

**RELATIONSHIP BETWEEN E-BUSINESS PRACTICES AND
OPERATIONAL EFFICIENCY OF BANKS**



By

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ABSTRACT

The purpose of this study is to examine the Relationship between e-business practices and operational efficiency of banks. The operational efficiency ratio (OER) used as operational efficiency measures and measures the e-business practices by using ATMs, Internet banking usage, mobile banking usage. This study used panel data consisting of 13 listed banks of Colombo stock exchange as a sample for the period of 2012-2019. This research is conducting based on secondary data. Data will be obtained from the financial report and websites of sample banks and information from annual reports of the central bank in Sri Lanka and also gathered from the website of CSE from 2012-2019. STATA used to analyze data. The random-effect model was chosen to examine the impact of e-business practices and operational efficiency of banks.

The findings of the study are ATMs, Internet banking and mobile banking contribute to negative significance to the operational efficiency of banks. The results of the study proved that a slightly significant the impact of e-business practices and operational efficiency of banks. It means the ATMs, -Internet banking and mobile banking are significantly affecting the operational efficiency of the banks. There no sufficient studies in Sri Lanka identify the relationship between e-business practices and operational efficiency. This research will help to fulfill this research gap. Stakeholders and bank managers will be able to use the results and findings from the results of this study and they can make more reliable and effective decisions.

Keywords: *E-business Practices, ATMs, Internet Banking, Mobile Banking, Operational Efficiency, Operational Efficiency Ratio*

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