

Analysis of Technology Management in Subsidiary Banks: Premiums and Penalties

Elham Kamal Metwally

Adjunct Faculty

Public Policy and Administration Department, School of Global Affairs and Public Policy,
The American University in Cairo, AUC Avenue, P.O. Box 74, New Cairo 11835, Egypt.

E-mail: ekm@aucegypt.edu

Abstract. In reaching out for strategic competitiveness, some banks will perceive technology as a better source, and therefore will use it more than others. In literature, achieving competitiveness in the banking industry was attributed more to influences of monetary policies, investing in human resources, implementing institutional changes, deregulating bank interest rates, and increasing foreign entry, than to technology management. However, implementation of technologies trigger change that, in most cases, is hard to manage as it involves in-depth understanding of how to successfully manage it, and overcoming obstacles that could be challenging for businesses that lack leaders who could effectively manage change. As this study focused on the premiums and penalties involved in technology management in subsidiary banks in Egypt, both private sector banks and foreign subsidiary banks were scrutinized on technology management of electronic-based banking delivery systems. The study used a comparative analysis methodology as a qualitative research approach, and in-depth semi-structured interviews were used as primary data collection techniques to obtain information from both industry authorities and top-level management in banks; whereas, documentation and archival records were used as secondary sources with the purpose of enhancing an understanding management practices throughout technology implementation in banks. The findings were then compared to assess discrepancies in management of technology between the two groups. The outcomes of the study indicate that low commitment levels influenced market share and strategic competitiveness as they reduced management efficiency. The value of the paper lies in the use of a comparative methodology to unveil new determinants of effective technology management, and identification of technology management as one potential antecedent of strategic competitiveness. Practical implications for banks include further considering and emphasizing certain management practices, actions, and strategies that could better equip them to master technology management. With dedication avails, employees are more encouraged to carry on contributing towards effective technology management and potential influence on strategic competitiveness.

Keywords: Technology management, foreign subsidiary banks, strategic competitiveness, organizational development, organizational behavior, banking industry.

Research abstract is published upon Author's Request