

**ADOPTION OF INFORMATION TECHNOLOGY TO PRODUCTIVITY CHANGES IN
THE SRI LANKAN BANKING INDUSTRY**

Prashani Fernando

Prashanif1234@gmail.com

Department of Accountancy, University of Kelaniya

Abstract

The rapidly increasing use of computers in producing and delivering goods and services has spurred a large literature on the effects of information technologies (IT) on productivity growth (Casolaro & Gobbi, 2004). Information and communication technology (ICT) can be considered the key factor driving economic growth in industrial societies. Investing in IT is widely regarded as having enormous potential for reducing costs, enhancing productivity, and improving living standards (Hajl, Sims, & Ibragimov, 2013). In recent years, greater competition in SL banking has been driven by technological change, internationalization and globalization of financial services, higher demand for banking services and deregulation and privatization of the industry (Figueira, Nellis, & Parker, 2009). The Internet has provided an environment in which information can travel across organizational and geographical boundaries (Dasgupta, Sarkis, & Talluri, 1999). Comparison of ICT investment to all other expenditures connected with the production process illustrates the growing significance of ICT in the modern economy as a factor of production (Hajl, Sims, & Ibragimov, 2013).

The purpose this research is to observe whether Information technology is an indicator of a productivity. The sample for this research will be obtained from the Sri Lankan listed commercial banks. The objective of this research is to find out to identify relationship between information technology and productivity changes.

Key Words: Productivity, Information technology, Banking industry