

**FACTORS AFFECTING THE EFFICIENCY OF IT
GOVERNANCE IN SRI LANKAN PAYMENT CARD
INDUSTRY**

Kushan Buddhika Manawaduge

(139059L)

Degree of Master of Business Administration in Information Technology

Department of Computer Science and Engineering

University of Moratuwa

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DECLARATION

I declare that this is my own work and this thesis does not incorporate without acknowledgement any material previously submitted for a Degree or Diploma in any other University or institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text.

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K.B.Manawaduge
(MBA-IT 139059L)

The above candidate has carried out research for the Masters Dissertation under my supervision.

Signature of supervisor:

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ABSTRACT

The role of money as the major medium of exchange has been rapidly changing over time and customers value the ease, flexibility, security, and convenience that cashless payment methods provide.

Today payment card industry (PCI) is highly technical and information oriented. IT plays a major role in this industry with the main objectives of secure payments with customer satisfaction. On the other hand, IT is a key strategic weapon of the player that can be used to increase the overall organization strategic business objective. However, use of IT is not sufficient to face the challenges, problems, and competition. IT should be properly and carefully governed to align people, processes, and technology to meet the overall organizational strategic objectives. This will enable the PCI players to become the top of the industry gaining the competitive advantage over the other rivals. There is a global expansion and a demand for IT governance in PCI. Sri Lanka is also in the early stage of adapting to IT governance; therefore, this is an important research area at this time.

The purpose of this research is to identify the main factors which affect to the efficiency of IT Governance usage in PCI and to analyze how they contribute to making the industry more attractive, efficient and effective. In this research, a conceptual framework is proposed to capture the impact on the perceived user satisfaction and overall organization performance in the aspect of IT Governance adaptation in Technology, Organization, and Environmental Context. Finally, research analysis and findings show that effective IT governance is essential in Sri Lankan payment card business to increase the user satisfaction and overall organization performance. More attention needs to be paid for domain expert's availability, compliance of rules and regulations, technology adaptation and obtaining support from 3rd party vendors. Research findings show that there is a big potential and an opportunity to effective IT governance in Sri Lankan payment card industry. It also discusses the identified recommendations to improve IT Governance to increase the PCI user satisfaction and overall organization performances.

TABLE OF CONTENTS

Declaration	i
Acknowledgements	ii
Abstract	iii
Table of Contents	iv
List of Figures	viii
List of Tables	xi
List of Abbreviations	xii
List of Appendices	xiv
1. Introduction	1
1.1 Chapter Overview	1
1.2 The Board Research Area and Where the Research Topic Fits	1
1.3 Motivation	4
1.4 Problem Statement	5
1.5 Research Question	6
1.6 Objectives of the Research	6
1.7 Literature Review	7
1.8 Research Methodology and Design	7
1.9 Research Findings	7
1.10 Conclusion	8
2. Literature Review	10
2.1 Introduction	10
2.2 Payment Card Industry	11
2.2.1 Competition in Payment Card Industry	12
2.2.2 Credit Cards in Sri Lanka	14
2.2.3 Debit Cards in Sri Lanka	16
2.2.4 Common Card and Payment Switch (CCAPS)	17
2.3 IT Governance	17
2.3.1 Strategic Alignment	20
2.3.2 Value Delivery	20
2.3.3 Risk Management	20

2.3.4 Performance Measurement	21
2.4 Main Aspects of IT Governance in Payment Card Industry	21
2.4.1 Management of Information Technology	27
2.4.2 Fiscal and Regulatory Policies	33
2.4.3 Risk	34
2.4.4 Security	35
2.4.5 Technology Adaptations	37
2.4.6 Procurement Process	40
2.4.7 Human Resource	42
2.4.8 Project Management Practices	43
2.5 Strategic Alignment of Information Technology, Governance and PC Business	45
2.6 Literature Review Summary	46
3. Research Methodology	49
3.1 Introduction	49
3.2 Research Methodology	49
3.3 Research Question and Objectives	50
3.4 Research Approach	50
3.5 Industry Overview	52
3.6 Data Collection	54
3.7 Research Framework	58
3.7.1 Technological context: Compatibility of Technology Adaptation	60
3.7.2 Organizational context: Availability of Management level PCI Domain Experts	61
3.7.3 Environmental context: Third Party Vendor Support and Services	62
3.7.4 Environmental context: Availability of define legal and compliance frameworks	62
3.7.5 User satisfaction and organizational performance	63
3.8 Data Analysis	63
3.9 Limitations	64
3.10 Ethics	65

3.11 Others	65
3.12 Conclusion	65
4. Research Findings and Observations	66
4.1 Introduction	66
4.2 IT Governance and how it fits in the PCI in Sri Lanka	66
4.2.1 IT Governance and its place in PCI	68
4.2.2 Sri Lankan Payment Card Industry IT Usage	71
4.2.3 IT Governance as a Strategic and Operational Tool	73
4.3 Factors affecting the efficient IT Governance in Sri Lankan PCI	74
4.3.1 Availability of PCI Domain Experts with Management Capacity	75
4.3.2 Legal Acceptance and Regulatory Policies for PCI related IT Governance	82
4.3.3 Technology Adaptation and PCI IT Governance	88
4.3.4 External Support from Vendors and Consultants	94
4.4 Gaining Competitive Advantages with effective IT Governance	101
4.4.1 PCI Related Products and Services	101
4.4.2 Reacting to Competitors and the Competition	102
4.4.3 Better Decision Making Process	102
4.5 Conclusion	102
5. Analysis And Discussion	103
5.1 Introduction	103
5.2 IT Governance and how it fits the PCI in Sri Lanka	103
5.2.1 IT Governance and its place in PCI	103
5.2.2 Sri Lankan Payment Card Industry IT Usage	104
5.2.3 IT Governance as a Strategic and Operational Tool	104
5.3 Factors affecting the efficient IT Governance in Sri Lankan PCI	104
5.3.1 Availability of PCI Domain Experts with Management Capacity	105
5.3.2 Legal Acceptance and Regulatory Policies for PCI related IT Governance	107
5.3.3 Technology Adaptation and PCI IT Governance	109
5.3.4 External Support from Vendors and Consultants	110

5.4 Gaining Competitive Advantages with effective IT Governance	113
5.5 Conclusion	113
6. Conclusion and Recommendations	114
6.1 Conclusions	114
6.2 Recommendations	115
6.3 Future Research Opportunities	117
Reference	119
Appendix I - Sample Questionnaire	124
Appendix II – Sample Interview Question	134

LIST OF FIGURES

	Page	
Figure 1.1	Key participants of Payment Card Industry	3
Figure 2.1	Total number of new credit cards issued (during the period)	15
Figure 2.2	Total volume and value of transactions effected through credit cards (during the quarter)	15
Figure 2.3	Average number of transactions per credit card during the quarter	16
Figure 2.4	Total volume and value of transactions effected through debit cards during the quarter	17
Figure 2.5	Relationship between the IT Governance and organization set objectives	19
Figure 2.6	Main focus areas of IT Governance	19
Figure 2.7	Factors affecting Management of Technology in organizations	27
Figure 2.8	Framework of Management Information Systems & Organization Performances	29
Figure 2.9	The Diffusion on Innovation (DOI) Framework	31
Figure 2.10	Technology, organization and environment framework	32
Figure 2.11	IT Security Approach	36
Figure 2.12	IT Adaptation in SMEs Framework	37
Figure 2.13	IT Adaptation Framework	39
Figure 3.1	High-Level Research Process	49
Figure 3.2	Technology, Organization and Environment Framework	58
Figure 3.3	The Diffusion on Innovation (DOI) Framework	59
Figure 3.4	Conceptual Research Framework	60
Figure 4.1	Competition among the financial institutes in Sri Lankan PCI	67
Figure 4.2	IT Usage in Sri Lankan Payment Card Business	68
Figure 4.3	Current participants in payment card business	69
Figure 4.4	The importance of the effective IT Governance in delivering user & customer satisfaction	70

Figure 4.5	Essentialness of IT governance to achieve PCI related organizational objectives	71
Figure 4.6	Importance of IT Governance in PCI to deliver competitive products and services	71
Figure 4.7	Overview of IT Governance adaptation in Organizational Context	72
Figure 4.8	Assessment of IT governance application in Sri Lankan PCI	72
Figure 4.9	Overall usage of IT Governance as a tool-Management perspective	74
Figure 4.10	Strategic & Operational wise IT Governance usage	74
Figure 4.11	PCI domain experience in managerial position	76
Figure 4.12	Job categorization analysis among managers	76
Figure 4.13	Operational Manager participation on PCI decision making	76
Figure 4.14	Technical staff PCI domain experience	77
Figure 4.15	IT Staff allocation of PCI business	78
Figure 4.16	Employee's participation in PCI related training for last 5 years	78
Figure 4.17	Higher user satisfaction variation based on the PCI expertise level	79
Figure 4.18	Greater organizational performance variation based on the PCI expertise level	80
Figure 4.19	IT engineers participation on PCI IT solution implementation	80
Figure 4.20	IT Engineers participation on PCI IT related decision making process	81
Figure 4.21	Awareness of PCI related IT standards and policies	81
Figure 4.22	IT Governance requirement for effective risk, security and compliance management	85
Figure 4.23	PCI user satisfaction and organization overall performance based on effective risk, security compliance contribution	85
Figure 4.24	PCI staff awareness of defined risk, security, compliance	88

	policies and procedures	
Figure 4.25	Perception of technology adaptation – User satisfaction	91
Figure 4.26	Perception of technology adaptation – Organization performance	91
Figure 4.27	IT Governance value addition via IT adaptation	92
Figure 4.28	Level of PCI related IT solutions, technology implementation	93
Figure 4.29	Status of existing PCI systems	93
Figure 4.30	Third party outsources services	95
Figure 4.31	Perception on the essentiality of external vendors	95
Figure 4.32	Average percentage of PCI related outsource services	96
Figure 4.33	Third party vendor involvement for PCI related implementation	97
Figure 4.34	Due diligence analysis for selecting third party vendors/supplier	97
Figure 4.35	Procurement policy & guidelines- selecting third party vendors/supplier	98
Figure 4.36	Risk & security management procedures	99
Figure 4.37	Definition and usage of IT service management strategy	99
Figure 4.38	Analysis of awareness and adaptation of industry best practices	100
Figure 4.39	Industry best practices impact for IT governance	100
Figure 4.40	Third party vendor support impact for user satisfaction	101

LIST OF TABLES

	Page
Table 3.1 Sample Selection	57
Table 4.1 Growth Rate of Payment Cards - Outstanding	67
Table 4.2 Prioritize IT Governance Gaps in Sri Lankan PCI	73
Table 4.3 Needs for legal and regulations in the payment card industry	82
Table 4.4 Legal and regulatory implication on IT governance	83
Table 4.5 Cost of compliance and impact to IT Governance	86
Table 4.6 Cost of non-compliance with the overall PCI organization performance	86
Table 4.7 Opportunities arising out of legal, regulatory compliance	87
Table 4.8 Possible technology adaptation to Sri Lankan Payment Card Industry	89
Table 4.9 Reasons for technology adaptation	90

LIST OF ABBREVIATIONS

Abbreviation	Description
ACH	Automated Clearinghouse
AML	Anti-Money Laundering
ATM	Automated Teller Machine
BOC	Bank of Ceylon
CAS	Common Automated Teller Machine Switch
CBSL	Central Bank of Sri Lanka
CCAPS	Common Card and Payment Switch
CEO	Chief Executive Officer
CIO	Chief Information Officer
COM	Commercial Bank of Ceylon PLC
DOI	The Diffusion on Innovation Framework
EDI	Electronic Data Interchange
EFT	Electronic Fund Transfer
EMV	Europay, MasterCard, and Visa Stand
GDP	Gross Domestic Product
GRC	Governance, Risk Management, and Compliance
HNB	Hatton National Bank PL
HR	Human Resource
HSBC	The Hongkong and Shanghai Banking Corporation Ltd.
ICT	Information Communication Technology
ISO	International Organization for Standardization
IS	Information System
IT	Information Technology
ITDBS	Information Technology Driven Banking Services
ITIL	Information Technology Infrastructure Library
JCB	Japan Credit Bureau
KPI	Key Performance Indicator
LCB	Licensed Commercial Bank

LCPL	The LankaClear (Pvt) Ltd
LSB	Licensed Specialized Bank
MC	MasterCard
MIT	Management of Information Technology
NFC	Near Field Communication
NTB	Nations Trust Bank PLC
PB	People's Bank
PC	Payment Card
PCI	The Payment Card Industry
PCI DSS	Payment Card Industry Data Security Standard
PCS	The Payment Card System
PMP	Project Management Professional
POS	Point of Sales
QoS	Quality of Service
ROA	Return on Assets
SLA	Service Level Agreement
SAM	Sampath Bank PLC
SEY	Seylan Bank PLC
SMS	Short Message Service
TOE	Technology, organization, and environment

LIST OF APPENDICES

Appendix	Description	Page
Appendix I	Sample Questionnaire	121
Appendix II	Sample Interview Question	131