business process and recipitate dramatic changes in the operations of the Bank. However the implementation of Nile Bank's Business IT strategy required management to effect major changes in key organizational structures, managerial role, employee work performance assessment and stakeholders relationship that came about better employment of new IT system. But this was not taken serious.

- Like defining the scope and purpose of IT projects locks works, ensuring consistence of Data quality, getting people to use the technology, organizing data, finding technical expertise, integrating the new system to the old system, making the system easy to use and providing all users with access.

- Nile bank also faced end user resistance that impacted much on the organizational transformation and Development process. For example recording Branch manager Nile Bank Jinja Road in an interview said

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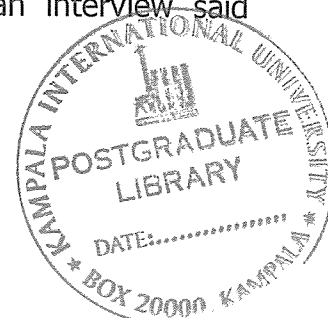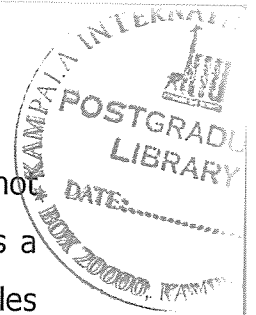
"Employees (end users) wanted to know the benefit of IT to them; it's not enough to tell them that have to do it. It was a big challenge. (BIT is a mind-set) a business philosophy) that reshapes a company's sales marketing customer services and analytical and present a radical cultural shift for an organization in fact ray. "it's a change from a product centered or internal focus to a customer or external focus" It's a change from monologue to dialogue with the customer with the advent of IT in business".). The introduction of CBIT in Nile Bank acted as a switch, to the Board of Director and management, "to think customer" and breaking down the barriers between IT and the employees who interact with customers. It also meant that there should be structural changes in how the bank operates, like sharing information and resources across departments and job functions which translates into up control over who owns it, retraining employees in new roles, responsibilities and skills and measuring their job performance and even how they were to be paid.

One of the keys to solving problems of end user resistance to new information technologies is proper education and training. Even more improvement is end user involvement in organizational transformation planning process, of the development of new information systems of which Nile Bank feared / did not do.

4.6 Conclusion

In the broadest sense the findings of this research has discovered that, IT has boosted Nile Bank's transformation and developed strategy reflected in its business operations, management, customer relations, business process improvement and in general, it has grown its finance performance hence a competitive financial institutions. Although it is indicated that Nile Bank has not fully exploited IT business transformation, opportunities as the bank uses only IT for business process improvement.

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CHAPTER V

RECOMMENDATIONS AND CONCLUSIONS

5.0 Introduction

The findings of this research as presented and interpreted in chapter four strongly suggest that, "IT is a strategic driver to organization transformation and development" However the findings also suggest that Nile Bank has not fully exploited IT business strategic opportunities for transformation and development. Hence recommendations for the way forward and policy strategy.

5.1 Conclusion

✓ The management of organizational transformation and development requires an open mind ideology. The key dimension of change management and the difficulty involved in the implementation of business IT strategies and applications or other changes that are caused by introducing new information technologies into a company is the "people" followed by system integrators, outsourcing and hardware and software technology selection. Thus people must be a major focus of organizational transformation and development. Therefore the bank should involve in activities such as; developing innovative ways to measure, motivate and reward performance and disgracing programs to recreate and train employees in the core competencies required in a changing workplace.

✓ Implementing business IT strategies and applications such as E-business initiatives, reengineering projects and introduction of new information technologies, involve the managing the introduction and implementation of changes in business process, organizational structures, job assignments and work relationships. The Bank should use change management tactics
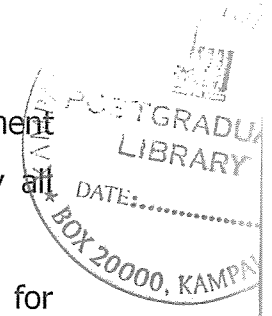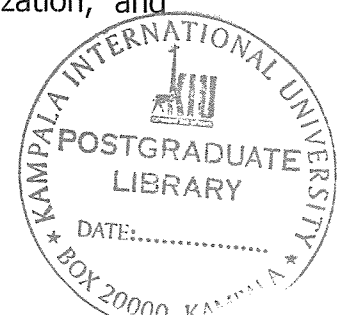
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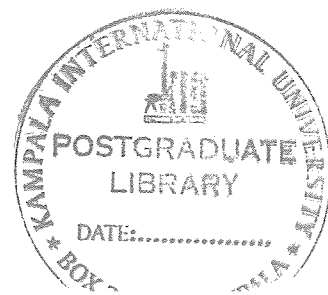
such as end user involvement in business IT planning and development and development and maximize acceptance of business changes by all stakeholders.

✓ Managing organizational information technology requires planning for changes in business goals, process structures and technologies. Planning is a vital organization process that must use methods like the scenario approach and planning go competitive advantage, evaluate an organizations internal and external environments; forecast new developments, establish an organizations IT strategic vision and mission, goals and objectives, develop strategies, tactics and policies to complement goals and articulate plans for the organization top act upon. A good planning process helps organizations learn about themselves and promote organizational change and renewal.

✓ Strategic business IT planning involves aligning investment in information technology with a company's business vision and strategic goals such as reengineering business process or gaining continued advantage. And this should result from organizations strategic plan that must outline company's business/IT strategies such as cost and efficiency improvement, performance improvement in business effectiveness, Global market penetration. Product and service transformation, and organization technology architectures. The technology architecture is a conceptual blue print that specifies a company's technology platform, data resources and applications architecture and IT organization.

5.2 Recommendations

➢ The bank should use IT for both business improvement and business process reengineering. Other than using IT to improve existing processes, reengineering is the fundamental rethinking of the organization, and

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radical redesign of the business processes to achieve dramatic improvements in cost quality speed and services. Business Process Reengineering combines IT strategy of promoting business innovation, with strategy of making major improvements to business process. So Nile bank can become much stronger and more successful competitor in the market place for example if it employed a cross functional enterprise resource planning ERP soft ware to reengineer, automate and integrate their productivity, distribution, finance and human resource business process.

Note:

when a company's uses IT for both business process improvement and business process reengineering a company shall come up with high Bride IT business strategy for a greater competitive advantage as a basis for rapid organizational transformation and development.

> Nile Bank should refocus its strategic business mission and visioning towards becoming an agile bank. Agility in business performance is the ability of a company to prosper in rapidly changing, continually fragmenting global markets for high quality, high performance customer configured products and services. Nile bank can make more profits in markets with broad products and services ranges and short model lifetimes and can produce orders in arbitrary lot sizes. This can support mass customization by offering individualized high volumes cash inflows.

However, for Nile Bank to achieve this must implement the following strategies.

1. The bank should produce products and services that customers perceive as a solution to their individual problems. Thus, products/ services can be pressed based on their value as solutions, not their cost to production.

2. The bank should cooperate with customers, suppliers and other
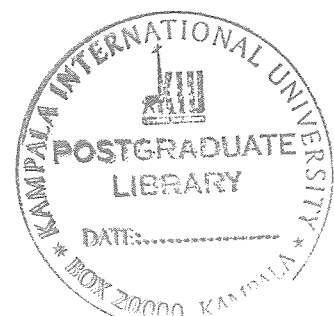
companies, even with competitors. This allows the bank to produce banking services that are cost effective.

3. As or agile company the bank should organize so that it thrills on changes and uncertainty, the ideal is to use flexible organizational structures keyed to the requirements of different and constantly changing customer opportunities.

4. The bank should leverage the impact of its people and the knowledge they possess. By mothering an entrepreneurial operate, as an Agile company Nile Bank should provide powerful incentives for employees' responsibility, adaptability and innovation.

Note:

We are changing from competitive environment in which mass market products and services ware standardized, long lived information poor and exchanged in one time transaction to an environment in which companies compete globally with niche market products and services that are individualized, short-lived information-rich and exchanged on an ongoing basis with customers.

➢ Nile Bank should develop a clear sample and powerful tool to focus its employees and its information technology platform on serving its customers in the most angile and responsive ways. For example the free perfect model for IT business transformation can be used. i.e

The free dimension emphasizes that most customers want the lowest cost for value recalled, but willing to pay more for a value added services such as bonuses (extras). The perfect dimension stresses that products and services should not be defect free, but their quality can be enhanced by added features, customization and anticipation of the future needs of customers. And the now dimension of this business model emphasizes that customers want 24/7 accessibility to product n and services, short

delivery times and consideration of the time to market for their own products and services.

Nile bank should put to use extensive use of internet technologies for innovative internets, intranets and extranets-e-commerce website and services for its customers suppliers and employees should be a cornerstone of IT and e-business strategies

A Model guide for organizational transformation for an Angile-customer-focused company using IT

The Free Perfect Now

Anticipation of
Futures needs

Customization

Conformance

Accessibility   Delivery time   Customer time to market
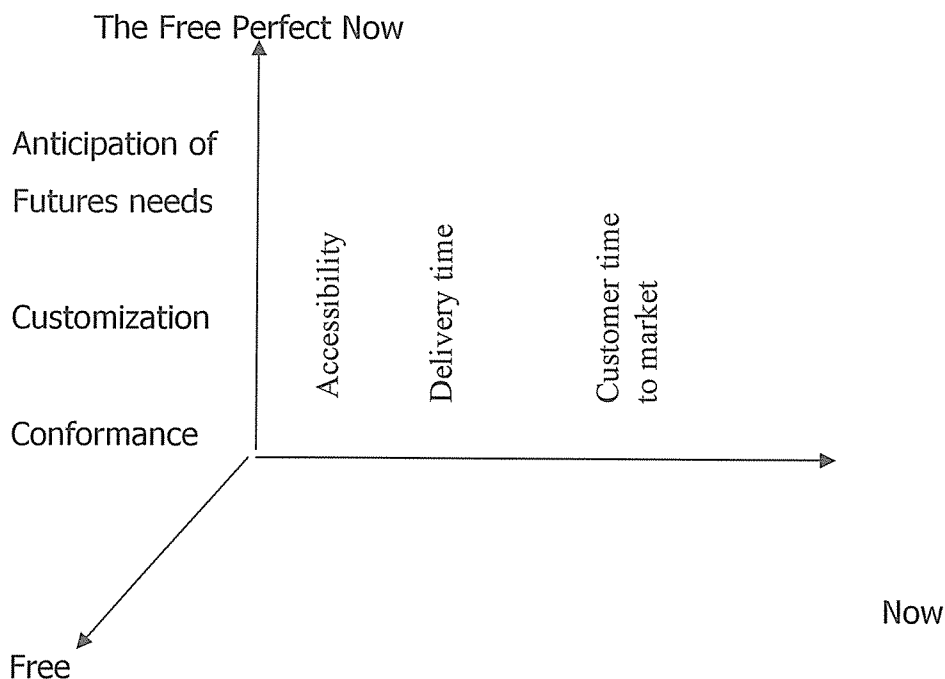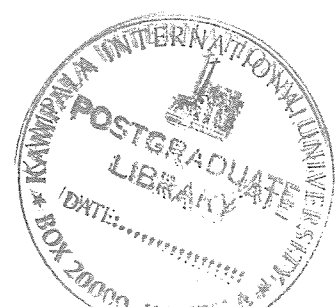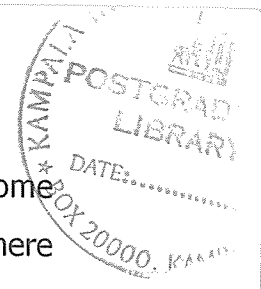
Now

Free

Figure 5. 1: *IT intensive value innovation in the electronic Economy*

Source: Omar EL sawy, Arvid Malhotra, Sanjay Gosain and Kerry Young "*IT intensive value innovation in the electronic Economy MIS quarterly September 1999.*

> Nile Bank would only enjoy lasting competitive advantage if it become knowledge creating company/or learning organization. This means there should be consistently creating new business knowledge, disseminating it widely through out the company and quickly building the new knowledge into their products and services. In this way the bank can exploit two kinds of knowledge;

(i)   Explicit knowledge-referring to data documents things written down or stored on the computer

(ii)   Just knowledge –referring to "how-tos" of knowledge, which reside in workers. In addition, for this strategy to be a success the management of the bank should create techniques, technologies, system and rewards for getting employees to share what they know and to make better use of accumulated workplace and enterprise knowledge. In this way employees of the bank will be leveraging knowledge as they do their jobs.

5.3 General Conclusions

In this economy where competition is influenced by global markets, the one sure source of lasting competitive advantage is business knowledge. When markets shift, technologies proliferate competitors multiply and products and services become obsolete almost overnight, successful companies are those consistently create new knowledge, disseminate it widely through out the organization, and quickly embody it in new technologies and products and services. These activities define the knowledge-creating". Whose sole business strategy is continuous innovations. Difficult business problems always have many aspects, Often a major decision depends on an improper search for one or key peaces of auxiliary information and a quick and hoc analysis of several possible scenarios. Just as the value chain has been intermediated, so too has the introduction CBIT Nile Bank. For effective organizational transformation and development, the IT business argument of Nile Bank must be managed with advanced IT business

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strategies to meet the challenges of today's business technology environment, customer value and business value imperatives for success in a dynamic global economy.

5.4 Suggestions for future research

Although the research significantly identified solutions to the research problem, it was limited to one business firm which is Nile Bank. Therefore, to improve on the findings and recommendations of this research the following areas can be further researched on.

- The same research can be done as a comparative study between two or more than two banks in Uganda.

- A similar research can also be very significant if its more focused on both the external customers, and internal customers.

- A technical research on IT business transformation and development strategy can be an ideal to further the findings of this research. In this, the research would focus more on IT business alignment for competitive advantage and the value chain management.

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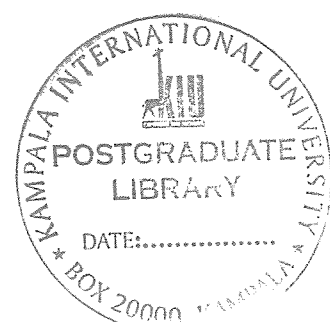
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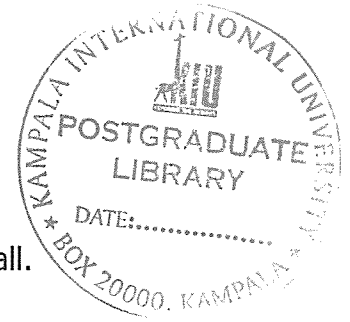
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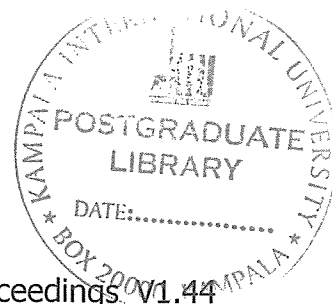
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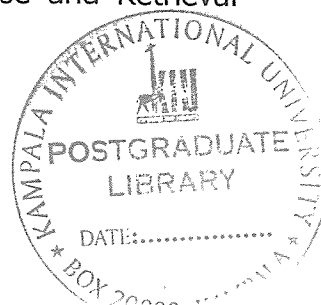
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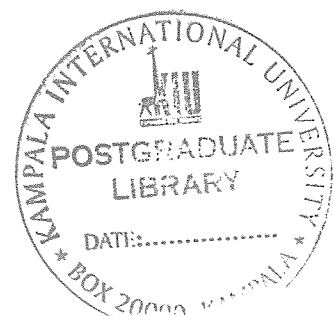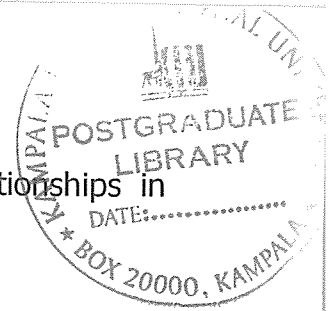
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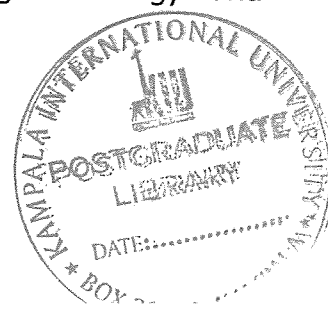
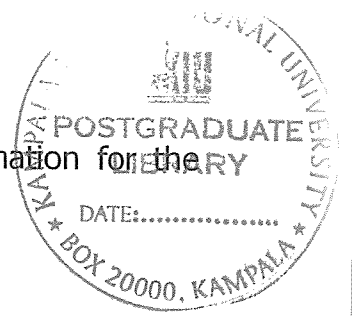experience at National Informatics Division in India - Health Information for the Global village; proceedings of teh71CML, Washington, D.C.

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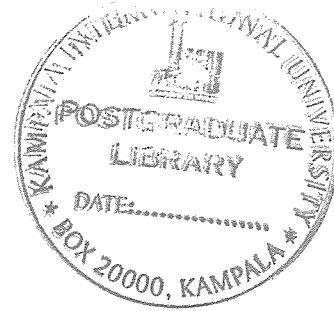
Appendix A

Questionnaire

Kampala International University

School of postgraduate studies

This is an academic research intended to investigate the extent to which information technology can boost organizational transformation and development.

The information obtained shall be kept in high confidence.

Your cooperation will be highly appreciated.

Thank you very much.

Internal customer questionnaire

(to be filled by the Bank staff)

1.   Gender

Male   ☐

Female   ☐

2.   Age

(a) 20 – 29   ☐

(b) 30 – 39   ☐

(c) 40-49   ☐

(d) 50 and above.

3.   Academic qualification

a)   A-level and below   ☐

b)   post secondary education   ☐

c)   university education   ☐

d)   post-graduate education   ☐

e)   any other please specify   ☐

    4. How long have you worked with this bank.

a)   One year and below ☐

b)   2 years ☐

c)   3 years. ☐

d)   4 years ☐

5. What is your staff designation in this Bank?

        a) Support staff ☐

        b) Staff ☐

        c) Supervisor ☐

        d) Manager ☐

6. Does your bank have a mission and vision?
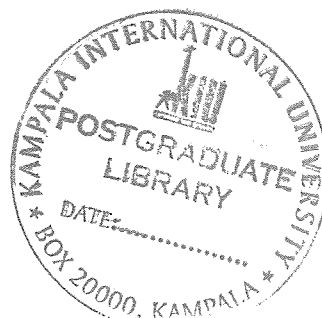
YES ☐   NO ☐

7 In your view, how many of your fellow staff knows the vision and mission of your organization?

a)   All of them. ☐

b)   Most of them. ☐

c)   A fair number ☐

d)   A few of them. ☐

e)   None of them. ☐

Please indicate the extent to which you agree or disagree by choosing only one option for each of the items elaborated below;

1	2	3	4	5
Strongly disagree	Disagree	neither agree nor disagree	Agree	strongly agree.
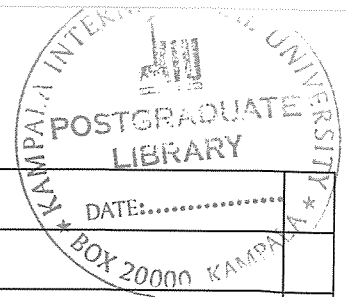
| 8. | I clearly understand the vision and mission of the Bank | |
9.	I share the vision /mission of the bank.	
10.	This bank places a premium on transformation and developing itself using information technology.	
11	This bank's commitment to information technology in its banking services is well communicated to all levels of staff.	
12	This bank's information technology strategy is integrated in all facets of the organization.	
13	Computers have made work for staff very easy.	
14	The top management of this bank believes that services excellent results from on going training of all software And information systems.	
15	The development of skills and knowledge in employees is viewed as investment in this bank	
16	I T skills and knowledge development happens as an on-going process of Organization transformation and development.	
17	The bank strongly relies on information strategy to out compete its competitors.	
18	The quality and costs of our products and services beets our competitors.	
19	Our customers receive 1st class and quality services at cheep cost	
20	This bank delivers it services to both big small customers just in time.	
21	This bank treaty all it's customers in same way.	
22	The management style of this bank inhabits an open flow of communication in all the ranks.	
23	Decision making process in this bank gets in the way of good customer services using modern technology.	
24	The bank's research and information systems are very good at gathering and availing information about customer needs completive environment and the industry banking	
25	Whenever this bank makes a decision, I know it will be concerned about	

	people like me.	
26	I fill very confident about bank's capabilities to transform and develop into a leading in Uganda.	
27	The bank uses IT to substantially reduce of Business process.	
28	The Bank users IT to lower the costs of customers or suppliers	
29	The Bank develops new IT features to differentiate product and services	
30	Users IT features to reduce the differentiation advantages of competitors	
31	Use IT features to focus products and services and selected market niches	
32	Create new product and services that include IT components	
33	Develop unique new market or market niches with use and help of IT	
34	Make radical changes to business processes with IT that dramatically cut cost, improve quality efficiency or customer service or shorten time to market	
35	Use IT to manage regional and global business expansions and to diversify and integrate into other products and services	
36	Use IT to create virtual organizations of business partners.	
37	Develop inter price information system linked by internal and extranets that support strategic business relationship with customers, supplier and sub contractors.	
38	Develop inter price information systems whose convenience and efficiency create switching costs that lock in customers.	
39	Make majority investment in advance IT application that build barriers to entry against industry competitors or outsiders.	
40	Include IT component in product and services to make substitution of competing product or services more difficult.	
41	Leverage investment in IT's people hardware, software database and Network for operational in strategic applications.	
42	The bank provides education and training services in IT technoiogies to management, end users, customers and other business stake holders	
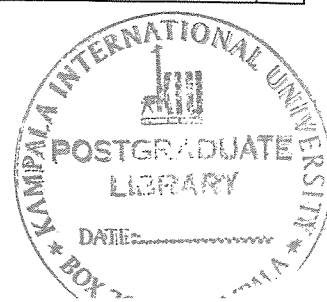
43	The Bank uses consultants or a training programs to develop user competencies of IT Technologies	
44	The Bank evaluated and acquired hardware and software resources and information system services by screening vendors and proposals	
45	The Bank developed its own software that would not be acquired externally as a software packages.	
46	The bank made necessary modifications to the software packages that were acquired, the bank tested and made necessary corrections to the programs, procedures and hardware used buy the new system	
47	The bank recorded and communicated the details of the systems' specifications including procedures for end users and IT/IS personnel and examples of input screens and output displays and reports.	
48	The bank converted from the use of present IT/IS system to the operation of a new improved system	
49	It used both new and old systems in parallel of a trial period	
50	It used operational pilot system on a trial basis at one branch phasing in the new system at a time	
51	It immediately plugged or cutover into the new system	
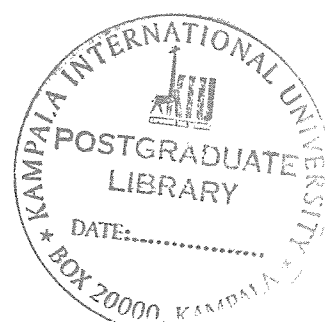
Appendix b
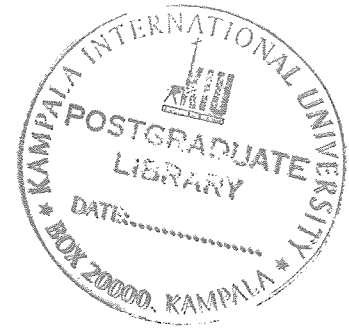
Interview Guide schedule for Nile Bank Management

Jubilee Leonard a student of KIU carrying out an academic research as a partial fulfillment of the award of masters of business administration in information technology (MBA IT)

1. What needs and objectives have driven Nile Bank towards establishment computer Best Information Technology

2. How well is IT supporting the business goals of Nile Bank?

3. Is Nile Banks technology transfer map a good way to justify its investment practices? Why or why not?

4. What else could Nile Bank do to guarantee the strategic business value of potential IT investment projects?
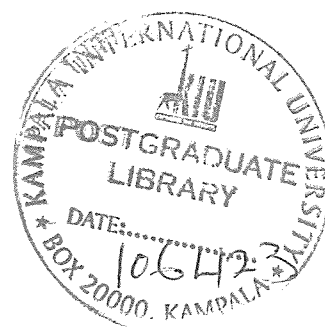
5. 'Technology is no longer an after thought in forming business strategy but the actual cause and driver" (Marcia Robinson 1999) and my survey shows that there is a lot lacking. IT awareness in the Banking sector looks to be one of stabling blocks to organizational performance. How do you plan to develop an effective IT management program in terms of strategy, skills, system and staff

6. What business strategies processes and best practices have you adopt in the IT department or What advantages do you believe you enjoy over competitors.

7. What enabling IT technologies have you put in place to ensure a successful transformation and development of this Bank towards it vision.

8. What mechanism have employed to the staff to change in IT.

9. What impact critical lessons have you leant from using IT ICT is system and also from old Bank appreciation which will can have a bearing on IT strategy and what pitfalls will seek to avoid.

10. Placed as you are in a strategic position in the bank what you're reading of the IT in the banking trends in Uganda. How should Nile Bank respond to these trends?

11. On what aspects of your service delivery have you placed emphasis to gain advantage over the other (competitors).
A) Delivering superior quality services and products (please specify).
B) Scanning external environment. (Competitors) for best practices.
C) Improving internal organization atmosphere (in terms of structures, team work / shared value).

12. Which factors does management consideration important towards achieving organizational transformation and development (prioritize).
1. Appearance
2. Behavior or attitude of frontline managers
3. Professionalism in serving customers.
4. Honesty of frontline staff.
5. Ample space
6. Online services
7. Fast services
8. High IT services

Thank you so much