Towards a Conceptual Framework for Investigating Information Systems Success: The Case of Egyptian Banks

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ABSTRACT

Information Systems are widely used in the banking sector, as banks are information intensive. The investment in ISs by banking organizations will continue to increase for two reasons; everyone is using some kind of information systems in their day-to-day activities. Banking organizations cannot afford to be left behind technologically, since many customers are using these systems to manage their money, accounts and savings information. As the field of IS grows, the BIS literature did not mature to meet the needs of practice. One particular area that is in need for further exploration is the evaluation of IS currently in the banking sector. This paper develops a conceptual framework to examine the success of IS in the Egyptian BI. This adds value to the body of knowledge by investigating Information Systems Success. Depending on this investigation, researchers and scholars in the field of Information Systems can have a clear view to set their attitudes towards suitable future research studies which in turn contributes to the related accumulated knowledge in the field.

KEYWORDS

Banking Industry, Delone and McLean, Egypt, Information Systems, Success

1. INTRODUCTION

In 1990s, the world has witnessed an unprecedented expansion of business into global markets. Information technology (IT) has been the major enabler that has helped organizations to integrate their worldwide operations. The effective use of IT is of vital importance to organizations (Kedia & Bhagat, 1991) in achieving economies of scale as well as competitive advantage, which are critical in today’s worldwide markets.

In 1996, global investment in IT was estimated to be around US $ 11 trillion (Strassmann, 1997; Brynjolfsson & Hitt, 1998). Assessing the return on this large investment in IS/IT management is of great importance to the global business community. For this reason, IS success and effectiveness as a field of research has gained an importance and attracted researchers from a variety of disciplines. The ability of a corporation to compete effectively in a global economy depends in part on the effectiveness of IS function and its global orientation (e.g., Karimi & Konsynski, 1991). IS, however, may not be accepted and used by those individuals for whom the systems were designed and implemented (e.g., Davis et al., 1989).
Research findings suggest that IS problems are country-specific and are related to the country’s unique cultural, political, legal, economic and technological environments (e.g., Deans et al., 1991; Ein-Dor, Segev & Orgad, 1993). Thus, effective management of such systems requires identifying the issues which might be unique to certain cultures (Deans & Ricks, 1991; Palvia & Saraswat, 1992). The investigation of IS issues in a particular area of the world (e.g., Hassan, 1994, who investigated the environmental constraints in utilizing information technology in Pakistan) emphasizes the possible impact of cultural differences on such issues (Wetherte, Vitalari & Milner, 1994).

In this paper, we are proposing a conceptual model for examining the success of IS in the Egyptian Banking industry.

2. RESEARCH PROBLEM AND CONTRIBUTION TO THE CURRENT KNOWLEDGE

Advances in IT industry have brought about vast changes in every industry sector imaginable. The banking industry is no exception and the industry has undergone a dramatic change over the past few decades.

The role of IT in contemporary organizations continues to expand in scope and complexity (Garrity & Sanders, 1998, Mohd Daud et al., 2011, Aldahmour and Eleyan, 2012) and has a dramatic effect on business operations. IS managers are under increasing pressure to justify the value and contribution of IS expenditure to the productivity, quality and competitiveness of the organization. Consequently, this paper seeks to propose a model that can be used to evaluate the success of banking information systems BIS in order to help bank IS managers evaluate the success of their IS, develop IS, and improve the performance of bank employees in specific and the performance of the whole bank in general.

Therefore, this paper contributes to the conceptual side of BIS by proposing a model that can be used to examine the success of IS in the banking industry. Banking industry is one of the industries that can be called information intensive sectors, as this industry is based mainly on information. Enabling the bank to examine the success or failure of its IS may provide it with competitive advantage over the other banks. Additionally, this topic was not investigated before. Also, the paper contributes to the practical side of BIS. An important and significant challenge involves how to evaluate the success of IS, how to justify the different resources allocated in these systems, and how to ensure the success of IS in positively affecting individuals and the overall organization.

This paper helps the managers of the banks to improve the likelihood of IS success by carefully considering the dependent variables in the proposed model in system development and implementation. While some of the variables (e.g. age, organizational position) cannot be directly controlled, other variables (e.g. information quality, system quality, service quality, user involvement...) can be controlled. Plans should be developed to facilitate the development of more successful information systems applications.

3. RESEARCH OBJECTIVES

The primary purpose of this paper is to investigate the factors affecting BIS success by using the proposed conceptual model in the Egyptian banking industry, and to develop a model that can be used to measure the success of information systems within this context. This paper used the cumulative research in both IS in general and in banking sector specifically to develop the study model. Thus, the objectives of the paper are the following.
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