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ADDIS ABABA UNIVERSITY

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**DETERMINANTS OF AGENT PERFORMANCE:
THE CASE OF COMMERCIAL BANK OF ETHIOPIA.**

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DECLARATION

I, ErmiasTeferaEndalke, hereby declare that the thesis work entitled, Determinants of performance of banking agents: A case study conducted in Addis Ababa city focusing on selected banking agents, this thesis is the outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestions of the research advisor. This study submitted by me for the award of the degree of Master of Business Administration (MBA) in graduated studies of Addis Ababa University College of business and Economics at Addis Ababa, Ethiopia, it is original work and it hasn't been presented for the award of any other Diploma, Degree, Fellowship or other similar titles of any other university or institution.

By: Ermias Tefera

Signature: _____

Date: June, 2018

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ACRONYMS AND ABBREVIATIONS

AFS – Agency Financial Service

CBE – Commercial Bank Of Ethiopia

KPI-Key Performance Indicators

NBE - National Bank Of Ethiopia

POS - Point Of Sales

TAM – Technology Accepted Model

ABSTRACT

Dynamism in business environment and stiff competition has brought change in the banking industry pushing banks to innovation and technology advancement. Realizing this, the main aim of this research was to identify determinants of performance of banking agents in the case of commercial bank of Ethiopia with the performance dimensions of fraud, network, and financial literacy, financial cost and reward. The study used primary and secondary data sources. Simple random sampling technique and purposive samplings were employed. Questionnaire was designed to collect relevant data from the selected 222 respondents 215 questionnaires were completed and analyzed. Both descriptive research and explanatory research design were utilized. The multiple regressions result indicated reward, financial cost and financial literacy had positive and significant impact on agents' performance but fraud and network capability had insignificant effect on agents' performance. Correlation analysis also used in this study based on this, all variables had positive relationship with agents' performance. The regression result showed that the independent variables used in the study explain 72% variability on agents' performance. The study concluded reward; financial cost and financial literacy had positive and significant effect on agents' performance. Finally, recommendation forwarded reward, financial cost, and financial literacy should be given more attention by the bank, the knowledge of fraud should exist in the side of agents and network capability should be improved.

Keywords: agents, performance, fraud, network, financial literacy, financial cost, reward

CHAPTER ONE: INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Agency banking was first developed in Brazil in 1999. Although by 2000, only 1,600 municipalities in Brazil had bank branches, by 2010, some 170,000 agents cover all of the 5,500 municipalities, and nearly 12 million accounts have been opened at agents over the years. Brazil's experience has offered valuable lessons for countries where banks can contract an agent (McKay, 2011). The Banks allows a bank to contract agents to receive on (the banks) behalf from its clients any deposits, money due to it or applications for loans or advances, or to make payments to such clients on its behalf.

The emerging of competitive environment in the financial service market has resulted in pressure to develop and utilize alternative delivery channels. The most recently delivery channel introduced is online or electronic banking, (Daniel & Storey, 1997). Online or electronic banking systems give everybody the opportunity for easy access to their banking activities. These banking activities may include but not limited to: retrieving an account balance, money transfers between a user's accounts, from a user's account to someone else's account, retrieving an account history. Few numbers of banks also allows services such as stock market transactions, and the submission of standardized accounting payment files for bank transfers to third parties (Claessensetal, 2002). It had been projected that more than 32 million households globally were banking online by 2003 (Simpson, 2002). The environmental conditions facing most firms are complex and ever changing and will continue to change rapidly, radically and unpredictably (Burnes, 1996). To deal with such unprecedented level of change, a lot of thinking has to go into the issue of how strategies are best formulated and successfully implemented. Due to the changing environment, organizations have to constantly adapt their activities and internal configurations to reflect new external realities as they arise. In the gradual process, Agency banking has become an important avenue for growing access to banking services in technologically upward developing economies. In Kenya, for example, banking technology and other related technologies have grown rapidly in the last decade. At the center of these technologies are money transfer technologies that have given increase to innovative products like M-pesa which is a mobile phone-based savings and money transfer service operated by Safaricom, Kenya's premier telecommunications firm (**Kenyan central bank**)

Banking agents operations will always be viewed as a competitive strategy for commercial banks. In a study to establish the reasons for commercial banks expressing into agent banking and to determine the challenges faced by the commercial banks in agent banking operations, Chiteli (2013) concluded that banks employ agent banking operations as a competitive strategy. Control policies and procedures, technological advancement, and regulations put in place both by the agents and commercial banks have made agent banking operations viable. The agents on the other hand encounter challenges such as liquidity risk, operational risk, credit risk and high operational costs.

In the Ethiopian financial sector/policies have evolved through three stylized stages: first, financial repression and fostering state-led industrial and agricultural development through preferential credit (in the socialist regime); second, market-led development through liberalization and deregulation (post 1991); and third, financial inclusion through allowing private banks and others (since second half of 1990s). Proclamation No. 84/1994 that allows the Ethiopian private sector to engage in the banking and insurance businesses and proclamation no. 40/1996 in 1996 that allows the establishment of starting of a new era in Ethiopia's financial sector and opened the opportunity for an inclusive financial sector in Ethiopia which is then called mobile money service (Zewdu, 2014).

1.2 STATEMENT OF THE PROBLEM

Dynamism in business environment and stiff competition has brought about change in the banking industry pushing banks to innovation and technology advancement. As result, banks are increasingly using agents or mobile money to provide financial services to customers. The use of bank agents has the potential to significantly increase up taking of financial access by poor and underserved populations to a range of formal financial services, including savings, payments and transfers, and insurance. Agency banking as a branchless banking model has been very successful in propelling the performance of banks in many developing countries. Success stories have been reported in Colombia, Brazil, Peru and India (Kinyanjui 2011). For instance Lozano and Mandrile (2010) studied agent model for branchless banking in Colombia and developed a model whereby microfinance institutions act as agents of branchless banking services, creating a new microfinance value chain through a process of scale and inclusion, and enable the poor to access a wider area of banking services and create job opportunities to banking agents.

Limitation in the capacity of agents to offer the desired services due to inferior network capability (Rutere, 2014). This is demonstrated by the relative small number of POS machine, poor network. For this reason, the goal of financial inclusion as envisioned in Ethiopia Vision 2025 that agency banking was supposed to address remain intangible (NBE). Banks that had fully implemented agency banking had prospects of better performance. However, how the facilitation of agency banking so as to make the much desired contribution to bank's performance has contributed to the performance or non-performance of government goals in the national level and factors affecting them was not addressed thus a gap. The place of the operating costs met by the banks in facilitation of agency banking became a motivating factor for this research. Since there has not been a systematic diagnosis of this model in its contribution to financial inclusion, the researcher will assess the factors affecting performance of banking agents in Ethiopia.

According to Aosa (1992), it's not right to import the whole results of a research without taking into account the contextual differences and hence the needs to carry out local research in order to understand the real problem. The concept and adoption of agent banking is at an infant stage in Ethiopia in terms of the employees, end users and banking agents. There are currently over 90 million Ethiopians distributed across 1.2 million square kilometers of land, 80 percent of which are living in the rural areas. Financial institutions have not been able to reach a majority of those people as the bank branch to population ratio still at 1 to 37,861.81 as at September 30, 2014 and the number of banking agents that are engaged are very few (NBE report, 2016/17). Previous studies mainly made in developed countries shows the importance of agency banking to an economy, despite this very few empirical studies that has been undertaken in Africa to establish determinants of performance of banking agents. However, as to the best of researcher's knowledge, based on the available literature, there are no extensive empirical studies concerning to determinants of performance of banking agents and its impact on the profitability of Ethiopian banks. Therefore, there is a gap of information in the side of performers, customers and banking agents as well; it is upon this basis that this study is based. The study aimed to investigate determinants of performance of banking agentson commercial bank of Ethiopia.

1.3 OBJECTIVES OF THE STUDY

1.3.1 GENERAL OBJECTIVE

The general objective of the study was to analyze the determinants of performance of banking agents on commercial bank of Ethiopia.

1.3.2 SPECIFIC OBJECTIVES

- To examine the effect of fraud on performance of banking agents.
- To determine the effect of network capability on performance of banking agents.
- To evaluate the effects of the level of financial literacy on performance of banking agents.
- To assess the effect of the cost of financial services on performance of banking agents.
- To see the effect of rewards on performance of banking agents.

1.4 HYPOTHESIS OF THE STUDY

In light of the objectives articulated above, the following hypotheses were investigated:

Hypothesis 1

Ho1: fraud has no relation and significant effect on performance of banking agents.

Hypothesis 2

Ho2: network capability has no relation and significant effect on performance of banking agents.

Hypothesis 3

Ho3: level of financial literacy has no relation and significant effect on performance of banking agents.

Hypothesis 4

Ho4: cost of financial services has no relation and significant effect on performance of banking agents.

Hypothesis 5

Ho5: Reward has no relation and significant effect on performance of banking agents.

1.5 RESEARCH QUESTIONS

- What is the effect of fraud level on the performance of banking agents?
- How do network capabilities determine performance of banking agents?
- What is the effect of financial literacy on performance of banking agents?
- How do costs of financial services affect performance of banking agents?
- How do rewards affect performance of banking agents?

1.6 SIGNIFICANCE OF THE STUDY

This study was examined the Determinants of performance of banking agents' in commercial bank of Ethiopia: A study was conducted in Addis Ababa City. The findings of this study can add to the existing body of the literature and can serve as a starting point on which future studies can be made.

Specifically, this study can help commercial banks decision makers to examine the major factors that may determine performance of banking agents. This study may help the management of banks in formulating appropriate strategies to solve problems and increase banks profitability. Government may want to know which bank is operated well regarding the determinant of performance of bank agents and which is not well in order to take necessary actions to minimize financial crises in to the sector.

1.7 SCOPE AND LIMITATIONS OF THE STUDY

This research had been focused on agents particularly working at Addis Ababa city commercial bank of Ethiopia. Furthermore, it is delimited only one commercial bank namely; commercial bank of Ethiopia (CBE).The study was also be delimited to the following variables: fraud, network capabilities, financial literacy, costs of financial services and rewards. For the analysis purpose the study will take primary data by distributing questionnaires.

Regarding the limitation of the study, the agents of the bank might not take as the subject of the study. Not only this but also, the fact that the study is only conduct commercial bank of Ethiopia's agents which are located in Addis Ababa city limits the generalization of the research findings. There is time constraint to include all commercial banks in Ethiopia under the study. In addition to the above limitation this study is focused only five variables but there would be other variables that will affect banking agents' performance.

1.8 ORGANIZATION OF THE PAPER

This thesis had been structured in five chapters as follows. Following introduction in the first chapter, chapter two contained a review of literature. The research methodology were been presented in chapter three. Specifically, this chapter shows the Population and Sampling Techniques, Research Design, Instruments of Data Collection, Method of Data Analysis and Model Specification in the study. In chapter four, the results and findings of the study were discussed. Finally, the last chapter encompassed the summary of findings, conclusions drawn and recommendations of the results.

CHAPTER TWO: LITERATURE REVIEW

2. INTRODUCTION

This chapter discussed the relevant literature that has been reviewed in the area of agency banking and banking agents. The issues discussed include the theoretical review on banking agents and the empirical study on the determinants of performance of banking agents. The chapter also presented the conceptual framework that was adapted previously in conducting the study and the variables under the study.

2.1 DEFINITIONS, CONCEPTS AND HISTORICAL PERSPECTIVES

2.1.1 AGENTS PERFORMANCE MEASUREMENT

Agents performance (kpi) key performance indicators measure the performance of help desk agents by tracking how they perform on key metrics such as call handled, first call resolution and customer sentiment .this key is used to identify which help agents are performing well ,and which ones are performing well. According to CBE agents are measured by commissions earned, number transactions occurred and number of accounts opened.

2.1.2 FRAUD

Any attempt to deceive another for financial gain. A clear example of fraud is selling a new issue that does not really exist. That is, the company can collect money from investors and, rather than use it to finance operations, pocket the money and do nothing. There are a number of types of fraud. Common types include forgery of documents, false claims in insurance, and filing bankruptcy to avoid debt rather than because of financial hardship carried out for the purpose of achieving personal gain while causing injury to another party. For example, selling a new security issue while intentionally hiding important facts related to the issue is fraud. Intentional fraud. Punitive damages may be assessed for this type of fraud. Negligent fraud, as when one makes a statement wildly but without any intention to mislead, and someone relies on that statement and is injured when it turns out to be false. One example would be a real estate agent telling a buyer that all uses are new when, in reality, the agent didn't know but thought they looked new. Depending on the degree of irresponsibility involved, this type of fraud may or may not support corrective damages (www.emeraldinsigt.com).

2.1.3 NETWORK CAPABILITY

Our conceptualization of networking capability relates to previously used Constructs on network-related capabilities which in the literature are used as individual- level or firm-level concepts, however there is also the possibility to define them relating to the whole network (network-level capability). For the purpose of our study, we encompasses all of the actions of accompany or individual in a n network All companies are networking by suggesting, requesting, requiring, performing and adapting activities, simultaneously social and economic processes through which individuals and organizations develop lasting relationships with particular sets of stakeholders for the purposes of accessing support and facilitating exchange a transformation process of ‘Independent’ actors and resources into a more closely join configuration of a (supply) network (www.elsevier.com).

2.14 FINANCIAL LITERACY LEVEL

The ability to read and understanding of something (oxford dic.def.) Rapid development of agency banking has revolutionized the financial industry globally. Studies have shown the usefulness of agency banking in facilitating the financial transactions between banks and their customers (Kleijnenetal. 2004; Luarnand Lin, 2005; and Mattila, 2003).

Regarding the previous research, an educated community is better at adopting new mobile money technologies. Rapid changes in the financial services environment; increased competition by new players from non-banking sector, product innovations, globalization and technological advancement have led to a market situation where competition among customers is intense. In order to rise to the challenges, players in the industry are even more interested to enhance their understanding of consumer behavior patterns (Mattila, 2003).

Laforet and Li (2005) in China, the lack of understanding of the concepts and benefits was a main barrier to consumers using mobile money. Subsequently, users of mobile banking were not intended to be highly educated and were typically younger people in China. This was in contrast to the situation in the western countries as discussed by Karjaluoto, Mattila, and Pento, (2002). The Chinese are used to carrying cash, and have little confidence in traditional financial management. Compared to other Asian consumers, Chinese consumers seem to be more traditional and less affected by new technology advancements.

The recently emerged mobile money services represent an innovation where both

intangible service and an innovative medium of service delivery employing high technology are present. Thus, concepts of innovation and diffusion of innovation are even more complex technology and service aspects have an effect on the characteristics of agency banking services (Mohr, 2001). Research relating to the customer adoption of innovation has tended to concentrate on socio-demographic and psychographic attributes of potential adopters. Studies have shown that most of electronic banking users have traditionally had university level education and higher professions (Jayawardhena & Foley, 2000). A study they did found out that people who have adopted technology enabled services like mobile phones and ATMs are more open and eager to adopt agency financial services (AFS). On the contrary, the villagers who had never used an ATM or a mobile phone were found to be reluctant to make financial transaction through mobile phones. This clearly showed that lack of technology readiness among the less educated rural population would be a barrier towards ensuring mobile money Services.

Heinonen (2004) & Forman and Sriram (1991) found that some customers simply prefer to deal directly with a bank clerk instead of utilizing “arm’s length technology”. The examples tend to show that education level of consumers has a bearing on their adoption of new technology, agency banking being one of them. The extent to which education level influence the use of agency banking in Ethiopia is however not quite clear given that agency banking is a recent innovation in Ethiopia.

2.1.5 FINANCIAL COST

Financial organizations, which had difficulty providing profitable services through traditional channels to poor clients, see Agency financial services (AFS) as a form of “branchless banking”, which lowers the costs involved in serving customers (Ivatury & Mas, 2008). Technological development has provided opportunities for service providers to develop their services and offer customers more flexibility. As a consequence, banks have launched multiple service access methods via new delivery channels like ATM, internet and mobile phone and banking agents (Laukkanen & Pasanen, 2007). Low-cost banking can bring into its fold a considerable group of consumers who formerly could be served only at too high a cost (Datta, Pasa, & Schnitker, 2001). One issue driving future agency banking is the cost efficiency pressures from supply side. Payment transaction costs vary. Quite often wireless capability is built into financial institution’s software platform, leaving

maintenance and upgrades as the only added costs (Mattila and Penttinen 2002; McCall, 2002). European IT consultants, International Data Corporation, expect agency banking to be the fastest growing sector of total information technology spending on electronic banking, with a 1999 to 2003 compound annual growth rate of 129% (West, 2001). Relative advantage is concerned with the degree to which an innovation is perceived as being better than the idea it supersedes. The degree of relative advantage is often expressed as economic profitability, social prestige, and savings in time and effort, the immediacy of the reward or as a decrease of discomfort (Rogers, 1995). Many studies have been conducted to extend the base technology acceptance model (TAM) as well as other extended models of TAM by testing the significance of different constructs and antecedents. For example, perceived financial cost, system quality and social influence had been added to the original TAM constructs and were found to be positively associated with consumer intentions to use mobile banking services (Kleijnen, et al., 2004). Other studies repeatedly listed mobile device attributes like tiny displays, slow data connection, weak usability, and associated cost as inhibitors of mobile banking services (Laukkanen & Pasanen, 2007; Mallat, Rossi, & Tuunainen, 2004).

According to Nah, Siau and Sheng (2005), the cost of mobile devices and mobile services was identified as an investment concern. Luarn and Lin (2004) argued that financial cost was one of the greatest concerns in adoption of Agency banking services. Furthermore, Ram and Sheth (1987; 1989) stated that it was not viable for consumers to change their way of performing their banking tasks without offering a strong performance to price advantage. The price of banking services may have an opposite effect with respect to the adoption of Agency banking, which may result in consumers preferring the traditional banking services (Laukkanen et al, 2007). Customers agree to pay a reasonable fee to use a service. However, this would depend on the banking and service provider. Provision of a lower service cost is a major benefit for performing banking transaction functions through agent; so the “value for money” barrier may be another factor influencing the uptake of agency banking services (Laukkanen et al, 2007).

In India, Rajanish & Sujoy (2011) found out that the cost of availing the Agency financial services was a common matter of concern among the villagers who were interviewed. People wanted to know whether they would need to purchase a new hand set for using

Agency financial services (AFS) and were also eager to know the cost of transaction for availing this service. Customers were ready to pay a small amount per transaction for using AFS. They were aware and appreciated the fact that using AFS would save them a lot of time, effort and money that they currently spent for accessing banking and financial services through the existing channels of delivery. Hence, cost of the AFS is an important factor that would determine the adoption of the services among the rural population. Given the fact that majority of the rural population falls within the lower income group, the total cost of availing the services need to be minimized for ensuring faster adoption.

2.1.6 REWARD FOR AGENTS

According to Michael Armstrong 2006, Types of rewards include: Extrinsic and intrinsic are also called financial and Non-financial rewards and these rewards further divided in so many sub categories like direct financial rewards and indirect financial rewards. Direct financial rewards are the rewards which are given in the form of money such as wage and bonus. Indirect financial rewards are rewards which are given in the form of indirect cash that includes medical expense, transport service and insurance coverage.

Extrinsic rewards relates to financial rewards or cash related like formal recognition, fringe benefits, incentive type payments, pay, promotion and intrinsic rewards relates to non-financial or non-cash rewards that do not involve any direct payments and often arise from the work itself like achievement, accomplishment, feelings, recognition, job satisfaction and growth (Armstrong,2006). Today world balance between agents' commitment and performance for the organization is much necessary and rewards are most important tool for agents' commitment, satisfaction, and motivation and agents 'good performance.

2.1.7 BACK GROUND OF THE ORGANIZATION

Commercial Bank of Ethiopia is the leading bank in Ethiopia, established in 1942 and now the bank is leading African bank with assets of more than 400 billion Birr. This bank is Pioneer to introduce modern banking to the country; it has more than 1200 branches stretched across the country. It also plays a catalytic role in the economic progress &development of the country.

Agency banking (CBE-birr) is starting functioning since it is approved by national bank of Ethiopia on June, 2017 and officially launched on December, 2017 after successfully tests

its functionality for six months .Now CBE has more than 16 million customers and 3082 agents across the country.

2.2 THEORETICAL REVIEW

2.2.1 AGENCY THEORY

The agency theory is used to explain the principal–agent problem or what is called agency dilemma which occurs when one person or entity - the agent - is able to make decisions on behalf of, or that impact, another person or entity - the principal. The dilemma exists because sometimes the agent is motivated to act in his own best interests rather than those of the principal. An agent then is a person or entity that acts on behalf of another person or entity – principal – in a relationship often governed by a legal framework. Instances of this relationships include corporate management (agent) and shareholders (principal), or politicians (agent) and voters (principal), doctor (agent) and patient principal), employee (agent) and Employer (principal) (Blume, L. & Easley, D., 2008). This relationship is extended to persons or entities that make use of agents to deliver their business objectives, in this case, banks (principal) and banking agents (agent). Such relationships take the form of a contract necessarily with an offer and a consideration. In an agency relationship, agency cost will most certainly arise. This is type of internal cost that arises from, or must be paid to, an agent acting on behalf of a principal. Agency costs arise because of core problems such as conflicts of interest between the principal and the agent.

2.2.2 PERCEIVED RISK THEORY

Perceived risk is conceived as felt uncertainty regarding possible adverse consequences of using a product or service. It has formally been defined as a combination of uncertainty and the seriousness of the outcome involved (Bauer, 1967), and the expectation of losses associated with purchase. It acts as an inhibitor to purchase behavior (Peter & Ryan, 1976). Alternately it is also measured using an expectancy value methodology typically multiplying either probability of loss, exposure or danger (uncertainty component) by the cost or importance of that potential loss or exposure. Thus, perceived risk is the potential for loss in the pursuit of a desired outcome of using a product or platform. Perceived risk enters the information systems adoption decision when circumstances of the decision either create feelings of uncertainty, or

discomfort and anxiety (Dowling & Staelin, 1994). It also comes in if conflict is aroused in the consumer, there is general concern about product safety and psychological discomfort making the consumer feel uncertain, pain due to anxiety and cognitive dissonance (Germunden, 1985). The dissonance arises from the evaluation of the product as having costs and benefits, risks and utility. In agency banking, consumer perceived risk plays a major role in user acceptance of the platforms as well as the services that are offered by the banking agents. This includes perception of security of the systems provided, the possibility of fraud, security of financial information and network capability.

2.2.3 TRANSACTION COST THEORY

The transaction cost theory was developed by Ronald Coase as part of the theory of the firm to explain why firms exist. The model shows institutions and market as a possible form of organization to coordinate economic transactions. When the external transaction costs are higher than the internal transaction costs, the company will grow. If the external transaction costs are lower than the internal transaction costs the company will be downsized by outsourcing. It presented an explanation of the firm consistent with constant returns to scale, rather than relying on increasing returns to scale (Archibald, 2008). The theory notes that a firm's interactions with the market may not be under its control, for instance because of sales taxes, but its internal allocation of resources are within a firm's control. Market transactions are eliminated and the place of the complicated market structure with exchange transactions is substituted with an entrepreneur who directs production. In the banking sector, the cost of the traditional brick and mortar branches and the ensuing contracts from the same, related transaction cost as well as the cumulative cost of a customer to perform a single transaction informs the success or otherwise of the agency model. This too has to be coupled with the willingness of the agent entrepreneurs to direct resources into the agency business to enhance performance of the agency banking.

2.2.4 RATIONAL CHOICE THEORY

The basic idea of rational choice theory is that patterns of behavior in societies reflect the choices made by individuals' as they try to maximize their benefits and minimize their

costs. In other words, people make decisions about how they should act by comparing the costs and Benefits of different courses of action. As a result, patterns of behavior will develop within the society those results from those choices. Rationality, interpreted as wanting more rather than less of a good, is widely used as an assumption of the behavior of individuals in microeconomic models and analysis. It attaches wanting more to instrumental rationality, which involves seeking the most cost-effective means to achieve as specific goal without reflecting on the worthiness of that goal (Blume & Easley, 2008). Rational choice theory uses a specific and narrower definition of rationality simply to mean that an individual acts as if balancing costs against benefits to arrive at action that maximizes personal advantage. In rational choice theory, all decisions, crazy or sane, are postulated as mimicking such a rational process. Thus rationality is seen as a property of patterns of choices, rather than of individual choices. According to the Rational Choice Theory, human beings are prompted by their own goals and preferences. Human actions are regulated primarily by the information regarding the conditions under which a particular individual is going to work and would try to achieve his or her goal. It is almost impossible for the human being to get what they desire. According to the Rational Choice theory, an individual should have a proper understanding of his or her own selection of goals and the consequences of that selection. Rational people always choose only those options that can offer good results (Peter, 2004).

2.3 EMPIRICAL REVIEW

A study Conducted by Bold (2011) in Brazil found that some countries restrict the location of agents, though such restrictions are sometimes eased when regulators recognize that the regulations create obstacles to financial inclusion. For example, due to concerns that agents could threaten bank branches, Brazilian regulation originally allowed agents only in municipalities that did not have bank branches. Bold also found that Indian regulators initially required agents to be located within 15 kilometers of a “base branch” of the appointing bank in rural areas, and within 5 kilometers in urban areas. This policy intended to ensure adequate bank supervision of its agents, limited the use of agents by banks with only a few branches. According to bold experience has shown that overly restrictive location requirements can complicate the business case for viable agent based banking and ultimately work against financial inclusion goals. Additionally, the real time

nature of most agent services has enabled remote supervision, thereby obviating one of the central arguments for location restrictions. World Bank report (2010) indicates that branchless banking is only allowed to be undertaken by licensed deposit-taking financial institutions (bank and non-bank) or their agents. Furthermore, all customers of financial institutions (FIs) undertaking branchless banking activities must be uniquely identified. Policy makers around the world seek to encourage the provision of financial services to the unbanked and under-banked poor; they implement regulatory frameworks that enable the spread of low cost branchless banking while at the same time protect consumers against fraud. This is a difficult balance to strike, particularly when it comes to regulating agents, which typically play a crucial role in receiving and dispensing cash on behalf of the financial service provider (CGAP, 2010).

Schmid and Walter (2009) carried out a study to establish the agency costs in the banking industry. The study examined one hundred and four largest banks in the United States of America. By analyzing the effect of four variables that proxy for agency costs earnings volatility, managers' portfolio diversification losses, bank size, and standard deviation of bank equity returns on the three financial policy variables of managerial stock ownership, leverage, and dividend yield. From the study findings indicate that the operational costs incurred in diversifying the agency portfolios in order to confirm or reflect the requirements as set by the bank to large extent affect the performance of the contracted banking agency. Holmström and Milgrom (1991) indicates that multitask hazard analysis carried out by the banks in agency banking can also lead to increase in operational costs which may affect the performance of agency banking. As observed by the researcher, the cost of cost of performing one task may increase or decrease in the effort exerted on the other task. In a related vein, Laux(2001) provides a rationale for the allocation of multiple projects to a single agent by showing that the multiplicity of tasks may improve on the limited liability-incentive provision trade-off under moral hazard. Dewatripont and Tirole (1999) analyze the integration versus separation of substitute managerial tasks. They show that, when allocating tasks to two competing agents, each collecting one signal rather than one gathering two, although the principal enhances incentives for information collection and thereby improves the quality of decision making it can lead to increased costs that may impair the performance of agents.

According to Andrew (2015) the study was aimed at discovering the factors affecting performance of banking agents in Kenya. Objectives of this research were to examine the effect of fraud on banking agents in Kenya, to determine the effect of network capability on banking agents, to evaluate the effects of the level of financial literacy on banking agents and to assess the effect of the cost of financial services on banking agents. The population of the study was being branch staff and agents of the banks in Kenya and a sample of 98. Data was analyzed using descriptive and inferential statistics. The study concluded that cost of financial services and financial literacy were the major factors affecting performance of banking agents. It also concluded that network strength also affected security. The study recommended that banks employ cheaper and more user friendly systems and that they use risk based approach in managing banking agents and the recommended that banks should allow more inclusive services to be offered by agents rather than the cash in and cash out.

The study on innovations and challenges in banking industries in India, Jayakumar and Tarazi and Breloff (2011), revealed that regulations often impose some form of “fit and proper” requirements, mandating a form of agent due diligence that requires financial institutions to verify that would be agents have good reputations, no criminal records, and no history of financial trouble or insolvency. Agents have trouble in responding to customers’ concerns regarding the security of their operations. This in turn affects the performance of the agents since lack of enough information concerning the security makes customers to be reluctant in engaging with the agents and this by extension will affect financial performance of commercial banks. As observed by Schmid and Walter (2009), from a typical banking regulator’s perspective, entrusting retail customer contact to the types of retail agents used in both the bank-led and nonbank-led models would seem riskier than these same functions in the hands of bank tellers in a conventional bank branch. These retail agents may operate in hard to reach or dangerous areas, they lack physical security systems and specially trained personnel. This greatly affects the performance of the agents. According to Peter R. (2016) examined perception and exploitation of entrepreneurial opportunities in Agency banking in Kenya. The study employed a cross-sectional research design for its appropriateness in reaching out to a representative sample size. The study involved fifty Equity Bank Agents in Kenya. The choice of Equity agents was informed by

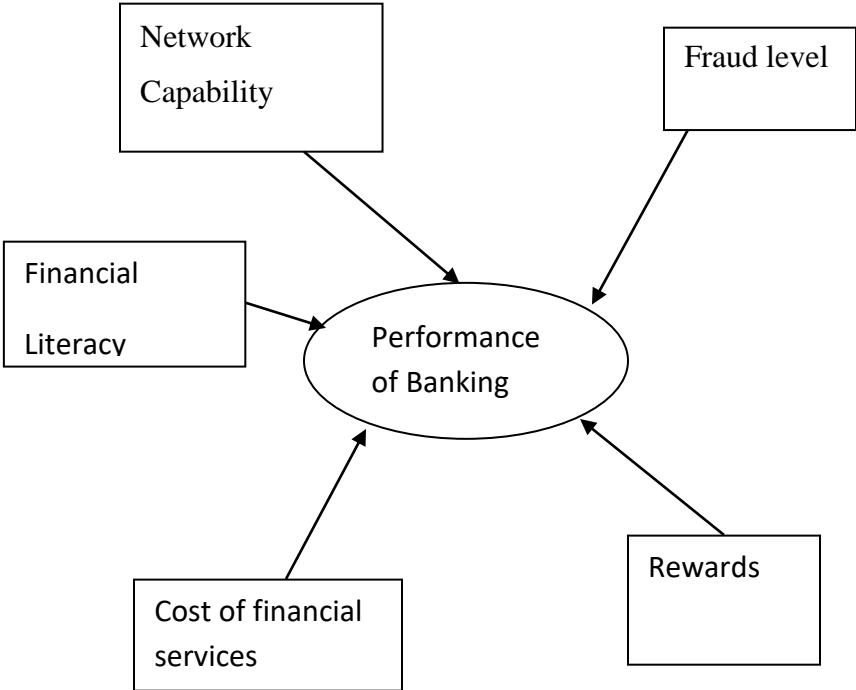
the fact that Equity Bank led the way in implementing agency banking and its agents also do agency banking for other banks as exclusivity prohibited by the Central Bank of Kenya guidelines. From the analysis, the study showed that there are a number of opportunities in agency banking including money transfer services and multiple agencies banking services and selling prepaid services such as airtime and electricity mainly due to relative ease of implementation. The key factors that determined the level of exploitation of the entrepreneurial opportunities included capital constraints and management challenges especially human resource aspect. The main risks involved in agency banking were physical risks (74%) and fraud (51%).

According to Maina, (2014) he established the factors influencing the uptake of agency banking services by customers in commercial banks in Kenya. The study also wanted to establish how security, liquidity availability, customers and awareness influenced the uptake of agency banking by customers and agents in Kenya Commercial Bank. In addition, Ndungu, (2014) assessed some of the factors that contribute to the adoption of agency banking in Kenya. Three independent variables of Customer Service, Convenience and quality of agents were assessed. The dependent variable was the total commissions earned by agents from time to time at intervals of six months. According to Musau, (2010) he assessed the utilization of agency banking on the financial performance of Post bank, equity bank, Co-operative Bank and the Kenya Commercial Bank.

This study will explore the factors affecting performance of banking agents in Ethiopia. It evaluated the effects of fraud, network capability, cost of financial services and financial literacy as the independent variables. Performance of banking agents then became the dependent variable. Performance of banking agents can be measured by the number of transactions done by banking agents, the amount of commissions earned by agents as well as the number of accounts opened by agents as an indication of customer acquisition. The relationship between these variables is illustrated in figure1.

2.4 CONCEPTUAL FRAMEWORK OF THE STUDY

Figure 2.1. Conceptual frame work



Source: adapted and modified from: Andrew (2015)

CHAPTER THREE: METHODOLOGY

This chapter presented details of the research methodology. This includes the research design, sample size and sampling technique, data source and collection method, procedure of data collection, questionnaire and reliability test. Finally, the method of data analysis was presented.

3.1 DATA TYPES AND SOURCES

In this study both primary and secondary sources were used. The study were used both qualitative and quantitative type of data. The data that were collected from sample survey through questionnaire that describes numerical figures would be the quantitative data types that used in this study. The main source of secondary sources data were to be literatures from different papers, journals, articles, books, others related thesis conducted previously, reports and banks' documents and manuals.

3.2 RESEARCH DESIGN AND APPROACH

Research design defines as the general plan of how the research questions will be answered. (Saunders et al. (2007), both descriptive and explanatory design were used to analyze the data from customer's responses. The reason behind using descriptive study design was that the researcher had no control the variables rather than only report what is happened in the area where the research is conducted. According to Kothari (1990) the major purpose of descriptive research is to describe the state of affairs as it exists at present. This study used descriptive analysis that describes the determinants of performance of banking agents. Descriptive research design was employed for detail description of the findings displayed in tables. This study also was used explanatory research design, to explain understand, predict and control the cause and effect relationships between variables. The research approach is a quantitative one.

3.3 POPULATION AND SAMPLING

The target population of this research was all agents of commercial bank of Ethiopia in Addis Ababa city. From those more than 1200 bank branch agents' across the country which are amounted 3000 agents; the agents selected from Addis Ababa city (500 agents)the reason why Addis Ababa city agents selected is due to time and financial constraints to conduct by all 3000 agent population .

Purposive sampling was applied to select commercial bank of Ethiopia among other commercial banks in Ethiopia because, first of all, the banks workers are unpaid helper to offer data and additionally, CBE has large number of branches, number of customers and financial performance. From probability sampling design, simple random sampling method was used to select agents because the researcher has had list of agents on his hand.

Respondents from each branches were selected by using simple random sampling technique because each member of the population will have equal chance of being selected in this technique.

A 95% confidence level is assumed for this formula to determine the sample size,

At $e = 0.05$

Population at $N = 500$ agents, the formula given

$$n = \frac{N}{1 + N(e)^2}$$

where n is the required sample size, N is the population size and e is the level of precision.

The formula was developed by Taro Yamane (1963) as cited by wondye, (2017) it is calculated as follows:

$$n = \frac{500}{1 + 500(0.05)^2}$$

$$n = \frac{500}{2.25} = 222$$

So, from the target population of 500 agents the researcher selects 222 agents as a sample to distribute questionnaires to the respondents' by using simple random sampling technique.

3.4 DATA COLLECTION TOOLS

A survey is a method of collecting data in which people will be asked to answer a number of questions. The reliability of a survey's results depends on whether the sample of people from which the information will collect is free from bias and sufficiently large. The major advantages of questionnaires are that they can be administered to groups of people simultaneously, and they are less costly and less time-consuming than other measuring instruments Leary, (2004) cited by Henok, (2017) Thus, data were collected from the relevant sources of primary and secondary sources. The primary data were gathered through structured questionnaire comprised close ended questions.

The questionnaires were been the main method of gathering the relevant data in this study and it distributed to agents who were giving service to customers. The design of close ended question comprised of 5 point likert scale ranging from (1=strongly disagree to (5=strongly agree) questions and open ended questionnaires were included.

Finally, Secondary data were been collected through reviewing different files, company manuals, brushers and annual reports of the banks. The relevant data that would be collected from different data sources especially from journal article that help to fill the knowledge gap and understand the concepts, definitions, theories and empirical results through reviewing various relevant journals articles from internet access.

Table 3.1: source of questionnaire

Constructs	Number of Items	Source of Questionnaire Items
Fraud (FR)	6	(Andrew et al.,2016)
Network capability (NC)	6	(Andrew et al.,2016)
Financial Literacy (FL)	6	(Walter ,2016)
Financial cost (FC)	5	(developed by the researcher)
Rewards (RE)	6	(Michael Armstrong, 2006)
Overall agents performance (PBA)	3	(Andrew et al.,2016)

3.5 METHOD OF DATA ANALYSIS

To analysis this study SPSS version 20 computer software program were used. First the professionals who have knowledge and skills were asked secondly focused group discussion with agents were held then, the questionnaires were distributed to the sampled agents and the responses of the participants were coded in excel spreadsheet and then exported to SPSS to analyze the findings. After exporting to SPSS, the raw data concerning the respondents' demographic and agent variables were represented using different table. After the respondents profile were presented, the agents determinant variables were processed using descriptive statistics and inferential statics such as correlation, multiple regression analysis. The descriptive statistics parts of the variables were analyzed using means, frequency, and percentage whereas Pearson correlation had been used to determine the relationship between agents performance and agent determinant variables and also regression analysis were used to test the significant and impact of performance of agents.

3.6 ETHICAL CONSIDERATIONS

- As suggested by Trochim, 2000; and Sekaran, 2006), the researcher warranted the strict devotion of the following ethical conducts:
- Respondents take part in the research voluntarily and data was collected based on the purpose of the research was clearly explained to respondents.
- Information provided by respondents was treated with strict confidentiality and the researcher ensured that participants will remain unknown throughout the study.
- There was no misrepresentation or distortion of the actual data collected from respondents.

CHAPTER FOUR: RESULTS AND DISCUSSIONS

The purpose of this research was to investigate determinants of performance of banking agents: A study conducted in Addis Ababa city commercial bank of Ethiopia agents. Data Analysis of the findings generated from the results of survey which were conducted through the questionnaires. This chapter presented a discussion of the final results and the process through which the results obtained. In addition to this, background information of respondents also presented. Finally, the statistical methods of analysis were discussed, which included a descriptive analysis, a correlation analysis, and a regression analysis through SPSS version 20.

4.1 RESPONSE RATE

A total of 222 questionnaires were distributed and the response rate was indicated in the table below.

Table 4.1: response rate

Items	Response Rate	
Sample size	222	100%
Collected	215	96.84%
Remain Un Collected	7	3.15%

Source: own survey,2018

From the above table 4.1, 222 questionnaires were distributed and 215 questionnaires (96.84%) collected and 7 questionnaires (3.15%) were remaining uncollected.

4.2 DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Table 4.2: demographic profile of the respondents

Items	Frequency	Percentage (%)
Gender		
Male	128	59.5%
Female	87	40.5%
Total	215	100%
Age		
21-30	92	42.8%
31-40	74	34.4%
41-50	36	16.7%
Above 50	13	6.0%
Total	215	100%
Marital status		
single	86	40%
married	121	56.3%
divorce	7	3.3%
widow	1	0.5%
Total	215	100%
Educational level		
Diploma & bellow	133	61.9%
First degree	78	36.3%
Masters & above	4	1.9%
Others	0	0%
Total	215	100%

Source: own survey 2018

Based on the above table 4.2 item 128(59.5%) of the respondents were male and 87(40.5%) of the respondents are female. Based on the information, we can infer that the majority of agents were male In Item 2, specifies the age distribution of the respondents. Based on this 92(42.8%) of the respondents are with the age of 21-30 years, age group of 31-40 years, 74(34.5%) and 36(16.7%) are with age group of 41-50years and >50 years 13(6.0%) so this indicates that the majority of the respondents are young (42.8) and >50 years respondents are the least which is 13(6.0%).

Based on the above table 4.2 number 3, 86(40%) of respondents were single. 121 (56.3%) of them were married 7 (3.3%) were divorced and 1(0.5%) orderly. So this indicates the majority the respondents are single 121 (56.3%) and the divorced were the least 1(0.5%). In Item 4, education level of respondents. Based on this Diploma & bellow were 133 (61.9%), First degree were 78 (36.3%) Masters & above holders were 4 (1.9%), and others were 0 (0%) so this indicates that the majority of the respondents were Diploma & bellow and no others was in the Respondents 0 (0%).

4.3. DATA RELIABILITY TEST

Cronbach's alpha reliability test was run on the data collected to determine the reliability of the data. Results showed that all the values were above 0.70 indicating acceptable reliability (Table 4.3) (BrymanandBell, 2003). According to Hair, et al., (2006), if α is greater than 0.7, it means that it has high reliability and if α is smaller than 0.3, then it implies that there is low reliability. Reliability scale of the overall variables high as indicated below which is 87%.

Table 4.3: Cronbach's Alpha

Cronbach's alpha	Number of items
0.884	5

4.4. DESCRIPTIVE STATISTICS ANALYSIS

Table 4.4: Effect of Fraud on Performance of Agents

No	Items	Strongly disagree	Disagree	Moderate	Agree	Strongly agree	Mean
		Frequency (%)	Frequency (%)	Frequency (%)	Frequency (%)	Frequency (%)	
1	I believe fraud is there in agent activity	39(18.1)	43(20)	80(37.2)	31(14.4)	22(10.2)	2.79
2	I am committed to work with the bank because I trust it	95(44.2)	54(25.1)	44(20.5)	14(6.5)	8(3.7)	2.0
3	I made an agreement to protect money laundry	102(47.4)	54(25.1)	28(13)	21(9.8)	10(4.7)	1.99
4	I am responsible to identify thefts	10(4.7)	32(14.9)	126(58.6)	24(11.2)	23(10.4)	3.08
5	The bank give guarantee when I am cheated by forged documents	11(5.1)	33(15.3)	113(52.6)	46(21.4)	12(5.6)	3.07
6	I feel that employees of the bank may cheat me	11(5.1)	61(28.4)	75(34.9)	58(27)	10(4.7)	2.98
	Mean of fraud effect on agents						2.74

Source: own survey, 2018

Existence of fraud: - it is a determinant to agents to perform their activities. In the above table 4.4.item 1, 18.1 percent of respondents said strongly disagree, 20 percent of the respondents said disagree, 37.2percent of the respondents were Moderate, 14.4 percent of the respondents agreed, 10.2% of the respondents were strongly agreed. So, most of respondents were moderate on fraud is a problem to them and the respondents who strongly agreed were the least (10.2).This implies that the agents are liable for their customers.

In item 2.Regarding to Agents' trustfulness to work with the bank: -the majority of respondents said strongly disagree (44.2%), 25.1% of the respondents disagreed, 20.5% of

the respondents were Moderate. 6.5% of the respondents agreed and 3.7% of respondents were said strongly agreed. so, the majority of the respondents said strongly disagree 44.2% of them to work with the bank.

In item 3. Protecting Money laundry according to the agreement with the bank; 47.4% of the respondents were strongly disagreed, 25.1% were disagree, 13%the respondents were Moderate,9.8% of the respondents were agreed on money laundry and 4.7% of the respondents preferred strongly agree. The major respondents selected strongly disagree which is 47.4% and 4.7% are the least for strongly agree this shows that the agents are not committed to prevent money laundry.

In item 4. I am responsible to identify thefts: the 4.7percent of the respondents were strongly disagree, 14.90percent of the respondents were disagreed, 58.6 percent of the respondents were Moderate, 11.2 percent of the respondents were agreed and 10.7were strongly agreed. The majority of the respondents choose Moderate to identify theft and the respondents who said strongly disagree were the least (4.7).

In item 5.The bank give guarantee when I am cheated by forged documents; 5.1% of the respondents were strongly disagreed, 15.3 % were disagree, 52.6%the respondents were Moderate,21.40% of the respondents were agreed and 5.6% of the respondents preferred strongly agree. The major respondents selected were Moderate which is 52.6% and 5.1% are the least for strongly disagree. We can conclude that from the above explanation the bank make agents accountable to their action.

In item 6.I feel that employees of the bank may cheat me; 5.1% of the respondents were strongly disagreed, 28.4% were disagree, 34.9 %the respondents were Moderate 27% of the respondents were agreed against cheated by employees may happen and 4.7% of the respondents preferred strongly agree. The major respondents selected were Moderate which is 34.9% and 4.7% are the least for strongly agreed. From this we can conclude that cheating by workers is rare.

Table 4.5: Effect of Network Capability on Performance of Agents

		Strongly disagree	Disagree	Moderate	Agree	Strongly agree	Mean
		Frequency (%)	Frequency (%)	Frequency (%)	Frequency (%)	Frequency (%)	
1	Poor signal strength affect my work	11(5.1)	49(22.8)	87(40.5)	56(26.0)	12(6.4)	3.04
2	Lack of internet connection in The area leads to poor connectivity	11 (5.1)	12(5.6)	74(34.4)	96(44.7)	22(10.2)	3.49
3	Access the service by using mobile based device is easy	11(5.1)	32(14.9)	77(35.8)	73(34)	22(10.2)	3.29
4	high network capability can attract new agents	11(5.1)	22(10.2)	116(54)	56(26)	10(4.7)	3.15
5	Large number of agents also means more power to the bank	11(5.1)	30(14)	108(50.2)	44(20.5)	22(10.2)	3.17
6	Greater networking capabilities means greater performance to agents	11(5.1)	21(9.8)	106(49.3)	65(30.2)	12(5.6)	3.21
	Mean of network effect on agents						3.22

Source: own survey, 2018

Item 1, table 4.5: Poor signal strength affect my work. In the above, regarding to agents' performance on the bank 5.1 percent of respondents said strongly disagree, 22.8 percent of the respondents said disagree, 40.5 percent of the respondents were Moderate, 26 percent of the respondents agreed, 5.6% of the respondents were strongly agreed. So, most of

respondents were Moderate on poor signal strength is a problem to them and the strongly disagreed respondents were the least.

Item 2.Lack of internet connection in the area leads to poor connectivity affects my work. In the above table, regarding to agents' performance on the bank 5.1 percent of respondents said strongly disagree, 5.6 percent of the respondents said disagree, 34.4 percent of the respondents were Moderate, 44.7 percent of the respondents agreed, 10.2% of the respondents were strongly agreed. So, most of respondents were Moderate on lack of internet connection in the area leads to poor connectivity is a problem to them and the strongly disagreed respondents were the least. But, the agreed respondents were the major one (44.7).

In item 3.Access the service by using mobile based device is easy; 5.1% of the respondents were strongly disagreed, 14.9% of were disagree, 35.8% of the respondents were Moderate 34% of the respondents were agreed on using mobile based device is easy and 10.2% of the respondents preferred strongly agree. The major respondents selected moderate which is 35.8% of them and 5.1% are the least for strongly disagreed.

In item 4. High network capability can attract new agents: the 5.1percent of the respondents were strongly disagree, 10.2 percent of the respondent were disagree, 54 percent of the respondents were Moderate, 26 percent of the respondents were agreed and 4.7 were strongly agreed.

In item 5.Large number of agents also means more power to the bank; 5.1% of the respondents were strongly disagreed, 14% of were disagree, 50.2% of the respondents were Moderate, 20.5% of the respondents were agreed on large number of agents and 10.2% of the respondents preferred strongly agree. The major respondents were Moderate which accounts 50.2% and 5.1% are the least for strongly disagree.

In item 6.Greater networking capabilities means greater performance to agents; 5.1% of the respondents were strongly disagreed, 9.8% of were disagree, 49.3%the respondents were Moderate, 30.2% of the respondents were agreed on greater networking and 5.6% of the respondents preferred strongly agree. The major respondents selected were Moderate which is 49.3% and 5.1% are the least for strongly disagree.

Table 4.6: Effect of Financial Literacy on Performance of Agents

No	Items	Strongly disagree	Disagree	Moderate	Agree	Strongly agree	Mean
		Frequency (%)	Frequency (%)	Frequency (%)	Frequency (%)	Frequency (%)	
1	Training given by the bank help to build my knowledge and skills	10(4.7)	22(10.2)	115(53.5)	47(21.9)	21(9.8)	3.22
2	My level of education help me to deliver services of cbe-birr more	2(0.9)	31(14.4)	1119(55.3)	52(24.2)	11(5.1)	3.18
3	More educated customers can easily understand me	21(9.8)	22(10.2)	95(44.2)	66(30.7)	11(5.1)	3.11
4	Agents who have more Experience on agent banking can perform better	10(4.7)	31(14.4)	108(50.2)	53(24.7)	13(6.0)	3.13
5	Enough awareness is given About agent banking for most customers	11(5.1)	31(14.4)	93(43.3)	58(27)	22(10.2)	3.23
6	The bank's training center is convenience	11(5.1)	233(10.7)	87(44.5)	73(34)	21(9.8)	3.33
	Mean of financial literacy effect on agents						3.11

Source: own survey, 2018

Training is given by the bank help to build my knowledge and skills: - training is important to agents to perform their activities. In the above **table 4.6 item 1**, regarding to agents' training on the bank 4.7 percent of respondents said strongly disagree, 10.2 percent of the respondents said disagree, 53.5percent of the respondents were Moderate, 21.9 percent of the respondents agreed, 9.8% of the respondents were strongly agreed. So, most of respondents were Moderate on financial literacy. The strongly disagreed respondents were the least (4.7%).

In item 2. My level of education help me to deliver services of cbe-birr more:-the majority of respondents said moderate (55.3%), 14.4% of the respondents disagreed, 0.9% of the respondents were strongly disagree. 24.2% of the respondents agreed and 5.1 % of respondents were said strongly agreed.

In item 3. More educated customers can easily understand me; 9.8% of the respondents were strongly disagreed, 10.2% of were disagree, 44.2%the respondents were Moderate, 30.7% of the respondents were agreed on more educated customers and 5.1% of the respondents preferred strongly agree. The major respondents selected moderate which is 44.2% and 5.1% of the respondents are strongly disagree which is the least.

In item 4. Agents who have more experience on agent banking can perform better: the 6 percent of the respondents were strongly disagree, 24.7 percent of the respondent were disagreed, 50.2 percent of the respondents were Moderate, 24.7 percent of the respondents were agreed and 4.7 were strongly agreed. Majority of agents were moderate.

In item 5. Enough awareness is given about agent banking for most customers: 5.1% of the respondents were strongly disagreed, 14.4% of were disagree, 43.3 %the respondents were Moderate, 27% of the respondents were agreed on awareness of customers and 10.2% of the respondents preferred strongly agree. The major respondents selected were Moderate which is 43.3% and 5.1% are the least for strongly disagree.

In item 6. Enough awareness is given about agent banking for most customers: 5.1% of the respondents were strongly disagreed, 10.7% of were disagree, 40.5% the respondents were Moderate, 34% of the respondents were agreed on awareness of customers and 9.8% of the respondents preferred strongly agree. The major respondents selected were Moderate which is 40.5% and 5.1% are the least for strongly agreed.

Table 4.7: Effect of Cost of Financial Service on agent's performance

No	Items	Strongly disagree	Disagree	Moderate	Agree	Strongly agree	Mean
		Frequency (%)	Frequency (%)	Frequency (%)	Frequency (%)	Frequency (%)	
1	The operation cost of agent banking is lower than the principal bank cost	12(5.6)	20(9.3)	99(46)	63(29.3)	21(9.8)	3.28
2	Cost involved in transacting In agency banking is low compared to banking hall	95(44.2)	50(23.3)	34(15.8)	24(11.2)	12(5.6)	2.11
3	No Cost of accessing cbe-birr incurred by mobile based device	89(41.4)	62(28.8)	33(15.3)	19(8.8)	12(5.6)	2.08
4	Accessing cbe-birr through computer based is costly than mobile based device	22(10.2)	13(6)	106(49.3)	53(24.7)	21(9.8)	3.18
5	Use computer and mobile device interchangeably is possible	31(14.4)	31(14.4)	100(46.5)	53(24.7)	0(0)	2.81
	Mean of financial cost effects on agents						2.84

Source: own survey, 2018

The operation cost of agent banking is lower than the principal bank cost: - cost is important to agents to perform their activities. In the above **table 4.7 item 1**, regarding to agents' operation cost on the bank 9.8 percent of respondents said strongly disagree, 14 percent of the respondents said disagree, 44.7 percent of the respondents were Moderate, 26 percent of the respondents agreed, 5.6% of the respondents were strongly agreed. So, most of respondents were Moderate on operational cost is a problem to them. The strongly agreed respondents were the least.

In item 2. Cost involved in transacting in agency banking is low compared to banking hall; 5.6% of the respondents were strongly disagreed, 9.3% of were disagree, 46% of the

respondents were Moderate, 29.3% of the respondents were agreed on cost of transaction and 9.8% of the respondents preferred strongly agree. The major respondents selected moderate which is 46% and 5.6% of are the least for strongly disagree.

In item 3. No Cost of accessing cbe-birr incurred by mobile based device: the 9.3 percent of the respondents were strongly disagree, 7 percent of the respondent were disagreed, 53 percent of the respondents were Moderate, 25.6 percent of the respondents were agreed and 5.1 were strongly agreed.

In item 4. Accessing cbe-birr through computer based is costly than mobile based device; 44.2% of the respondents were strongly disagreed, 23.3% were disagree, 15.8% the respondents were Moderate, 11.2% of the respondents were agreed and 5.6% of the respondents preferred strongly agree. The major respondents were strongly disagreed which is 44.2 % and % are the least for strongly agree.

In item 5. Use computer and mobile device interchangeably is possible; 41.4% of the respondents were strongly disagreed, 28.8% were disagree, 15.3% the respondents were Moderate, 8.8% of the respondents were agreed and none of the respondents preferred strongly agree. The major respondents selected were strongly disagreed which is 41.4% and 5.6% are the least for strongly agree.

Table 4.8: Effect of rewards on agent's performance

No	Items	Strongly disagree	Disagree	Moderate	Agree	Strongly agree	Mean
		Frequency (%)	Frequency (%)	Frequency (%)	Frequency (%)	Frequency (%)	
1	The total reward I get is what I can do	22(10.2)	13(6)	106(49.3)	53(24.7)	21(9.8)	3.18
2	Having started reward is make me perform better	31(14.4)	31(14.4)	100(46.5)	53(24.7)	0(0)	2.81
3	Reward is available all over the year	11(5.1)	24(11.2)	111(51.6)	58(27)	11(5.1)	3.16
4	The reward stay for short time interval	11(5.1)	42(19.5)	78(36.3)	73(34)	11(5.1)	3.14
5	The financial reward is more beneficial	12(5.6)	33(15.3)	94(43.7)	65(30.2)	11(5.1)	3.14
6	There is a promotion package by the bank	20(9.3)	40(8.6)	99(31.6)	44(20.5)	12(5.6)	2.94
	Mean of reward effect on agents						3.12

Source: own survey, 2018

The total reward I get is what I can do: - Reward is important to agents to perform better. In the above **table 4.8 item 1**, regarding to agents' performance on the bank 10.2 percent of respondents said strongly disagree, 6 percent of the respondents said disagree, 49.3 percent of the respondents were Moderate, 24.7 percent of the respondents agreed, 9.8% of the respondents were strongly agreed. So, most of respondents were Moderate on total reward. The disagreed respondents were the least (6%).

In item 2. Having started reward is making me perform better: -the majority respondents said Moderate (46.5%), 14.4% of the respondents disagreed, 24.7% of the respondents were agree. 0% of the respondents were strongly agreed and 14.4 % of respondents were said strongly disagreed. The moderate respondents were the major.

In item 3. The Reward is available all over the year 5.1percent of the respondents were strongly disagree, 11.2 percent of the respondent were disagreed, 51.6 percent of the respondents were Moderate, 27 percent of the respondents were agreed and 5.1 were strongly agreed. Most of the agents were moderate on that reward is available for all over the year.

In item 4.The reward stay for short time interval:5.1% of the respondents were strongly disagreed, 19.5% were disagree, 36.3% of the respondents were Moderate,34% of the respondents were agreed on starting of reward and 5.1% of the respondents preferred strongly agree. The major respondents said moderate which is 36.3% and 5.1% are the least for strongly disagreed.

In item 5.The financial reward is more beneficial; 5.6% of the respondents were strongly disagreed, 15.3% were disagree, 43.7%the respondents were Moderate,30.2% of the respondents were agreed on financial reward and 5.1% of the respondents preferred strongly agree. The major respondents were said Moderate which is 43.7% and 5.1% are the least for strongly agreed.

In item 6.There is a promotion package by the bank; 9.3% of the respondents were strongly disagreed, 8.6 % were disagree, 46% the respondents were Moderate,20.5% of the respondents were agreed on recognition and 5.6% of the respondents preferred strongly agree. The major respondents were said moderate which is 46% and 5.6% are the least for strongly agree.

Table 4.9 measurement of dependent variable

NO	Items	Strongly disagree	Disagree	Moderate	Agree	Strongly agree	Mean
		Frequency (%)	Frequency (%)	Frequency (%)	Frequency (%)	Frequency (%)	
1	Number of transaction	11(5.1)	23(10.7)	118(54.9)	53(24.7)	10(4.7)	3.13
2	Commissions earned	11(5.1)	32(14.9)	88(40.9)	61(28.4)	23(10.7)	3.25
3	Number of accounts opened	30(14)	38(17.7)	68(31.6)	61(28.4)	18(8.4)	3.0
4	Mean of Overall performance of agents						3.12

Source: own survey, 2018

Number of transaction: -.In the above **table 4.9 item 1**, regarding to number of transaction on agents 5.1 percent of respondents said strongly disagree, 10.7 percent of the respondents said disagree, 54.9 percent of the respondents were Moderate, 24.7 percent of the respondents agreed, 4.7% of the respondents were strongly agreed. So, most of respondents were Moderate on number of transaction. The strongly agreed respondents were the least (4.7%).

In item 2. The Commissions earned 5.1percent of the respondents were strongly disagree, 14.9 percent of the respondent was disagreed, 40.9 percent of the respondents were Moderate, 28.4 percent of the respondents were agreed and 10.7 were strongly agreed. Most of the agents were moderate on that Commissions earned.

In item 3. The number of accounts opened 14percent of the respondents were strongly disagree, 17.7 percent of the respondent were disagreed, 31.6 percent of the respondents were Moderate, 28.4 percent of the respondents were agreed and 8.4 were strongly agreed. Most of the agents were moderate on that number of accounts opened.

Table 4.10: Mean and standard deviation for the six variables

Factors	N	Mean	Std. Deviation
Effect of fraud	215	2.74	0.847
Effect of network Capability	215	3.22	0.815
Effect of financial Literacy	215	3.11	0.623
Effect of Financial cost	215	2.84	0.778
Effect of Rewards	215	3.12	0.677
Overall performance of agents	215	3.12	0.813
Valid N (list wise)	215		

Source: own survey, 2018

Table 4.10 indicates that effect of network Capability has the highest mean value followed by reward and financial literacy. Effect of financial cost has the least mean value followed by fraud. Therefore, it may be concluded from table 4.10 that respondents were moderated during their response. Network Capability (3.22), and followed by Effect of Rewards and Effect of financial Literacy with a mean of 3.12 and 3.11 consecutively. So the bank in order to satisfy its agents and to win its competitors of others it expects more and more especially for the two parts i.e. .fraud and financial cost should be improved or take an adjustment mechanisms to give an awareness on them.

4.5 PEARSON CORRELATION ANALYSIS

In determining the strength of the relationship based on Pabachnic and Fidell, 2007 the value of the coefficient of correlation between 0 &1 are interpreted as follows $r=.10$ to $.29$ or $r= -.10$ to $-.29$ weak $r=.30$ to $.49$ or $r= -.30$ to $-.49$ moderate and $r=.50$ to 1 or $r= -.50$ to -1.0 strong the correlation analysis of the table 4.11 shows that there is a positive relationship between each determinants of agent performance. The highest correlation occurred between effect of fraud and network capability ($.789^{**}$) followed by all over performance of agents and reward ($.781^{**}$), which indicates that if reward is increase all over performance of agents also increase proportionally therefore, if the agent is get more

rewarded all over performance of agents will be increased due to the agents' skills to do is empowered. So based on the above measurement mechanisms there is strong correlation between effect of fraud and network capability. As the same time there is also a strong correlation between all over performance of agents' and. financial reward. On the other hand there is a strong correlation between all over performance of agents with financial cost (.766**), and financial cost with financial literacy (.748**) and relations with financial literacy and network capability (.742**) consecutively.

Table 4.11 also shows that the Correlation value between effect of rewards and agents performance. The result of the correlation analysis shows that there is strong positive and moderate significant relationship or correlation between agents' performance variables and agents' performance. Fraud and agents' performance ($r = 0.340$, $p < 0.05$) has moderate correlation, networking and agents' performance ($r = 0.394$, $P < 0.05$) has moderate correlation, financial literacy and agents' performance ($r = 0.566$, $P < 0.05$) has strong correlation, financial cost and agents' performance ($r = 0.627$, $p < 0.05$) has strong correlation and Relations with reward and agents' performance ($r = 0.510$, $p < 0.05$) has strong correlation. The minimum moderate correlation value is seen between rewards and network capability (0.329).

Table 4.11 the Relationship between dependent and Independent variables

		EFFECT_OF_FRAUD	EFFECT_OF_NETWORK_CAPABILITY	EFFECT_FINANCIAL_LITERACY	EFFECT_OF_FINANCIAL_COST	EFFECT_REWARD	ALL_OVER_PERFORMANCE_OF_AGENTS
EFFECT_OF_FRAUD	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	215					
EFFECT_OF_NETWORK_CAPABILITY	Pearson Correlation	.789**	1				
	Sig. (2-tailed)	.000					
	N	215	215				
EFFECT_FINANCIAL_LITERACY	Pearson Correlation	.634**	.742**	1			
	Sig. (2-tailed)	.000	.000				
	N	215	215	215			
EFFECT_OF_FINANCIAL_COST	Pearson Correlation	.558**	.621**	.748**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	215	215	215	215		
EFFECT_REWARD	Pearson Correlation	.387**	.329**	.624**	.714**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	215	215	215	215	215	
ALL_OVER_PERFORMANCE_OF_AGENTS	Pearson Correlation	.495**	.526**	.720**	.766**	.781**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	215	215	215	215	215	215

** . Correlation is significant at the 0.01 level (2-tailed).

4.6. REGRESSION ANALYSIS

Regression model was applied to test how far the agents' overall performance factors had affected banking agents. Coefficient of determination R^2 is the measure of proportion of the variance of dependent variable about its mean that is explained by the independent or predictor variables (Hair et.al, 1998). Higher value of R^2 represents greater explanatory power of the regression equation.

To know about the impact of the individual factors of the banking agents' performance on overall performance of agents, multiple regressions was run and the model as follows,

$$\text{BANKING AGENTS' PERFORMANCE} = B_0 + B_1 \text{ FRAUD} + B_2 \text{ NETWORK CAPABILITY} + B_3 \text{ FINANCIAL LITERACY} + B_4 \text{ FINANCIAL COST} + B_5 \text{ REWARDS} + e$$

$$\text{Or AP} = B_0 + B_1 \text{FR} + B_2 \text{NC} + B_3 \text{FL} + B_4 \text{FC} + B_5 \text{RE} + e$$

$$\text{OR Y} = B_0 + B_1 \text{FR} + B_2 \text{NC} + B_3 \text{FL} + B_4 \text{FC} + B_5 \text{RE} + e$$

Where, Y= PERFORMANCE OF BANKING AGENTS, FRAUD=FR, NETWORK CAPABILITY=NC, FINANCIAL LITERACY=FL, FINANCIAL COST=FC, REWARD=RE and <e> is the error term which represents independent variables which are not included in this study.

Table 4.12 Regress independent variables on agent performance

Model Summary

MODEL	R	R^2	Adjusted R^2	Standard error of estimates
1	.853 ^a	.727	.720	.430

From the above table 4.12, it has been seen that R value is 0.85. Therefore, R value (.85) for the overall banking agents performance namely, Fraud, network capability ,financial literacy, financial cost and rewards suggested that there is a strong effect of independent variables on the banking agents' performance. From the **table 4.12** it can also observed that the coefficient of determination i.e. the R-square (R^2) value is 0.72, which representing that 72% variation of the dependent variable is due to the independent variables, which in fact, is a strong explanatory power of regression and the other unexplored variables may explain the variation in banking agents' performance which

accounts 28 % percent of it. The researcher concludes that 72% of the portion of the dependent variable is explained by the five variables that are included in this thesis.

TABLE 4.13 ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	102.922	5	20.584	111.282	.000 ^b
Residual	38.660	209	.185		
Total	141.581	214			

a. Dependent Variable: ALL_OVER_PERORMANCE_OF_AGENTS

b. Predictors: (Constant), EFFECT_REWARD, EFFECT_OF_NETWORK_CAPABILITY, EFFECT_OF_FRAUD, EFFECT_OF_FINANCIAL_COST, EFFECT_FINANCIAL_LITERACY

F-test is used to test the impact of overall explanatory power of the whole model, or the joint effect of all explanatory variables as a group. (i.e. testing the overall performance of the regression coefficients).It measures the statistical significance of the entire regression equation rather than each individual coefficient as the beta value is designed to do.

The greater the value of F-statistics, them or confident the researcher would be that variables included in the model have together a significant effect on the dependent variable, and the model has a high explanatory power.

From the ANOVA **table 4.13**, it is identified that the value of F-statistics is 111.282 and is significant as the level of significance is less than 5% ($p < 0.05$).

This indicates that the overall model was reasonable fit and there was a statistically significant association between independent variables (fraud, network, financial cost, financial literacy and reward agents performance).

Table 4.14: Regression on banking agents' performance with its determinants

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.370	.169		-2.186	.030
EFFECT_OF_FR AUD	-.013	.058	-.013	-.221	.825
EFFECT_OF_NE TWORK_CAPA BILITY	.097	.074	.097	1.305	.193
EFFECT_FINAN CIAL_LITERAC Y	.238	.090	.183	2.634	.009
EFFECT_OF_FI NANCIAL_COS T	.253	.068	.242	3.703	.000
EFFECT_REWA RD	.563	.069	.468	8.132	.000

a. Dependent Variable: ALL_OVER_PERORMANCE_OF_AGENTS

Source: own survey, 2018

Based on the above table 4.14 sig. value is used test the impact of each independent variable on agent's performance. Based on this if sig. value is less than p-value we can conclude that agents performance variables have significance effect on agents' performance or the independent variable have significant influence on the dependent variable in this study.

The result of **table 4.11** showed that the significance value is less than the significance level Value (0.05) for three independent variables and greater than (0.05) for two variables. The researcher tried to answer the objectives of the study: and identified various factors of banking agents' performance and analyzed them accordingly.

According to the results gained the rank of the variables is outlined below.

Hypothesis testing is based on standardized coefficients beta and P-value to test whether the hypotheses are rejected or not.

Hypothesis 1

H1: Fraud has no relation and significant effect on agents' performance.

The results of multiple regressions, as presented in **table 4.14** above, shows that Fraud has no a relation and significant effect on agents' performance.

With a beta value (beta = -0.013 and sig =0.825), at 95% confidence level (p >0.05). Therefore, the researcher can accept the null hypothesis and rejects the alternative hypothesis which means fraud has no relation and significant effect on agents' performance.

Hypothesis 2

H02: Network capability has no relation and significant effect on agents' performance.

The results of **table 4.12** showed that the standardized coefficient beta and p value of network capability was insignificant (beta = 0.097, sig =.193 p > 0.05). Thus, the researcher accept the alternative hypothesis and reject null hypothesis, thus network capability has no relation and significant effect on agents' performance.

Hypothesis 3

H03: Financial literacy has no relation and significant effect on agents' performance.

As shown in **table 4.12**, p-value is significant (p < 0.05), and the beta value of Financial literacy is positive (beta = 0.238, sig =.009). Therefore, the researcher reject the

null hypothesis and accept the alternative and this means it has a relation and significant effect on agents' performance.

Hypothesis 4

H04: financial cost has no relation and significant effect on agents' performance.

Table 4.12 shows that, financial cost has relation and significant effect on agents' Performance with a beta value (beta = 0.253 sig=.000), at 95% confidence level ($P < 0.05$). Therefore, the researcher can reject the null hypothesis and accept alternative hypothesis.

Hypothesis 5

H05: reward has no relation and significant effect on agents' performance

Furthermore, **table 4.12** also indicates that, the standardized beta is positive (beta = 0.563, sig=.000), and significant at 95% confidence level ($P < 0.05$). As a result, the researcher rejects the null hypothesis accept the alternative hypothesis. So reward has a relation and significant effect on agents' performance.

4.7 DESCRIPTIONS AND ANALYSIS FROM OPEN ENDED QUESTIONS

Q1. What do you think the bank should amend to improve your performance?

Some of respondents respond that training should be given continuously about agent banking.

Q2. What are the major problems (if) you suggest other than mentioned above?

The respondents almost said that most of the problems were included through Closed ended questionnaire so, they did not add other problems to me.

CHAPTER FIVE: FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY

The study was intended to investigate the determinants of banking agents' performance; the case of commercial bank of Ethiopia: A study conducted in Addis Ababa city based on the questionnaire consisting of 215.

The results of background information of respondents indicated that majority of the total respondents (59.5%) are male, The major age group were (42.8%) aged 21-30 years, the major education qualification group were (61.9%) are diploma and bellow, and (56.3%) of the respondents were married which takes the majority. The items included in the rating scale were grouped in to five dimensions these are fraud, network capability, financial literacy, financial cost and reward.

The results of the descriptive statistical analysis indicated that agents' performance was mainly determined by reward followed by financial cost and financial literacy consecutively. However, fraud and network capability no relation and insignificant effect on agents performance.

The finding of the correlation analysis shows that there is a positive relation between agents' performance variables (fraud, network capability, financial literacy, financial cost and reward) and agents' performance (dependent variable).

From the R square value it is shown that 72% of variation in agents performance is explained by the independent variables. Andrew (2015) the study title was factors affecting performance of banking agents in Kenya. The study used variables like, fraud, network capability, financial literacy and cost of financial services on banking agents and used sample of 98 respondents. The study found cost of financial services and financial literacy were the major factors affecting performance of banking agents. But, in the case of this thesis reward and financial cost were major factors that can determine agents' performance. But fraud is the least determinant factor on agents' performance.

In general, therefore financial cost is the major determinant factor to the two studies.

The multiple regression results showed that all independent variables have positive and significant relationships between one another and with the dependent variable as well.

The R square value of 0.72, demonstrates that 72.% of variation in agents' performance can be explained by determinants of agents' performance that were included in this study.

5.2 CONCLUSION

The objective of this study was to evaluate determinants of performance of banking mobile money agents in Ethiopia: The study analyzed the effect of fraud, network capability, financial literacy, financial cost and reward to test agents' performance.

The study in general showed that, among the variables three variables have relation and significant effect on agents performance such as, reward has the highest effect followed by financial cost and financial literacy.

Reward is highly affected agents performance; it can be motivated agents to perform more than usual. Why financial cost determines agents performance is that if their cost increases the commissions they get will be decreased so they may not be profitable due to high cost incurred by agents is highly greater than what they are they benefited?

5.3. RECOMMENDATIONS

Based on the findings and conclusions of the study, the researcher forwards the following recommendations.

Since reward, financial cost and financial literacy variables have positive and significant impact on agents' performance; the bank should give more attention and update the reward package, financial cost reduction and financial literacy improvement.

Training given by the bank should be continuous to build skills which can contribute to growth and advancement.

Although fraud and network capability are not significant to agents performance the bank should give an attention such as, maximize network strength and give more awareness about effect of fraud for agents.

In general, banks should have to make improvement on all determinants of agents' performance in order to increase their performance in a better way. This will enable them maintain high level of competitiveness in the banking industry.

AREAS OF FURTHER STUDY

Future study can be conducted by using other banks mobile money agents. Comparison of agents' performance of different bank agents or adding the new variables in addition to this study's variable.

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APPENDICES



አዲስ አበባ ዩኒቨርሲቲ የቢዝነስና ኢኮኖሚክስ ኮሌጅ ኤምቢኤ ፕሮግራም

ኤርምያስ ተፈራ እባላለሁ የአዲስ አበባ ዩኒቨርሲቲ ድህረ ምረቃ ተማሪ ነኝ ። የዚህ መጠይቅ አላማ በኢትዮጵያ ንግድ ባንክ ወስጥ የሲ.ቢ.ኤ ብር ወኪሎችን የአፈጻጸም ሁኔታ የሚወስኑ ሁኔታዎችን ለማጥናት እና ግብአት ለማግኘት ነው። ስለዚህ የናንተ አስተዋፅኦ በጣም የላቀና አስፋላጊ በመሆኑ የበኩላችሁን አስተዋጽኦ እንድታደርጉ ስል በትህትና እጠይቃለሁ። ከእናንተ የሚሰበሰበው መረጃ ሚስጥራዊነቱ የተጠበቀ እና ለጥናታዊ ፅሁፉ ብቻ የሚያገለግል ነው። አጠቃላይ መመሪያ

- ስም መጻፍ በፍጹም አያስፈልግም
- በማንኛውም ሁኔታ ሲመልሱ በሳጥኖቹ ወስጥ የፈለጉትን አንድ መልስ ብቻ የራይት ምልክት በማድረግ ይመልሱ(✓)

ክፍል አንድ: የተሳታፊዎች አጠቃላይ ሁኔታ

- 1. ፆታ: 1.ወንድ 2.ሴት
- 2. እድሜ: 1.21-30 2.31-40 3.41-50 4.Over 50
- 3. የትዳር ሁኔታ: 1.ያላገባ 2.ያገባ 3.የተለያየ 4.የሞተበት
- 4. የትምህርት ደረጃ: 1. <= ዲፕሎማ 2. ዲግሪ 3. ማስተርስ 4. ሌላ

ክፍል ሁለት: ጥናታዊ ፅሁፉን የሚግለጽ ጥያቄዎች

ከዚህ በተች የተዘረዘሩት ጥያቄዎች እያንዳንቸው አጭቅ ምርጫዎች አሉቸው፡ ምርጫዎቹም እንደሚከተለው ተወክለዋል፡፡

1= በጣም አልስማማም 2= አልስማማም 3= በመጠኑ 4= እስማማለሁ 5= በጣም እስማማለሁ

	1	2	3	4	5
መጭበርበር					
1 የወኪል ስራ ሲሰራ መጭበርበር ይኖራል ብዬ አስባለሁ					
2 ስለምተማመንበት ከባንኩ ጋር ለመስራት ቁርጠኛነኝ					
3 ምንጩ ያልታወቀ ገንዘብን ለመከላከል ተስማምቻለሁ					
4 በሌሎች ሰዎች ብታለልም ሀላፊነቱን እራሴ እወስዳለሁ					
5 ትክክለኛ ባልሆነ ሰነድ ብጭበረበር ባንኩ ዋስትና ይሰጠኛል					
6 የሚያጭበረብሩ የባንኩ ሰራተኞች አሉ ብዬ አስባለሁ					
የኔ ትወርክ ሁኔታ					
7 ፈጣን ያልሆነ ኔትወርክ አፈጻጸምን ያሳንሳል					
8 የኢንተርኔት እጥረት የኔትወርክ ፍጥነትን ይቀንሳል					
9 በተንቀሳቃሽ ስልክ የወክልና አገልግሎት መስጠት ቀላል አማራጭ ነው					
10 ከፍተኛ የሆነ ኔትወርክ ፍጥነት አዳዲስ ወኪሎችን ይስባል					
11 ባንኩ ብዙ ወኪሎች ሲኖሩት አቅሙን ያጎለብታል					
12 የኔትወርክ በከፍተኛ ሁኔታ መስራት የወኪሎችን አፈጻጸም ከፍ ያደርጋል					
ገንዘብን ክእወቀት እና ክህሎት					
13 በባንኩ የሚሰጠኝ ስልጠና የነበረኝን እወቀት እና ክህሎት ከፍ አድርጎልኛል					
14 የትምህርት ደረጃዬ ስራዬን በሚገባ ለመስራት አግዞኛል					

15	የተሻለ የትምህርት ደረጃ ያላቸው ሰዎች በቀላሉ ይረዱኛል					
16	ከፍተኛ ልምድ ያላቸው ወኪሎች የተሻለ አፈፃፀም አላቸው					
17	ደንበኞች በበቂ ሁኔታ የወኪል አገልግሎት ጥቅምን ይገነዘባሉ					
18	ባንኩ ወኪሎችን ለማሰልጠን ምቹ የማሰልጠኛ ማእከል አለው					
	የ ወኪል አ ገ ል ግ ሎት ወጪዎች					
19	የወኪል ባንክ አገልግሎት ወጪዎች ከባንኩ ወጪዎች ያነሱ ናቸው					
20	በወኪል ባንክ በኩል ግብይት የሚወጣ ወጪ በዋናው ባንክ ከሚወጣ ያንሳል					
21	በተንቀሳቃሽ ስልክ የወኪል አገልግሎት መስጠት ምንም አይነት ወጪ የለውም					
22	የወኪል አገልግሎት በኮምፒዩተር መስጠት ወጪው በሞባይል ከመስጠት ይበልጣል					
23	ኮምፒዩተርና የጎረቤት ሞባይልን በማቀያየር መጠቀም በባንኩ ይፈቀዳል					
	ሽልማት(ማበረታቻ)					
24	በድምር የሚሰጠኝ ማበረታቻ ለስራ አፈፃፀሜ የሚመጥን ነው					
25	የማበረታቻው መጀመር የበለጠ እንድሰራ አድርጎኛል					
26	ባንኩ አመቱን ሙሉ ይሸልማል					
27	ባንኩ የሚሸልመው በተወሰነ የጊዜ ገደብ ነው					
28	ለኔ ገንዘብ ነክ ማበረታቻዎች የተሻለ ያበረታቱኛል					
29	ባንኩ እንደ አፈፃፀማችን የደረጃ እድገት ይሰጣል					
	የወኪሎች አፈፃፀም መመዘኛዎች					
30	የግብይት ልዩዎች መጠን					
31	ወኪሎች የሚገኙት ጥቅማ ጥቅም መጠን					
32	የሚከፈቱ ሂሳብ ቁጥሮች ብዛት					

ማብራሪያ የሚሹና የሚሰጥባቸው ጥያቄዎች

1.ባንኩ እንደ አጠቃላይ ሊስተካከሉ ይገባቸዋል የሚላቸው ነገሮች ካሉ?.....

2. ከላይ ከተጠቀሱት ነገሮች በተጨማሪ የወኪሎችን አፈጻጸም ይወስናሉ የሚሉላቸው ነገሮች ካሉ ቢጠቅሱልን;

“ሚኒስቴርን ስለተባበሩን እና ማኅግናለን!”



**ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS
MBA PROGRAM**

Dear Sir/Madam

My name is ErmiasTefera I am graduate student in Addis Ababa University This questionnaire is intended to be used as primary data for master’s thesis of my MBA program at Addis Ababa University on The determinants of performance of agents in the case of Commercial Bank of Ethiopia Addis Ababa city. Your participation in this study will be valuable and greatly appreciated. Information gathered will be treated with utmost confidentiality and will not be used for any other purpose.

GENERAL INSTRUCTIONS

There is no need for writing your name

In all cases where answer options are available please make tick mark (√) in the appropriate box where the choice is appropriate for you.

PART I: DEMOGRAPHIC CHARACTERISTICS

- 1. Gender: 1. Male 2. Female

- 2. Age: 1.21-30 years 2.31-40 years 3.41-50 years 4.>50 years

- 3. Marital status: 1.Single 2.married 3.divorce 4.widow

- 4. Education level: 1.diploma & bellow 2.First degree 3.Masters & above

PART II: RESEARCH RELATED QUESTIONS

The following questions are presented on a five point Likert scale. If that aspect is much better than you hoped it could be choose **5** (strongly agree), if that aspect is even better than you expected it to be choose **4** (agree) if that aspect is what you would like it to be choose **3** (neutral), you would like choose 2 if it to be somewhat poor (disagree) and if that aspect is much poorer that you would like it to be choose **1** (strongly disagree).

Please put (√) in the place where the choice is appropriate for you.

	Fraud	1	2	3	4	5
1	I believe fraud is therein agent activity					
2	I am committed to work with the bank because I trust it					
3	I made an agreement to protect money laundry					
4	I am responsible to identify thefts					
5	The bank give guarantee when I am cheated					
6	I feel that employees of the bank may cheat me					
	Network capability					
7	Poor signal strength affect my work					
8	Lack of internet connection in the area leads to poor connectivity					
9	Access the service by using mobile based device is easy					
10	high network capability can attract new agents					

11	Large number of agents also means more power to the bank					
12	greater networking capabilities means greater performance to agents					
	Financial literacy					
13	Training given by the bank help to build my knowledge and skills					
14	My level of education help me to deliver services of CBE-birr more					
15	More educated customers can easily understand me					
16	Agents who have more experience on agent banking can perform better					
17	Enough awareness is given about agent banking for most customers					
18	The bank's training center is convenience					
	Cost of financial services					
19	The operation cost of agent banking is lower than the principal bank cost					
20	Cost involved in transacting in agency banking is low compared to banking hall					
21	No Cost of accessing CBE-birr incurred by mobile based device					
22	Accessing CBE-birr through computer based is costly than mobile based device					
23	Use computer and mobile device interchangeably is possible					
	Reward					
24	The total reward I get is what I can do					
25	Having started reward is make me perform better					
26	Reward is available all over the year					

27	The reward stay for short time interval					
28	The financial reward is more beneficial than non-financial reward to me					
29	There is a promotion package by the bank					
	Agents performance					
30	Number of transaction held					
31	Commissions earned by agents					
32	Number of accounts opened by agents					

Open Ended Questionnaires from Focus Group Discussions

1. What do you think the bank should amend to improve your performance?.....
.....
.....

2. What are the major problems (if) you suggest other than mentioned above?.....
.....
.....

“Thanks in Advance for Your Cooperation”