Addis Ababa University

College of Business and Economics

School of Commerce

Department of Business Leadership

Assessing the Impact of Digital Transaction Migration on Organizational Performance of Commercial Bank of Ethiopia: In Case of KIRKOS DISTRICT

By

YARED ABEBE GARI

"A Project Paperwork Submitted to Addis Ababa University School of Commerce in Partial Fulfillment of the Requirements for the Degree of Master of Business Leadership"

Advisor

Worku Mekonnen (PhD)

June, 2024

Addis Ababa, Ethiopia

Assessing the Impact of Digital Transaction Migration on Organizational Performance of Commercial Bank of Ethiopia: In Case of KIRKOS DISTRICT

By
YARED ABEBE GARI

A Project Paperwork Submitted to the Graduate School of Addis Ababa University, School of Commerce: In Partial Fulfillment of The Requirements for The Degree of Master of Arts in Business Leadership

Advisor
Worku Mekonnen

June 2024
Addis Ababa, Ethiopia

DECLARATION

I, **Yared Abebe**, affirm that the research project titled **"Assessing the Impact of Digital Transaction Migration on Organizational Performance of Commercial Bank of Ethiopia: In Case of KIRKOS DISTRICT,"** which is being submitted as part of the requirements for the Master of Arts in Business Leadership program at Addis Ababa University, School of Commerce, is my own original work and has not been previously presented at any other university. All sources and resources utilized for this research endeavor have been appropriately acknowledged.

Name: Yared Abebe Gari

Signature _____

Date _____

Certification

Addis Ababa University

School of Graduate Studies

This is to certify that the thesis entitled ***"Assessing the Impact of Digital Transaction Migration on Organizational Performance of Commercial Bank Of Ethiopia in the Case of KIRKOS DISTRICT"*** was carried out by **Yared Abebe Gari** under the supervision of **Worku Mekonnen (PhD),** submitted in partial fulfillment of the requirements for the **Degree of Master of Business Leadership** complies with the regulations of the university and meets the accepted standards with respect to originality and quality.

Approved by:

Advisor

	Signature.	**Date**
Worku Mekonnen (PhD)	_____	_____

Internal examiner	**Signature**	**Date**
Bahran Asrat (PhD)	_____	_____

External Examiner	**Signature**	**Date**
Neway Muktar (PhD)	_____	_____

ACKNOWLEDGMENT

First and foremost, I would like to express my gratitude to the divine being for bestowing upon me good health, physical strength, mental focus, and unwavering dedication to successfully undertake and accomplish this study or work.

This paper was completed with the extraordinary assistance and unwavering commitment of various individuals. This accomplishment would have been unattainable without the assistance of these individuals.

I would like to express my gratitude to Dr. Worku Mekonnen, my advisor, for his valuable feedback, expert counsel, and unwavering support during the entire process.

I would like to express my appreciation to Neway Muktar(PhD) and Bahran Asrat (PhD)for their valuable feedback and suggestions as examiners. Their input greatly contributed to the comprehensive nature and significant transformation of the research.

I would want to express my sincere gratitude to my pals Mahder Wondwossen, Yechalework Aynalem, and Girum Girmachew for their exceptional support during my entire academic journey.I would want to express my gratitude to the staff of the Commercial Bank of Ethiopia.

I would like to express my profound gratitude to my family, friends, and office colleagues for their unwavering encouragement and support.

ABBREVIATION AND ACRONYMS

CBE	Commercial Bank of Ethiopia
ATM	Automated teller machine
POS	Point of sale
ROE	Return on equity
ROA	Return on assets
UTAUT	Unified Theory of Acceptance and Use of Technology
IDM	Technology Acceptance Model
IDT	Innovation Diffusion Theory
TAM	Innovation Acceptance Model
SCT	Social Cognitive Theory
IDT	Innovation Diffusion Theory
MM	Motivational Model
TAT	Technology Acceptance Theory
PU	Perceived Utility
PEOU	Perceived Ease of Use
SPSS	Statistical Package for Social Science
Fintech	Financial Technology

TABLE OF CONTENTS

List of Tables

LIST OF FIGURES

ABSTRACT

This study evaluates the impact of digital transaction migration on the organizational performance of the Commercial Bank of Ethiopia, focusing on the Kirkos District. Utilizing an explanatory research methodology, the researcher gathered data from 120 respondents through structured questionnaires via five-point Likert scale and analyzed quantitatively via SPSS 29.0.2. And also interview and focus group discussion were used to collect qualitative data and analyzed using narration and interpretation by collecting necessary data and these helped the researcher to summarize the responses of concerned respondents and fully described the impact of digital transaction migration for enhancing organizational performance of CBE. The key findings indicate that digital transactions significantly enhance the bank's efficiency and effectiveness, with financial technology playing a crucial role in this transition. The study suggests that leveraging financial technologies can improve customer satisfaction, reduce transaction costs, and optimize payment processes, thereby sustaining economic profitability. Despite a growing number of digital banking users, the overall adoption remains low compared to the total number of account holders. The study concludes by recommending that CBE should develop and implement marketing strategies to encourage customers to switch to digital channels, thereby improving organizational performance.

Keywords: Organizational performance, Economic profitability, Financial technology, Digital transaction migration, Digital banking, and Customer Satisfaction

CHAPTER ONE

INTRODUCTION

1.1. Background of the study

The Commercial Bank of Ethiopia (CBE) has significantly invested in technology over the past two decades to enhance service quality and provide digital banking services. This investment is driven by the emergence of financial technology (fintech) and the evolution of business models (Nangin et al., 2020). Financial technology is crucial for fintech companies, enabling quicker, more affordable, and convenient services for consumers. However, the response rate to technological banking services varies globally, influenced by each country's stance on these issues (Takieddine and Sun, 2015). While Ethiopia must offer digital banking services to remain competitive, banks in other countries may still prefer traditional models.

The National Bank of Ethiopia aims to develop a secure, efficient, innovative, and inclusive national payment system, contributing to a cashless and inclusive economy. This involves creating a conducive environment for technology and digital systems in financial services. The CBE, as a major financial institution in Ethiopia, follows a strategy to become a world-class bank and has made numerous changes to its business model and digital migration in line with its strategic pillars.

Digitalization of transactions involves shifting from traditional cash-based transactions to digital forms such as electronic payments. This shift is driven by the rise of new technologies that consumers prefer for their security and convenience. Digital transactions are facilitated by technologies like internet banking, mobile banking, electronic fund transfers, and digital payment systems, providing customers with ease, efficiency, and accessibility.

Government entities in Ethiopia have mandated digital migration for all payments, further promoting the use of digital platforms such as internet banking, mobile banking, ATM cards, and CBE Birr. This shift has led to a noticeable decrease in the bank's operational expenses due to the migration of consumers to modern banking channels.

CBE has over forty million account users, 6.6 million mobile and internet banking users, 8.3 million active ATM card users, and 17 million CBE Birr users. However, challenges remain, including lack of awareness, education, and willingness to use online platforms. CBE has created

economic organization market principles to assess branches in terms of profit generation and ensure survival by addressing unprofitable branches.

Digital transaction migration impacts CBE's performance by converting innovation into financial performance aspects like profitability, revenue generation, and cost reduction. For instance, studies by Sintayehu 2023) and Trang Doan, Ha An Thi, et al. (2022) found a positive association between digitization and profitability in banks in India and Vietnam, respectively. However, these findings may not be generalizable to other banking systems.

Examining and evaluating the consequences of transitioning to digital transactions on the operational effectiveness of the Commercial Bank of Ethiopia holds significance for multiple reasons. Initially, the transfer of digital transactions can result in improvements in efficiency, reductions in costs, and increased customer satisfaction within the bank. Through comprehending the impacts of this migration, the bank can enhance its resource allocation and streamline its operations.

Furthermore, in light of the rapid evolution of technology, it is imperative for banks to maintain competitiveness by utilizing digital tools and platforms. Analyzing the effects of transitioning to digital transactions can assist the Commercial Bank of Ethiopia in being ahead of the curve and adjusting to evolving consumer preferences and industry trends.

The goal of this study is to appraise the effects of digital transaction migration on financial technology, economic profitability, and organizational growth, focusing on the **KIRKOS DISTRICT** of Ethiopian commercial banks. This study aims to understand how digital migration impacts financial performance, enhances service delivery, and contributes to the overall growth and competitiveness of the banks in this district.

By focusing on the **KIRKOS DISTRICT**, this study will provide insights into how digital transaction migration can be leveraged to improve financial performance and achieve strategic goals. The findings will be valuable for managerial decision-making and policy formulation, helping to guide the future direction of digital banking initiatives in Ethiopia. The study will also identify the challenges and opportunities associated with digital migration, providing recommendations for overcoming obstacles and maximizing the benefits of digital banking.

1.2. Statement of the problem

Digitalization has been increasingly recognized as a key driver for value creation and organizational performance (Matt et al., 2015). Despite the growing use of digital channels in banking (Zavolokina et al., 2016), there remains a notable gap in the academic discourse regarding their comprehensive impact. Digital technology, often equated with creative destruction in financial infrastructure, involves the transfer and interpretation of digital data. The rapid digital evolution within the financial sector has largely been propelled by the global proliferation of information technology.

According to the National Digital Payment Strategy for 2021-2024, issued by the National Bank of Ethiopia, digital transformation is significantly reshaping the banking sector. Technological advancements and shifting consumer preferences have progressively led to an increase in digital transactions. Despite these advancements, the National Bank of Ethiopia estimates that over 90% of transactions across the country are still conducted in cash. This heavy reliance on cash persists despite the introduction of various digital banking services such as ATMs, internet banking, mobile banking, and CBE Birr user access, which are designed to enhance economic growth and reduce operational costs.

The Commercial Bank of Ethiopia (CBE) serves over 40 million account holders through more than 2000 branches nationwide. However, only a fraction of these account holders—6.6 million for mobile and internet banking and 8.3 million for ATM card users—actively engage with digital banking services. This disparity highlights a significant gap in the adoption of digital banking services, which is further exacerbated by a general lack of awareness and knowledge among the population. Consequently, many account holders continue to rely on cash transactions.

Previous research, such as Selman (2019) and Zehra Özosrünç, investigated the impact of digital channel migration, automation, and centralization on the efficiency of bank branch operations in Turkey. They found substantial improvements in operational efficiency. Kennedy and Jacky (2013) also emphasized the role of technological advancement in digital banking service delivery, noting the shift from traditional banking methods to the use of ATMs and internet banking. They highlighted how mobile phone technology has enabled banks to partner with

network providers to enhance service delivery. Dahmani (2021) similarly discussed the transformative impact of digitalization on customer-bank interactions.

Marous (2013) and Karjaluoto et al. (2019) noted the challenges in changing customer habits, which often hinder the adoption of new digital payment systems. Customers tend to stick with familiar practices, making the transition to digital channels a complex process. Banks can play a crucial role in this transition by providing education and incentives to encourage the use of digital banking services.

In Ethiopia, studies like Kinfe(2016) and Gemechu(2014), have explored the adoption of digital banking systems, identifying various factors that influence this process. They revealed that issues such as technological infrastructure, regulatory environment, and customer trust significantly affect the adoption of digital banking in Ethiopia. However, the economic implications, particularly concerning profitability, have been less positive. These studies suggest that while digital transformation is underway, its impact on economic performance remains underexplored.

Further empirical evidence supports the notion that digital transformation can lead to significant cost reductions and efficiency gains. For example, a study by Kopp (2019) demonstrated that digital banking initiatives in European banks led to a 25% reduction in operating costs. Similarly, research by Fang, Huang, and Liu (2019) in China indicated that digital banking services significantly improved customer satisfaction and operational efficiency.

However, despite these positive outcomes in other regions, there is a distinct lack of empirical research focusing on the impact of digital transformation in the banking sector within developing countries, particularly Ethiopia. Most studies have concentrated on developed countries, leaving a gap in understanding how digitalization affects banks in different economic contexts.

This research aims to fill this gap by providing a comprehensive analysis of the effects of digital transaction migration on organizational performance in the Ethiopian banking sector. Specifically, it will focus on the Commercial Bank of Ethiopia's Kirkos District, including grade four and special branches. By doing so, this study will contribute valuable insights into the key performance indicators and economic implications of digital transformation in a developing country context.

In conclusion, while significant advancements have been made in digital banking globally, there remains a substantial research gap in understanding the specific impacts and challenges of digital transformation in the banking sector of developing countries like Ethiopia. This study seeks to address this gap by empirically investigating the effects of digital transaction migration on the performance of Ethiopian banks, thereby providing a deeper understanding of the potential benefits and hurdles of digital transformation in this context.

1.3. Basic Research Questions

In light of the above key variables of the study, the following basic research questions are formulated:

1. To what extent do digital transactions migrations contribute to organizational performance in terms of efficiency and effectiveness?
2. To what extent do financial technologies contribute to digital transactions migration as well as organizational performance?
3. What is the relationship between digital transaction migration and economic profitability? towards organizational performance?

1.4. Objective of the study

1.4.1. General Objective

The general objective of this research is to evaluate the effects of digital transaction migration on the organizational performance of the Commercial Bank of Ethiopia, focusing on the KIRKOS DISTRICT

1.4.2 Specific objectives

- Examine the impact of migrating to digital transactions on organizational performance.
- Evaluate the role of financial technology in facilitating the migration to digital transactions and enhancing organizational performance.
- Investigate the correlation between the migration to digital transactions and economic profitability in the context of organizational performance.

1.5. Significance of the Study

The research findings could be highly valuable for bank executives and policymakers, offering recommendations on how to effectively integrate digital transactions to enhance economic profitability and overall organizational performance in financial institutions. Addressing existing gaps is crucial. The study may shed light on the importance of digital transactions migration in boosting market share and profitability in a competitive banking industry landscape.

This research can provide valuable insights into both the advantages and obstacles of transitioning to digital transactions within the financial sector. By highlighting the potential benefits and challenges of embracing digital technologies in financial transactions, organizations can make well-informed decisions and adjust to industry changes. Ultimately, this study has the potential to drive efficiency, competitiveness, and customer satisfaction for companies that successfully navigate the transition to digital transactions.

In conclusion, this research can guide strategic decision-making and help companies adapt to the ever-changing digital environment.

1.6. Scope of the Study

The scope of the study is narrowed down to commercial bank of Ethiopia at KIRKOS DISTRICT specially for the intended research, grade four and special branch are purposefully selected due to the number of customer and transaction are highest than other branches and the study, concentrating on two key variables which is: financial technology and economic profitability, a. These variables were selected for their significance to the research topic. Therefore, the study delves into the impacts of digital transactions migration on organizational performance of Commercial Bank of Ethiopia at KIRKOS DISTRICT.

1.7. Limitation of the Study

The study did not take into account the viewpoints of customers and other grade levels, and it solely concentrated on the KIRKOS DISTRICT. Consequently, this could be a constraint for the paper.

1.8. Operational Definition of key Terms

Here are the definitions for each term:

Digital transaction migration: The process of transitioning from traditional paper-based or physical transactions to digital, electronic transactions.

Digital: Relating to or using technology that involves the use of computers or other electronic devices.

Transaction: An instance of buying or selling something, or an exchange of goods or services.

Migration: The movement of people, animals, or things from one place to another.

Organization: A group of people working together in a structured way for a common purpose.

Performance: The action or process of carrying out or accomplishing an action, task, or function.

Banks: refers to a financial institution that is licensed to receive deposits and provide loans and other financial services to individuals and businesses.

Financial technology, also known as fintech: refers to the use of technology to provide financial services.

Economic profitability: refers to the ability of a business to generate profit and achieve financial success.

1.9. Organization of the study

This study will be structured into five chapters; Chapter One gives a brief introduction to the subject of the study. It will start by presenting the background of the study. It continues by providing the statement of the problem of the study, highlights the objective of the study, significant of the study, scope of the study, limitations of the study, and definition of key terms is presented. At the end of the chapter the structure or organizational of the study is described. Chapter Two will entail literature review about the studying area that is theoretical review, empirical review, and conceptual framework which is relevant to key variables of the study such as financial technology and economic profitability are discussed from published materials. Chapter three will present the research methodology, research design, research approach, target population, sampling techniques sources and instruments of data collection and methods of data analysis and will discusses the procedures used to obtain the data, the reason for using this

method. Chapter four will give a presentation of the study results and their analysis. Chapter five will be the final chapter of the study. It will discuss implications and provides the conclusion to this study. Towards the end of the chapter, suggestion is given by the researchers.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Introduction

In the discipline of socioeconomics, the idea of performance is commonly employed. According to Bikker and Bos (2008) and Ahmed et al. (2021) bank performance is defined as the degree of success banks have in allocating input resources to optimum output, representing the degree of utilization of resources (human, material, and financial resources) to fulfill specified goals.

According to Sorensen and Reiming (2022:8), digitalization is "the process of moving to a digital business; the use of digital technologies to change a business model and provide new revenue and value-producing opportunities."

The migration of digital transactions refers to the transition from traditional cash-based transactions to electronic or digital forms of payments. This shift is driven by advancements in technology, changes in consumer behavior, and the need for more efficient and secure payment methods. Digital transformation can be defined as a process that aims to improve an entity by triggering significant changes to its properties through combinations of information, computing, communication, and connectivity technologies (Mikalef and Parmiggiani, 2022:12).

2.2. Background of digital transaction migration in banking

Numerous causes, including technical innovation, shifting consumer tastes, regulatory restrictions, and the need for efficiency and cost-effectiveness, have contributed to the banking industry's shift toward digital transactions migration.

In the past, traditional banking channels like branches and ATMs were used for the majority of transactions. But as cell phones and the internet have grown in popularity, the banking industry has changed dramatically. With the advent of online banking services, which let users view their accounts, transfer money, and pay bills electronically, the shift to digital transactions got underway. In 2003, Mukherjee and Nath.

With the rise in smartphone usage came the popularity of mobile banking apps, which allowed users to conveniently manage their finances while on the go. Digital payment platforms and

Fintech companies' rise hastened the adoption of digital transactions even more. To cut expenses and enhance customer satisfaction, banks have invested heavily in technology over the past few decades. In order to deliver top-notch services to consumers and achieve higher profitability, lower operating expenses, and improved organizational performance, banks provide digital banking channels such ATMs, Internet banking, mobile banking, and others. In order to increase the competitiveness of financial services, a number of academics concur that greater investments in technology are essential. Scholars, however, contend that without consumers use technology for banking transactions, significant investments in the field are irrelevant. Digital banking, according to Shaikh and Karjaluoto (2016), is a holistic marketing approach that has greatly altered how banks perceive and meet the demands of their clients. It is more than just a cutting-edge channel.

2.3. Importance of digital transaction migration for organizational performance

Digital transaction migration is essential to the performance of organizations since it helps businesses improve customer experience, cut costs, increase efficiency, and streamline procedures. For banks, digital transformation can result in significant cost reductions. Lower operating expenses are a result of streamlined procedures, less physical infrastructure, and automation of repetitive jobs (Allen, Gu, & Jagtiani, 2021; Zavoli & King, 2021).

According to Kennedy and Jacky (2013), there has been significant advancement in digital banking technology, which has improved service delivery standards in the financial institution sector and contributed to the nation's economic growth. However, the financial sector is still not seeing the adoption and acceptance rate of customers switching from in-person bank transactions to digital transactions as anticipated. Eighty percent of retail banking customers still use the closest branch to make various payments, according to the National Bank of Ethiopia.

2.4. Overview of commercial bank of Ethiopia

The government owns the Commercial Bank of Ethiopia (CBE), which is the biggest commercial bank in Ethiopia. It provides clients with a large range of banking services, such as loans, investment services, savings accounts, and more. By giving financial support to many industries,

CBE plays a significant role in the nation's economy. With its extensive branch network throughout Ethiopia, it is easily accessible to a diverse clientele. In order to boost productivity and improve client experience, the bank is also concentrating on digital transformation.

The purpose of the review of the literature is to assess the overall effects of the migration to digital transactions on organizational performance.

2.5. ORGANIZATIONAL PERFORMANCE METRICS

Organizational performance may be measured in two ways: financially and non-financially. Performance is a critical component of any business. Using a wide range of financial variables typically considered in the banking literature, studies (Ky et al., 2019; Singh et al., 2016) have examined the implications for banks in using financial technology products like digital banking and how it affects their profitability (e.g., operational performance, risk profile, and leverage, net interest margin, ROE and ROA). According to Richard et al. (2009), non-financial performance is correlated with labour efficiency, customer satisfaction and expectations, quality of service, and corporate social responsibility. According to Okiro, K. and Ndungu, J. (2013), self-service technology can increase customer satisfaction, market shares, and customer base among Nairobi's commercial banks by improving service efficiency.

Performance is used to gauge the firm's conditions, compliance, and success. Contrarily, financial performance is a gauge of how an organization's financial situation has changed or how its members have carried out management decisions in terms of their financial consequences (Greenwood & Jovanovic, 1990). The degree to which a company grows its sales, profits, and return on equity is how financial performance is defined. Businesses need to perform financially well in order to survive in today's uncertain and competitive market (Sousa & Voss, 2006).

Since financial performance is a key indicator of an organization's success, financial metrics have been used to measure performance. Financial performance is the capacity of an organization to meet a variety of predetermined financial objectives, such as profitability, according to Al-Matari, Al-Swidi, and Fadzil (2014). A firm's financial performance can be defined as a gauge of how close it has come to meeting or exceeding its financial benchmarks. It displays the degree to which financial goals are being fulfilled. According to Baba and Nasieku (2016), financial performance provides guidance to stakeholders in their decision-making by

illuminating how a business uses its assets to create profits. Nzuve (2016) claims that the condition of the banking sector mostly depends on their financial performance, which is a key indicator of each bank's advantages and disadvantages. Furthermore, according to Odondi and Muturi (2013), financial performance looks at the variables that directly affect a company's financial reports and statements. The primary instrument utilized by outside parties for appraisal is the firm's performance (Demertzis, Merler, and Wolff, 2017). This clarifies why the firm's performance serves as the benchmark. The performance of the company is determined by how well its goals are achieved. A company's financial performance is determined by how well it meets its internal and external goals (Lin, 2008). There are numerous terms for performance, such as survival, growth, and competitiveness (Nyamita, 2014).

In the end, a company's financial performance indicates whether or not service quality is achieved within it.

Organizational outcomes (productivity, quality, service); financial accounting outcomes (return on assets, profitability); and capital market outcomes (stock price, growth, returns) are the four types of possible measurements for organizational performance that Galor and Zeira (2000) proposed. The outcomes include turnover, absenteeism, and job satisfaction. Nevertheless, researchers have put forth a more comprehensive definition of business performance that includes metrics like market share, customer happiness, and new product development in addition to financial ones. Profitability, liquidity, solvency, repayment capability, and financial efficiency are the five main categories into which approved financial analysis measures that assess a company's financial performance fall (Crane, 2010). In the past, the criteria used to evaluate the performance of banks have been the elements of CAMELS, which stands for Capital Adequacy, Asset Quality, Management Quality, Earnings Potential, Liquidity, and Sensitivity to Market Risk. In order to evaluate the soundness of banks, rating agencies (Rawcliffe, Peach, & Shaw, 2008) and supervisory bodies for the banking industry (King, Nuxoll, & Yeager, 2006) employ CAMELS, which combines indicators for market risk and financial soundness (credit risk).

For banks, digital transformation can result in significant cost reductions. Lower operating expenses are a result of streamlined procedures, less physical infrastructure, and automation of repetitive jobs (Allen, Gu, & Jagtiani, 2021; Zavoli & King, 2021). As a result, important

performance indicators that assist organizations in assessing and measuring their overall performance and success are organizational performance metrics.

2.6. Innovation adaptation model

Digital banking literature consists of several theories which include Unified Theory of Acceptance Use of Technology (UTAUT), Innovation diffusion Theory (IDT), and Technology Acceptance Model (TAM).

2.6.1. Unified Theory of Acceptance and Use of Technology (UTAUT)

Based on behavioral intention, the UTAUT theoretical model proposes that the real usage of technology is. The four main constructs of performance expectancy, effort expectancy, social influence, and facilitating factors have a direct impact on the projected likelihood of technology adoption. (Venkatesh et al., 2003) Experience, age, gender, and voluntariness of use all moderate the effect of the predictors.

As stated by Venkatesh et al. (2003), performance expectancy is "the degree to which an individual believes that using the system will help him or her to attain gains in job performance."

Technology Acceptance Model (TAM), TAM2, Combined TAM and the Theory of Planned Behavior (CTAMTPB), Motivational Model (MM), the PC utilization model (MPCU), Innovation Diffusion Theory (IDT), and Social Cognitive Theory (SCT) are the constructs that form the basis of performance expectancy (i.e. Perceived usefulness, extrinsic motivation, job-fit, relative advantage and outcome expectations). According to Zhou, Lu, and Wang (2010) and Venkatesh, Thong, and Xu (2016), it is the most significant predictor of use intention and is present in both mandated and voluntary situations.

According to Venkatesh et al. (2003), "the degree of ease associated with the use of the system" is the definition of effort expectancy. The construction of effort expectationancy is based on perceived ease of use and complexity, which are derived from TAM, MPCU, and IDT, all of which have comparable definitions and scales.

According to Gupta, Dasgupta & Gupta (2008) and Chauhan & Jaiswal (2016), the construct's effect becomes nonsignificant after prolonged use of technology.

According to Venkatesh et al. (2003), social influence is "the degree to which an individual perceives that important other believe he or she should use the new system." Social influence, as utilized in TRA, TAM2, TPB, CTAMTPB, MPCU, and IDT, is comparable to the subjective norms, social variables, and image constructs in that it indicates how people modify their behavior based on how others see them. According to Venkatesh et al. (2003), there is a notable impact of social influence when technological use is required. People may utilize technology in a forced setting in order to comply with regulations, but not because it is their personal choice (Venkatesh & Davis, 2000). This could account for the construct's erratic behavior in subsequent research that validated the model (Zhou, Lu & Wang, 2010; Chauhan & Jaiswal, 2016).

The degree to which an individual believes that an organization's and technical infrastructure exists to support the use of the system is the definition of "facilitating conditions" (Venkatesh et al., 2003). Compatibility, perceived behavioral control, and facilitating conditions constructs from TPB, CTAMTPB, MPCU, and IDT combine to generate the facilitating conditions construct. The intention to use is directly positively impacted by favorable conditions, although this effect fades after the first usage. As a result, the model suggests that favorable circumstances directly and significantly influence how people use technology (Venkatesh et al., 2003).

The strength of predictors on intention is defined by the moderating effects of age, gender, experience, and voluntariness of use. All four factors' effects are moderated by age. Relationships between effort expectancy, performance expectancy, and social influence are influenced by gender. The intensity of the linkages between social influence, enabling situations, and effort expectancy is moderated by experience. According to Venkatesh et al. (2003), voluntary use solely modifies the association between social influence and behavioral intention.

UTAUT has contributed to the literature in a number of ways. By contrasting well-known theories of technology adoption—which frequently present conflicting or incomplete viewpoints—the model offers empirical insight into the acceptance of technology. When compared to other models that study technological adoption (e.g., Davis, 1993; Sheppard, Hartwick & Warshaw, 1988), UTAUT offers greater predictive power, showing that proposed components explain for 70% of the variance in use intention (Venkatesh et al., 2003). The intricacy of the technology adoption process, which depends on an individual's age, gender, and

experience, is demonstrated by the interactive effect of various constructs with personal and demographic characteristics (Venkatesh et al., 2003).

2.6.2. Innovation Diffusion Theory (IDT)

It is one of the earliest hypotheses in social science, having been proposed by E.M. Rogers in 1962. It was first used in communication to describe how, throughout time, a concept or item gathers traction and diffuses—or spreads—through a particular community or social structure. People eventually adopt new ideas, behaviors, or products as a part of a social system as a result of this diffusion. When someone adopts something new, it indicates that they are doing something different from what they were doing before (e.g., buy or use a new product, acquire and perform a new behavior, etc.). Adoption hinges on the individual perceiving the concept, action, or item as novel or inventive. This allows for the possibility of dissemination.

Adoption of a novel concept, action, or item (i.e., "innovation") is a process in which certain individuals are more likely than others to accept the innovation. It does not occur simultaneously in a social system. Researchers have discovered that individuals who accept innovations sooner tend to vary from those who acquire them later in life. It's critical to recognize the traits of the target audience that will facilitate or impede the adoption of the innovation while marketing it to them. The target group's characteristics must be understood, even though the bulk of the general population tends to fall into the middle of the five recognized adopter categories. Various tactics are employed to appeal to distinct adopter types while promoting an innovation.

Those that aspire to try an innovation before anyone else do are known as innovators. They are curious about novel concepts and daring. These people are great risk-takers and frequently the first to come up with novel ideas. To appeal to this demographic, very little, if anything, needs to be done.

Opinion leaders who are early adopters are known as these individuals. They like change and take pleasure in leadership positions. They are quite at ease embracing new concepts since they already see the necessity for change. How-to guides and information sheets on implementation are among the tactics used to appeal to this group. Information will not persuade them to change.

Early Majority: Although they don't always take the lead, these individuals do embrace new concepts before the general public. That being said, before they are willing to embrace an innovation, they usually require proof that it is effective. Success stories and proof of the innovation's efficacy are two tactics to appeal to this demographic.

Late Majority: This group of people is resistant to change and won't accept an invention until the majority has given it a shot. Information on the number of other individuals who have successfully tested and embraced the innovation is one tactic to appeal to this demographic. Laggards: These folks are highly traditional and constrained by tradition. They are the hardest group to convince to accept change since they are highly resistant to it. Statistics, fear appeals, and pressure from members of other adoptive groups are some of the tactics used to appeal to this population.

The Diffusion of Innovation Theory has a number of drawbacks, including the following:

The adopter categories and a large portion of the supporting data for this theory were not generated with adoption of new behaviors or health improvements in mind, nor did they come from the field of public health.

It doesn't encourage the adoption of a participative strategy for public health initiatives. Adopting new behaviors is more effective than stopping old ones or trying to prevent them. It disregards the resources and social support that a person may need to embrace the new behavior (or innovation).Numerous professions, including as marketing, social work, criminal justice, agriculture, public health, and communication, have effectively applied this approach.

2.6.3. The Technology Acceptance Theory (TAT)

The Technology Acceptance Model (TAM) is a common framework used by businesses to embrace novel and creative solutions. According to Davis's (1989) technology acceptance model, customers' adoption of new technology will be influenced by its perceived usefulness and convenience of use, which will have a direct impact on their behavioral intention to utilize the bank's current digital technology system. Perceived utility, according to Davis (1989), is the extent to which an individual thinks that implementing a specific plan will enhance their job performance or lessen their workload. Davis (1989) asserts that consumers of digital banking

platforms will accept and stick with electronic banking systems if they think the systems provide advantages like dependability, convenience in accessing information, and pleasant transaction completion with a prompt connection to the banks' customer service departments. In addition to increasing convenience, ease of transaction, information availability, and customer service, this enables banks address consumer needs in less time. The outcomes will dictate whether or not clients utilize online banking. Users are more likely to embrace and use digital banking platforms if they believe them to be free, safe, and simple to use. The idea of technology adoption that is most pertinent and useful is the Technology Acceptance Model approach. The technology adoption model states that potential consumers anticipate new technology to be accepted based on its simplicity of use, which includes no cost involved in transferring and using it (Davis, 1989).

Adoption of electronic banking is directly impacted by perceived utility and perceived ease of use, which are the main components of TAM (Suping & Yizheng, 2010; Safeena et al., 2014). Perceived ease-of-use (PEOU), on the other hand, measures how much a user believes utilizing a specific technology will be effortless. Put otherwise, it refers to the extent to which users believe a technology is superior than its alternatives. Chen et al. provide commentary on the model and expand on the claim that attitudes toward technology utilization (ATU) are positively impacted by perceived utility (PU) and perceived ease of use (PEOU). As proposed by Davis, the model in Fig. 1 illustrates the link between these determinants, which are

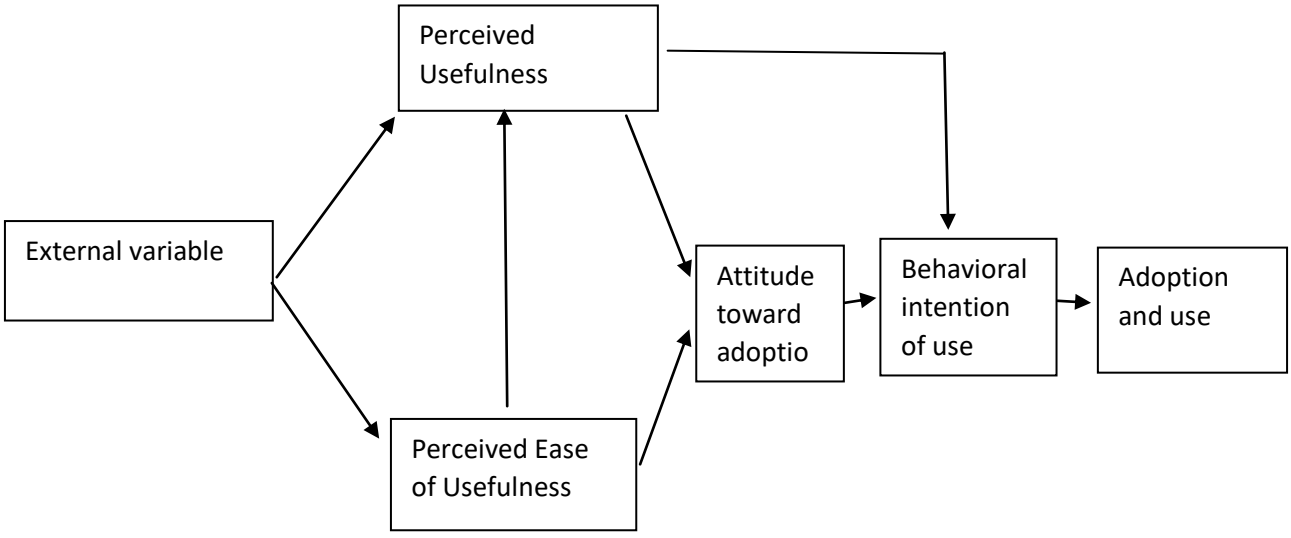


Figure 1. Adopted Technology Acceptance Theory (TAT)

Furthermore, a few key characteristics affect perceived usefulness as well as perceived ease of use.

Various academics have offered their recommendations regarding the factors that influence a technology's usability and convenience of use. Two categories of such factors were provided by Asiri, Mohamud, Abu-Bakar, and Ayub in Alharbi and Steve during their investigation into the deployment of Learning Management Systems at the University of Saudi Arabia: internal variables and external variables. Internal variables include things like the user's mind-set, pedagogical convictions, and proficiency level. The writers affirmed that a user is more likely to be motivated to use technology if they have a positive attitude toward it. Additionally, in keeping with previous research, it was discovered that attitudes toward online education played a significant role in deciding how a tool was used. The study found that competency level might be used to predict technology use, indicating that a system's use will be influenced by an individual's ability to utilize it. Conversely, external variables comprise the outside obstacles that consumers must overcome in order to access a resource. These elements consist of social, technological, and organizational hurdles. Comparably, demographic variables including gender, computer self-efficacy, and training/competency levels are also employed to forecast the use of technology.

Gutteling and Kuttschreuter (2007). The researchers discussed whether the Netherlands' government should offer its residents an electronic platform to access government services, as other nations do. Perceived risk, faith, and public encounters were among the TAM components that were included in the study. The empirical study's findings demonstrated that citizens strongly identify technology with government agencies and that the foundation of e-government is peoples' complete trust in these businesses. According to the findings of the empirical study, technology acceptance theory guarantees that technology acceptance theory is appropriate for explaining the behavior of online technology users in addition to explaining how users of new technology accept and adopt it (Pavlou, 2003: Horst et al., 2007).

One of the main theories supporting the current investigation into how digital transaction migration affects cbe organizational performance is technology acceptance theory. It is not sufficient for banks to develop cutting-edge technology for banking; the technologies also need to be embraced and embraced by the bank's clientele, in a similar vein to the acceptance and

expansion of fintech businesses. TAT is created with the new technology's perceived utility and usability in mind. The idea that a certain information system or new technology can improve a person's level of job performance is implied by the perceived usefulness of technology. According to Baker et al. (2015), perceived ease of use refers to how simple it is for someone to pick up new information systems or technological skills.

In the context of studying the impact of digital transactions migration on the organizational performance of the commercial bank of Ethiopia, the Unified Theory of Acceptance and Use of Technology (UTAUT) model would be the most appropriate choice because the UTAUT model provides a robust framework for studying the acceptance and use of digital transaction technologies in the commercial bank of Ethiopia and their effects on organizational performance. Its comprehensive nature, focus on behavioral intention, consideration of multiple stakeholders, and previous research support make it a suitable choice for this research topic.

2.7. Evolution of Digital Banking in the World

The development of computers in the 20th century marked the beginning of the digital revolution, which intensified with the creation and use of the internet, personal computers, and mobile phones (Pakdemirli, 2019: 667).

The percentage of account holders utilizing digital payments has climbed recently in both high-income and developing nations, according to statistics from the World Bank's Global Findex. Furthermore, in developing economies, the percentage of adults who make digital payments rose from 26% to 51% between 2014 and 2021. In developing economies, the proportion of adults who received a digital payment rose from 25% in 2014 to 36% in 2021; however, this percentage did not change for account holders, who accounted for half of the total. Account holders in high-income economies almost always use digital payments, regardless of gender. Demirgüç-Kunt et al. (2022: 55–56) found that despite this, men who have accounts are more likely than women to use digital payments in developing economies.

According to estimates, in 2022, India will have the most people using digital banking worldwide. The United States comes after India. According to Statista (2023a), Germany accounted for 51.4 million of all digital banking customers in Europe. In Europe, there were more digital banks in 2014 than there were in 2022 (Statista, 2023b). Denmark ranks among the

nations with the highest levels of digitalization globally. Furthermore, the financial industry and the economy are evolving as a result of the digital revolution (National bank, 2023). In Denmark, online banking gained popularity across all age groups between 2011 and 2021 (Statista, 2023c). In Denmark, however, digital payments accounted for the majority of trade payments. Payment cards and cell phones are the most common ways to make payments in Denmark. In actuality, 88% of payments in Denmark's physical commerce were done online in 2021 (Danmarks National bank, 2022).

2.7.1. Digital banking trend in Ethiopia

According to Worku (2010), Ethiopia's history with electronic banking began in 2001 when the massive state-owned bank CBE introduced ATM banking. The renowned Dashen bank gave life to the service in 2006, but it was unsuccessful and had been discontinued for years prior (Kindie, 2016; Worku, 2010; Zeleke, 2016). In addition to making many sacrifices to bring ATM banking to the public, Dashen Bank gained a competitive edge by acquiring technology that were virtually unheard of in the past (Gemechu, 2014). Zeleke (2016) notes that Wegagen Bank became the third bank to employ E-banking technologies when it announced the launch of ATM banking services in 2010. Subsequently, additional private banks begin implementing similar technologies in various types in an attempt to compete for market dominance.

As per Kinfe's (2016) findings, the primary factors propelling the adoption of E-banking in Ethiopian banks are the intense competition among them, enhancement of organizational performance, cost savings, broad geographic reach, and establishment of organizational repute. At the moment, every commercial bank in the nation offers some kind of online banking service.

2.7.2.Digital banking in commercial bank of Ethiopia

According to Tefera (2017), CBE was formally founded in 1963 and is frequently cited as one of Ethiopia's foremost banks. In the nation's financial economy, it is now the sole state-owned commercial bank with a major role. A wide range of digital banking services are among the bank's well-known offerings. One of the main financial services it provides to its clients is banking. Numerous investigations revealed that although the bank was at the forefront of digital banking technology when it deployed a small number of ATMs in early 2001, it stagnated for a

number of years before being successfully improved (Gemechu 2014; Kindie, 2016; Tefera, 2017; Worku, 2010; Zeleke, 2016). But, CBE began to focus more on the development of its e-banking as privately held commercial banks like Wegagen and Dashen began to engage in digital banking services. In terms of the quantity of users on digital platforms, it is currently a top bank.

Under the direct supervision of the bank president, the vice president of digital banking at CBE oversees the management of the digital banking service. This also demonstrates the bank's level of attention on digital banking services in general.

In order to improve the effectiveness of physical branch channels, which are one of the largest expense items for banks, changes in the business models of branch operations have increased in all banks due to the diversity of technological options. However, digital transformation initiatives make us wonder if we'll ever need physical branches at all and if not, how we'll continue to service consumers using a physical branch structure in the future. One way that operational transformation is implemented across the Bank is through "automation" and "digital channel migration" programs. A. Kasman (2002).

Commercial banks have acknowledged the prevalence and influence of digital technologies (Sia et al., 2016). According to numerous studies (Berger et al.; Kasman and Yildirim, 2006; Moffat), banks are using digital techniques such as mobile, internet, and ATM channels to reduce expenses, reduce risks, and improve performance. In terms of commercial banks, digital transformation refers to the thorough integration of digital technology into every aspect of banking operation. Through the development of financial software, digital and mobile banking products, and the integration of fintech, this revolution essentially reshapes the way commercial banks operate and adds value for their clients. Customers' needs in the areas of big data, mobile finance, risk management, internet finance, interest rate liberalization, and improved customer relationship management are met by these developments.

(Ortaköy and Ozsürunç, 2019; Chen and Zhang, 2021). Banks can improve their capabilities in customer acquisition, business operations, R&D, and general management by transforming aspects of traditional banking, such as operational channels, service processes, product models, and organizational management. As a result, financial services become more varied, move to the internet, and are improved (Schueffel, 2017).

2.7.3. Overview of Digital Transaction Migrations

In the banking industry, bank boards and the outside world both acknowledge that banking operations are undergoing a digital transition. According to P. Druszcz (2017), banks are forced to automate and digitize all of their supplied products due to the way society has evolved as a result of the Internet's entry into nearly every aspect of human endeavor. Banks employ digitization to apply customer- and socio-centric marketing priorities in order to fulfil rising customer expectations.

The rapidly evolving landscape of the twenty-first century has led to a dramatic shift in the banking sector, driven by digital transformation. This innovative path, marked by the adoption of state-of-the-art technologies, has had a profound effect on the economy as a whole and altered the way financial institution's function. Within the banking sector, "digital transformation" encompasses a wide range of strategic and technology innovations aimed at boosting client interaction, streamlining operations, and preserving competitiveness amidst a financial environment that is changing quickly. Personal and Archive (2021) state that enhancing a country's digital ecosystem would increase the non-linearity of those improvements, mimic people sending money home, and provide individuals, organizations, and governments with an easy way to receive money digitally in the receiving country.

Bharadwaj El Sawy, Pavlou, & Venkatraman (2013) and Rha & Lee (2022) state In order to increase operational effectiveness, boost client engagement, and maintain competitiveness in a financial environment that is changing quickly, the banking industry is undergoing a digital transformation that includes a variety of technology advancements and strategic changes. It entails integrating digital technologies into every facet of banking operations, including back-office and customer care tasks.

Kennedy and Jacky (2013) point out that significant advancements in digital banking technology have improved service delivery standards in the financial institution sector. They point out that customers can now conveniently complete transactions using ATM cards or the internet, thus the days of waiting in line for financial services in banking halls are long gone. In addition, financial institutions have teamed up with mobile network providers to offer banking services as a result of the expansion of the mobile phone industry. The digital transformation of financial services

has had a profound impact on banking, transforming its operations and customer interactions on a basic level (Romdhane, 2021).

According to Marous (2013), persuading clients to switch from their present banking channel is a difficult undertaking. Similarly, Karjaluoto et al. (2019) claimed that habit has a significant influence on customers' inclination to use contactless payment systems and that this influence can be hard to overcome. Setting up an ideal channel mix to satisfy consumers' banking needs is the greatest option for banks. Banks can use interactive mobile and tablet technology in-branch or online to educate customers about online banking channels. Customers may be encouraged to adopt online banking channels in the future by offering incentives for doing so (Accola 1996).

Yu and Hughes (2016) emphasized in a recent study the importance of mobile and in-branch ATMs for a successful client transition to digital channels. The authors disclosed that in order to establish a distinct channel mix, banks must classify their client base according to their banking requirements and preferred channels. In a similar vein, the 2016 Cognizant poll found that bank branches can be the ideal setting for engaging with clients and making a good impression on them. The greatest branch-based customer service is transferable to other banking channels.

According to Schofield and Chew (2013), the majority of branch visits in Asian nations comprise standard banking operations that are easily completed online, which raises expenses. Converting branch banking clients to interactive digital banking is the largest obstacle facing banks today. The literature has long demonstrated the value of bank branches in meeting the sophisticated and high-value banking needs of consumers in the technological age. In many Asian cultures, solid interpersonal relationships form the basis of business, hence efforts are focused on increasing the acceptability of online banking while retaining a human element.

2.8. The Roles of Financial Technology for organizational performance

In order to increase operational effectiveness, boost customer engagement, and maintain competitiveness in a financial landscape that is changing quickly, the banking industry is undergoing a digital transformation that includes a variety of technological advancements and strategic changes (Bharadwaj, El Sawy, Pavlou, & Venkatraman, 2013; Rha & Lee, 2022). Fintech and innovation in the provision of financial services as well as the development of financial business models are strongly related, according to Nangin et al. (2020). Fintech

companies also prioritize technology more than traditional financial institutions do. Financial services can now be accessed more quickly, conveniently, and affordably thanks to information technology. Furthermore, according to Romanova and Kudinska's (2016) research, fintech is being embraced by both cutting-edge IT companies and the established banking industry. The former group comprises enterprises that use technology to offer new financial services, whereas the later group consists of banks, brokerage houses, and insurance companies. Technology is used by both parties to improve the services they provide.

Because of its contentious nature, financial technology has attracted a lot of interest from regulators, governments, politicians, and experts (Naz et al. 2022). Fernando and Dharmastuti (2021) assert that the elimination of high-interest loans is a major factor in the fintech industry's growth within a nation. Fintech also benefits banks and the general public. They provided additional support for this claim by highlighting how fintech gives people access to safe financial management. Furthermore, Petralia et al. (2019) clarified that the emergence and expansion of fintech have a noteworthy influence on conventional business models in the banking industry.

It is impossible to overstate the contribution that fintech businesses make to improving financial performance through the usage of digital financial platforms. In order to compete with established financial institutions and serve as middlemen in the provision of financial services, fintech startups are utilizing new technology. According to Klingebiel (2000), Kenya's market has all the prerequisites for the development of financial systems and the expansion of Fintech businesses. Because fintech companies are more cost-effective than traditional banks and have fewer rules, they have an advantage over them in the market and can improve the financial performance of the banking industry.

Buchak et al.'s (2018) study is the first to look into how regulatory factors are integrated when examining how fintech lending affects bank performance. Numerous studies, such as those by Nguyen (2022) and Chen et al. (2019), attest to fintech's capacity to augment financial services through the promotion of cost-effective transactions, improvement of service quality, and augmentation of company structures. Additionally, fintech may help commercial banks with their diversification plans, according to Yao and Song (2021). Li et al. (2017) found a favorable correlation between the rise in fintech activities and bank stock returns.

2.9. Economic profitability and its parameters

Money earned after accounting for both explicit and hidden costs is referred to as economic profit. Return on equity (ROE) and return on assets (ROA), which are critical to the survival and expansion of the bank, are used to gauge the profitability of banks as a measure of business performance.

The factors that determine a bank's profitability are typically divided into two categories: internal and external. The internal determinants of profitability could be referred to as bank-specific determinants of profitability because they are derived from bank accounts (balance sheets and/or profit and loss accounts), which may be managed by bank management. The macroeconomic and industry-related variables that are outside the direct control of bank management yet represent the economic and regulatory environment that influences the banks' performance and ability to conduct business are known as external determinants, and they must be taken into account.

In the context of an Ethiopian commercial bank, economic profitability refers to the bank's capacity to make money, succeed financially, and support the nation's general economic growth. The economic success of bank branches is dependent on a number of factors that support cost control and revenue growth, according to the CBE Portal. These are the following: Deposit and Loan Growth: The branch's profitability through interest income is positively impacted by its capacity to draw in deposits and make loans.

Fee-Based Services: Profitability is influenced by fees collected for services including wealth management, transactions, and account upkeep.

Operating Efficiency: Retaining profitability requires effective control of operating expenses, such as personnel, utilities, and infrastructure.

Customer Acquisition and Retention: It's critical to use relationship management and excellent customer service to draw in new clients and hold onto current ones. Opportunities for Cross-Selling: Promoting the use of various financial services and goods within the branch increases sales overall.

Digital Integration: Using technology to provide digital banking services can cut expenses and increase productivity. Market Presence: One way to increase revenue is to strategically place branches in high-demand and foot traffic locations.

Customer satisfaction: Clients that are happy with the bank are more likely to refer others to the institution and keep using branch services. Risk management: Stability and financial loss prevention are achieved through efficient risk assessment and management procedures. Innovation: Offering cutting-edge services and adjusting to current market conditions can draw in new clients and boost sales. Competition: Sustaining profitability in the local market requires an understanding of and ability to adapt to competitive forces.

Regulatory Compliance: Following the law protects against financial penalties and guarantees a stable operating environment. For bank branches to continue to be financially sustainable and have a good impact on the financial institution's overall profitability, these characteristics must be balanced.

According to Ndungu (2015), performance refers to the extent to which a task is being carried out or has been completed. It is the act of carrying out; it is also the fulfillment, accomplishment, etc. It is the process of evaluating a task's completion in relation to predetermined benchmarks for speed, accuracy, completeness, and cost.

2.10. Opportunities and challenges of digital transactions migration

Prospects for the migration of digital transactions Enhanced productivity and cost savings: The bank can save money by using digital transactions to simplify procedures and eliminate the need for manual transaction processing. Better customer experience: Digital transactions can give clients greater financial flexibility and convenience, which can increase customer happiness. Improved security: By lowering the possibility of fraud and illegal access, digital transactions can provide enhanced security features including encryption and authentication procedures. Access to new markets: The bank may be able to contact new clientele and increase their market share thanks to digital transactions.

Challenges of digital transactions migration

The following are a few obstacles to the shift to digital transactions: Technology infrastructure readiness: To facilitate digital transactions, the bank may need to make an expensive and time-consuming investment to upgrade its technology infrastructure.

Security issues: To guarantee the security of digital transactions, the bank must handle security issues pertaining to data privacy, cyber threats, and regulatory compliance. Customer adoption: The bank must offer guidance and assistance to consumers who may be reluctant or resistant to using digital transactions in order to promote acceptance.

Regulatory compliance: The bank will have to make sure that all of its digital transactions abide by the applicable laws and guidelines, which can mean making adjustments to its current procedures and infrastructure. Services charge: Some consumers might think that the fees for digital transactions are excessively costly, and they might not understand what services they are paying for or why. This could make them unhappy and discourage them from utilizing digital banking services.

2.11. Impacts of digital transaction migration on organizational performance

The impacts of digital transactions migration on organizational performance can be significant in several ways:

Increase efficiency: digital technology can streamline processes, automate tasks, and eliminate manual errors, leading to increased efficiency and productivity within an organization. Enhance customer experiences: digital transaction migration can be enables organization to deliver personalized, seamless experiences to customers through interactive websites, mobile apps, and social media platforms, leading to increased customer satisfaction and loyalty.

Cost savings: by reducing the reliance on paper- based processes, manual tasks, and physical infrastructure, digital migration can help organizations save costs and resources, leading to improved financial performance.

Previous studies in the field of digital banking within the banking sectors have predominantly focused on investigating consumer attitudes and factors that are important to customers when

utilizing electronic financial platforms or the factors that influence customers' intentions to use modern banking system. Several studies by Montazemi and Qahri –Saremi(2015), Szopinski(2016), and Alalwan et al.(2017) have delved into these areas.

However, it is noteworthy that there has been a lack of research in Ethiopia that examines the effects of digital transaction migration pertaining to financial technology and economic profitability as well as their impacts on organizational performance of commercial bank of Ethiopia. therefore, the study aims to address the gaps in the existing literature by conducting research on these specific aspects.

2.12.Conceptual framework

An issue or phenomena can be visualized using a conceptual framework, which is a network of relationships, concepts, and hypotheses. It makes it possible to make links between concepts, expand one's horizons, and generate fresh discoveries. More precisely, it is a guide for delving into complex situations and problems and a structure for identifying important variables, ideas, and presumptions. Consequently, the framework that follows has been created:

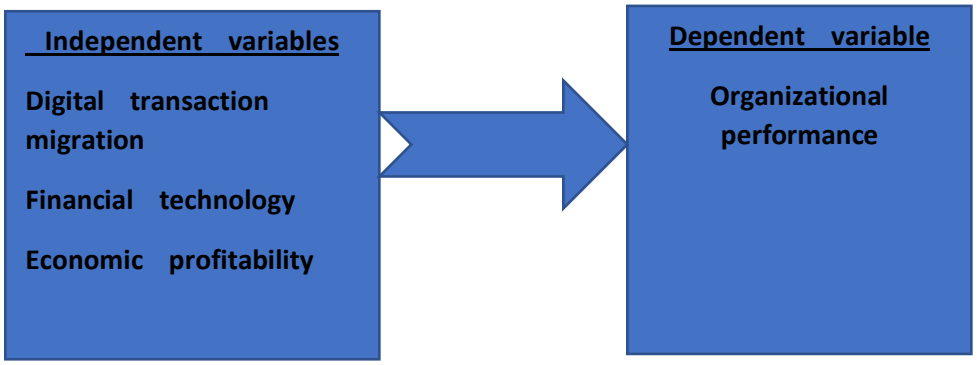


Figure2. Conceptual framework of digital transaction migration

The process of switching from conventional, paper-based transactions to digital transactions carried out on digital platforms is known as "digital transaction migration." This entails putting in place the procedures and technology necessary to enable the safe and effective transfer of data and money between parties.

Based on the above adopted model and theoretical review, the following hypothesis has developed.

2.13. Hypothesis of the study

H1: The migration of digital transactions will enhance the performance of organizations.

H2: Financial technology has a substantial influence on the performance of organizations.

H3: There exists a substantial correlation between economic profitability and organizational performance.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1. Introduction

This section has described the research design, research approach, target population, sample size, sampling techniques data collection instrument, procedure of data collection, and methods of data analysis used in carrying out the research study.

3.2. Research Approach and Design

Mixed-methods, qualitative, and quantitative research approaches are among them. Mixed-methods research combines quantitative and qualitative techniques, while quantitative research prioritizes numerical data and statistical analysis. Qualitative research is more concerned with comprehending meanings and experiences through in-depth investigation.
The general strategy or framework that directs the researcher while they carry out their investigation is referred to as the research design. It describes the methodology for gathering, evaluating, and interpreting data in order to answer the study questions or objectives.
The research design for the study has been explanatory. An explanatory research design is a form of investigation that seeks to elucidate the connections between different variables. Its objective is to enhance comprehension of a specific phenomenon by investigating the underlying causes of certain interactions. This form of study is frequently employed to experimentally verify hypotheses and to reveal the fundamental causes that impact a certain result. In conducting the study, the researcher collected qualitative and quantitative data primarily from primary sources.

Because the study has been focusing on determining the impacts of digital transaction migration on organizational performance of Ethiopia's commercial bank in the case of KIRKOS DISTRICT, the casual explanatory research design has been appropriate for the study.

3.3. Target Population

Population has been defined as any complete group of entities that share some common set of characteristics (Zikmund et al., 2010). Cooper and Emory (1995) states that a target population is

the total collection of all elements about which the researcher wishes to make some inferences. According to CBE annual Report, there are 49 branches and one thousand five hundred twenty-nine (1529) employees at KIRKOS DISTRICT within that there are nine grade four and two special branches.

The target populations has been employees of grade four and special branches of CBE and the researcher has selected grade four and special branch's which was found in KIRKOS DISTRICT and those branches have been significant for the economic growth and profitability of KIRKOS DISTRICT as a whole due to a unique perspective or experience related to the topic being studied, those branches already undergone the migration process and or are in the process of implementing digital transaction migration and they were the pioneer or pilot branches to implement digital transaction migration process and also the number of account holders, digital banking users and deposit mobilization was higher than other branches. The target respondents of this study have been the digital banking officers, customer service managers (sales), Operation managers, Business managers sales team, and service team and who worked in grade four and special branch under **KIRKOS DISTRICT.**

3.4. Sampling technique

KIRKOS DISTRICT has purposefully chosen due to its significant number of customers and substantial volume of digital transactions. This deliberate selection was informed by the district's pivotal role as a hub of economic activity and digital commerce. By focusing on **KIRKOS DISTRICT**, the research has aimed to capture a diverse and representative sample that reflected the complexities of modern consumer behavior and digital transactions. The district's large customer base and robust digital infrastructure provided an ideal setting for investigating the various factors influencing consumer preferences, purchasing habits, and digital payment methods.

Furthermore, by targeting **KIRKOS DISTRICT**, the research has uncovered valuable insight into dynamics of digital transactions within an urban context, offering valuable implications for both academia and financial industry. In essence, the purposive selection of **KIRKOS DISTRICT** have underscored the strategic approach to research design, ensuring that the study

has yielded compressive and meaningful findings that contribute to a deeper understanding of contemporary consumer behavior in the digital age.

The selection process has entailed employing a lottery method to choose two special and four grade four branches from the total of eleven grade four and two special branches of CBE within the district. This method ensures fairness and impartiality in the selection procedure.by using lottery method, each branch within the specified categories has an equal chance of being chosen for inclusion in the research study. This randomized selection process has minimized biases and enhances the representativeness of the sample, thereby contributing to the validity and reliability of the research findings. Additionally, employing the lottery method has added transparency to the selection process, instilling confidence in the stakeholders and participants regarding the integrity of the research methodology.

Overall, the utilization of lottery method has underscored the commitment to conducting rigorous and unbiased research that accurately reflected the characteristics of the selected branches in the district.

3.5. Sample Size

Sample size refers to the number of elements selected from a given population (Zikmund et al., 2010). A sample size is a section of a study population that is selected from the total population in a manner that ensures that every different possible sample of the desired size has the same chance of being selected (Peck, Olsen, & Devore, 2009).

Given that the survey questionnaire has received responses from 120 participants in selected branches and the target respondents of this study have been the digital banking officers, customer service managers (sales), Operation managers, Business managers sales team, and service team and who worked in grade four and special branch under **KIRKOS DISTRICT**. It is crucial to carefully choose respondents who possess the appropriate knowledge about the research area in order to effectively accomplish the desired objectives. The research has employed a census sampling technique. This method has particularly apt for addressing fundamental research inquiries and achieving the research objectives effectively. Census sampling has entailed every member of the population in the sample, guaranteeing a comprehensive representation of the

entire population. This approach has enhanced the reliability of research finding by ensuring that has no segment of the population has been overlooked. Census sampling has commonly utilized in situations where surveying the entire population is impractical, yet researcher aim to maintain a sample that accurately mirrors the population characteristics. By utilizing this method, the research has endeavored to attain robust and generalizable results that can inform relevant conclusions and recommendations.

3.6. Data Collection Methods

According to Cooper and Schindler (2011), data collecting methods describe the steps involved in obtaining data once the researchers have determined what kinds of information are required. Both primary and secondary data that have been gathered from the target sample would be used in this investigation. The data has been gathered via a structured questionnaire, key informant interviews, focus group discussions, document reviews, and annual reports. A structured questionnaire is a form that is used to gather information from participants. It includes a list of common questions with a predetermined format that specifies the exact wording and order of the questions.

The respondents were chosen through targeted selection. Targeted selection allows for specific insights from key stakeholders such as the digital banking officers, customer service managers (sales), Operation managers, Business managers sales team, and service team

The data processing occurred for a duration of three weeks. During this period, surveys were administered to specific participants in person, with the assistance of branch managers who facilitated their employees in completing the provided questionnaire. Additionally, interviews and focus group discussions were carried out with important stakeholders, including the digital banking manager and director.

The literature on the subject of the effects of the migration of digital transactions on organizational performance has served as the basis for the development of the data collection tool for the study.

3.7. Data Analysis Methods

Data analysis is the process of carefully explaining and highlighting, condensing and evaluating, and assessing information using statistical and/or logical approaches.

To ensure that the questions has received a thorough response, cross-checking of the survey questionnaires and interview responses has been done. To conduct the evaluations, measurable data was gathered, coded, and directly entered into the statistical analysis software package SPSS 29.0.2 version (Statistical Bundle for Social Scientific Researches).

Following data gathering, , coded, and then thoroughly examined using detailed analytical techniques. Data entry and analysis for this study conducted using the Statistical Package for Social Science (SPSS) version 29.0.2. Various descriptive statistics tools, including frequency, percentage, mean, and standard deviation, correlation, and regression has been employed to analyse the data pertaining to the research topics.

This study has utilized both quantitative and qualitative data analysis approaches to scrutinize the data, employing the information gathered from the questionnaires as a point of reference, and constructing surveys for both quantitative and qualitative data.

The researcher has analysed the questionnaire items using a range of descriptive statistics, such as frequencies, means, and standard deviations. Additionally, the researcher has presented the selected questions and the texts provided by the respondents in figures and tables. This study utilizes a research methodology that involves analysing and summarizing data collected from respondents' opinions through questionnaires, interviews, and focus group discussions. The study aims to investigate the effects of digital transaction migration on organizational performance of CBE.

3.8. Ethical Consideration

Ethical consideration encompasses the concepts and norms that safeguard the rights of study participants, previous research papers, and the organization. Hence, throughout the research procedure, the researcher diligently adhered to ethical principles to safeguard the confidentiality

of the organization's information and the respondents' feedback. The surveys were only delivered to the volunteer respondents to account for any potential non-respondents. In addition, all written works were explicitly referenced and recognized as necessary.

All necessary ethical concerns were taken into account to ensure that the entire study process and the resulting findings are both scientifically and morally acceptable.

3.9. Validity

Validity refers to the extent to which a study accurately assesses the specific aspect it claims to evaluate. Validity is a measure of the effectiveness of a design in accurately capturing the necessary data to address the study's research goals. Hence, this work utilized a range of pertinent literature and previous research questionnaires to guarantee the reliability of the research instrument. The questionnaire's validity has been assessed by the project work adviser, based on surveys that examined the influence of digital transactions migration on organizational performance. Construct validity is established by employing standardized questions sourced from respected authorities, which confirms that the questionnaire items are widely accepted and acknowledged as valid assessments of the relevant constructs. The research advisor's involvement in providing feedback enhances the construct validity by ensuring that the questionnaire is consistent with the theoretical framework of the study.

Validity is a crucial criterion that reflects the extent to which an instrument accurately measures what it is intended to measure. Validity refers to the degree to which discrepancies observed using a measurement device accurately represent genuine discrepancies among the individuals being assessed (Kothari, 2004). The items' validity was assessed by calculating Pearson correlation coefficients between them using the Statistical Package for Social Science (SPSS) version 29. The validity of the instruments was assessed using SPSS version 29. The Pearson correlation value between the items was computed, yielding a significance level of 0.001 (2-tailed) at a significance level of 0.05. The analysis was conducted on a total of 119 survey respondents, with a degree of freedom of 3 and 116. Considering the achieved significance level value of $0.001 < 0.05$, and the fact that all Pearson Correlation Coefficient values for each item were higher than the Pearson Critical value at df (3, 116), it can be inferred that all the items given to the respondents were legitimate.

3.10. Reliability

Reliability concerns the consistency or stability of the research findings. In this study, the reliability of the instrument's components was assessed using Cronbach's alpha, which is the standard approach for testing reliability. Cronbach's alpha measures the internal consistency of the questionnaires and responses when the Likert scale is applied. In Sekaran's (2003) research, a higher reliability coefficient is considered more favorable, with values above 0.80 being considered satisfactory. Pilot studies, ensure the quality of data collection and analysis, and address potential sources of bias or error in the research process.

Reliability Statistics	
Cronbach's Alpha	No of Items
.900	37

CHAPTER FOUR

ANALYZING AND INTERPRETING DATA

4.1. Overview

The results and discussions of the impacts of the migration of digital transactions on the organizational performance of CBE in the **KIRKOS DISTRICT** were included in this chapter. Using SPSS software, data gathered from many study sources were arranged, shown, examined, and evaluated. A total of one hundred twenty (120) questionnaires were distributed to sales teams, service teams, customer service managers (sales), operation manager, business manager, and digital banking officer of grade four and special branch of Commercial Bank of Ethiopia. Key informative interviews and focus groups were held with Digital Banking Directorate and digital teams at **KIRKOS DISTRICT**. The researcher used statistical analysis methods for descriptive research design in the study, such as frequency tables, standard deviation, mean, correlation, and regression applied to analyses and generated reports from SPSS software analysis. The researcher used a census sample technique to choose the respondents, and after receiving one hundred twenty responses—or 100% of the sample—the study was deemed legitimate.

4.2. Descriptive Analysis

In this study, the researcher used a mixed-approaches descriptive research design with measurement techniques. Therefore, the influence of the migration to digital transactions on organizational performance was described using the percentage, mean, median, mode, standard deviation, and frequency using SPSS version 29. The mean score ranges from 4.51 to 5.00 indicates the respondents' high rate of agreement with the variables; the mean scale range 3.51-4.50 implies the respondents' internal consistency and agreement with the variables; and the mean score range between 2.51-3.50 indicates that the extent of the respondents' agreement to the given questions is moderate, according to Reilly & Pepe (1995). However, the target 30-population group did not agree with the questions posed, as indicated by the mean score ranges of 1.51-2.50 and f 1.00-1.50, which are low and poor, respectively. As a result, the mean score range was used in this study to analyze data taken from SPSS version 29.

4.3. Demographic Information provided by the respondents

The study presents the demographic variable of the participants. The target groups' responses, broken down by age, gender, and level of education, are shown below.

Table 4.1. Demographic Information

Demographic information	Variables	Frequency	Percent	Valid Perecent
Position	Manager	20	16.7	16.7
	Non- manager	100	83.3	83.3
	Total	120	100	100
Gender	Male	70	58.3	58.3
	Female	50	41.7	41.7
	Total	120	100	100
Educational background	BA(BSC)	67	55.8	55.8
	MA(MSC)	53	44.2	44.2
	PhD	-	-	-
	Other	-	-	-
	Total	120	100	100
Age category	Below 20	-	-	-
	20-29 years	55	45.8	45.8
	30 -39 years	59	49.2	49.2
	40- 49 years	5	4.2	4.2
	50 years and above	1	.8	.8
	Total	120	100	100
Work experience	Below 1 year	-	-	-
	1-5 years	51	42.5	42.5
	6-10 years	40	33.3	33.3
	11-15 years	19	15.8	15.8
	16 years and above	10	8.3	8.3
	Total	120	100	100

Source: Survey Result SPPS Version 29,2024

The respondents were asked to identify the role they held within the organization and

They replied as depicted in table 1,16.7% of respondents to the survey have managers.

in contrast, 83.3% of workers were non-managers.

When asked to identify their gender, the respondents provided the information displayed in table2, 41.7% of respondents were female and 58.3% were male, according to the data. The

outcomes demonstrate that the study took into account the genders of all participants in the organization and found that represented, and it also demonstrates the lower percentage of female responders within the company. There were more male responders.

When asked about their educational background, the respondents gave the following response: as depicted in table. According to the results, 67 respondents held a BA (BSC) degree, which representing 55.8%, while 53 respondents—or 44.2%—had MA (MSC).

When asked to rate their age, the respondents provided the information displayed in Figure4(four) The findings revealed that 45.8% of the sample was between the ages of 20 and 29 and 49.2% between the ages of 30-39, 4.2% between 40-49, and 0.8% between the ages of 50 and above. The study's findings demonstrate that every age group inside the company was taken into account and was well-represented. The majority of respondents were in the 30-to 39-year-old age range, which may be explained by the organization's concentrated on hiring youthful, motivated staff members to increase the output of the business.

The respondents were asked to indicate the duration they had been with the organization and their response was as shown in Figure 5. The results showed that 42.5% had been with the organization between 1-5 years, 33.3 % had been with the organization for 6-10 years, 15.8% had been with the organization for 11-15 years, and 8.3% had been with the organization for 16 and above years of experience. There results show that all employees regardless of the number of years with the organization were considered in the study and were significantly represented. The results also show that majority of the respondents had been with the organization for more than one year which shows that they were best placed to respond to the questions.

4.4. Descriptive Analysis of variables

The three independent variables hold 29 questions that asked respondents to state their perception of each variable. Each of the independent variables, digital transaction migration, financial technology, and economic profitability have 10,10, and 9 items respectively. The dependent variable organizational performance has 8 items that measure the overall status of participant.

4.4.1. Digital Transaction Migration

Table 4.2. Percentage analysis of Digital Transactions Migration

Digital Transaction Migration Questions		Frequency	Percent	Mean	Missing	Standard Deviation
Digital transaction migration is essential to the performance of organizations.	Strongly agree	86	71.7			
	Agree	24	20			
	Neutral	1	0.8			
	Disagree	7	5.8			
	Strongly Disagree	2	1.7			
	Total	**120**	**100**	**4.54**	**0**	**0.907**
Digital transaction migration added major improvements in operational branch efficiency.	Strongly agree	80	66.7			
	Agree	29	24.2			
	Neutral	6	5			
	Disagree	-	-			
	Strongly Disagree	5	4.2			
	Total	**120**	**100**	**4.49**	**0**	**0.926**
Customers often find it difficult to break away from their familiar routines, making it a significant challenge for digital payment systems to persuade them to switch	Strongly agree	36	30			
	Agree	54	45			
	Neutral	23	19.2			
	Disagree	7	5.8			
	Strongly Disagree	-	-			
	Total	**120**	**100%**	**3.99**	**0**	**0.855**
Digital transaction has gradually been taking over the banking sector.	Strongly agree	**59**	49.2			
	Agree	**51**	42.5			
	Neutral	**6**	5			
	Disagree	**4**	3.3			
	Strongly Disagree	-	-			
	Total	**120**	**100**	**4.37**	**0**	**0.734**
Persuading clients to switch from their present banking channel is a difficult undertaking.	Strongly agree	31	25.8			
	Agree	65	54.2			
	Neutral	21	17.5			
	Disagree	3	2.5			
	Strongly Disagree	-	-			
	Total	**120**	**100**	**4.03**	**0**	**0.733**

Converting branch banking clients to interactive digital banking is the largest obstacle facing banks today	Strongly agree	50	41.7			
	Agree	39	32.5			
	Neutral	20	16.7			
	Disagree	11	9.2			
	Strongly Disagree	-	-			
	Total	**120**	**100**	**4.07**	**0**	**0.976**
Digital payment platforms and Fintech companies' rise hastened the adoption of digital transactions even more.	Strongly agree	35	29.2			
	Agree	61	50.8			
	Neutral	21	17.5			
	Disagree	3	2.5			
	Strongly Disagree	-	-			
	Total	**120**	**100**	**4.07**	**0**	**0.976**
Digital banking is a holistic marketing approach that has greatly altered how banks perceive and meet the demands of their clients.	Strongly agree	56	46.7			
	Agree	39	32.5			
	Neutral	17	14.2			
	Disagree	6	5			
	Strongly Disagree	2	1.7%			
	Total	**120**	**100**	**4.18**	**0**	**0.967**
Banks are using digital techniques such as mobile, internet, and ATM channels to reduce expenses, reduce risks, and improve performance	Strongly agree	58	48.3			
	Agree	46	38.3			
	Neutral	4	3.3			
	Disagree	7	5.8			
	Strongly Disagree	5	4.2			
	Total	**120**	**100**	**4.21**	**0**	**1.044**
Banks can improve their capabilities in customer acquisition, business operations, and Research &Development.	Strongly agree	66	55			
	Agree	36	30			
	Neutral	12	10			
	Disagree	4	3.3			
	Strongly Disagree	2	1.7			
	Total	**120**	**100**	**4.33**	**0**	**0.911**
Total Average Mean and SD				**4.23**		**0.903**

Source: Survey Result SPPS Version 29,2024

The table provided indicates that the overall average mean is 4.23, with a standard deviation of 0.903. This indicates that the data is evenly distributed, with the majority of values falling within approximately 1 standard deviation from the mean.

Based on the average outcome, it is evident that most of the participants have acknowledged the importance of transitioning to digital transactions for the performance of the Commercial Bank of Ethiopia. Additionally, the majority of respondents have agreed that this transition has significantly enhanced the efficiency of operational branches.

In summary, the table indicates that the migration to digital transactions is crucial and unavoidable for the Commercial Bank of Ethiopia. However, there are still obstacles in persuading branch banking clients to switch to interactive digital banking.

4.4.2. FINANCIAL TECHNOLOGY

Table 4.3. Percentage analysis of Financial Technology

Financial Technology Questions		Frequency	Percent	Mean	Missing	Standard Deviation
The emergence and expansion of fintech have a noteworthy influence on conventional business models in the banking industry	Strongly agree	43	35.8			
	Agree	42	35			
	Neutral	22	18.3			
	Disagree	13	10.8			
	Strongly Disagree	-				
	Total	**120**	**100**	**3.96**	**0**	**0.991**
Fintech may help commercial banks with their diversification plans.	Strongly agree	54	45			
	Agree	59	49.2			
	Neutral	7	5.8			
	Disagree	-	-			
	Strongly Disagree	-	-			
	Total	**120**	**100**	**4.39**	**0**	**0.598**
Advancements in digital banking technology have improved service delivery standards in the financial institution sector.	Strongly agree	61	50.8			
	Agree	48	40			
	Neutral	9	7.5			
	Disagree	2	1.7			
	Strongly Disagree	-	-			
	Total	**120**	**100**	**4.40**	**0**	**0.703**

Fintech has drastically improved the operational efficiency of banking industry.	Strongly agree	44	36.7			
	Agree	61	50.8			
	Neutral	10	8.3			
	Disagree	5	4.2			
	Strongly Disagree	-	-			
	Total	**120**	**100**	**4.20**	**0**	**0.763**
Financial technology plays a crucial role in the banking sector by enabling faster and more efficient transactions.	Strongly agree	63	52.5			
	Agree	50	41.7			
	Neutral	5	4.2			
	Disagree	2	1.7			
	Strongly Disagree	-	-			
	Total	**120**	**100**	**4.45**	**0**	**0.659**
a favourable correlation between the rise in fintech activities and bank stock returns.	Strongly agree	47	39.2			
	Agree	46	38.3			
	Neutral	24	20			
	Disagree	3	2.5			
	Strongly Disagree	-	-			
	Total	**120**	**100**	**4.14**	**0**	**0.823**
Investing more money in technology is crucial to make financial service more competitive.	Strongly agree	73	60.8			
	Agree	40	33.3			
	Neutral	5	4.2			
	Disagree	2	1.7			
	Strongly Disagree	-	-			
	Total	**120**	**100**	**4.53**	**0**	**0.660**
Financial technology company are more cost effective.	Strongly agree	76	63.3			
	Agree	29	24.2			
	Neutral	13	10.8			
	Disagree	-	-			
	Strongly Disagree	2	1.7			
	Total	**120**	**100**	**4.47**	**0**	**0.820**
digital banking technology has greatly played a major role in improving the standards of service delivery in the financial institution sector.	Strongly agree	82	68.3			
	Agree	32	26.7			
	Neutral	4	3.3			
	Disagree	-	-			
	Strongly Disagree	2	1.7			
	Total	**120**	**100**	**4.60**	**0**	**0.715**

fintech is closely linked to innovation in financial service delivery.	Strongly agree	62	51.7			
	Agree	50	41.7			
	Neutral	5	4.2			
	Disagree	3	2.5			
	Strongly Disagree	-	-			
	Total	**120**	**100**	**4.42**	**0**	**0.694**
Total Average Mean and SD				**4.36**		**0.743**

Source: Survey Result SPPS Version 29,2024

According to the chart provided, the overall average mean for all assertions is 4.36, suggesting a widespread agreement among respondents that financial technology has had a beneficial influence on the banking sector. The standard deviation of 0.743 suggests that there is a certain degree of variability in opinions, although the general pattern is evident. Based on the average outcome, it is evident that the majority of the respondents have concurred that financial technology is enhancing the standards of service delivery, decreasing expenses, and facilitating quicker and more effective transactions.

4.4.3. ECONOMIC PROFITABILITY

Table 4.4. Percentage analysis of Economic Profitability

Economic Profitability Questions		Frequency	Percent	Mean	Missing	Standard Deviation
The shift towards digital transaction migration can have both positive and negative effects on a bank's economic profitability and performance.	Strongly agree	54	45			
	Agree	51	42.5			
	Neutral	6	5			
	Disagree	9	7.5			
	Strongly Disagree	-	-			
	Total	**120**	**100**	**4.25**		**.862**
The economic success of bank branches is dependent on a number of factors that support cost control and revenue growth.	Strongly agree	67	55.8			
	Agree	42	35			
	Neutral	9	7.5			
	Disagree	-	-			
	Strongly Disagree	2	1.7			
	Total	**120**	**100**	**4.43**		**0.775**
Profitability is influenced by fees collected for services.	Strongly agree	44	36.7			
	Agree	54	45			
	Neutral	12	10			
	Disagree	8	6.7			
	Strongly Disagree	2	1.7			
	Total	**120**	**100**	**4.08**		**0.940**
Retaining profitability requires effective control of operating expenses, such as personnel, utilities, and infrastructure.	Strongly agree	70	58.3			
	Agree	39	32.5			
	Neutral	8	6.7			
	Disagree	-	-			
	Strongly Disagree	3	2.5			
	Total	**120**	**100**	**4.44**		**0.828**
Using technology to provide digital banking services can cut expenses and	Strongly agree	73	60.8			
	Agree	33	27.5			

increase productivity.	Neutral	4	3.3			
	Disagree	8	6.7			
	Strongly Disagree	2	1.7			
	Total	**120**	**100**	**4.39**		**0.955**
Promoting the use of various financial services and goods within the branch increases sales overall.	Strongly agree	51	42.5			
	Agree	53	44.2			
	Neutral	10	8.3			
	Disagree	6	5			
	Strongly Disagree	-	-			
	Total	**120**	**100**	**4.24**		**0.810**
Offering cutting-edge services and adjusting to current market conditions can draw in new clients and boost sales.	Strongly agree	48	40			
	Agree	58	48.3			
	Neutral	11	9.2			
	Disagree	3	2.5			
	Strongly Disagree	-	-			
	Total	**120**	**100**	**4.26**		**0.728**
Clients that are happy with the bank are more likely to refer others to the institution and keep using branch services.	Strongly agree	56	46.7			
	Agree	54	45			
	Neutral	8	6.7			
	Disagree	2	1.7			
	Strongly Disagree	-	-			
	Total	**120**	**100**	**4.37**		**0.685**
It’s critical to use relationship management and excellent customer service to draw in new clients and hold onto current ones	Strongly agree	80	66.7			
	Agree	33	27.5			
	Neutral	5	4.2			
	Disagree	2	1.7			
	Strongly Disagree	-	-			
	Total	**100**	**120**	**4.59**		**0.655**
Total Average Mean and SD				**4.34**		**0.804**

Source: Survey Result SPPS Version 29,2024

According to the table provided, the average mean for all questions is 4.34, somewhat higher than the neutral point of 4. This indicates that the general opinion of the participants is somewhat positive. The overall standard deviation for all questions is 0.804, indicating a reasonably low level of variability. This indicates that there is a considerable level of agreement among the participants.

Based on the average outcome, it is evident that the majority of the respondents have concurred that utilizing technology to offer digital banking services and upholding strong customer relationships are the most crucial aspects for sustaining economic profitability.

4.4.4. ORGANIZATIONAL PERFORMANCE

Table 4.5. Percentage analysis of Organizational Performance

Organizational Performance Questions		Frequency	Percent	Mean	Missing	Standard Deviation
non-financial performance is correlated with labour efficiency, customer satisfaction and expectations quality of service.	Strongly agree	-	-			
	Agree	101	84.2			
	Neutral	7	5.8			
	Disagree	12	10			
	Strongly Disagree	-	-			
	Total	**120**	**100**	**3.74**		**0.628**
self-service technology can increase organizational performance in banking sector.	Strongly agree	-	-			
	Agree	105	87.5			
	Neutral	10	8.3			
	Disagree	2	1.7			
	Strongly Disagree	3	2.5			
	Total	**120**	**100**	**3.81**		**0.584**
Businesses need to perform financially well in order to survive in today's uncertain and competitive market.	Strongly agree	-	-			
	Agree	111	92.5			
	Neutral	4	3.3			
	Disagree	5	4.2			
	Strongly Disagree	-	-			
	Total	**120**	**100**	**3.88**		**0.434**

Financial performance is the capacity of an organization to meet a variety of predetermined financial objectives.	Strongly agree	-	-			
	Agree	104	86.7			
	Neutral	10	8.3			
	Disagree	6	5			
	Strongly Disagree	-	-			
	Total	**120**	**100**	**3.82**		**0.502**
financial performance provides guidance to stakeholders in their decision-making by illuminating how a business uses its assets to create profits.	Strongly agree	-	-			
	Agree	109	90.8			
	Neutral	6	5			
	Disagree	5	4.2			
	Strongly Disagree	-	-			
	Total	**120**	**100**	**3.87**		**0.448**
Important performance indicators that assist organizations in assessing and measuring their overall performance and success are organizational performance metrics.	Strongly agree	-	-			
	Agree	111	92.5			
	Neutral	3	2.5			
	Disagree	6	5			
	Strongly Disagree	-	-			
	Total	**120**	**100**	**3.88**		**0.459**
The performance of the company is determined by how well its goals are achieved.	Strongly agree	-	-			
	Agree	111	92.5			
	Neutral	4	3.3			
	Disagree	3	2.5			
	Strongly Disagree	2	1.7			
	Total	**120**	**100**	**3.87**		**0.517**
The condition of the banking sector mostly depends on their financial performance, which is a key indicator of each bank's advantages and disadvantages.	Strongly agree	-	-			
	Agree	109	90.8			
	Neutral	8	6.7			
	Disagree	-	-			
	Strongly Disagree	3	2.5			
	Total	**120**	**100**	**3.86**		**0.523**
Total Average Mean and SD				**3.84**		**0.512**

Source: Survey Result SPPS Version 29,2024

According to the data provided, the overall average mean for all questions is 3.84, with a standard deviation of 0.512. This indicates that, on average, the participants concurred with the statements presented in the poll. Nevertheless, there was a degree of variability in the replies, as evidenced by the standard deviation.

Based on the average outcome, it can be inferred that most of the participants have concurred on the significance of financial performance, organizational performance indicators, and self-service technologies. These aspects can collectively contribute to the attainment of enterprises' aims and objectives.

The means and standard deviation for all variable employed in the conceptual models are presented separately in following tables.

Digital transaction migration variables

Table 4.6. mean and standard deviation analysis of Digital transaction migration variables

Digital Transaction Migration Questions	N	Sum	Mean	Standard Deviation
Digital transaction migration is essential to the performance of organizations.	**120**	**545**	**4.54**	**0.907**
Digital transaction migration added major improvements in operational branch efficiency.	**120**	**539**	**4.49**	**0.926**
Customers often find it difficult to break away from their familiar routines, making it a significant challenge for digital payment systems to persuade them to switch	**120**	**479**	**3.99**	**0.855**
	120	**525**	**4.37**	**0.734**
Persuading clients to switch from their present banking channel is a difficult undertaking.	**120**	**484**	**4.03**	**0.733**
Converting branch banking clients to interactive digital banking is the largest obstacle facing banks today	**120**	**488**	**4.07**	**0.976**
Digital payment platforms and Fintech companies' rise hastened the adoption of digital transactions even more.	**120**	**488**	**4.07**	**0.753**
Digital banking is a holistic marketing approach that has greatly altered how banks perceive and meet the demands of their clients	**120**	**100**	**4.18**	**0.967**
Banks are using digital techniques such as mobile, internet, and ATM channels to reduce expenses, reduce risks, and improve performance	**120**	**100**	**4.21**	**1.044**
Banks can improve their capabilities in customer acquisition, business operations, and Research &Development.	**120**	**100**	**4.33**	**0.911**
Valid N (Listwise)	120			

Source: Survey Result, SPPS-2029

The results are consistent with Allen, Gu, & Jagtiani, 2021; Zavoli & King, 2021, who stated that digital transaction migration is essential to the performance of organizations because it helps businesses improve customer experience, cut costs, increase efficiency, and streamline procedures. Table 1 shows the mean range as being (3.99-4.54), with the highest mean for the item "Digital transaction migration is essential to the performance of organizations" having a mean of 4.54 and STD (0.907). Digital transformation has the potential to significantly lower costs for banks. Simplified processes, reduced physical infrastructure, and automation of repetitive tasks lead to lower operational expenses. However, the lesser "It is very difficult for digital payment systems to convince customers to switch because they frequently find it difficult to break away from their comfortable routines."

"With an STD of (.907) and a mean of 3.99. While the resulting mean of 3.99 indicated that respondents are in agreement that convincing CBE to use digital channels and moving customers to digital platforms are difficult, the resulting mean of 4.54 indicates that respondents strongly agreed that digital transaction migration is important to improve organizational performance of Ethiopia's commercial bank. The item "Digital transaction migration added major improvements in operational branch efficiency" had the second-highest mean, with a mean of 4.49 and STD (.926). These findings support Ortakoy's (2019) assertion that increasing operational branch efficiency requires a shift to digital transactions. The study's participants were found to have agreed and grasped the significance of digital transaction migration for Cbe's organizational performance, as indicated by the overall mean of 4.29. In light of this, Commercial Bank of Ethiopia ought to place a strong emphasis on educating branch banking clients about the usage of digital platforms in order to reduce operating expenses for the branch and improve customer happiness and performance.

As per interview and focus group discussion the participants pointed out the benefits of digital transaction migration on organizational performance of CBE and they stated that digital transactions could have a major positive impact on the efficacy and efficiency of commercial bank of Ethiopia and also Organizations could boost transaction speed, decrease human errors, optimize workflows, and enhance customer satisfaction by shifting transactions to digital platforms. Cost reductions, higher output, and a stronger competitive advantage in the market may result from this.

The CBE implemented service fees for clients utilizing in-branch services as a means of encouraging them to transition to digital channels. This measure has been somewhat effective in promoting the adoption of digital banking.

The participants reported that the annual digital transaction amounted to 3.02 trillion birrs. Out of the total, 2.4 trillion birr was transacted through mobile banking, 308 billion birr through ATMs, 260 billion birr through internet banking, 19 billion birr through CBE birr, and nearly 17 billion birr through POS transactions. Within that year, approximately 436 million transactions were conducted via mobile banking, while 750 million transactions were done in branches. This suggested that the bank should focus on shifting customers from branch services to digital platforms in order to enhance the performance of the Commercial Bank of Ethiopia.

Financial Technology variables

Table 4.7. mean and standard deviation analysis of Financial Technology variables

Financial Technology Questions	N	Sum	Mean	Standard Deviation
The emergence and expansion of fintech have a noteworthy influence on conventional business models in the banking industry	**120**	**475**	**3.96**	**0.991**
Fintech may help commercial banks with their diversification plans.	**120**	**527**	**4.39**	**0.598**
Advancements in digital banking technology have improved service delivery standards in the financial institution sector.	**120**	**528**	**4.40**	**0.703**
Fintech has drastically improved the operational efficiency of banking industry.	**120**	**504**	**4.20**	**0.763**
Financial technology plays a crucial role in the banking sector by enabling faster and more efficient transactions.	**120**	**534**	**4.45**	**0.659**
a favourable correlation between the rise in fintech activities and bank stock returns.	**120**	**497**	**4.14**	**0.823**
Investing more money in technology is crucial to make financial service more competitive.	**120**	**544**	**4.53**	**0.660**
Financial technology company are more cost effective.	**120**	**537**	**4.47**	**0.820**
digital banking technology has greatly played a major role in improving the standards of service delivery in the financial institution sector.	**120**	**552**	**4.60**	**0.715**
fintech is closely linked to innovation in financial service delivery.	**120**	**551**	**4.42**	**0.694**
Valid N (Listwise)	120			

Source: Survey Result, SPPS-2029

The results are consistent with Kennedy and Jacky's (2013) assertion that technological advancement in digital banking, along with the role of service delivery, is considered pivotal in the shift of financial institution services. Table 2 shows the mean range as (3.96-4.60), with the highest mean for the item “digital banking technology has greatly played a major role in improving the standards of service delivery in the financial institution sector” at 4.60 and STD (.715). With a mean of 3.96 and an STD of (.991), the lowest statement reads, "The emergence and expansion of fintech have a noteworthy influence on conventional business models in the banking industry." The resultant mean of 4.60 indicates that respondents strongly agreed that digital banking technology has improved service delivery standards in the financial institution sector, and the resultant mean of 3.96 indicates that respondents agreed that fintech's emergence and growth have had a notable impact on traditional banking industry business models.

The item "Investing more money in technology is crucial to make financial service more competitive" had the second-highest mean, with a mean of 4.53 and STD (.660). These findings support Jamie Dimon's (2020) assertion that increasing technology investment is essential to raising the competitiveness of financial services. The overall mean for financial technology is 4.36, which suggests that research participants agreed with and understood how fintech companies use financial digital platforms to improve financial performance. Fernando and Dharmastuti (2021) assert that the favorable effects of fintech on the general public and banks are what drive its national growth. Therefore, in order to maximize organizational performance, streamline and increase operational efficiency, boost client engagement, and remain competitive in a financial sector that is continually evolving, Commercial Bank of Ethiopia should place a high priority on fintech.

According to the interview and focus group discussion, participants highlighted that financial technology plays a crucial role in facilitating the shift towards digital transactions and improving organizational performance. The advent of fintech innovations, such as digital wallet and mobile payment systems, has revolutionized the process of conducting transactions, rendering them more secure, convenient, and streamlined. By utilizing these fintech solutions, organizations may enhance customer happiness, reduce transaction expenses, and optimize their payment processes. Organizations can improve overall efficiency by utilizing financial technology, which is crucial

for facilitating the transition to digital transactions and enhancing organizational performance. Financial technology offers innovative solutions that enhance productivity and security.

Economic Profitability variables

Table 4.8. mean and standard deviation analysis of Economic Profitability variables

Economic Profitability Questions	N	Sum	Mean	Standard Deviation
The shift towards digital transaction migration can have both positive and negative effects on a bank's economic profitability and performance	**120**	**510**	**4.25**	**.862**
The economic success of bank branches is dependent on a number of factors that support cost control and revenue growth.	**120**	**532**	**4.43**	**0.775**
Profitability is influenced by fees collected for services.	**120**	**490**	**4.08**	**0.940**
Retaining profitability requires effective control of operating expenses, such as personnel, utilities, and infrastructure	**120**	**533**	**4.44**	**0.828**
Using technology to provide digital banking services can cut expenses and increase productivity.	**120**	**527**	**4.39**	**0.955**
Promoting the use of various financial services and goods within the branch increases sales overall.	**120**	**509**	**4.24**	**0.810**
Offering cutting-edge services and adjusting to current market conditions can draw in new clients and boost sales.	**120**	**511**	**4.26**	**0.728**
Clients that are happy with the bank are more likely to refer others to the institution and keep using branch services.	**120**	**524**	**4.37**	**0.685**
It's critical to use relationship management and excellent customer service to draw in new clients and hold onto current ones	**120**	**551**	**4.59**	**0.655**
Valid N (Listwise)	**120**			

Source: Survey Result SPPS Version 29,2024

The highest mean, 4.59 and STD (.655), was for the item "It's critical to use relationship management and excellent customer service to draw in new clients and hold onto current ones," according to Table 3's mean range (4.08-4.59). These results are in line with Cbe's economic profitability parameters, which state that relationship management and excellent customer service are essential to attracting new clients and retaining existing ones. With a mean of 4.08 and an STD of (.940), the lower "Profitability is influenced by fees collected for service" The mean score of 4.59 indicates that the respondents strongly agreed that using relationship management and providing exceptional customer service is essential to attracting new business and retaining existing ones. The mean score of 4.08 suggests that the respondents agreed that service fees have an impact on profitability.

"Retaining profitability requires effective control of operating expenses, such as personnel, utilities, and infrastructure" was the item with the second-highest mean, measuring 4.44 with a standard deviation of.828. These findings are consistent with the CBE's economic parameter, which states that maintaining profitability through operational expenditure control depends on operating efficiency. The study's overall mean for economic profitability is 4.34, indicating that participants agreed and comprehended the connection between the migration of digital transactions and economic profitability in relation to organizational performance. In light of this, Commercial Bank of Ethiopia ought to urge and persuade clients to use digital channels for a variety of bill-paying and transactional purposes. By doing so, the bank can reduce operating expenses and increase financial profitability by charging service fees. Ultimately, cost reduction and increased financial profitability led to improved organizational performance.

According to the interview and focused group discussion, the participants stated that the shift to digital transactions directly affected the financial viability of organizations. By transitioning to digital transactions, businesses can reduce costs associated with traditional payment systems, streamline operations, and enhance efficiency. This could lead to more revenue for the company. Moreover, customers might gain advantages from enhanced security and ease during digital transactions, resulting in heightened customer satisfaction and loyalty. In the new digital economy, the relationship between the migration of digital transactions and economic profitability is crucial for increasing organizational performance and preserving competitiveness.

4.9. Data related to organizational performance

Table 4.9: mean and standard deviation analysis of Organizational Performance

Economic Profitability Questions	N	Sum	Mean	Standard Deviation
Non-financial performance is correlated with labour efficiency, customer satisfaction and expectations quality of service.	**120**	**449**	**3.74**	**0.628**
Self-service technology can increase organizational performance in banking sector.	**120**	**457**	**3.81**	**0.584**
Businesses need to perform financially well in order to survive in today's uncertain and competitive market.	**120**	**466**	**3.88**	**0.434**
Financial performance is the capacity of an organization to meet a variety of predetermined financial objectives.	**120**	**458**	**3.82**	**0.502**
Financial performance provides guidance to stakeholders in their decision-making by illuminating how a business uses its assets to create profits.	**120**	**464**	**3.87**	**0.448**
Important performance indicators that assist organizations in assessing and measuring their overall performance and success are organizational performance metrics.	**120**	**465**	**3.88**	**0.459**
The performance of the company is determined by how well its goals are achieved.	**120**	**464**	**3.87**	**0.517**
The condition of the banking sector mostly depends on their financial performance, which is a key indicator of each bank's advantages and disadvantages.	**120**	**463**	**3.86**	**0.523**
Valid N (Listwise)	**120**			

Source: Survey Result SPPS Version 29,2024

As per table 4 the mean range was (3.74-3.88), the highest mean was for the item "Businesses need to perform financially well in order to survive in today's uncertain and competitive market"

with a mean of 3.88 and STD (.434) These results are in agreement with Sousa & Voss (2006) indicated that Businesses need to perform financially well in order to survive in today's uncertain and competitive market. While the lower "non-financial performance is correlated with labour efficiency, customer satisfaction and expectations quality of service" With a mean of 3.74and STD of (.628) in agreement with Richard (2009), non-financial performance is correlated with labour efficiency, customer satisfaction and expectations, quality of service, and corporate social responsibility. The resulting mean of 3.88 indicated that respondents agreed with Businesses need to perform financially well in order to survive in today's uncertain and competitive market

and the resulting mean of 3.74 indicated that respondents are agreed with non-financial performance is correlated with labour efficiency, customer satisfaction and expectations, quality of service, and corporate social responsibility.

The same high mean was for the item "Important performance indicators that assist organizations in assessing and measuring their overall performance and success are organizational performance metrics" with a mean of 3.88 and STD (.459). These results are in agreement with Zavoli & King, (2021), organizational performance metrics are key performance indicators that helps organization evaluate and measure their overall performance and success.

In general, the overall mean of organizational is 3.84 which implies that the participant of the study was agreed and understood the self-service technologies or digital migration can improve service efficiency, increasing customer satisfaction, market shares. Accordingly, commercial Bank of Ethiopia should encourage and persuade customers to use digital platforms to pay various bills and transaction and these helps the bank to minimize operational cost and boost economic profitability by collecting service charges as well. ultimately organizational performance is enhanced as long as minimizing expense and increasing economic profitability

4.5. Correlations Analysis

Table. 4.10. Correlations Analysis

Correlations

Variables		Digital Transaction Migration	Financial Technology	Economic Profitability	Organizational Performance
Digital Transaction Migration	Pearson Correlation	1	.711**	.675**	**.637****
	Sig. (2-tailed)		<.001	<.001	<.001
	N	120	120	120	120
Financial Technology	Pearson Correlation	.711**	1	.666**	**.653****
	Sig. (2-tailed)	<.001		<.001	<.001
	N	120	120	120	120
Economic Profitability	Pearson Correlation	.675**	.666**	1	**.638****
	Sig. (2-tailed)	<.001	<.001		<.001
	N	120	120	120	120
Organizational Performance	Pearson Correlation	.637**	.653**	.638**	1
	Sig. (2-tailed)	<.001	<.001	<.001	
	N	120	120	120	120

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

Source: Survey Result, SPPS-2029

The table shows the Pearson correlation coefficients and significance values between four variables: Digital transaction migration, financial technology, Economic Profitability, and Organizational Performance.

The Pearson correlation coefficient is a measure of the linear relationship between two variables. It ranges from -1 to 1, with a value of 0 indicating no correlation, a value of 1 indicating a perfect positive correlation, and a value of -1 indicating a perfect negative correlation.

The significance value is the probability of obtaining a correlation coefficient as large as or larger than the observed correlation coefficient if there is no true correlation between the two

variables. A significance value of less than 0.05 is generally considered to be statistically significant.

Based on the above table, it indicates that there are significant positive correlations between all four variables. The strongest correlation is between Digital transaction migration and Financial Technology (0.711), followed by the correlations between Digital transaction migration and Economic Profitability (0.675), Digital transaction migration and Organizational Performance (0.637), and Financial Technology and Economic Profitability (0.666).

These results suggest that there is a positive relationship between Digital transaction migration and all three of the other variables. This means that as Digital transaction migration scores increase, so do scores on Financial Technology, Economic Profitability, and Organizational Performance.

4.6. Regression Analysis

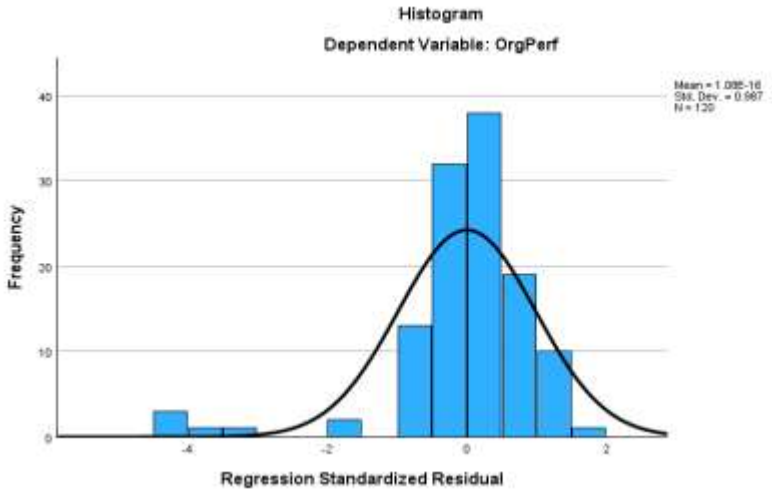
4.6.1. Linear Regression Assumptions

Since it is only acceptable to employ multiple regressions if the data matches the assumptions needed for multiple regressions to give valid results, linear regression assumptions or possibilities should be satisfied. According to this assumption, there must be two or more independent variables, the dependent variable must be measured on a continuous scale (such as an interval or ratio), there must be independence, linearity, homoscedasticity, and independence of errors (i.e., no autocorrelation), there cannot be multiple collinearities among the predictors, and the errors must have a normal distribution.

4.6.1.1. Test of Normality

To ascertain whether sample data has been taken from a normally distributed population (within a certain tolerance), the basic assumption is that error terms must be regularly distributed with a mean of zero and a constant variance. A bell-shaped curve that is symmetrical and has a higher frequency of scores in the middle and lower frequencies at the extremes is referred to as normal. This can be confirmed with the histogram. The bell-shaped or roughly normal histogram is required to satisfy this assumption.

Figure 3: Histogram Graph for Normality Test



Source: Survey Result, SPPS-2029

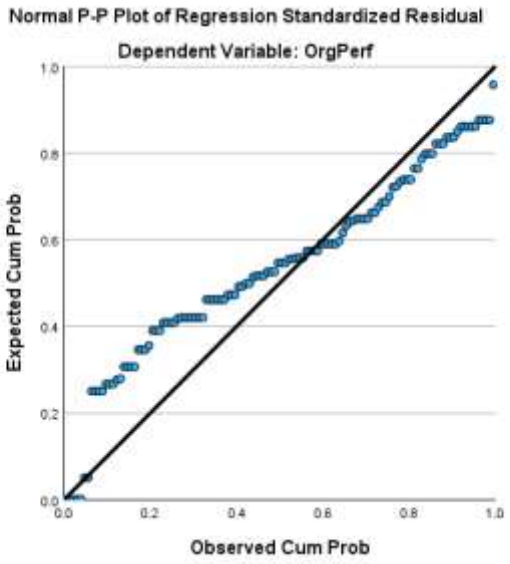
The histogram shows the distribution of the regression standardized residuals. The mean of the residuals is 0.00000108, and the standard deviation is 0.987. The distribution is roughly normal, with most of the residuals falling within two standard deviations of the mean. There are a few outliers, however, which may indicate that there are some influential points in the data.

Overall, the histogram shows that the regression model fits the data well. The residuals are randomly distributed around the mean, with no obvious patterns. This suggests that the model is not biased and that the predictions are accurate.

4.6.1.2: Test of Linearity

The linearity assumption is the other presumption. It demonstrates that a straight line is followed by the mean values of the outcome variable for each increment of the predictor (s). The degree to which the change in the independent variable and the change in the dependent variable are correlated is known as linearity. A linear relationship between the independent and dependent variables is known as linearity. A simple way to verify linearity is to plot residual plots against the standardized anticipated. Furthermore, the statistical test of linearity indicates that there is a linear relationship between the dependent and predicted variables because the threshold of significance of divergence from linearity is greater than 0.05.

Figure 4: LINE GRAPH FOR LINEARITY TEST



Source: Survey Result, SPPS 29,2024

The graph is a normal P-P plot of regression standardized residuals. The dependent variable is Organizational Performance.

The P-P plot compares the distribution of the residuals to a normal distribution. The points should fall approximately along a straight line if the residuals are normally distributed. In this case, the points do not fall exactly on a straight line, but they are generally close. This suggests that the residuals are approximately normally distributed.

The expected cumulative probability is plotted on the horizontal axis and the observed' cumulative probability is plotted on the vertical axis. The points should fall approximately along a straight line if the residuals are normally distributed. In this case, the points do not fall exactly on a straight line, but they are generally close. This suggests that the residuals are approximately normally distributed.

Overall, the graph suggests that the residuals are approximately normally distributed. This is a good thing, because it means that the regression model is a good fit for the data.

4.6.2. Outcome of Multiple Regression

In order to predict the dependent variables (organizational performance) or ascertain the degree to which the explanatory variables explain the variance in the explained variable, the next step is to regress the influence of independent variables (digital transaction migration, financial technology, and economic profitability) based on tested multiple linear regression assumptions. The following are the fundamental outputs of linear regression.

4.6.2.1. Analysis of Variance (ANOVA)

Table 4.11. Analysis of Variance (ANOVA)

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	671.527	3	223.842	42.508	<.001[b]
	Residual	610.840	116	5.266		
	Total	1282.367	119			
a. Dependent Variable: Organizational Performance						
b. Predictors: (Constant), Digital Transaction Migration, Financial Technology, and Economic Profitability						

Source: Survey Result, SPPS 29,2024

The ANOVA table shows the results of an analysis of variance test. The test was conducted to determine if there is a significant difference in the performance of organization, based on three predictor variables: economic profitability, financial technology, and digital transaction migration.

The results of the test show that there is a significant difference in the performance of bank, based on the three predictor variables. The F-statistic is 42.508, with a significance value of <.001. This means that the probability of obtaining such a large F-statistic, if there is no significant difference in the profitability of clients, is less than 0.001.

4.6.2.2. Regression Coefficients

Regression coefficients are the values that represent the strength and direction the relationship between independent variables and a dependent variable in a regression analysis.it shows how much the dependent variable (organizational performance) is expected to change when the independent variables change by a certain amount.

Table 4.12. Regression Model between Independent and Dependent Factors

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.964	1.983		4.520	<.001
	Digital Transaction Migration	.135	.056	.236	2.396	.018
	Financial Technology	.204	.067	.299	3.060	.003
	Economic Profitability	.184	.061	.280	3.005	.003
a. Dependent Variable: Organizational Performance						

Source: Survey Result, SPPS 29,2024

The table shows the results of a regression analysis between independent and dependent factors. The dependent variable is Organizational performance, and the independent variables are Digital transactions migration, financial technology, and economic profitability.

The table shows that all three independent variables are significant predictors of Organizational Performance has the strongest beta coefficient, followed by FinTech and then Economic profitability. This means that Digital transactions has the strongest relationship with Organizational performance, followed by financial technology and then Economic profitability.

Table 4.13. variable enter /removed

Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	Digital Transaction Migration Financial Technology Economic Profitability		Enter

a. Dependent Variables: Organizational Performance

b. All requested variables entered

Source: Survey Result, SPPS 29,2024

The above table shows that the independent variables Economic Profitability, Financial Technology, and Digital transaction migration were all entered into the regression model at the same time. No variables were removed from the model.

The regression model was used to predict the dependent variable organizational performance based on the independent variables. The results of the regression model are not shown in the table, but they could be used to determine which independent variables have a significant impact on Organizational Performance.

The table also shows that the method used to enter and remove variables from the regression model was the forward method. The forward method starts with a model that only contains the dependent variable. Then, it adds independent variables to the model one at a time, based on their ability to improve the model's fit. The forward method stops adding variables to the model when no additional variables can significantly improve the model's fit.

Finally, the table shows that a regression model was used to predict the dependent variable based on the independent variables. The forward method was used to enter and remove variables from the model.

Table 4.14. Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std.Error of the Estimate
1	.724	.524	.511	2.29475

a. **Predictors: (Constant), Digital Transaction Migration, Financial Technology, Economic Profitability**

Source: Survey Result, SPPS 29,2024

The table shows the R-square, adjusted R-square, and standard error of the estimate for the model. The R-square is a measure of how well the model fits the data, while the adjusted R-square is a measure of how well the model fits the data, taking into account the number of predictors in the model. The standard error of the estimate is a measure of how much the predicted values are likely to vary from the actual values.

The table shows that the model has a good fit to the data, with an R-square of 0.724 and an adjusted R-square of 0.511. The standard error of the estimate is 2.29475.

The predictors in the model are Economic Profitability, Financial Technology, and Digital transaction migration. These predictors are likely to be important factors in influencing organizational performance.

Overall, the model is a good fit to the data and the predictors are likely to be important factors in influencing organizational performance.

4.7. Hypothesis Testing

Hypothesis testing is a crucial method in the field of inferential statistics. This phase of the research is utilized to evaluate the research hypotheses and provide answers to the research questions posed in this investigation.

H1: The migration of digital transactions will enhance the performance of organizations.

As indicated in Table 4.12 the beta coefficient is 0.236, and the p-value is 0.018 (less than 0.05). According to the analysis, Digital transaction migration has a significant positive impact on organizational performance. Therefore, the hypothesis is accepted and concluded that digital transactions migration will enhance the performance of organizations.

H2: Financial technology has a substantial influence on the performance of organizations.

As indicated in Table 4.12 The beta coefficient is 0.299, and the p-value is 0.003 (less than 0.05). According to the analysis, Financial Technology has a significant positive impact on Organizational performance. Therefore, the hypothesis is accepted and concluded financial technology has a substantial influence on the performance of organizations.

H3: There exists a substantial correlation between economic profitability and organizational performance.

As indicated in Table 4.12 The beta coefficient is 0.280, and the p-value is 0.003 (less than 0.05). According to the analysis, Economic Profitability has a significant positive impact on Organizational Performance. Therefore, the hypothesis has been accepted and concluded that There exists a substantial correlation between economic profitability and organizational performance.

In conclusion, all three independent variables (Digital transaction migration, Financial technology, and Economic Profitability) have a statistically significant positive relationship with the dependent variable (Organizational Performance).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter discusses about summary of major finding, conclusion, and recommendation based on major findings.

5.1. Summary of Major Findings

The paper "Assessing the Impact of Digital Transaction Migration on Organizational Performance of Commercial Bank of Ethiopia: In Case of **KIRKOS DISTRICT**" addresses the shift towards digitalization in the banking sector, focusing on the adoption of digital channels by banks. Despite the growing use of digital technologies, a significant portion of transactions in Ethiopia is still conducted in cash. This study highlights the need for understanding the role of digital transaction migration on organizational performance, particularly within the context of the Commercial Bank of Ethiopia (CBE). The research problem stems from the gap between the potential benefits of digital banking and the actual adoption rates among customers, necessitating an in-depth analysis of contributing factors and impacts on organizational performance.

The main objective of the study is to assess the impact of digital transaction migration on the performance of the Commercial Bank of Ethiopia, specifically in the **KIRKOS District**. The study aims to uncover factors influencing consumer preferences and the effectiveness of digital payment methods. By focusing on the **KIRKOS District,** which has a significant customer base and a high volume of digital transactions, the study seeks to provide insights that can be generalized to other districts and potentially to other banks in Ethiopia.

Employing a mixed-methods research approach, the study combines both qualitative and quantitative techniques to provide a comprehensive analysis. The research design is explanatory, aiming to elucidate the relationships between different variables and to experimentally verify hypotheses. This approach allows for a thorough examination of both numerical data and contextual information, ensuring a robust analysis of the impact of digital transaction migration.

The sampling process involved the purposive selection of **KIRKOS District** due to its significant customer base and volume of digital transactions. Within this district, a lottery method was used to randomly select branches, ensuring fairness and representativeness. The sample size included responses from 120 participants using a census sampling technique, which involves surveying every member of the population within the sample. This method ensures that the data collected is comprehensive and reflective of the entire district's banking experience.

Data was collected using both primary and secondary sources, including structured questionnaires, key informant interviews, focus group discussions, document reviews, and annual reports. The structured questionnaire was developed based on existing literature on the effects of digital transaction migration on organizational performance. This multi-faceted data collection approach ensures a rich dataset, providing multiple perspectives on the research questions.

Data analysis was conducted using both quantitative and qualitative methods. Quantitative data was analyzed using statistical tools such as SPSS, employing descriptive statistics (frequencies, percentages, means, and standard deviations), correlation, and regression analysis. The qualitative data was analyzed by coding and summarizing responses from interviews and focus group discussions. This dual approach allows for a nuanced understanding of the data, highlighting both statistical trends and personal insights from participants.

The study found that digital transaction migration is essential to the performance of organizations and added major improvements in operational branch efficiency in CBE and migration to digital transactions positively impacts organizational performance, including improvements in operational efficiency, customer satisfaction, and economic growth.

Regarding to financial technology, the study indicated that financial technology has a substantial influence on the performance of organizations and contributed to digital transactions migration as well as organizational performance by improving the standards of service delivery, reducing expenses, and enabling faster and more effective transactions. This highlighted the importance of embracing technological advancements to enhance overall banking operations.

Regarding economic profitability, the study found a significant association between economic profitability and organizational success. As the scores for migrating digital transactions grow, the scores for economic profitability and organizational performance also Climb.

Additionally, the study indicated that utilizing technology to offer digital banking services and maintaining strong customer relationships are viewed as crucial for sustaining economic profitability. This emphasized the significance of leveraging technology to meet customer needs and expectations while ensuring sustainable financial performance.

However, the study also identified challenges such as a lack of awareness and knowledge among consumers regarding the use of digital banking platforms, which hinders full adoption and utilization of these technologies. These findings suggest that while digital banking offers significant benefits, efforts must be made to educate and engage customers to fully realize its potential.

5.2. Conclusion

According to Sorensen and Reiming(2022) digitalization is the process of moving to a digital business ; the use of digital technology to change a business model and provide new revenue and value -producing opportunities. digital transactions migration is essential to the performance of organizations since it helps business improve customer experience, minimize costs, increase efficiency, and streamline procedures. In commercial bank of Ethiopia at Kirkos digital transaction migration is being implemented. This leads to boost organizational performance of the bank and achieve its objectives and goals as well. Overall, the study indicates that there is a strong, positive correlation between the digital transaction migration and organizational performance. In other words, as Digital transaction migration increases, Organizational Performance also tends to increase.

According to Nangin(2020),financial technology and innovation in the provision of financial services as well as the development of financial business models are strongly related . The study reveals that financial technology has drastically improved the operational efficiency of banking industry and help commercial banks with their diversification plans.

In CBE Digital banking technology are given high emphasis and also has greatly playing a major role in improving the standards of service delivery in the financial industry and enabling faster and more efficient transactions as well as boosting organizational performance.

According to Economic profitability parameters, retaining profitability requires effective control of operating expenses, such as personal, utilities, and other payments. The study found that it's critical to use relationships management and excellence customer service to draw in new clients and hold onto current ones. In CBE digital transaction migration has direct impact on economic profitability for organization and by using technology to provide digital banking services can cut expenses and increase productivity.

5.3. Recommendation

Based on the findings and conclusions of the thesis on the effects of digital transaction migration on the organizational performance of the Commercial Bank of Ethiopia (CBE), the following recommendations are provided to enhance the bank's performance and customer satisfaction:

- CBE should prioritize educating customers about the benefits of using digital channels for transactions, while also implementing incentive programs (e.g., discounts or rewards) to motivate them to utilize these channels more frequently. This can minimize operational costs and improve customer satisfaction and overall performance.
- CBE should prioritize simplifying their digital banking platforms for a seamless transition from branch banking, while also enhancing security measures to build customer trust. This can be achieved by creating a user-friendly interface and implementing robust cybersecurity protocols, ultimately increasing adoption rates and mitigating the risk of fraud.
- CBE can leverage fintech by both investing in solutions that streamline operations, improve efficiency, and enhance customer engagement, and by collaborating with fintech companies to innovate and integrate new digital services that meet the evolving needs of customers. This two-pronged approach will allow CBE to utilize advanced technologies to stay competitive in the rapidly changing financial landscape.
- CBE should develop strategies to encourage more customers to adopt digital banking, considering the current low adoption rate despite a growing user base. This could include

reviewing and potentially increasing daily transaction limits on digital platforms to better reflect current financial needs and transaction trends.

- CBE should focus on enhancing customer service quality through effective CRM strategies. This can be achieved by implementing personalized service approaches that address individual needs and preferences. By improving the overall customer experience, CRM can lead to increased profitability and customer loyalty, attracting new clients and retaining existing ones.
- Future research should explore the impact of digital transaction migration on customer satisfaction in more depth. Including variables such as service fees, transaction speed, and user experience can provide a comprehensive understanding of customer perspectives.

By implementing these recommendations, the Commercial Bank of Ethiopia can significantly improve its operational efficiency, enhance customer satisfaction, and achieve higher profitability through effective digital transaction migration and financial technology integration.

REFERENCES

A.Kasman (2002) ***"Cost Efficiency, Scale Economies, and Technological Progress in Turkish Banking"*** Central Bank Review 1: 1-20.

Adan kasman & Canan Yildirim(2006) ***cost and profit efficiencies in transition banking :the case of new EU members,*** *applied* economics,Taylor & Francis journals, vol 38(9),pages 1079-1090.

Alalwan A, Rana NP, Dwivedi YK et al (2017) ***Social media in marketing: A review and analysis of the existing literature***. Telematics and Informatics. 34(7): 1177-1190.

Al-Matari E., Al-Swidi A. & Fadzil F. (2014). ***The Measurements of Firm Performance's Dimensions.***

Anwar, A., Thongpapanl, N., & Ashraf, A. R. (2021). ***Strategic imperatives of mobile commerce in developing countries: the influence of consumer innovativeness, ubiquity, perceived value, risk, and cost on usage***. Journal of Strategic Marketing, 29(8), 722-742. https://doi.org/10.1080/0965254X.2020.1786847.

Baba S. & Nasieku T. (2016) ***Effect of macroeconomic factors on financial performance of commercial banks in Nigeria;*** International Journal of Social Sciences and Information Technology (6).

Baker S. R, Bloom N, Davis S. J. (2015). ***Measuring Economic Policy Uncertainty.*** NBER Working Paper No. 21633.

Bekir Pakdemirli (2019) ***Digitalization Transformation and Economic Growth*** Adiyaman University Journal of social Sciences.

Bharadwaj El Sawy, Pavlou, & Venkatraman (2013) Digital ***transformation in the banking sector encompasses various tech Digital Business Strategy:*** Toward a Next Generation of Insights MIS Quarterly (2013), 37 (2), 471-482

Chauhan, S. & Jaiswal, M. (2016***). Determinants of acceptance of ERP software training in business schools: Empirical investigation using UTAUT model***. The International Journal of Management Education, 14 (3), 248-262.

Chen, Mark, Qinxi Wu, and Baozhong Yang(2019). ***How Valuable is Fintech Innovation?*** Review of Financial Studies 32: 2062–2106.

D. R. Cooper, C. W. Emory (1995) ***Business Research Methods***, 5th Edition, Irwin.

Davis F., Bragozzi and Warsaw P. (1989). ***User Acceptance of Computer Technology***: A Comparison of Two Theoretical Models; Management Science, (8), 982-1003.

Demertzis, M., Merler, S., and Wolff, G. (2017). ***Capital Markets Union and the Fintech Opportunity.*** Bruegel Policy Contribution 22.

Demirgüç-Kunt, A., Klapper, L., Singer, D. & Ansar, S. (2022). ***The Global Findex Database***

Druszcz, P. (2017). Digitalizacja produktów bankowych jako cel strategiczny uczestników polskiego sektora bankowego.

Fernando, Felix, and Cristiana F. Dharmastuti.(2021). ***Fintech: The Impact of Technological Innovation on the Performance of Banking Companies***. Paper Presented at the Second Asia Pacific International Conference on Industrial Engineering and Operations Management, Surakarta, Indonesia, September 14–16.Finance Research Letters,34(3),1324.https://doi:10.1016/j.fr1.2019.08.008.

Franklin Allen, Xian Gu, & Julapa Jagtiani (2021) ***A survey of Fintech Research and Policy Discussion,*** "Review of Corporate Finance, now publisher,vol.1(3-4),pages259-339,July.

Gall, M., Gall, J., & Borg, R. (2007***). Educational research:*** An introduction (8th ed.). New York, NY: Pearson Education

Galor and Zaira (2000***) Income distribution and the process of development***. European Economic Review 44(4-6),706-712,2000

Gemechu, A. (2014**). *Factors affecting adoption of electronic banking system in Ethiopian banking industry.*** Journal of Management Information System and E-commerce, 1(1), 1-17.

Gerry Rawcliffe, Julia Peach, Peter V Shaw (2008) ***Banking Rating Methodology.*** Criteria report (fintech Rating: banks)

Greenwood, J., & Jovanovic, B. (1990). ***Financial development, growth, and the distribution of income.*** Journal of Political Economy, 98(5), 1076 - 1107

Gupta, B., Dasgupta,S .& Gupta,A.(2008) ***Adoption of ICT in a government organization in a developing country:*** An empirical study. The journal of Strategic Information Systems,17,140 154.http://dx.doi.org/10.1016/j.jsis.2007.12.004

https://doi.org/10.14746/rpeis.2017.79.1.17.

https://nbe.gov.et/wp-content/uploads/2023/04/National-Digital-Payment-Strategy.pdf

Jin Sung Rha & Hong-Hee Lee (2022) ***Research trends in digital transformation in the service sector***: a review based on network text analysis, Service Business, Springer;Pan-Pacific Business Association, vol. 16(1), pages 77-98, March.

Karjaluoto et al. (2019). ***how perceived value drives the use of mobile financial service apps?*** international journal of information management 47

Kennedy and Jacky (2013) ***The Impact of Digital Financial Services on Firm's Performance: a Literature Review***

Kindie, H. (2016). ***Customers' perception towards Mobile banking security:*** The case of Commercial Bank of Ethiopia in Addis Ababa. (master's thesis), Addis Ababa University, School of Information Sciences, Information Science.

King, T., Nuxoll, D., & Yeager, T. (2006). ***Are the Causes of Bank Distress Changing?*** Can Researchers Keep Up? Federal Reserve Bank of St. Louis Review, 88(2), 57-80.

Knife(2016) ***Challenge and prospects of E-banking in Ethiopia*** ,Addis Ababa university master's thesis unpublished.

KPMG (2017). ***The Pulse of Fintech*** ,Global analysis of investment in fintech.

Kudryavtseva, A. Skhvediani and Arseniy A. Bondarev (2018***) "Digitalization of Banking in Russia:*** Overview" 2018 International Conference on Information Networking (ICOIN), 10.1109/ICOIN.2018.8343196.

Kuttschreuter and Gutteling (2007***) Perceived Usefulness, Personal Experiences, Risk Perception and Trust as determinants of adoption of e-government services in Nethrlands.*** Computers in Human Behavior,23,1838-1852.

Li, Yinqiao, Renée Spigt, and Laurens Swinkels. 2017. ***The Impact of Fintech Start-Ups on Incumbent Retail Banks' Share Price.*** Financial Innovations 3: 1–16.

Lin, N. (2008) Building ***a Network Theory of Social Capital.*** Connections, 22, 28-51.

Matt,c .,Hess,T., & Benlian,A.(2015) Digital transformation strategies .Business and Information system engineering,57,339-343.https://doi.org/10.1007/s12599-015-0101-5

Mehmet Selman Çolak (2019) ***a new index score for the assessment of firm financial risks,*** working papers 1904, research and monetary policy department ,central bank of the republic of Turkey.

Mikalef, P. & Parmiggiani, E. (2022). ***An Introduction to Digital Transformation***, In: Digital Transformation in Norwegian Enterprises, Springer, 1-10.

Montazemi and Qahri –Saremi(2015***) Factors Affecting Adoption of Online Banking***: A Meta-Analytic Structural Equation Modeling Study March 2015Information & Management 52(2):210-226 DOI:10.1016/j.im.2014.11.002

Namrata Sandhu and Dilpreet Singh (2016) ***Financial Inclusion in India: rethinking the banking initiatives***.IUP Journal of Bank Management15(4),19,2016

Nangin, Meryl, Irma Barus, and Soegeng Wahyoedi. 2020. ***The Effects of Perceived Ease of Use, Security, and Promotion on Trust and Its Implications on Fintech Adoption.*** Journal of Consumer Sciences 5: 124–38.

National bank of Ethiopia (2021) ***National Digital Strategy***

Nationalbanken(2023).DigitalizingRetrievedfrom: https://www.nationalbanken.dk/da/temaer/digitalisering (Accessed: 02.09.2023).

Naz, Farah, Sitara Karim, Asma Houcine, and Muhammad A. Naeem. 2022. ***Fintech growth during COVID-19 in MENA region***: Current challenges and future prospects. Electronic Commerce Research, 1–22.

Ndungu, C, (2013). ***The effect of alternative banking channels on financial performance of commercial banks in Kenya.*** A research project submitted in

partial fulfillment of the requirements for the award of the master of business administration degree of the University of Nairobi.

Nguyen, Quang K.(2022). ***The impact of risk governance structure on bank risk management effectiveness***: Evidence from ASEAN countries. Heliyon 8: e11192.

Nyamita, M. O., Garbharran, H. L. & Dorasamy, N. (2014***). Factors influencing debt financing decisions of corporations*** - Theoretical and empirical literature review. Problems and Perspectives in Management. 12(4), 189-202.

Nzuve, R. M. (2016). ***Impact of Macroeconomic Factors on Financial Performance of Deposit-Taking Micro Finance Institutions in Kenya.*** Unpublished MBA Project. South Eastern Kenya University.

Okiro, K., & Ndungu, J. (2013). ***The impact of mobile and internet banking on performance of financial institutions in Kenya***. European Scientific Joumal, 9(13), 146-161.

Omondi, M. M. & Muturi, W. (2013). ***Factors Affecting the Financial Performance of Listed Companies at the Nairobi Securities Exchange in Kenya***. Research Journal of Finance and Accounting, 4(15), 297-310.

opportunities-and-challenges-1-8.php?aid=38390

Ortaköy and Ozsürunç (2019) ***The effects of Digital Channel Migration ,Automation and centralization on the Efficiency of Operational Staff of Bank Branches***, Procedia Computer Science 158:938-946.

Pavlou, P.A. (2003***) Consumer Acceptance of Electronic Commerce: Integrating Trust and Risk with the Technology Acceptance Model***. International Journal of

Electronic Commerce, 8(3), 101-134Peck, Olsen, & Devore(2009). Introduction to Statistics and Data Analysis, Enhanced Review Edition 3rd edition

Petralia et al.(2019***) Can fintech improve the efficiency of commercial banks? —An analysis based on big data.*** Research in International Business and Finance Volume 55, January 2021, 101338

Richard, P. J., Devinney, T. M., Yip, G. S., & Johnson, G. (2009). ***Measuring organizational performance:*** Towards methodological best practice. Journal of Management, 35, 718-804.

Rogers, E. M. (2003). ***Diffusion of Innovations***. New York: Free Press.

Romanova, Inna, and Marina Kudinska.(2016). ***Banking and Fintech: A Challenge or Opportunity?*** Contemporary Issues in Public Sector Accounting and Auditing 98: 21–35.

Safeena, R., Kammani, A., & Date, H. (2014). ***Assessment of Internet Banking Adoption: An Empirical Analysis***. Arabian Journal for Science and Engineering, 39(2), 837- 849.

Sekaran, U. and Bougie, R. (2013) ***Research Methods for Business***: A Skill-Building Approach. 6th Edition, Wiley, New York.

Shaikh and Karjaluoto (2016), ***Mobile Banking Services Continuous Usage Case Study of Finland January 2016 conference*** :49th Hawaii International Conference on System Sciences(IEEE) At:Kauai,Hawaii(USA)

Sindhu singh (2018) ***Predicting the intention to use mobile banking in India***. International journal of Banking Marketing 36(2),357-378,2018

Sintayehu Ermias Lolemo and Dr.Hemal B.Pandya(2023) ***The impacts of digitalization on profitability of selected indian banks*** :pooled OLS model approach.international journal of management , public policy and research international ,peer reviewed journal E-ISSN:2583-3014

Sousa, R., & Voss, C. (2006). ***Service quality in multi-channel services employing virtual channels***, Journal of Service Research, 8(4), 356 - 371.

Statista (2023b). ***Number of Digital Banks in Europe from 2014 to 2022.*** Retrieved from: https://www.statista.com/statistics/1377024/number-of-digital-banks-in-europe (Accessed 02.09.2023).

Statista. (2023a). Leading Countries in the World with the Highest Number of Digital Banking Users as of 2022. Retrieved from:

Suping &Yizheng (2010) ***Factors influencing user acceptance of online banking.*** International Conference on logistics and intelligent Management(ICLSIM), Harbin,China

Szopiński, Tomasz Stanisław, 2016. "***Factors affecting the adoption of online banking in Poland,"*** Journal of Business Research, Elsevier, vol. 69(11), pages 4763-4768.

Tefera, E. (2017). ***Adoption of E-commerce framework for Ethiopian banks.*** (master's thesis), Addis Ababa University, School of Information Science.

Trang Doan Do ,Ha An Thi Pham ,Eleftherios I. Thalassinos ,and Hoang Anh Le (2022) ***The impact of digital transformation on performance: evidence from Vietnamese*** commercial banks, JRFM,MDPL,VOL.15(1),PAGES1-15.

Venkatesh & Davis (2000) ***A Theoretical Extension of the technology acceptance model :*** four longitudinal field studies. Management Science 46(2):186-204 DOI:10.1287/mnsc.46.2.186.11926

Venkatesh, Morris, Davis, & Davis (2003). ***User Acceptance of Information Technology:*** Toward a Unified View. MIS Quarterly, 27 (3), 425.

Venkatesh, V., & Bala, H. (2008***). Technology Acceptance Model 3 and a research agenda on interventions.*** Decision Sciences, 39(2), 273-315.

Venkatesh, V., Thong, J. & Xu, X. (2016). ***Unified Theory of Acceptance and Use of Technology:*** A Synthesis and the Road Ahead. Journal of the Association for Information Systems, 17 (5), 328-376.

Website: www.combanketh.et

Worku, G. (2010***). Electronic banking in Ethiopia: Practices, opportunities and challenges.*** Journal of Internet Banking and Commerce, 15(2), 1-8. Retrieved September 12, 2017, from http://www.icommercecentral.com/open-access/electronicbanking-in-ethiopia-practices-

Yao, Ting, and Liangrong Song. 2021. ***Fintech and The Economic Capital of Chinese Commercial Bank's Risk: Based on Theory and Evidence***. International Journal of Finance and Economics,

Zavolokina et al., 2016) FinTec-what in a name? Conference :thirty seventh international conference on information systems.

Zeleke, A. (2016). ***Opportunities and challenges in the adoption of e-banking services:*** The case of Dashen

Zhou, T., Lu, Y. & Wang, B. (2010***). Integrating TTF and UTAUT to explain mobile banking user adoption.*** Computers in Human Behavior, 26 (4), 760-767.

Zikmund, W.G., Babin, B.J., Carr, J.C. and Griffin, M. (2010) ***Business Research Methods***. Cengage Learning, Mason.

ANNEX 1: QUESTIONER

Addis Ababa University

School of Commerce

Department of Business Leadership

Dear Valued commercial bank of Ethiopia employees,

We hope this message finds you well. As part of our research project titled" Assessing the Impact of Digital Transaction Migration on Organizational Performance in the Case of Commercial Bank of Ethiopia at Kirkos District," as a partial fulfilment the requirements for the Master of Art in Business Leadership at Addis Ababa University School of Commerce.

We kindly ask for input by completing the following questionnaire. Your insights will significantly contribute to our study and, ultimately, to enhancing digital transaction migration for organizational performance.

Please rest assured that all information provided will be treated with the utmost confidentiality and used solely for academic purposes. Your collaboration and support mean a great deal to me.

I sincerely thank you for your time and cooperation!

Yared Abebe

+251941439485

betereyared@gmail.com

PART ONE: Question regarding Demographic information

Read all the questions first and choose the appropriate answer box by ticking only one number for each question. All information remains confidential, and no names are required to maintain anonymity.

1. **What position do you hold in your organization (tick as appropriate)**

   ☐ Management Non –Management ☐

2. **What is your gender?**

   Male ☐ Female ☐

3. **Educational background**

A. DIPLOMA ☐ B. BA(BSC) ☐ C. MA(MSC) ☐ D. PhD ☐
E. Other ☐

4. **What is your age category?**

50 years and above	**1**
40-49 years	**2**
30-39 years	**3**
20-29 years	**4**
Below 20 years	**5**

5. **How long (years) have you been working for CBE?**

16 years and above	**1**
11years– 15years	**2**
6years - 10 years	**3**
1 years -5 years	**4**
Below 1 year	**5**

PART TWO:Questions regarding Digital Transactions Migration

6. Please indicate the extent to which you agree or disagree with the following statements describing digital transactions migration by using a scale of 1-5 where 1denotes Strongly Agree (SA), 2 Agree (A), 3 Neutral (N), 4 Disagree (D), and 5 for Strongly Disagree (SD).

Digital Transaction Migration	**1 (SA)**	**2 (A)**	3 (N)	4 (D)	5 (SD)
Digital transaction migration is essential to the performance of organizations.					
Digital transaction migration added major improvements in operational branch efficiency.					
Customers often find it difficult to break away from their familiar routines, making it a significant challenges for digital payment systems to persuade them to switch					
Digital transaction have gradually been taking over the banking sector.					
Persuading clients to switch from their present banking channel is a difficult undertaking.					
Converting branch banking clients to interactive digital banking is the largest obstacle facing banks today					
Digital payment platforms and Fintech companies' rise hastened the adoption of digital transactions even more.					
Digital banking is a holistic marketing approach that has greatly altered how banks perceive and meet the demands of their clients.					
Banks are using digital techniques such as mobile, internet, and ATM channels to reduce expenses, reduce risks, and improve performance					
Banks can improve their capabilities in customer acquisition, business operations, and Research &Development.					

7. Please add any additional effects and factors besides the ones mentioned that you think would describe how digital transaction migration impacted the financial performance and profitability of the bank.

……
……
…….

PART Three: Questions Regarding Financial Technology

8. Please indicate the extent to which you agree or disagree with the following statements describing the financial technology by using a scale of 1-5 where where1 Strongly Agree (SA), 2 Agree (A), 3 Neutral (N), 4 Disagree (D), and 5 for Strongly Disagree (SD).

	1 (SA)	**2 (A)**	**3 (N)**	**4 (D)**	**5 (SD)**
Financial Technology(Fintech)					
The emergence and expansion of fintech have a noteworthy influence on conventional business models in the banking industry					
Fintech may help commercial banks with their diversification plans.					
Advancements in digital banking technology have improved service delivery standards in the financial institution sector.					
Fintech has drastically improved the operational efficiency of banking industry.					
Financial technology plays a crucial role in the banking sector by enabling faster and more efficient transactions.					
a favourable correlation between the rise in fintech activities and bank stock returns.					
Investing more money in technology is crucial to make financial service more competitive.					
Financial technology company are more cost effective.					
digital banking technology has greatly playing a major role in improving the standards of service delivery in the financial institution sector.					
fintech is closely linked to innovation in financial service delivery.					

9. Please add any additional roles of financial technology besides the ones mentioned that you think would describe how successful integration of fintech in commercial bank of Ethiopia lead to increased profitability and efficiency, improved customer interactions , and the acquisition of new customers?

PART Four:Questions regarding Economic Profitability

10. Please indicate the extent to which you agree or disagree with the following statements describing the economic profitability by using the scale of 1-5 where1 Strongly Agree (SA),2 Agree (A) , 3 Neutral (N), 4 Disagree (D), and 5 for Strongly Disagree (SD),

	1 (SA)	**2 (A)**	**3 (N)**	**4 (D)**	**5 (SD)**
Economic profitability					
The shift towards digital transaction migration can have both positive and negative effects on a bank's economic profitability and performance.					
The economic success of bank branches is dependent on a number of factors that support cost control and revenue growth.					
Profitability is influenced by fees collected for services.					
Retaining profitability requires effective control of operating expenses, such as personnel, utilities, and infrastructure.					
Using technology to provide digital banking services can cut expenses and increase productivity.					
Promoting the use of various financial services and goods within the branch increases sales overall.					
Offering cutting-edge services and adjusting to current market conditions can draw in new clients and boost sales.					
Clients that are happy with the bank are more likely to refer others to the institution and keep using branch services.					
It's critical to use relationship management and excellent customer service to draw in new clients and hold onto current ones.					

11. Please add any additional effects and factors besides those mentioned that describe how digital transactions migration and economic profitability contribute to the organizational performance of cbe?

    ……

    ……

    …….

PART Five: Questions regarding Organizational performance

12. Please indicate the extent to which you agree or disagree with the following statements describing the economic profitability by using the scale of 1-5 where1 Strongly Agree (SA), 2 Agree (A) , 3 Neutral (N), 4 Disagree (D), and 5 for Strongly Disagree (SD),

	1 (SA)	**2 (A)**	**3 (N)**	**4 (D)**	**5 (SD)**
Organizational Performance					
non-financial performance is correlated with labour efficiency, customer satisfaction and expectations quality of service.					
self-service technology can increase organizational performance in banking sector.					
Businesses need to perform financially well in order to survive in today's uncertain and competitive market .					
Financial performance is the capacity of an organization to meet a variety of predetermined financial objectives.					
financial performance provides guidance to stakeholders in their decision-making by illuminating how a business uses its assets to create profits.					
Important performance indicators that assist organizations in assessing and measuring their overall performance and success are organizational performance metrics.					
The performanceof the company is determined by how well its goals are achieved.					
The condition of the banking sector mostly dependson their financial performance, which is a key indicator of each bank's advantages and disadvantages.					

13. Please add any additional effects and factors besides the ones mentioned that you think would describe how the adoption of digital transactions migration impacted the overall efficiency of operations and performances of CBE?

……

……

…….

PARTSIX: INTERVIEW GUIDE QUESTIONS

1. To what extent do digital transaction migrations contribute to organizational performance in terms of efficiency and effectiveness?

2. To what extent do financial technologies contribute to digital transaction migration and organizational performance?

3. What is the relationship between digital transaction migration and economic profitability towards organizational performance?

PART SEVEN: Key Informative Interview Questions

1. How has the switch to digital transactions impacted the bank's financial performance and overall success?

2. What tactics has the bank used to encourage customers to use digital banking services?What challenges have been faced during the migration to digital transactions, and how have they been addressed?

3. What changes have occurred within the organization as a result of implementing digital transactions and financial technology?

4. How does the impact of digital transaction migration on economic profitability affect performance?

PART EIGHT: Focus Group Discussion Questions with district digital directors and digital channel managers

1. How do you think the shift towards digital transactions has helped Commercial Bank of Ethiopia operate more smoothly, and How much money has been transferred through online platforms?
2. How do you believe the use of financial technology has made customers happier and more loyal to the bank?
3. Can you share some examples of how the bank has used digital transactions to make more money and improve its financial success?
4. What steps has the bank taken to ensure customer information is secureand private in the digital transaction era?

I wanted to take a moment to express my heartfelt gratitude for the time and cooperation you have extended to me. It truly means a lot to me and I appreciate your willingness to assist. Thank you from the bottom of my heart!