
Thesis Summary

Banha University
Faculty of Commerce
Business Administration Department
Post _ Graduate Studies

**Efficiency Requirement of Virtual
Organizations and It's Impact on Banking
Industry Performance
An Applied Study**

A Thesis Submitted for Partial Fulfillment of Master
Degree in Business Administration

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Thesis Title	Efficiency Requirement of Virtual Organizations and It's Impact on Banking Industry Performance Applied Study
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Thesis Summary

This thesis representing a field study prepared for identifying the new technological concept of virtual bank and determining it's application requirements on the traditional bank.

A study problem lies in the extent to which the virtual bank concept can be applied to what extent the application requirements of this concept are available in the traditional banks and to what extent it's participating in

improving the performance of banking industry and supporting the competitive level of banks.

The objective of the study:-

- 1- Reaching a specific concept of virtual banks, that is clarifying it's importance and it's application on Egyptian banks.
- 2- Determining the technological level and information infrastructure, that are needed by the virtual organization.
- 3- Evaluating the extent to which the Virtual Banks technology can be applied in the Egyptian traditional banks.
- 4- Measuring the perception of Egyptian traditional banks managers for the virtual banks concept.
- 5- Determining the extent to which the virtual bank participating in fostering banks competitive ability and improving banks industry performance.
- 6- Reaching a set of future researches that can be prepared by researchers in this field.

The study hypotheses :-

- 1- There is an abstract relationship with a statistical significance between the potentiality of applying the concept of virtual bank and availability of the following prerequisites:-
 - The recognition and the perception of the banks managers to the virtual banks concept.
 - The employees acceptance to the virtual banks systems.
 - The availability of electronic means needed by the virtual banks.
- 2- There is an abstract relationship with a statistical significance the potentiality of applying the concept of virtual banks and fostering banks competitive ability.
- 3- There is an abstract relationship with a statistical significance between the application of virtual banks concept and the improvement of banks industry performance.

The thesis is composed of six chapters. The first chapter represent the most important concepts introduced by the technology on the business, information and communication means as internet web, electronic trade and electronic business. The second chapter showed the concepts and the basics of virtual organizations concept which include the definition, the origin and the characteristics.

The third chapter involve information knowledge management and information technology and it's relationship with the virtual organizations.

In the fourth chapter the researcher explain the virtual bank concept, it's origin and it's services. In the fifth chapter the researcher focused on the field study of the extent to which the virtual bank system can be applied on the Egyptian banks in general and in the commercial banks in the public sector which is the place of study in particular and it's impact on the performance level of bank and it's competitive ability.

Finally, the sixth chapter , which shows the results, recommendations and study participations and also a set of suggestion for future studies.

In order to test hypotheses of the study, the researcher depended on the secondary data that shared in determining the possibility of applying virtual bank concept, in addition to the primary data collected by the questionnaire, the questionnaire was designed and directed questionnaires to top managers at Misr Bank and AL Ahly Bank, 100 questionnaires from Misr Bank with a percentage of 58.8% and 70 questionnaires from AL Ahly Bank with a percentage of 41.2 % , at totally 170 questionnaires.

The result of testing hypotheses:-

a- The first hypothesis was verified ; that there is an abstract relationship with a statistical significance between the potentiality of applying virtual bank concept (as a dependent variable) and the availability of managers assimilation of virtual bank technology, electronic means and employees acceptance of that virtual system (as an independent variables). The value of correlation coefficient for the three independent variables : 0.624 – 0.77 – 0.878 , denoting a strong direct relation between the dependent variable in the first hypothesis and the independent variables.

b- There is a strong direct relation between the potentiality of applying virtual bank concept (as an independent variable) in the second hypothesis and fostering the competitive ability (as a dependent variable) , correlation coefficient value was 0.69 at level 0.01.

c- There is a strong direct relation between the potentiality of applying virtual bank concept (as an independent variable) in the third hypothesis and improving the performance of banking industry (as a dependent variable), correlation coefficient value was 0.732 at level 0.01.

The most important recommendations were :-

- 1- The bank wishing to adopt the hypothesis introduces electronic business and communication and information technology to all it's banking works.
- 2- Legislators should issue special laws that regulate banking transaction via e-network.
- 3- Banks wants to adopt virtual banks system and also restructuring the virtual system.
- 4- Bank study the experiences of developed countries that applied the idea of virtual banks, to know the positive and negative aspects of application and benefit of it.
- 5- Banks should preparing for training programs to prepare human element capable of development and innovation, and dealing with information technology and E-Communications.
- 6- Continuous development and up date of information technology , communications and networks the banks depend on.

7- Banking policy officials of bank should improve and renew E-Banking business systems continuously.

8- Departments managers should disseminate and define the concept of conversion to electronic and virtual banking business among the employees, explain it's idea in a simple easy way that concentrates on benefits and positivist's, and remove any fear that some persons have.

9- Banks should establish risk sector that can they face when applying the virtual bank idea.

10- It is necessary to make behavioral studies for employees in the bank , that wants to converting to virtuality, to measure their ability to work under virtual system.

11- Virtual bank system should not be seen as end in itself , but as a tool that can be used to increase competitive ability of banks and improve the level of banking performance.