

ABSTRACT

This study was undertaken in partial fulfillment of the requirements for the award of the degree of Master of Business Administration at Kampala International University. BPR SA like any other financial institutions with manual system have had to contend with errors and mistakes, deliberate omissions of source documents and delays in providing financial reports because of a huge amount of banking transactions. It was against the above background that this study was undertaken. It was concerned with the role of Information technology in improving commercial bank operations in Rwanda. The case study was Banque Populaire Rwanda SA [People's Bank of Rwanda]. This study aimed at establishing the role of IT in improving commercial bank operations. Specific objectives included investigating challenges faced due to lack of integration of IT in commercial bank operations, identifying the advantages of an automated banking system, finding out challenges/problems that an automated banking system may present in carrying out commercial bank operations. The research design was descriptive and purposive and judgmental sampling techniques were used to choose a sample of 314 respondents out of 1460 employees of BPR SA. Questionnaires, interviews and observation methods of data collection were used to obtain primary data while secondary data was checked for uniformity, accuracy and consistency. Results of the study indicated that challenges like errors and mistakes, deliberate omissions of source documents, improper recording of transactions, etc do occur in manual banking system. It was also established that an automated banking system has a role of improving effectiveness of commercial bank operations through enabling more accurate data, saving time on operations, helping reconciliation of interrelated accounts and also in production of a wide variety of information for management. Problems faced when using an automated banking system may include lack of depth knowledge of the banking software by employees, attack of viruses and a cut of network connections among others. It was therefore recommended to BPR SA that there should be verification of data before it is input into the system, reinforcement of system capacity, using new and appropriate programs and providing proper training to its employees.