

The Strategic Impact of Automating Bank Operations in achieving Competitive Advantage

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Abstract

This study focuses on demonstrating the importance of banking operations automation, being a part of the bank's strategy, in expanding the client base and achieving the competitive advantage in a sample of banks in Jerusalem district.

The specific goals of the study include: highlighting the technological factors used as a tool for achieving the competitive advantage within the bank; determining the relationship between the application of electronic banking and competitive advantage in the sample banks; determining client preference for electronic banking products; and exploring challenges and proposing solutions that can help in promoting e-banking service and sustainability.

The study has adopted the descriptive research methodology. The sample participants, totaling to 131 individuals, are all banks employees who work in branches located in their area (Arab Bank, National Bank, Bank of Palestine, Arab Islamic Bank, Egyptian Arab Land Bank). The sample was selected from the official list of employees who work in bank in the Jerusalem district in 2019. The sample participants has been distributed among banks based on the bank variable representing 19.8% of National Bank, 20.6% of Bank of Palestine, 19.8% of Arab Bank, 19.8% of Arab Islamic Bank and 19.8% of Egyptian Arab Land Bank. Primary data has been collected using a self-administer questionnaire that is attached to the Annex. Completed questionnaires have been analyzed with SPSS.

The study has concluded that it is important to use technology through equipment, software and communications to achieve the optimal quality. Furthermore, it has concluded that there is a strong correlation between banking services automation and achieving competitive advantage.

Therefore, bank managements should develop strategic plans to promote banking programs, support services through electronic devices, train employees increase client preferences and overcome the challenges that automated banks face.