FACTORS AFFECTING THE PERFORMANCE OF BANK AGENTS: THE CASE OF UNITED BANK

A THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS, GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF EXECUTIVE MASTER OF BUSINESS ADMINISTRATION

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ADDIS ABABA UNIVERSITY

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DECLARATION

I declare that this thesis, which I submit to Addis Ababa University in consideration of the award of a higher degree in Executive Master of Business Administration, is my own personal effort. This work has not been submitted for any other degree or processional qualification in any university or other tertiary institution except as specified. In addition, to the best of my knowledge and belief, it contains no material previously published or written by another person, except where due reference has been made in the text. Furthermore, I took reasonable care to ensure that the work is original.

By: Andargachew Beyene

Signature: _____

Date: _____

STATEMENT OF CERTFICATION

This is to certify that the thesis prepared by Andargachew Beyene entitled: Factors Affect the Performance of Bank Agents: The Case of United Bank S.C. was submitted in partial fulfillment of the requirements for the degree of Master of Executive Business Administration compiles with the regulations of the University and meets the accepted standards with respect to originality and quality.

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Acronyms and abbreviations

NBE – National Bank of Ethiopia

ATM – Automatic Teller Machine

MNOs – Mobile Network Operators

S.C. – Share Company

ICT – Information and Communication Technology

E-Money – Electronic Money

FSPs – Financial Service Providers

POS – Point of Sales

AML – Anti-Money Laundering

CFT – combating financing of terrorism

Sig. – Significance Level

ANOVA – Analysis Of Variance

SPSS – Statistical Package for the Social Sciences

SNNPR – Southern Nations Nationalities and People Region

CGAP – The Consultative Group to Assist the Poorest

ABSTRACT

In a growing number of countries, banks are finding new ways to deliver financial services in a better way. Rather than using bank branches and bank employees, banks are offering various services through retail outlets. The agency banking business model was aimed at broadening financial inclusion to the majority of the unbanked people with low cost and better access. Even though the agent banking has been introduced in Ethiopia a couple years ago, its success factors have not been studied in depth as the industry is still young. The objective of the study is to investigate the factors determining the performance of agent banking business in Ethiopia. This study adopted descriptive research in design. The population for this study was all agents of United Bank S.C. operating both in Addis Ababa and rural areas of Ethiopia and 196 agents were selected as a sample. Convenience sampling method and structured questionnaires were used to select the sample and collect data, respectively. The study used quantitative research method and inferential statistical techniques were used to analyze the data. The results of correlation analysis revealed that positive and significant relationship was found between agent experience & knowledge, network & technological capability, agent commitment, brand of the represented bank, and reward and performance of agents. Whereas, fraud & cost of delivering financial services had negative and insignificant relation with performance of agent. The multiple linear regression analysis revealed that agent experience & knowledge, network & technological capability, brand of the represented bank and reward had significant effect on performance of agents, while fraud, agent commitment, and cost of delivering financial services had insignificant effect. The study concluded that brand of the represented bank, reward, agent experience & knowledge, and network & technological capability were the major factors affecting performance of bank agents. The study recommended that brand of the represented bank, reward, agent experience & knowledge, and network & technological capability should be given more attention by the bank and its agents to improve agent banking performance and fully utilize the sector's potential. Further the study recommended that banks and agents should also give emphasis for agent banking business model considering the success of many countries in the world and the untapped market potential of Ethiopia.

Keywords: Agents, performance, financial inclusion, reward, commitment, experience & knowledge, fraud, brand, cost, network & technological capabilities

CHAPTER ONE

1. INTRODUCTION

1.1 Background of the Study

The intensifying competitive environment in the financial service market of Ethiopia has resulted in pressure to introduce new financial products/services and look for alternative service delivery channels. As a result, banks tend to becoming more innovative and able to adopt modern technologies. The introduction of innovative banking service using technology is a recent phenomenon in Ethiopia. The use of technology and innovative financial services have significant role in expanding the financial service availability, enhancing efficiency and effectiveness, and improving convenience to customers. In banking industry innovation relates to new ways of doing financial business including online banking, mobile banking, and agency banking. Expanding the outreach of banks with the help of branchless channels like ATM and agent banking would have vital contributions especially for inclusive finance (Nigussie, 2015).

In many countries, branchless channels have made an important contribution to enhancing financial inclusion by reaching people that traditional, branch based structure would have been unable to reach. One of the main obstacles to financial exclusion is cost: both the cost to banks involved in servicing low value accounts and expanding the bricks and mortar branches to remote rural areas, and the cost (in money and time) incurred by customers in remote areas to reach bank branches. In rural areas it is often prohibitively expensive for commercial banks since transaction numbers and volumes do not cover the cost of a branch (Kitaka, 2001). This implies for banks it is very costly and unattractive market to deploy banking infrastructure and provide financial services where majority of poor people resides and work. As a result Branchless banking has emerged as a promising new business model. By changing the costs and risks of distributing financial services, channels outside the branch have enabled large commercial banks to contemplate reaching large numbers of unserved people (Alexandre, Mas, & Radcliffe, 2011). On top of that low income clients often feel more comfortable banking at their local store than walking into a marble branch (Adera, 1995).

According to CGAP (2010) branchless banking is define as the delivery of financial services outside conventional bank branches using information and communications technologies and nonbank retail agents, for example, over card-based networks or with mobile phones. Branchless banking allows customers to conduct the most common financial services such as cash-in, cash out and transfer services every day using appropriate technology. Branchless banking is an alternative channel for banks that allows people and businesses to deposit and withdraw money and make electronic payments from retail stores every day, thus eliminating the need for bank branches or other bank-specific infrastructure. In addition, branchless banking supports credit products in a way that customers' can use it to collect and repay loans efficiently and their transactions could be used to build credit history of a client that helps the credit providers to evaluate repayment prospects (Dermish, Kneiding, Leishman, & Mas, 2012).

Despite an encouraging improvement have been observed in banks outreach in the last decade in Ethiopia, financial inclusion is still not well addressed. In connection with this, the National Bank of Ethiopia (NBE) released a new legislation that is Regulation of Mobile and Agent Banking Services, Directives No. FIS/01/2012 which allows commercial banks to contract third party retail networks (agents) as a delivery channel to provide financial services effective from January 2013.

Agent banking is an arrangement by which licensed institutions engage third parties to offer certain banking services on their behalf. The NBE (2012) defines "agent" as a person engaged in a commercial/business activity and has been contracted by a financial institution to provide the services of the financial institution on its behalf such as a bank or any other deposit taking commercial bank. It implies an agent is a retail outlet contracted by a financial institution to process client transactions. Thus, the retail outlet is the one who conducts the transaction and lets clients deposit, withdraw, and transfer funds, pay their bills, inquire about an account balance, or receive government benefits or a direct deposit from their employer. "Agent banking" means the conduct of banking

business on behalf of a financial institution through an agent using various service delivery channels (NBE, 2012).

Agent banking is an arrangement by which licensed institutions engage third parties to offer certain banking services on their behalf. Agency banking is branchless banking based on ICT that allows financial institutions to offer financial service outside the traditional bank premises (Mas & Siedek, 2008).

Banks contract agents using agency banking regulation to provide services to customers in hard-to-reach and geographically detached areas. Performing banking activities primarily consists of opening and maintaining mobile/regular accounts and accepting deposits; furthermore, it includes performing fund transfer or cash in and cash out services using mobile devices (NBE, 2012).

Agent banking allows customers to conduct a limited type of financial transactions at third party outlets that include post offices, supermarkets, general and grocery stores, pharmacies, and gas stations etc. located in remote areas (Wairi, 2011).

According to Ndungu (2014) agency banking model increased wide customer base, cutting costs, increased product penetration, increased market share, inclusion of the unbanked societies to formal banking channels. Consequently, easy accessibility and convenience to the unbanked enhance the financial service utilization and all these things which significantly contribute for the growth and performance of commercial banks. Several countries adopted the concept of agent banking and getting huge success in the area of financial inclusion e.g. Kenya, Colombia, Brazil, Pakistan, Peru and so on (Mahmood & Sarker, 2015).

Agency banking has enabled bank customer to access the banking services in their vicinity by bringing services closer to the people. For instance, customers will not travel long distance to get financial services especial for those who live in hard-to-reach and geographically dispersed areas. Agency banking can dramatically reduce the cost of delivering financial services to unreached people (Katela, 2017).

In spite of the role played by agency banking in creating better access for financial service, Agency banking has faced many challenges. It includes confidentiality problem of disclosing customers' personal information, security is a challenge for customers while making transaction at agents outlet, fraudulent transaction is also a problem when documents presented to the agent is forged, and the other challenge is customer service that is the agent may not act according to the interest of the parent bank. There are other factors that hinder the well-functioning of agent banking like lack of mobile network services and float, lack of capital, issues of insecurity and fear of robbery (Atandi, 2013). To sum up agents also introduces new risks including risk of fraud and theft, lack of transparency, unfair treatment of customers, anti-money laundering/combating financing of terrorism (AML/CFT) risks, and poor cash management and many regulators have established rules that regulate the relationships among financial service providers (FSPs), agents, and customers (World Bank Group, 2017).

Considering the challenges the regulators often sets limits on the role of agents in providing financial services, reflecting concerns over the reliability, security, and competence of such third parties. Some regulators are even considering different categories of agents based on the services offered—with less stringent eligibility standards for those agents offering only basic services, such as cash-in and cash-out services (Tarazi & Breloff, 2011).

However, the need for accessing financial services beyond the conventional norms has seen the recurrent expansion and modernization of banking patterns. Hence, strengthening the role of agents has paramount significance in creating financial access to the unbanked society especially for developing and emerging countries. High support and follow up of agents' activity is expected especially from banks so as to boost their level of performance. On top of that, investigating the factors that determine agents' performance by all stakeholders and taking the appropriate measures will lead to a higher performance in agent banking.

1.2 Statement of the Problem

Ethiopia is the second highest populous nation in Africa with only 22% banked population as compared to 34.2% Sub-Saharan African Countries in 2014. Moreover, as per Ethiopia's national financial inclusion strategy document the banked population is projected to reach to 60% by 2020 (NBE, 2017).

Banking service in Ethiopia is highly concentrating in urban areas. This is mainly due to the fact that banks do not have sufficient incentive or the capacity to establish formal branches that require more investment in physical infrastructure and employees in rural areas.

Nowadays, the banking business competition in Ethiopia is getting fiercer and striving to create more access to financial services is considered a way-out strategy by many banks. The banking industry is increasingly embracing branchless banking as a means to deliver banking services to many including unreached people especially low-income households. The most recently introduced branchless service channel is Agency Banking which is designed to reach the unbanked society.

As agency banking lowers the cost of service delivery and creates convenience or enhances customer experience, it had a great potential to extend the distribution of financial service to low income people. Agency banking has created greater access to formal banking services and it represents a cheaper alternative to conventional branch based banking (Siedek, 2008).

The adoption of agent banking is expected to bring new era in creating access to financial service in Ethiopia. Agency banking is viewed by banks in Ethiopia as a volume business that entertains large number of transactions with small values. The practice of agent banking is still at its early state. The agent banking business model is not working well as expected and agents' performance is not as such satisfactory in United Bank. In addition, some of the agents are returning back their license despite the success of agency banking globally. This is may be due to either agents are facing challenges or are not beneficiary from the agent line of business compared to their core business.

Accordingly, the Bank is not able to reap sufficient benefit by expanding its outreach and delivering services to the unbanked society which in turn significantly affects the country's aim of achieving high percentage of banked population. Besides, the society that travels long distance to get financial service didn't save their time and money.

Addressing this problem by improving the performance of bank agents in Ethiopia is an order of the day and in connection with this various studies were conducted with regarding agent banking in the other world. For instance, Ndung'u, Okibo, & Nyang'au (2015) undertook a study on factors affecting performance of banking agents in Kenya and established that cost of financial services and financial literacy were the major factors affecting performance of banking agents. In addition, network strength also affected security of funds through compromising integrity of the system. Tefera (2018) conducted a similar case study in CBE indicated that reward, financial cost and financial literacy had positive and significant impact on agents' performance but fraud and network capability had no relation and insignificant effect on agents' performance. Kariuki & Prof. Namusonge (2017) examined factors influencing the growth of agency banking of commercial banks in Trans Nzoia County in Kenya and established that banking technology infrastructure negatively influences on growth of agency banking of commercial banks, while agents' to banks distance and security conditions positively influenced the growth of agency banking. Bizah, Gumbo, & Magweva (2017) studied agent banking as a driver of financial inclusion in Zimbabwe and concluded that agent banking is a powerful instrument that Zimbabwean banks can employ in order to drive financial inclusion because of its convenience and cost effectiveness. Malek, Mohtar, & Ariffin (2017) sought to establish the effectiveness of agent banking characteristics on financial inclusion performance in Malaysia and revealed that the agent characteristics have a significant effect towards the financial performance. The agent experience has the highest contribution to the financial inclusion performance beside the other characteristics, namely agent attitude and the agent core business.

For the success of agent banking business model, agents are also expected to play their own significant role in creating access and convenience to the unbanked society in Ethiopia. Despite the some level of research activity that has been noted on agency

banking both locally and globally, the question about factors that determine the performance of agents, remains. As much is not known in the area particularly in Ethiopia, it has becomes imperative to study the factors that determines agents performance. This study aimed at bridging the existing knowledge gap and giving more insight on the factors affecting performance of agents of banks in Ethiopia.

1.3 Objectives of the Study

1.3.1 Overall Objective

The overall objective of the study is to investigate factors determining the performance of bank agents in Ethiopia.

1.3.2 Specific Objectives of the Study

The study is guided by the following specific objectives:

- To examine the effect of reward, fraud, and network & technological capability on performance of bank agents.
- To determine the effect of agent's commitment on performance of bank agents.
- To assesses the effect of agent's experience and knowledge on performance of bank agents.
- To examine the effect of the cost of delivering financial services on performance of banking agents.
- To evaluate the effect of brand of the represented bank on performance of bank agents.

1.4 Research Questions

In order to address the above objectives, the following research questions come to the forefront.

- To what extent do rewards affect performance of bank agents?
- What are the effects of agent's commitment and experience & knowledge on the performance of bank agents?
- How do network & technological capabilities and fraud determine performance of bank agents?

- What is the effect of brand of the represented bank on performance of bank agents?
- How do costs of delivering financial services affect performance of bank agents?

1.5 Scope of the Study

The study is applied only on agents of United Bank who commenced provision of agency banking services. All agents of the Bank working in different corners of the country are incorporated in the study.

The study focused on determining factors that affect performance of agents in Ethiopia. The performance of agents studied in this research is assessed in terms of volume of transaction, commission earned, and new accounts opened.

1.6 Limitations of the Study

The agent banking is relatively a new business model for commercial banks in Ethiopia and hence, literature and empirical studies in this area are limited. There are few studies mainly conducted in foreign countries such as Brazil, Kenya and other Latin American countries. As a result, it is hardly possible to get different views and findings form different research, which is expected to affect the quality of the study.

The research is conducted only in one private commercial bank operating in Ethiopia considering the problem of logistics, finance and cooperation of other bank agents' to get the relevant data. It is delimited to agents of United Bank S.C.

Moreover, the research is limited only to those variable mentioned in the conceptual frame work. It implies the research didn't answer all agent performance related questions which is limited to selected variables.

1.7 Significance of the Study

The study will set forth valuable insight on the major factors affecting performance of bank agents. Various interested parties will be beneficiary from this study upon its completion. The study will enable United Bank S.C. to make informed decision in its management of agency banking business. Other commercial Banks before embarking on agency banking model, they will also have the relevant information to design appropriate

strategy. In general, the study will be of great importance to financial institutions in improving their performance/ profitability concerning agency banking.

Taking into account the service duration of agency banking in Ethiopia, more rules and regulations is expected to be adjusted to drive forward the existing agent business environment. Thus, the findings of this study would be an important input to policy makers while devising appropriate regulations and policies related to agents.

Those in the academic field will find additional idea/information on agency banking. The concept is still new in Ethiopia and thus, there is a need for additional empirical literature to shed more light. This study would contribute to the existing body of knowledge on agency banking that could be used by scholars and researchers. The findings would further be of use as a reference point in further research in this area.

1.8 Operational Definition of Terms

Agent Experience and Knowledge: Experience refers to the process of getting skill that is obtained from doing things that is through involvement in or exposure to it, while Knowledge is the theoretical or practical understanding of a subject matter.

Cost of Delivering Financial Services: The overall expense associated with availing the agent banking services to customers.

Reward (financial and non-financial): financial rewards are cash related payments like commission and incentive type payments and nonfinancial or non-cash rewards do not involve any direct payments like recognition and job satisfaction.

Fraud: it is related mainly to financial fraud that can be broadly defined as an intentional act of deception involving financial transactions for purpose of personal gain.

Network and technological capability: technological capability is understood in this study as all the skills, knowledge, technology, and learning experiences accumulated and developed by the Bank, while networks are transmission systems enabling information to be transmitted in analogue or digital form between various different sites by means of electromagnetic or optical signals such as mobile network and internet network.

Agent commitment: it refers to the agents' readiness and the decision to exert considerable effort on behalf of the Bank to provide agent banking service. It implies the state of being dedicated to render agent banking service.

Band of the represented bank: the reputation of the Bank as a business or provider of banking services.

Performance of Agents: agents are measured by the commissions earned, number transactions conducted and number of accounts opened. This measure is a respondent self-evaluation with respect to the three items since there is no numerical standard measurement for agent performance. Besides, it is hardly possible to get individual agent performance for each year and make comparison with each factor that affects performance.

1.9 Organization of the Paper

This thesis is structured in five chapters as follows. Following introduction in the first chapter, chapter two contained a review of related literature. The third chapter focused on research methodology. In chapter four, the results and findings of the study were discussed. Finally, the last chapter encompassed the summary of findings, conclusions drawn and recommendations of the study.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter focuses on reviewing the literature in the area of agency banking. The issues discussed include both the theoretical and empirical studies of the existing literature. The theoretical review helps in understanding of the current body of knowledge on the research topic. An empirical review of studies of different scholars has been done to guide the research gaps for this study. Altogether, the reviews were used to develop conceptual frame work.

2.2 Theoretical Review

Agency banking is the recently introduced financial service distribution channel that allows commercial banks to offer financial services outside the traditional bank premises. In many countries agents are now authorized to offer various traditional products offered by banks. Like bank branches agent are offering similar services including cash deposits and withdrawals, disbursement and repayment of loans, payment of salaries, pension, transfer of funds, and issuance of mini-bank statements. In addition, the agent facilitates new account opening, credit and debit card application, and cheque book request (Kiburi 2016).

There are a number of theories that explain the performance of business of contracted agencies. The theories discussed in this section include the Agency Theory, Intermediation Theory, and the Bank led Theory.

2.2.1 Agency Theory

Agency theory is a theory that shows the contracts between the owners of economic resources (the principals) and managers (the agents) who are charged with using and controlling those resources (Kambua, 2015).

Jenses and Meckling (1976) were the first scholars to explicitly model the theory of agency, defines an agency relationship as a contract under which one or more persons the principal(s) engage another person (the agent) to perform some service on their

behalf which involves delegating some decision making authority to the agent. An agency, in general terms, is the relationship between two parties, where one is a principal and the other is an agent who represents the principal in transactions with a third party. As a result, contracts and decisions are made with third parties by the agent that affects the principal and thereby, agency problems that are almost limitless in nature will arise.

Agency theory is concerned with two resolving problems that can occur in the agency relationship, the first is the agency problem that arise when the interest of the principle and the agent are in conflict, while it requires huge monitoring cost to verify what the agent is actually doing. The problem is that the principal can't verify the agent has behaved appropriately. Thus, there is a good reason to believe that the agent will not always act in the best interests of the principal when both parties to the relationship are utility maximizers. The other problem is risk sharing that arises when the principle and the agent have different attitudes and preferences towards risk thus making them to have different actions/decision (Eisenhardt K. M., 1989).

The agency model is applicable in a variety of ways and it is mostly used in organizational phenomena (Ibid). The first proposition in agency theory is that when the contract between the principal and the agent is outcome based, the agent is more likely to behave in the interest of the principle (Jensen & Meckling, 1976). An appropriate incentive provision can limit the divergence of the agent activity from the principal. In some instances, to assure that the agent will not take certain action the principal will make the agent to expend resource (incur costs) as a bonding between the two parties and even to the extent that he will not take certain actions which would harm the principal or to ensure that the principal will be compensated if he does take such actions. The second proposition is that when the principal has information to verify agent behavior, the agent is more likely to behave in the interests of the principle (Ibid).

According to Lambert (2001) the typical reasons for conflicts of interest between and gent and principal include: (i) effort aversion by the agent; (ii) the agent can divert resources for his private consumption or use; (iii) differential time horizons; e.g., the agent is less concerned about the future period effects of his current period actions

because he does not expect to be with the firm or the agent is concerned about how his actions will affect others' assessments of his skill, which will affect compensation in the future; and (iv) differential risk aversion on the part of the agent. Thus, agency theory models are constructed based on the philosophy that it is important to examine incentive problems and their ''resolution'' in an economic setting in which the potential incentive problem actually exists. The agency theory distinguishes itself from ''traditional'' information economics is its belief that multi-person, incentive, asymmetric information, and/or coordination issues are important in understanding how organizations operate.

Harris & Raviv (1979) described that Principal-agent researchers are concerned with a general theory of the principal-agent relationship, a theory that can be applied to employer-employee, lawyer-client, buyer-supplier, and other agency relationships. Sindhuja, Monisha, & Padmavathi (2015) described that Agents have a typical set of features. The main features of agents include the following:

Autonomy: The ability to make decisions independently to some degree on behalf of principal or other programs also by modifying the way in which they achieve their objectives.
Pro-activity: The capacity to pursue their own individual set goals, including by making decisions as result of internal decisions.

Re-activity: The capacity to react to external events and stimuli and consequently adapt their behavior and make decisions to carry out their tasks.

Communication and Cooperation: The ability to interact and communicate with the principal, to exchange information, receive instructions and give responses and cooperate to fulfil their own goals.

Negotiation: The capability to carry out organized conversations to achieve a degree of cooperation with customers.

Learning: Agents improve performance and decision making over time when interacting with the external environment.

Commitment: the agents are expected to be dedicated in executing their duties and keeping the interest of the principal and achieving their own goal.

2.2.2 Bank Led Theory

In an endeavor to deliver financial service to unbanked people, commercial banks are finding alternative channels. Accordingly, instated of using the conventional bank branches they offer banking services though licensed or legally accepted retail outlets. Unlike the bricks and mortar which is fundamentally limited by its cost, "branchless banking" using retail agents has become more convenient and cheaper for the unbanked people.

As a new distribution channel branchless banking allows commercial banks to offer financial services outside the traditional bank premises. For instance, mobile banking, internet banking and automatic teller machines (ATMs)—can be seen as modest extensions of conventional branch-based banking. On the other hand, agency banking is another development which is a distinct alternative to conventional branch-based banking in that a customer conduct financial transactions via retail agents instead of at bank branches or through bank employees (Lyman, Ivatury, & Staschen, 2006).

The basic essence of bank-led theory of branchless banking is that a licensed financial institution (typically a bank) delivers financial services through a retail agent, where the bank develops financial products and services, but distributes them through retail agents who handle all or most customer interaction. The bank is the ultimate provider of financial services and is the institution in which customers maintain accounts (Lyman, Ivatury, & Staschen, (2006) and Mwando, 2013).

This bank-led theory promises the potential to substantially increase the financial service outreach by using a different delivery channel (retailers/mobile phones), a different trade partners (chain store) having experience, management companies that identify, contract, equip, and monitor retail agents on behalf of the banks, and target market distinct from traditional banks. It may be significantly cheaper than the bank based alternatives (Tomášková, 2010).

In a bank led theory retail agents on the banks' behalf contact substantial number of customers and their by agent related risks arise. From a typical banking sector regulator's perspective, entrusting retail customer contact to retail agents would seem riskier than these same functions in the hands of the bank tellers in a conventional bank branch. The retail agents may operate in remote area that is hard-to reach or dangerous areas and they lack physical security systems and specifically trained personnel (Kiburi, 2016).

On top of that, lack of expert training may seem a particular problem if retail agents' wants to function beyond the typical bank tellers of the cash-in/cash-out transactions like provision of loan services. The regulators are concerned about various risks and seek to mitigate it. Of the multiple categories of risk, credit risk, operational risk, legal risk, liquidity risk, and reputation risk take on special importance when customers use retail agents rather than bank branches to access banking services (Kumar, Nair, & Urdapilleta, 2016).

In the nonbank-led theory of branchless banking, customers do not deal with a bank, nor do they maintain a bank account. In such a case the non-banks perform all the financial services and the bank's service distribution channels including its agents will not be involved. Instead, customers deal with a non-banking entity either through a mobile network operator or through prepaid card issuer-and retail agents serve as the point of customer contact. Rather than cash in, cash out or transferring fund using a bank account, customers exchange their cash for e-money stored in a virtual e-money account, which is not linked to a bank account in the individual's name (Ibid). Retail agents in the nonbank-led system also perform more or less the same basic functions as in the bankled system.

2.2.3 Financial Intermediary Theory

Financial intermediaries do contribute to economic growth through allocation of fund to high return investment. The essence of financial intermediation is playing a third party role between the lenders and borrowers in the saving-investment process. The financial intermediary becomes a party in the financing activity by simultaneously holding claims on the borrower and issuing claims to the lender.

Current theories of the economic role of financial intermediaries build on the economics of imperfect information that began to emerge during the 1970s (Akerlof, 1970; Bernanke & Blinder, 1992). The existence of financial intermediaries is explained by two strands. The first focus on the provision of liquidity and the second feature gives emphasis on financial intermediaries' ability to transform the risk characteristics of assets. In both circumstances, financial intermediation leads to a more efficient and optimal allocation of resources by reducing the cost of channeling funds from where there is a surplus to an area of high shortage (Claus & Grimes, 2003).

Financial intermediaries exist because they can reduce information and transaction costs that arise from an information asymmetry between borrowers and lenders. Financial intermediaries thus assist the efficient functioning of markets. Financial intermediaries become the central institutions which contribute to the optimal allocation of resources in an economy (Gorton & Winton, 2002).

The theory of financial intermediation states that financial intermediaries are active because market imperfections prevent savers and investors from trading directly with each other in an optimal way. As a result of market imperfection there is an informational gap that exists between savers and investors. Financial intermediaries, banks specifically, fill - as agents and as delegated monitors - information gaps between ultimate savers and investors. This is their basic function, which justifies the transaction costs they charge to parties. They also bridge liquidity issue that is the maturity mismatch between savers and investors, and facilitate payments between economic parties by providing a payment, settlement and clearing system. To ensure the sustainability of financial intermediation, safety and soundness regulation has to be put in place. Regulation also provides the basis for the intermediaries to enact in the production of their monetary services (Scholtens & Wensveen, 2003).

Andries & Cuza (2009) come up with the idea that under the agency banking arrangements, the intermediation theory provides a framework to explain the functions that the agencies perform together with financial institutions. High transaction costs, lack of complete & timely information; and the method of regulation are the reason for the

existence of financial intermediaries. The intermediation theory outlines the various functions of bank agencies that is the reduction of transaction costs which is mainly concerned with accessibility of banks for households, individuals and firms, the reduction of liquidity risk, and the provision of information. Thus, the theory implies that the level of performance of the agencies to large extent is determined by the nature of financial intermediaries' functions the agents execute according to (Scholtens & Wensveen, 2003).

2.3 Empirical Literature Review on Performance of Agency Banking

This section focuses on reviewing major factors affecting performance of agents. The performance of agency banking businesses has become an important area of research for regulators and policy makers. Comparatively almost no rigorous and in-depth research, however, has been undertaken on the issues of performance of bank agents especially in Ethiopia.

Performance is defined as an accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed (Bierbusse & Siesfeld, 1997). The primary dictionary meaning of performance is the act of performing; of doing something successfully; using knowledge as distinguished from merely possessing it. It is an end result of an activity. Performance has a linkage with the individual potential accompanied by its implementation capacity. Managing individual potential becomes the input to the productive process and performance is the output or the end result.

Organizational performance is the accumulated end results of all the organization‘s work processes and activities where managers are concerned. Organizations, work units, or work groups want to achieve high levels of performance, no matter what goals are being pursued, because it leads to better asset management, increased ability to provide customer value, and improved organizational learning and enhanced organization‘s reputation to a greater extent (Performance Management, n.d.). Achieving high levels of organizational performance is important in both the short run and long run and hence, it is imperative to understand and have broad knowledge on factors that affect performance. Performance is a function of several forces, internal as well as external to the individual, teams, or organizations.

Kibera (1996) stated that the internal factors are largely under the control of the management of a business enterprise. Such factors as tangible business resources, workers, management, competencies, production, marketing and strategic choices are so strong conventional contributors to the effective and efficient operation of any business. A business internal environment plays the most significant part in charting out the direction and the unique qualities that define it from others (Kibera, 1996)**.**

Cooper, Gimeno-Gascon, & Woo (1994) examined various factors that influence business performance and he categorized as: experience, education, occupation of parents, gender, race, age, and entrepreneurial goals. Managing the internal environment is usually connected to the degree of performance achievement of a business entity (Dragnić 2014).

Thibault, Wilcock and Kanetikar (2002) noted that factors influencing business performance could be attributed to personal factors like demographic variables and business factors such as amount of financing, use of technology, age of business, operating location, business structure and number of full-time employees as important factors in examining the performance of small-scale business. The most comprehensive summary of factors influencing performance as indicated by Theo and Chong (2007) include: individual characteristics, parental influence, business motivation and goals, business strategies, goals and motives, networking, entrepreneurial orientation and environmental factors.

Exogenous factors that are beyond the business's immediate control have an effect on the business growth; such factors include system reliability, competition, price changes, social factors, the legal and political environment. The external environment primarily affects the survival and the growth of business entities (Covin & Slevin, 1989).

Like other business enterprises, agency banking performance is also affected by numerous factors. Afande & Mbugua (2015) have shown that the four factors namely, availability of liquidity, geographical coverage, costs and security of agent banking services have a positive and significant relationship to financial inclusion. Maina & Willy (2014) independently concurs with this and found that security and liquidity availability influence the uptake of agency banking by customers in commercial bank in Kenya. In

addition, most customers had experienced a transaction failure in agent banks and lack of liquidity. The security of agent banks was bad. It was also revealed that agency banking centers experienced equipment malfunctioning and errors during a transaction very often.

In related studies undertaken in Malaysia, Malek, Mohtar, & Ariffin (2017) come up with a finding that agent experience is the highest contribution to the financial inclusion performance beside the other characteristics, namely agent attitude and the agent core business. Experience is shown to be an important factor driving the performance of firms with the number of previous related jobs positively linked to new firm performance (Marvel & Lumpkin, 2007).

Muigai (2015) conducted a similar study and found that there was a strong positive relationship between agency banking and the development in the banking sector. The financial depth, operational efficiency, stability and access have significant contribution for the development in the banking sector.

Githae, Gatauwa, & Prof. Mwambia (2018) in a study to reveal the factors affecting uptake of agency banking services among customers in rural Kenya identified bank agent skills, location and confidentiality were found to be statistically significant and affects agent performance. In addition, the study concluded that fraud likelihood affects uptake of agency banking services by rural community and it had a negative relationship with the uptake of agency banking services. Cromie and John (cited in Kyenze 2016) concluded that starting a business is different from managing since the skill required are different from the skills for starting. The skill level of the organization is important in growth of a small business. The technical and managerial skills add more to performance.

Ndung'u, Okibo, & Nyang'au (2015) in a study aimed at exploring the factors affecting performance of banking agents in Kenya found that cost of financial services and financial literacy were the major factors affecting performance of banking agents. It had a strong positive correlation between financial literacy and cost of financial service with the performance of banking agents. A similar study conducted by Tefera (2018) in Ethiopia reveled that agents' performance was mainly determined by reward followed by financial cost and financial literacy consecutively. Tefera (2018) adds reward as one of the major

main factors in determining the performance of an agent. Numerous studies have shown positive results on the effect of reward structures on the performance measure. Armstrong (2006) further mentioned that reward practice will enhance motivation, commitment, increase job engagement and develop discretionary behavior.

Ndung'u, Okibo, & Nyang'au (2015) also concluded that network strength also affected security of funds through compromising integrity of the system and it had also a strong positive correlation with the performance of banking agents. The study concluded that incidences of frauds affect customer's confidence on services offered by banking agents and it had a positive correlation with performance of banking agents. However, Tefera (2018) has clearly shown that fraud and network capability have no relation and insignificant effect on agents performance.

Atandi (2013) in a study conducted to reveal the challenges which are hindering the rural people of Kenya from benefiting from agent banking identified a lack of mobile network services a major issue. System interruptions also impact operational efficiency of agents.

2.4 The Gaps in the Literature Review

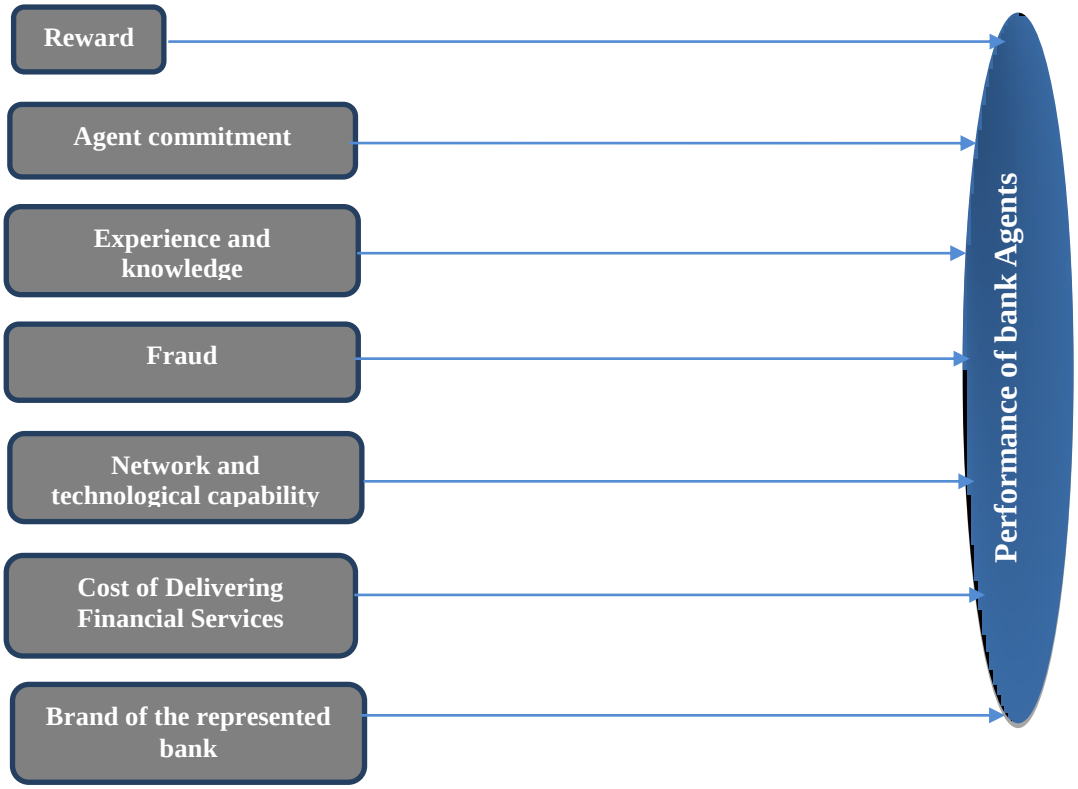
This section point out the gap that has emerged as a result of the theoretical and empirical work on factors determining the performance of bank agents in Ethiopia. The theories discussed previously reveled that agency business involves third party and its performance is affected by various internal and external factors. In agency banking customers have direct contractual relationship with regulated financial institutions through transaction accounts such as savings accounts, loans, or combinations thereof. With agency banking, larger geographical places are accessing financial services. It has improved financial accessibility and inclusion especially for the lower income group who could previously not access formal banking services.

From the previous studies done, performance of agents has been affected by infrastructure and security, reward, operation costs, and experience. Accordingly, it is important to know factors that play a major role in determining performance of agents particularly in Ethiopia. This research seeks to look at more variables-seven in number, all combined to fill or address this gap.

2.5 Conceptual Framework

The conceptual framework helps the reader to easily understand the relation between the variables understudy. It attempts to examine and explore the factors affecting performance of agent banking. The figure below shows the conceptual framework of this research. It is conceptualized that the performance of agents is influenced directly by agent commitment, experience and knowledge, fraud, network and technological capability, cost of delivering financial services and brand of the represented bank. The performance of banking agents, which is the dependent variable, can be measured by the number of transactions conducted by banking agents, the amount of commissions earned by agents as well as the number of accounts opened by agents. The study will determine the effects of independent variables on the dependent variable that is performance of agents in Ethiopia.

Fig 2.1: Conceptual Framework of the Study



Source: Adapted and modified from Ndung'u, Okibo, & Nyang'au (2015).

2.6 Hypothesis of the Study

In light of the objectives articulated above, the following seven hypotheses (H_{ai}) are identified:

H_{a1}: Reward has a positive and significant effect on performance of bank agents.

H_{a2}: Agent's commitment has a positive and significant effect on performance of bank agents.

H_{a3}: Agent's experience and knowledge have a positive and significant effect on performance of bank agents.

H_{a4}: Network & technological capabilities have a positive and significant effect on performance of bank agents.

H_{a5}: Fraud has a negative and significant effect on performance of bank agents.

H_{a6}: Brand of the represented bank has a positive and significant effect on performance of bank agents.

H_{a7}: Costs of delivering financial services has a negative and significant effect on performance of bank agents.

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1 Introduction

This section discusses the research methodology used for the study. It describes the research design that is employed; the procedures applied; the target population considered; the sample size and sampling techniques used; data collection and the instruments used as well as the data analysis and presentation techniques.

3.2 Research Design

Research design is simply the strategy of shaping the research or the framework for study that is used as a guide to collect and analyze data. It is also a blue print specifying the methods and procedures the researcher uses for collecting and analyzing the needed information out of the study (Pandey P. & Pandey M., 2015). The study used descriptive research designs in order to investigate factors that determine performance of bank agents. It attempts to gather quantifiable information that can be used to statistically analyze a target audience or a particular subject. Descriptive research designs helps to answer questions of who, what, when, where, and how associated with a particular research question or problem. Besides, it does not attempt to answer "why" and is not used to discover inferences, make predictions or establish causal relationships. It is really correlational or observational, and not truly experimental.

This study adopted quantitative approaches to data collection and analysis; which in turn enables to obtain information concerning the current status of the phenomenon and to depict the extent of the variables in determining agent performance.

3.3 Target Population and Sampling Design

3.3.1 Target Population

Target population refers to the entire group of individuals or objects to which researchers are interested in generalizing the conclusions. The target population of this research consists all agents of United Bank S.C. operating both in Addis Ababa and regional towns or rural areas of Ethiopia. Accordingly, United Bank had a total of 435 agents as of

December 2018, of which 192 were found in Addis Ababa and the remaining 243 were located at different corners of the country.

3.3.2 Sampling Design

Sampling is a technique (procedure or device) employed by a researcher to systematically select a relatively smaller number of representative items or individuals (a subset) from a pre-defined population to serve as subjects (data source) with the purpose of estimating the characteristics of whole population.

3.3.2.1 Sampling Frame

A sampling frame is defined as a list of all the units of the population of interest (Akhilesh & Balasubrahmanyam, 2009). It is essential for selecting the elements of the target population. The unit of selection determines the frame and also the probability of selection at the last stage. This study was conducted on bank agents that have started operation with United Bank. The total number of agents that have started operation reached 385 as at December 31, 2018.

3.3.2.2 Sampling Technique

When the population of the study is too large for a complete census to be taken, it becomes crucial to take a sample out of it for an effective research. Convenience sampling is a non-probability sampling technique where bank agents are selected because of their convenient accessibility and proximity to the conventional bank branches. In addition, it is selected just because it is fast (less time consuming), inexpensive, easy to access, and the agents are readily available.

A non-probability convenience sample was drawn from agents located in different regions that include Tigray, Oromia, Southern Nations Nationalities and People Region (SNNPR), Amhara regions and also two administrative states (Addis Ababa City administration and Dire Dawa city council).

3.3.2.3 Sample Size

According to Akhilesh & Balasubrahmanyam (2009), a number of formulae have been devised for determining the sample size depending upon the availability of information.

For this study the sample size was determined using the formula proposed by Yamane (1967), which is widely used by numerous researches. The formula is given below.

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

Where, n is sample size, N is the population size and e is the level of precision. A 95% confidence level is assumed and e = 0.05.

$$n = \frac{385}{1+385(0.05)^2}$$

$$n = \frac{385}{1.963}$$

$$n = \underline{196}$$

Thus, from the target population of 385 agents the researcher selected 196 agents as a sample by using proportional stratified random sampling technique. The sample size for this study is, therefore, 196 which is considered as representative and also large enough to allow for precision, confidence and generalizability of the research findings.

3.4 Data Collection Method

The data was primarily collected through survey using questionnaires. The questionnaire was structured in line with the research questions. It consists both open ended and closed questions covering all the variables under study. The Likert scale types of questions were used to determine the respondent's attitudes or feelings about a given subject/matter. The open ended questions allowed free responses from the respondents without providing or suggesting any structure for the responses.

The final date for collection of data was March 31, 2013. Data was then organized and entered into the Statistical Package for the Social Sciences (SPSS), Version 25.

3.5 Research Procedures

In line with the research design, the study adopted questionnaire as the data collection tool. A few questionnaires were administered to a few agents before the actual data collection exercise. The questions was reviewed and revised to incorporate the issues escalated during the pilot test. The drop and pick later method were employed when receiving the questionnaires from the respondents.

3.6 Validity and Reliability of Instruments

3.6.1 Validity

The validity of the measurement instrument of the study was ensured with the help of an accepted theoretical constructs allied to the measurements valid to evaluate factors affecting performance of bank agents. The instrument was reviewed for content validity by three experts of agent banking section of the Bank. Feedback from the experts resulted in adjustments to the instrument. The major adjustments were to shorten the length of the statements, taken out non relevant items and overall appearance in formatting the items. After the initial development of the questionnaire, it was pilot-tested in six city branches. Twenty respondents have been selected randomly for the pilot test. The feedback from the pilot testing was further reviewed, and adjustments to the instrument were made. In addition, the whole look of the instrument was streamlined.

3.6.2 Reliability

Reliability refers to the consistency of a measure. It is concerned with the consistency or stability of the score obtained from a measure overtime and across settings or conditions. If we attain the same result repeatedly the measure is considered reliable. In order to know whether the questionnaire is understandable by the respondent or not and to measure the reliability of the instruments used, Cronbach's alpha was employed. Cronbach's coefficient alpha ranges from 0 to 1, and the values closer to 0 imply that the items do not measure the same construct and values closer to 1 is more reliable. Cronbach use the following rules of thumb to describe Cronbach's alpha (Stephanie, 2014).

Table 3.1: Rule of Thumb of Cronbach's Alpha

Cronbach's Alpha	Description
>= .9	Excellent
>= .8 but < .9	Good
>= .7 but < .8	Acceptable
>= .6 but < .7	Questionable
>= .5 but < .6	Poor
<= .5	Unacceptable

Source: Stephanie, 2014.

The pilot test has shown Cronbach's alpha result of above 0.7. It indicates that the instrument is reliable and acceptable.

Table 3.2: Reliability Statistics

Variables	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
Agent Experience and Knowledge	.821	.822	6
Cost of Delivering Financial Services	.680	.680	5
Reward	.849	.849	4
Fraud	.770	.774	5
Network and Technological Capability	.846	.843	5
Agent Commitment	.896	.896	6
Brand of the Represented Bank	.854	.857	3

Source: Survey, 2019.

3.7 Data Analysis

After the collected data was coded and cleaned and entered, it becomes subjected to a serious of statistical techniques to answer the empirical research questions and the hypothesis governing this study. Descriptive statistics was employed to analyze quantitative data using charts and tables. Frequencies or means was converted to percentages so as to ease interpretation, analysis of the data, and presentation of the findings of the research.

Moreover, inferential statistics was employed in the study analysis. The correlation test was done to know the degree of relation or association between variables and the multiple regression analysis was also applied to determine the significance or extent of association of predictor variables.

CHAPTER FOUR

4. RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the research findings. The analysis of the survey results is categorized in two major parts namely, descriptive and inferential statistics analysis. The descriptive statistics such as frequency, percentage, mean and standard deviation were used to analysis the data and effectively measure magnitudes, relation, trends, and the like. Inferential statistics is also used to make judgments and generalizations on the study. The regression model was preceded by relevant diagnostic tests.

Response Rate

A total of 196 questionnaires were distributed to agents of United Bank found all over the county. Out of the total questionnaires deployed to collect data, 174 were returned with full information successfully. Hence, the questionnaire, which is coded and analyzed, had represented 89% response rate. This high response rate increases confidence for the generalization of the study findings. The response rate is presented as shown below.

Table 4.1: Response Rate of Questionnaire

Number of Questionnaire Returned	Target Number of Respondents	Response Rate (%)
174	196	88.8

Source: Own Survey, 2019.

4.2 Descriptive Statistics Analysis

In this study, descriptive statistics was used as a way to analyze the mean and standard deviation regarding the main variables included in the study. The researcher used descriptive statistics to examine the perception of agents on the factors that determine their performance. The summary of the descriptive statistics result shown below includes all the study variables which is evaluated based on a 5-point scale (where 1 = strongly disagree, 2 = disagree, 3 = moderately agree, 4 = agree, and 5 = strongly agree).

Table 4.2: Descriptive Statistics

	N	Mean	Std. Deviation
Agent experience and knowledge	174	3.1852	.87857
Fraud	173	3.3880	.62827
Network and technological capability	173	3.4323	.81397
Agent commitment	174	3.3283	.74098
Brand of the represented bank	174	3.5595	.86540
Cost of delivering financial services	174	3.1667	.77460
Reward	174	3.1778	1.09314
Performance of agents	174	3.6494	1.16206

Table 4.2 indicates that effect of brand of the represented bank has the highest mean value, followed by network and technological capability and fraud. Effect of financial cost has the least mean value followed by reward. Overall, it is deduced from table 4.2 that respondents were moderate in evaluating the factors that affect agent performance.

4.2.1 Effect of Agent Experience and Knowledge on Performance

Experience and knowledge is considered as an essential element that agents need to ensure in order to carry out business in an advanced way. The study set out to examine the effect of agent experience and knowledge on the performance of agent banking. According to table 4.2, the perception of agents regarding the effect of experience and knowledge of agency banking on performance is rated as moderately agreed. The result shows that the mean score of experience and knowledge is 3.19. It has also a standard deviation of 0.88, showing high consistency or uniformity of the data. This modest mean value of agent experience and knowledge implies that the agents as well as the Bank's attempt in enhancing agents' execution capability could be further improved to a higher level. Knowledgeable and skilled agents contribution is undeniable for higher performance of agent banking services. Thus, the Bank needs to improve the current level of knowledge and skills of agents so as to make agents more competent and capable which results an impact in their performance.

4.2.2 The Effect of Fraud

The study sought to examine the effect of fraud on the performance of banking agents. The level of fraud occurrence in agent banking business is one of the elements that affect the performance of agents. According to the results of the study, the agents' perception of conning and theft from both employees and fraudsters and its effect on performance of agents is moderate. The agents' perception on the effect of fraud has a mean score of 3.39. In addition, the standard deviation is very low (0.63) indicating the consistency of the data that spreads close to the mean. This moderate effect signals that there is a potential risk that fraud will affect the activities of agents. This also implies that the Bank as well as the agents should make an endeavor to minimize fraud exposures sustainably.

4.2.3 Effects of Network and Technological Capability on Agents' Performance

The study also revealed the subsequent effect of network and technological capability on the performance of banking agents. The aforementioned table 4.2 shows that the effect of network and technological capability has a mean of 3.43 and standard deviation of 0.81. This indicates that the bank agents have moderately agreed that network and technological capabilities has an effect on the performance of agents. In addition, the respondents disclosed that in some rural areas especially in regional small towns/villages, the network problem has affected their performance. Nowadays, the technology used by the Bank and the telecom infrastructure or network coverage is improving although further development and updates are needed timely so as to improve the capability of agents in processing transactions timely and appropriately. Thus, improvements in network and technological capability will enhance the performance of agents.

4.2.4 Effect of Reward on Agents' Performance

The study set out to assess the effect of reward (i.e. both financial and non-financial) on the performance of bank agents. The agents were asked to rate the effect of reward on the performance of agent banking. As table 4.2 depicts the mean score of agents' perception about the effect of financial and non-financial rewards on agent performance is 3.18. The standard deviation (1.09) shows that the data was not significantly spread from each other. The research found out that agents moderately agreed on the effect of reward on

their performance. Besides, the respondents indicated that the Bank should improve the reward so as to motivate agents for a better performance.

As mentioned earlier the Bank's agents are engaged in different business activities and they may focus on their core business activities. As a result, providing better reward may initiate agents to give emphasis for agent banking business which ultimately improve their performance.

4.2.5 The Effect of Agents' Commitment on Performance

The commitment of the entire manpower of a business entity is considered as one of the internal factors that affect performance. Likewise, agents' commitment is expected to play an important role in target achievement. The study revealed that, agents' perception regarding the effect of commitment on performance is moderate with mean score of 3.33 and standard deviation of 0.74. The standard deviation shows that the data set dispersion is close to the mean.

Furthermore, the agents suggested that the Bank should follow up regularly their activity so that agents will be vigilant and this will lead to a higher performance. Some agents' expectation is high and even they want the Bank to provide the necessary information in their locality; however, agents have to give attention for agent banking business and also become committed.

4.2.6 Effect of Cost of Delivering Financial Services

The study sought to assess the effect of cost of delivering financial services on the performance of agent banking. Respondents were requested to rate the cost of operation to deliver agent banking service at their locations. The study revealed that cost of delivering financial services affect performance of banking agents moderately. As the summary of descriptive statistics indicated in table 4.2 shows the cost of delivering financial services had an effect on performance of agent banking with a mean score of 3.17 and standard deviation of 0.77. The low standard deviation indicates that we can rely on the data set as they spread close to the mean. The moderate effect of cost of delivering the financial service on agent performance implies that agents can increase their service

provision by far as the operating costs are not as such high that put pressures on their financial activities.

4.2.7 Effect of Brand of the Represented Bank

The study craves to scrutinize the effect of brand of the represented bank on the performance of agents. Respondents were requested to rate the Bank's brand and its effect on agent performance. Accordingly, the study revealed that the agents had agreed about the effect of brand of the represented bank on performance of agency banking. The result shows that the mean score of brand of the represented bank and the standard deviation is 3.56 and 0.87, respectively. This implies in agent banking business the effect of brand matters in providing service and indeed, in performance of agents. Hence, performance of agents could be further improved by keeping the brand of the Bank to upsurge sustainably. In connection with this, the respondents have also suggested that promoting services of the Bank and its brand will enhance their performance undoubtedly.

4.2.8 Performance of Bank Agents

Agents have different levels of performance as they have different capability and competencies in providing agent banking services. The research sought to reveal the perceived performance level of bank agents measured in terms of transaction and commission earned. As indicated in table 4.2 above respondents had almost agreed on their acceptable level of performance with a mean score of 3.65. The standard deviation is 1.16 indicating the consistency of the data set which is close to the mean. In connection with this, respondents mentioned that lack of regular follow up and operational support from the Bank, unsatisfactory returns on investment, poor network infrastructure, and poor awareness level of the localities played downside role in performance of bank agents.

4.3 Inferential Statistics Analysis

4.3.1 t-test results on factors affecting agent performance

A t-test is a statistic that checks whether two means (averages) are reliably different form each other. Of the main types of t-test, Independent Samples t-test is the most common form of t-test. A t-test's statistical significance indicates whether or not the difference between two groups' averages most likely reflects a real difference in the population from

which the groups were sampled. If the two-sample means are sufficiently different from each other, then the population means are stated different.

In order to interpret the t-test result first we have to look at the equality of population variance using Levene's test. The Levene's test will guided us which t-test result to be used based on the significance level (Sig.)

The decision rule for Levene's test (for $\alpha = 0.05$): If the significance level is greater than .05, then we can say that group variances are equal (not significantly different) and interpret the top row of results for t. If the significance level is less or equal to .05, then we can infer that the group variances are not equal (significantly different) and interpret the bottom row of results for t.

Once the t-test row is determined we have to look at the t-test for the equality of the means and its significance. The decision rule for assessing the t-test (for $\alpha = 0.05$): if $p > 0.05$, we assume that there is no significant difference between two groups and if $p < 0.05$, the difference between two groups is assumed to be significant.

As per the above decision rule the variance between male and female agents in their perception of the effect of reward, network & technological capability and brand of the represented bank on performance is not equal and statistically differs significantly. While there is equal variance between male and female agents regarding agent experience and knowledge, reward, cost of delivering financial services, fraud, agent commitment and performance of agents. The t-test result is summarized and tabulated based on the above decision rules.

Table 4.3 A t- test result showing sex difference for variables under study

Variables	Gender	N	Mean	Std. Dev.	Df	T	Sig. (2tailed)
Agent Experience and Knowledge	Male	121	3.2174	.87490	171	.684	.495
	Female	52	3.1173	.89872			
Reward	Male	121	3.1034	.90019	171	.561	.581
	Female	52	3.3333	1.44749			
Cost of Delivering Financial Services	Male	121	3.1852	.79734	171	.123	.902
	Female	52	3.1250	.79750			
Fraud	Male	120	3.4263	.64185	170	1.140	.256
	Female	52	3.3072	.59744			
Network and Technological capability	Male	121	3.4935	.75855	170	1.399	.166
	Female	51	3.2871	.93147			
Agent Commitment	Male	121	3.4248	.68402	171	2.658	.009*
	Female	52	3.1029	.82924			
Brand of the Represented Bank	Male	121	3.6004	.76003	171	0.807	0.423
	Female	52	3.4673	1.08080			
Performance of Agents	Male	121	3.7163	1.10274	171	1.087	0.278
	Female	52	3.5064	1.29603			

Note: The mean difference is significant at the 0.05 level.

Accordingly, on average male and female agents had almost similar perception about the effect of agent experience & knowledge, cost of delivering financial service, fraud, and brand of the represented Bank on the performance of agents with a mean difference of 0.10, 0.06, 0.12 and 0.13, respectively. These differences are not statistically significant with t (171) =.684, p > .05 for agents experience and knowledge, t (171) =.123, p > .05 for cost of delivering financial services, t (170) =1.140, p > .05 for fraud, and t (171) =.807, p > .05 for band of the represented bank, indicating that there is no perception difference between male and female agents about the effect of agent experience & knowledge, cost of delivering financial services, fraud, and brand of the represented bank on performance of agents.

The table above shows female agents had higher perception on the effect of reward and network & technological capability on performance of agents and on agent performance itself with mean difference of 0.23, 3.29, and 0.21, respectively. These differences are not

statistically significance since all p-value are greater than .05 (p >.05). This indicates that there is no significance perception difference between male and female agents towards the effect of reward and network & technological capability on agent performance and performance of agents itself.

On the other hand, male and female agents had reveled significance difference in their perception on the effect of agent commitment on performance of agents with mean and standard deviation of (M=3.42, SD = .684) and (M=3.10, SD = .829), respectively. This difference is statistically significant with t (171) =2.658, p <.05, indicating that there is significance difference between male and female agents towards the effect of agent commitment on performance of agents.

4.3.2 One Way ANOVA results on the factors affecting agent performance based on age group, marital status, education level and work experience

The one-way analysis of variance (ANOVA) is useful when we want to look at and compare more than two groups of data. As mentioned earlier, we can use t-tests to compute and know a significance test on the difference between the mean score of two different groups of data, but we need a different kind of test when comparing three or more groups. The study seeks out whether more than two groups of data are different or not.

The one-way ANOVA is used to determine whether there are any statistically significant differences between the means of three or more independent (unrelated) groups. It also compares the means between different groups that we are interested in and determines whether any of those means are significantly different from each other. If the means are significantly different, we can say that the variable under scrutiny had an effect on the variable being measured.

In order to analysis our data using one-way ANOVA, first we have to look at whether the major assumption of one way ANOVA (i.e. the homogeneity of variance) has been fulfilled or not. Hence, the Levene's test is carried out to test the homogeneity of

variances. Accordingly, in this study the homogeneity of variance assumption is considered valid when the p values is greater than 0.05 based on Levene's test.

On the other hand, the assumption of equality of variance has been violated when the Levene's test is significant. In such cases another test method or robust test of equality of variance namely, Welch's ANOVA is applied to check again the presence of significance difference between groups. Likewise, if Welch's test is again significant with p value less than 0.05, further investigation is carried out using Post Hoc testing to identify the groups that showed significant difference. Accordingly, the results of one way ANOVA are tabulated and interpreted as shown below.

4.3.2.1 A One-way ANOVA results on factors affecting performance of agents among various age groups

Table 4.4 One-way ANOVA table showing the difference on factors affecting performance of agents based on age groups

Variables	Age groups				Result		
	21-30	31-40	41-50	> 50	Df	F	P
Agent Experience and Knowledge	3.2058	3.1918	3.2413	3.1083	(3,163)	.062	.980
Cost of Delivering Financial Services	3.2857	3.0833	3.0000	3.2500	(3,163)	.225	.878
Reward	3.5000	2.8000	3.2857	3.0000	(3,163)	.682	.473*
Fraud	3.3582	3.4093	3.3629	3.7273	(3,162)	1.130	.339
Network and Technological capability	3.5294	3.3985	3.3714	3.2897	(3,162)	.506	.678
Agent Commitment	3.4468	3.2583	3.3695	3.2649	(3,163)	.795	.498
Brand of the Represented Bank	3.6500	3.5697	3.4360	3.4042	(3,163)	.544	.653
Performance of Agents	3.7585	3.5301	3.9867	3.0833	(3,163)	2.109	.101

* denotes p value based on Wetch's ANOVA.

The table above revealed that insignificant differences were found on the effect of agent experience and knowledge, F(3,163) =.062, P>.05, cost of delivering financial services, F(3,163) =.289, P>.05, reward, F(3,163) =.682, P>.05, fraud, F(3,162) =1.130, P>.05,

network and technological capability, F(3,162) =.506, P>.05, agent commitment, F(3,163) =.795, P>.05, and brand of the represented bank, F(3,163)=.544, P>.05 on agent performance based on age groups. In addition, they have also no significant difference in their perception about the overall performance of agents.

4.3.2.2 A One-way ANOVA results on factors affecting performance of agents among various marital status

Table 4.5 One-way ANOVA table showing the difference on factors affecting performance of agents based on marital status

Variables	Marital Status			Result		
	Single	Married	Divorce	Df	F	P
Agent Experience and Knowledge	3.1214	3.2596	3.5000	(2,165)	.595	.553
Cost of Delivering Financial Services	2.6915	3.0711	3.2000	(2,165)	4.123	.018**
Reward	3.3750	3.0857	2.7222	(2,165)	.428	.653*
Fraud	3.3116	3.4477	3.1250	(2,164)	1.090	.339
Network and Technological capability	3.4350	3.4672	3.3333	(2,164)	.060	.942
Agent Commitment	3.3059	3.3789	3.3333	(2,165)	.173	.841
Brand of the Represented Bank	3.6510	3.5884	3.9333	(2,165)	.336	.876*
Performance of Agents	3.7007	3.6494	4.1111	(2,165)	.258	.773

* denotes p value based on Wetch's ANOVA

** The mean difference is significant at the 0.05 level.

According to ANOVA output, agents exhibited significantly difference on the effect of cost of delivering financial service, F (3,276) =4.917, P<.05 on performance of agents based on marital status. Besides, the Post Hock testing result shows that there is statistically significant difference between single and married groups on the effect of cost of delivering financial services.

The aforementioned table precisely shows that there is insignificant difference among various marital status groups on the effect of agent experience and knowledge, F(2,165) =.595, P>.05, reward, F(2,165) =.428, P>.05, fraud, F(2,164) =1.090, P>.05, network and technological capability, F(2,164) =.060, P>.05, agent commitment, F(2,165) =.173,

P>.05, and brand of the represented bank, F(2,165)=. 336, P>.05 on agent performance. This indicates that considering the marital status of the agents' material difference has not been seen on the effect of agent experience and knowledge, reward, fraud, network and technological capability, agent commitment and brand of the represented bank on the performance of agents.

4.3.2.3 A One-way ANOVA results on factors affecting performance of agents based on Education Level

Table 4.6 One-way ANOVA table showing the difference on factors affecting performance of agents based on Education Level

Variables	Education Status					Result		
	High School Certificate	Diploma	Degree	Masters and Above	Below High School	Df	F	P
Agent Experience and Knowledge	3.0977	3.1207	3.6054	3.8061	2.6667	(4,155)	5.283	.001**
Cost of Delivering Financial Services	3.0000	3.7500	3.0000	3.0000	5.0000	(4,155)	2.503	.066
Reward	3.2941	3.3333	2.5000	2.5000	3.5000	(4,155)	1.082	.380
Fraud	3.3017	3.4811	3.5250	3.5519	3.1647	(4,154)	1.391	.240
Network and Technological capability	3.3842	3.5488	3.5024	3.6169	3.3968	(4,154)	.371	.829
Agent Commitment	3.3287	3.3760	3.4564	3.5114	3.1806	(4,155)	.430	.787
Brand of the Represented Bank	3.5415	3.5829	3.6875	3.6909	3.7222	(4,155)	.258	.905
Performance of Agents	3.7345	3.6016	3.7167	3.8485	3.3704	(4,155)	.311	.870

** The mean difference is significant at the 0.05 level.

There was a significant difference among the different groups of education levels about the effect of agent experience and knowledge, F (4,155) = 5.283, p<0.05 on agent performance. In addition, the Post Hoct testing reveled that significant difference between first degree and high school certificate, first degree and below high school, and masters and below high school have been found on the effect of experience and knowledge on

agent performance. This finding indicate agents who have either first degree or masters & above believed that knowledge and experience have high effect on agent performance compared to agents with high school and below educational level status.

According to ANOVA output, insignificant differences were found on cost of delivering financial services, F(4,155) =2.503, P>.05, reward, F(4,155) =1.082, P>.05, fraud, F(4,154) =1.391, P>.05, network and technological capability, F(4,154) =.371, P>.05, agent commitment, F(4,155) =.430, P>.05, and brand of the represented bank, F(4,155)=.258, P>.05 on agent performance based on educational level. This demonstrates that agents with different education level have the same perception towards the effect of cost of delivering financial services, reward, fraud, network and technological capability, commitment, and brand of the represented bank on agent performance.

4.3.2.4 A One-way ANOVA results on factors affecting performance of agents based on work experience

Table 4.7 One-way ANOVA table showing the difference on factors affecting performance of agents based on work experience

Variables	Work Experience				Result		
	Below 1 year	1 up to 2 years	2 up to 3 years	Above 3 years	Df	F	P
Agent Experience and Knowledge	3.0115	3.2030	3.4600	3.1252	(3,164)	1.664	.177
Cost of Delivering Financial Services	3.2222	3.3333	2.8571	3.1250	(3,164)	.559	.281*
Reward	3.3077	3.3750	2.8571	3.0000	(3,164)	.481	.697
Fraud	3.2819	3.3818	3.4863	3.3969	(3,163)	.673	.570
Network and Technological capability	3.2664	3.5825	3.3786	3.4095	(3,163)	1.315	.271
Commitment	3.3547	3.3697	3.3512	3.1872	(3,164)	.505	.679
Brand of the Represented Bank	3.4469	3.5500	3.7233	3.6100	(3,164)	.678	.567
Performance of Agents	3.2639	3.6000	4.0333	3.8476	(3,164)	3.278	.025*

* denotes p value based on Wetch's ANOVA

Note: The mean difference is significant at the 0.05 level.

The table above revealed that there was a significant difference between agents on their level of performance, F (3,164) =3.278, p<0.05 based on work experience. Furthermore, the Post hoct testing reveled that statistically significant difference has been observed between groups of below one year experience and with those having experience of 2 up to 3 years on agent performance. The findings indicate that agent performance is high for experienced agents.

According to ANOVA output in the table above, insignificant differences were found on cost of delivering financial services, F(3,164) =.559, P>.05, agent experience and knowledge, F(3,164) =1.664, P>.05, reward, F(3,164) =.481, P>.05, fraud, F(3,163) =.673, P>.05, network and technological capability, F(3,163) =1.315, P>.05, agent commitment, F(3,164) =.505, P>.05, and brand of the represented bank, F(3,164)= .678, P>.05 based on work experience of agents. This indicates that agents with different work experience exhibited same perception towards the effect of cost of delivering financial services, agent experience and knowledge, reward, fraud, network and technological capability, commitment, and brand of the represented bank on the performances of agents.

4.4 Correlation Analysis

Correlation analysis is used to measure the degree of association between different variables considered in the study. Correlation is a statistical measure that explains the strength of the relation between two variables. Pearson correlation is the most widely used correlation statistic method that measure the strength of the linear relationship between two variables (Hair, Money, Samuel, & Page, 2007). Accordingly, Pearson correlation is applied in this study to determine the relationship between the variables under study.

The coefficient of Pearson correlation shows the direction, strength and significance of the relationships among the variables. The value of a Pearson‘s correlation can range from absolute value 1 to 0. The closer the value to 1 means the stronger the relationship. Many scholars disagree on the cut of line or in choosing boundaries. As a rule of thumb, the following guidelines on strength of relationship between variables have been used based on absolute size of the correlation coefficient (Ibid).

Table 4.8: Correlation Coefficient Size

Coefficient Range	Strength of Association
±0.91 to ±1.00	Very strong
±0.71 to ±0.90	High
±0.41 to ±0.70	Moderate
±0.21 to ±0.40	Small but definite relationship
±0.00 to ±0.20	Slight, almost negligible

Note: Assumes correlation coefficient is significant.
Source: Hair, Money, Samuel, & Page, 2007.

The study measured the degree of association between the independent variables namely, agent experience and knowledge, cost of delivering financial services, reward, fraud, network and technological capability, agent commitment, and brand of the represented bank and the dependent variable that is performance of agents. Table 4.9 presents the correlation coefficients for all the variables considered in this study.

Table 4.9: Correlation Results Between Variables

		Mean performance
Agent experience and knowledge	Pearson Correlation	.618*
	Sig. (2-tailed)	.032
	N	174
Fraud	Pearson Correlation	-.113
	Sig. (2-tailed)	.727
	N	173
Network and technological capability	Pearson Correlation	.809**
	Sig. (2-tailed)	.001
	N	173
Agent commitment	Pearson Correlation	.714**
	Sig. (2-tailed)	.009
	N	174
Brand of the represented bank	Pearson Correlation	.606*
	Sig. (2-tailed)	.037
	N	174
Reward	Pearson Correlation	.897*
	Sig. (2-tailed)	.042
	N	174
Cost of delivering financial services	Pearson Correlation	-.499
	Sig. (2-tailed)	.099
	N	174
Performance	Pearson Correlation	1
	Sig. (2-tailed)	
	N	174

*. Correlation is significant at the 0.05 level (2-tailed).

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

The correlation results reveled that agent experience and knowledge had moderate positive relationship with performance of agents. The correlation coefficient (r) is .618* which is statistically significant (P<0.05). This indicates that agents with better experience and knowledge will be able to deliver more services and this will ultimately led to a higher performance of agents. This analysis agrees with Cooper, Gimeno-Gascon, & Woo (1994) findings that experience and education had an influence on business performance. Likewise, Marvel and Lumpkin (2007) establishes the relation between experience as an important factor driving the performance of firms with the number of previous related jobs positively linked to new firm performance. Malek, Mohtar, &

Ariffin (2017) also come up with a finding that agent experience is the highest contribution to the financial inclusion performance beside the other characteristics, namely agent attitude and the agent core business. Furthermore, it is also important to note that Ndung'u, Okibo, Nyang'au (2015) and Tefera (2018) found out that there is a strong positive correlation between financial literacy with the performance of banking agents.

Fraud and agent performance has slight or almost negligible negative relationship. The correlation coefficient is also statistically insignificant ($r = -.113$, $P > 0.05$). The negative correlation indicates the extent to which agent performance decreases as the fraud level increases. This result is contrary to the findings of both Ndung'u, Okibo, Nyang'au (2015) and Tefera (2018) who come up with the conclusion that fraud and performance of banking agents has moderate positive correlation. Considering the existing fact fraud threats erodes the trust of financial institution as well as agents which is expected to influence performance the other way around.

Nowadays, the banking service has become more digitalized and dependent on telecom infrastructure. Network and technological capability had the second most significant and high relationship ($r = .809^{**}$, $P < 0.01$) with performance of agents. This result is consistent with the findings of Ndung'u, Okibo, & Nyang'au (2015) and Tefera (2018) who examined the presence of a positive correlation between network capability or networking with the performance of banking agents. As technology continues to be an important element in financial service delivery, building the technological capability and improving the network capacity has paramount significance for an improved performance.

The study also established that the commitment of agents impact performance of agent banking business positively and significantly ($r = .714^{**}$, $P < 0.01$). This finding implies that more commitment of agents leads to a better performance. The literature also supports that commitment is one of the main features of agents and they are expected to be dedicated in executing their duties and keeping the interest of the principal and achieving their own goal (Sindhuja, Monisha, & Padmavathi, 2015).

The study result shows that brand of the represented bank had a positive highly significant relationship with performance of agent banking business with a coefficient of .606* and p value of 0.037. This could be attributed to the fact that banks in Ethiopia have different image or recognition.

The study also found a moderate negative correlation between cost of delivering financial services and agent performance even though statistically it is insignificant ($r = -.499$, $p > 0.05$). There is enough literature support that confirms cost is basic challenge for expansion of banking services since the operation (transaction numbers and volumes) does not cover the cost of a branch particularly in rural areas. Contrary to what has been found in this study, Ndung'u, Okibo, & Nyang'au (2015) and Tefera (2018) reached on the conclusion that cost of delivering financial services had positive and significant impact on agents' performance.

The finding on table 4.9 above revealed that the highest significant positive relationship is found between reward and performance of agents. The correlation coefficient ($r = .897*$, $p < 0.05$) depicted that the extent of the relation between reward and agent performance is almost very strong. This indicates that increasing the reward will result in an increment in performance. This result concurs with Tefera's (2018) finding that reward and agent performance has strong positive correlation. Reward is important to enhance agents' persistent performance by encouraging extra efforts and hard work.

On the whole, the study indicated that most of the independent variables namely, agents experience and knowledge, network and technological capability, brand of the represented bank, agent commitment and reward had a significant and positive correlation with the performance of agents, while fraud and cost of delivering financial services had insignificant and negative correlation.

4.5 Regression Analysis

Regression analysis is a statistical measurement used for estimating the relationships among variables. It enables to determine the strength of the relationship between variables and the predictive power of the independent variables on the dependent variable. In short, regression helps a researcher understand to what extent the change of the value of the dependent variable causes the change in the value of the independent variables, while other independent variables are held unchanged. Regression analysis is a way of statistically sorting out the variables that have indeed an impact. While there are many types of regression analysis, at their core they all examine the influence of one or more independent variables on a dependent variable.

4.5.1 Assumptions Testing in Multiple Regression

Prior to conducting a regression analysis, the basic assumption tests for the mode must be carried out. This is a compulsory precondition in explaining the relationships between dependent and explanatory variables. Five major assumptions namely, normality distribution test, linearity, multicolinearity, homoscedacity and autocorrelation must be checked and proved to be met reasonably well. Each test is explained below:

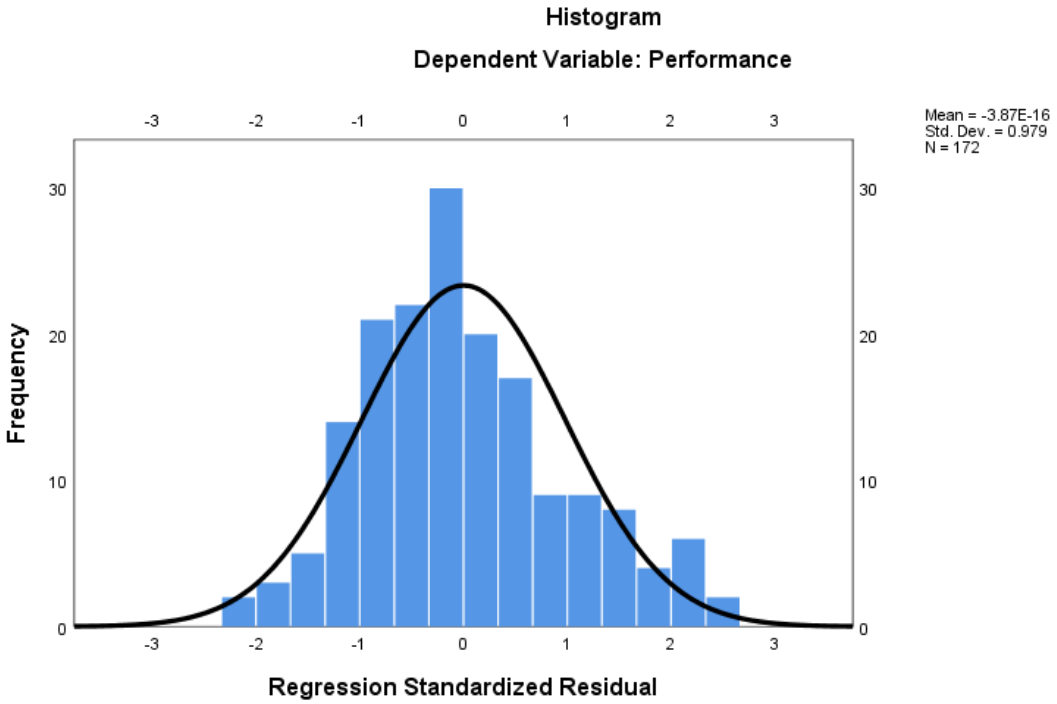
4.5.1.1 Normality Distribution Test

Multiple regressions require the independent variables to be normally distributed. This means that errors are normally distributed, and that a plot of the values of the residuals will approximate a normal curve (Keith, 2006).

Frequency distribution comes in many different shapes and sizes. Therefore, it is quite important, to have some general description for common types of distributions. In an ideal world our data would be distributed symmetrically around the center of all scores. As such, if we draw a vertical line through the center of the distribution then it should look the same on both sides. This is known as a normal distribution and is characterized by bell-shaped curve. This shape basically implies that the majority of scores lie around the center of the distribution (Field, 2006).

The normal distribution graph was shown on Fig 4.1 below and revealed that the assumption of normality of has been met.

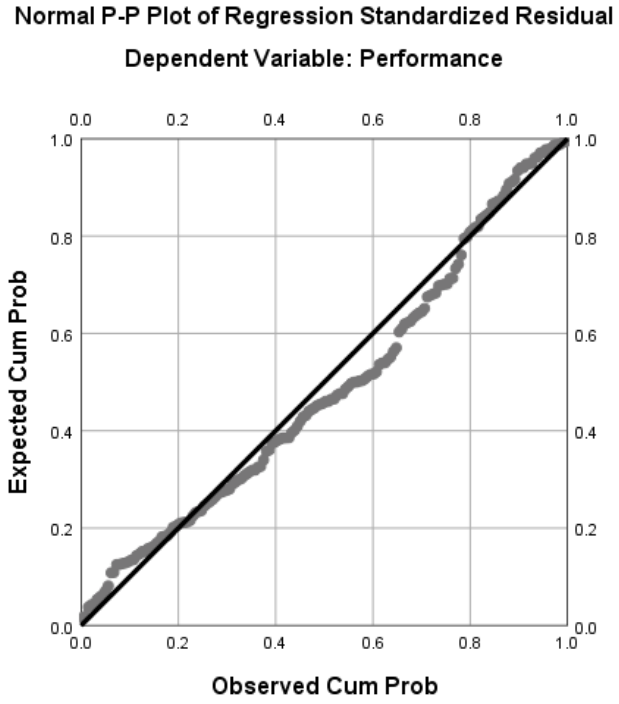
Fig 4.1: Histogram



4.5.1.2 Linearity Test

The linearity of associations between the dependent and independent variables can be tested by looking at the P-P plot for the model. The closer the dots lie to the diagonal line, the closer to normal the residuals are distributed. As depicted in the below graph, the visual inspections of the p-p plot revealed that there exist linear relationship between the dependent and independent variables.

Fig 4.2: P-P Plot of Regression Standardized Residual



4.5.1.3 Multicollinearity Test

Multicollinearity exists when there is strong correlation between two or more predictors in a regression model (Saunders, Lewis, & Thornhill 2007). There should be no perfect linear relationship between two or more of the predictors. If there is a high degree of correlation between independent variables, we have a problem of what is commonly described as the "problem of multicollinearity" (Kothari, 2004; Field, 2006).

Collinearity diagnostics on the variables as part of the multiple regression procedure is done using variance inflation factor (VIF) and tolerance statistics. Tolerance is an indicator of how much of the variability of the specified independent is not explained by the other independent variables in the model. If this value is very small (less than 0.10), it indicates that the multiple correlation with other variables is high, suggesting the possibility of multicollinearity (Pallant, 2010). Furthermore, the other value given is the VIF, which is just the inverse of the tolerance value (1 divided by tolerance). According to Pallant, (2010), VIF values above 10 would be a concern, indicating multicollinearity.

In this study the tolerance value for each independent variable was not less than 0.10, showing that the assumption of multicollinearity was not violated (see Table 4.10). Variance-inflation factor (VIF) has also been checked and values are found smaller, which is well below the cut-off 10, as shown in the table below. The VIF value also supported that multicollinearity is not a problem. In general, the two tests indicated that the predictors don't significantly correlate each other and hence, the assumption has been met.

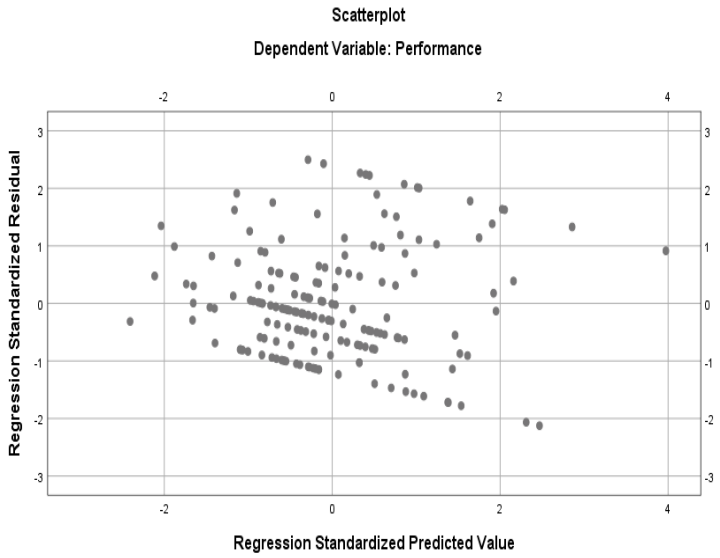
Table 4.10: Collinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Experience and knowledge	.497	2.011
	Fraud	.725	1.380
	Network and technology capability	.576	1.736
	Commitment	.578	1.731
	Brand of the represented bank	.621	1.610
	Reward	.546	1.831
	Cost of delivering financial services	.608	1.646

4.5.1.4 Homoscedasticity

The assumption of homoscedasticity refers to equal variance of errors across all levels of the independent variables (Osborne & Waters, 2002). This implies it requires even distribution of residual terms or homogeneity of error terms throughout the data. Homoscedasticity can be checked by visual examination of a plot of the standardized residuals by the regression standardized predicted value (Osborne & Waters, 2002). If the error terms are distributed randomly with no certain pattern, the problem is not detrimental for analysis. The scatterplot in Fig 4.3 shows that the standardized residuals in this research are distributed evenly which shows that no violation of homoscedasticity.

Fig 4.3: Scatterplot of standardized residuals



4.5.1.5 Auto-correlation

Autocorrelation or independence of errors refers to the assumption that errors are independent of one another, implying that subjects are responding independently Stevens (2009). Durbin-Watson statistic can be used to test the assumption that our residuals are independent (or uncorrelated). This statistic can vary from 0 to 4. For this assumption to be met, the Durbin-Watson value needs to be close to 2 (Field, 2006). Values below 1 and above 3 are problematic and causes for concern. To check this assumption we need to look at the Model Summary box presented below.

Table 4.11: Durbin Watson statistics

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.808[a]	.652	.562	.63875	2.044

a. Predictors: (Constant), Reward, Cost of delivering financial services, Fraud, Agent commitment, Brand of the represented bank, Agent experience and knowledge, Network and technological capability.

Table 4.11 above reveals that errors are responding independently, and autocorrelation is not a concern with Durbin-Watson value of 2.044. Therefore, it is possible to say the auto-correlation test has been met.

4.5.2 Multiple Regression Results

The multiple regression analysis was employed to examine the effect of individual factors namely, agent experience and knowledge, fraud, network and technological capability, agent commitment, brand of the represented bank, cost of delivering financial services and reward on performance of agents. The regression analysis is done basically to determine the values of the model fit (ANOVA), model summary (R and R^2), and the Beta coefficients.

The algebraic expression of the analytic model applied to illustrate the relationship between the dependent and independent variables is presented as shown below.

$$Y= B_0+ {}_{B1}X_1 + {}_{B2}X_2 + {}_{B3}X_3 + {}_{B4}X_4 + {}_{B5}X_5 + {}_{B6}X_6 + {}_{B7}X_7+ e$$

Where:

Y= Performance of agents (the dependent variable),

B_0 = Y intercept (Regression constant),

B1 to B7 = regression coefficients,

X_1 = agent experience and knowledge

X_2 = Fraud

X_3 = network and technological capability

X_4 = agent commitment,

X_5 = brand of the represented bank,

X_6 = cost of delivering financial services

X_7 = reward

e = the model's error term which represents other independent variables not included in this study.

The regression model outputs on the relationship between the aforementioned variables are presented in the following tables.

Table 4.12: Model Summary of the regression analysis

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.808[a]	.652	.562	.63875

a. Predictors: (Constant), Reward, Cost of delivering financial services, Fraud, Agent commitment, Brand of the represented bank, Agent experience and knowledge, Network and technological capability.

The table above illustrates the correlation coefficient, denoted by R, become 0.808 at 5% significance level. To be precise, R (the multiple correlation coefficient) shows the relationship between the study variables. Thus, the finding indicates that there was a strong relationship between the variables under consideration. The R squared is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable and the findings in the above table revealed that the value of R squared was 0.652. It shows 65.2% variation on performance of agents' emanates from changes in agent experience and knowledge, fraud, agent commitment, brand of the represented bank, network and technological capability, cost of delivering financial services and reward. In fact it is a strong explanatory power of regression and the remaining unexplored variables may explain the variation in performance of agents.

Table 4.13: ANOVA of regression analysis

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	139.196	7	19.885	48.715	.010[b]
	Residual	67.760	166	.408		
	Total	206.956	173			

a. Dependent Variable: Performance of Agents

b. Predictors: (Constant), Reward, Cost of delivering financial services, Fraud, Agent commitment, Brand of the represented bank, Agent experience and knowledge, Network and technological capability.

The F statistic, which is also known as F- Test for overall significance in Regression, judges on multiple coefficients taken together at the same time. F – Test for overall

significance compares the intercept only regression model (i.e. model with zero predictor variable) with the current model and decides whether the added coefficients improved the model or not. If you get a significant result, then whatever coefficients you included in your model improved the model's fit. Hence, the model to be fit the p-value and f-value should both be statistically significant.

From the table above, it is attested that the value of significance (p-value) is less than 5%, showing the test is significant (the independent variables predict the dependent variable). It implies the data is ideal for making a conclusion on the population's parameter.

The F critical at 5% level of significance, 7 d.f. in the numerator and 166 d.f in the denominator was 2.06, while F computed was 48.715. Since F calculated is greater than the F critical (value = 2.06), the overall regression model is statistically significant. This tell us overall our regression analysis was statistically significant and when we take the predictors namely, agent experience and knowledge, cost of delivering financial services, reward, fraud, network and technological capability, agent commitment, and brand of the represented bank together as a group they predict performance of agents significantly.

Table 4.14: Regression Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	-6.224	2.040		-3.052	.038
	Agent experience and knowledge	.714	.245	.573	2.916	.043
	Fraud	-.320	.219	-.190	-1.463	.217
	Network and technological capability	.578	.376	.373	1.539	.019
	Agent Commitment	.143	.414	.087	.346	.747
	Brand of the represented bank	.885	.372	.353	2.378	.046
	Cost of delivering financial services	-.046	.174	-.034	-.264	.805
	Reward	.743	.150	.636	4.967	.008

a. Dependent Variable: Agent Performance

The regression model,

$Y= B_0+ {}_{B1}X_1 + {}_{B2}X_2 + {}_{B3}X_3 + {}_{B4}X_4 + {}_{B5}X_5 + {}_{B6}X_6 + {}_{B7}X_7+ e$

becomes $Y= -6.224+ 0.714X_1 + -0.32X_2 + 0.578X_3 + 0.143X_4 + 0.885X_5 + 0.046X_6 + 0.743X_7+ e$

According to the regression equation established, - 6.224 is the value of performance of agents when all of the predictor variables (agent experience and knowledge, cost of delivering financial services, reward, fraud, network and technological capability, agent commitment, and brand of the represented bank) are nil.

The standardized beta coefficients are used to determine the strong predictors of performance of agents. The standardized beta coefficients give a measure of the contribution of each variable to the model. It implies each coefficient represents the change in Y relative to a one unit change in the respective predictor variable. Thus, a large value indicates that a unit change in this predictor variable has a large effect on the criterion variable. The t and Sig (p) values give a rough indication of the impact of each predictor variable – a big absolute t value and small p value suggests that a predictor variable is having a large impact on the criterion variable.

Accordingly, the beta coefficients and the t value are higher for agent experience and knowledge, network and technological capability, brand of the represented bank and reward considering the sig (p) value. This implies the four predictors have larger effect or impact on the performance of agents compared to the other predictors.

On the other hand, the beta coefficients and the t value are small for fraud, agent commitment, and cost of delivering financial services. Besides, the p-values of these predictors ($p > 0.05$) shows their insignificant effect on the performance of agent banks. In addition, fraud and cost of delivering financial services has negative beta coefficients implies that increasing this variable would lead to a decrease in performances of bank agents. This finding has similarity with the output obtained from correlation analysis for the two variables. In contrast, the insignificant effect of agent commitment on agent performance is contrary to what was found in the correlation analysis. This indicates that

in the presence of other variables, agent commitment is not statistically associated with performance of agents.

4.6 Hypothesis Testing

Based on beta coefficients and P-value it is possible to test our hypothesis and decide either to accept or reject it.

H_{a1}: Reward has a positive and significant effect on performance of bank agents.

The results of multiple regression, as presented in table 15 above, revealed that reward has a positive and significant effect (with beta value = 0.743) on performance of agents, at 95% confidence level ($p < 0.05$). Therefore, the researcher reject the null hypothesis and accept the alternative which implies reward has a positive and significant effect on agent performance. This result is supported by Tefera (2018) who found out that reward has the highest effect on agent performance.

H_{a2}: Agent's commitment has a positive and significant effect on performance of bank agents.

As shown in table 15, the beta coefficient and p value of agent commitment has a positive but insignificant effect (with beta = 0.143) on agent performance, at 95% confidence level ($P > 0.05$). Thus, the researcher failed to reject the null hypothesis which means agent commitment has positive but insignificant effect on agent performance.

H_{a3}: Agent's experience and knowledge have a positive and significant effect on performance of bank agents.

The result of table 15 showed that the beta coefficient and p-value of experience and knowledge has positive and significant effect (beta = .714) on agent performance, at 95% confidence level ($P < 0.05$). As a result, the researcher reject the null hypothesis and accept the alternative which means agent experience and knowledge has a positive and significant effect on agent performance. A study conducted by Ndung'u, Okibo, & Nyang'au (2015) supported this finding that financial literacy were one of the major factors affecting performance of banking agents in Kenya.

H_{a4}: Network & technological capabilities have a positive and significant effect on performance of bank agents.

The results of table 15 showed that the coefficient beta and p value of network and technological capability was positive and significant (beta = 0.578, sig =.019). Thus, the researcher reject the null hypothesis and accept the alternative which signifies network and technological capability has positive relation and significant effect on performance of agents. This result contradicts with the finding of Tefera (2018) which showed network capability has no relation and significant effect on agent performance.

H_{a5}: Fraud level has a negative and significant effect on performance of bank agents.

As per the regression analysis result depicted in table 15 above, fraud has a negative relation and insignificant effect on agent performance. At 95% confidence level its beta coefficient and significance level become -0.320 and 0.217, respectively. Therefore, the researcher fail to reject the null hypothesis and accept the alternative hypothesis which connote fraud has negative relation but its effect on agent performance is statistically insignificant. Unlike a study conducted in Kenya by Ndung'u, Okibo, & Nyang'au (2015) this result is supported by the previous study of Tefera (2018) that fraud has no relation and significant effect on agent performance.

H_{a6}: Brand of the represented bank has a positive and significant effect on performance of bank agents.

Table 15 further shows that, brand of the represented bank has a positive and significant effect on agent performance with a beta value of 0.885, at 95% confidence level ($p < 0.01$). Therefore, the researcher reject the null hypothesis and accept the alternative and this implies brand of the represented bank has a positive relation and significant effect on performance of agents.

H_{a7}: Costs of financial services has a negative and significant effect on performance of bank agents.

The result of Table 15 shows that, cost of delivering financial services has a negative relation and insignificant effect on agents' performance. The beta value and significance level has become -0.046 and 0.085, respectively at 95% confidence level ($P > 0.05$). Therefore, the researcher failed to reject the null hypothesis and accept alternative hypothesis. A study conducted by Tefera (2018) found out quite the reverse that financial cost was one of the major factors that can determine agents' performance.

4.7 Discussions of Research Findings

From the findings the study revealed that there was a strong positive correlation coefficient between performance of agents and reward, agents experience & knowledge, network and technological capability, brand of the represented bank. On the other hand, fraud and cost of delivering financial services had insignificant and negative correlation.

The findings agreed with Tefera (2018) who sought to investigate determinants of agent performance in Ethiopia and found out that reward had a positive impact on performance of agents whereas, fraud has insignificant effect on agent performance. The findings were concurrent with the findings by Ndung'u, Okibo, & Nyang'au (2015) that agent experience and knowledge was one of the major factors affecting performance of bank agents. The study further revealed that brand of the represented bank has a positive and significant effect on performance of agents.

The findings also revealed network and technological capability has a positive and significant effect performance of agents while, cost of delivering financial services has a negative relation and insignificant effect. It has shown disaffirmation with the findings of Tefera (2018).

The study further revealed that agent commitment has positive but insignificant effect on agent performance. Based on this finding, some agents were approached and asked to clarify why commitment didn't affect agent performance. They responded that agent business in general is a side business. They focus on their main business since it is their main source of income. They said the beneficiaries didn't give much attention to this line of business besides, even when they make an effort there is no as such significant change in their performance.

CHAPTER FIVE

5. SUMMARY, CONCLUSION, AND RECOMMENDATION

5.1 Introduction

This chapter presents a summary of the research findings on the factors affecting the performance of bank agents. It further gives the conclusions based on the findings in chapter four and recommendations on what measures the banking industry can put in place to improve the overall performance of agents. The recommendations are forwarded based on the objectives of the study.

5.2 Summary of Findings

The study set out to analyze the factors affecting the performance of agents. The study was focused on seven factors whose influence on the dependent variable (agent performance) was assessed: agent experience and knowledge, cost of delivering financial services, reward, fraud, network and technological capability, agent commitment and brand of the represented bank. With the objective of determining the effect of these factors the study analyzed the data using both descriptive statistics and inferential statistics. The following is a summary of the findings.

The finding of this study indicates that agents were moderately agreed on the effect of each factors on the performance of agents with a mean values of 3.0 and above. Of all the factors, the effect of brand of the represented bank has the highest mean value, followed by network and technological capability.

Considering the demographic characteristics of the respondents, the t-test showed that the effect of agent commitment on performance has significant difference between male and female agents. Likewise, the ANOVA tests also revealed that there is significant difference between single and married groups on their perception about the effect of cost of delivering financial services. Taking in to account the educational status of agents their view on the effect knowledge and experience on agent performance varies significantly. Last but not least, a significant difference has been observed between different work experience groups on their overall performance.

The result of the correlation analysis, which is used to measure the degree of association between different variables under consideration, shows positive and significant relationship was found in agent experience and knowledge, network and technological capability, agent commitment, brand of the represented bank, and reward with performance of agents.

On the other hand, the study established that fraud and cost of delivering financial services had a negative and insignificant relation with performance of agent. Contrary to what has been found in this study, Ndung'u, Okibo, & Nyang'au (2015) and Tefera (2018) reached on the conclusion that fraud and cost of financial services had positive and significant impact on agents' performance.

The regression model showed a goodness of fit measure indicated by the coefficient of determination (R2) with a value of 0.964. This demonstrates that the factors affecting the performance of agents included in this study (the independent variables) explain 96.4% percent of the variations in performance of agents.

Moreover, the study found out that not all of the factors affecting agent performance have positive and significant effects on bank performance. Of the seven factors, agent experience and knowledge, network and technological capability, brand of the represented bank and reward had positive and significant effect on the performance of agents. Similarly, agent commitment had positive but insignificant effect on agent performance. On the contrary, fraud and cost of delivering financial services has negative and insignificant effect on agent performance.

5.3 Conclusion

Bank agents are an important delivery channel for financial services designed to alleviate costs of banks and also to increase access to finance for underserved markets, which ultimately advance financial inclusion. Accordingly, agency banking will improve accessibility to financial services; this will expand and develop the banking sector. The National Bank of Ethiopia introduced agency banking regulation with the objective of bringing banking services closer to the people through agents. Accordingly, agents are expected to deliver services to their locality and outshine in their

performance. To this end, the study addressed the factors that determine performance of agents.

In line with the objective of the study as well as from the findings of the study, it can be concluded that performance of agents is affected mainly by brand of the represented bank, reward, agent experience and knowledge, and network and technological capability.

The study concluded that brand of the represented bank has magnificent impact on performance. Considering the existence of ethnic based and politically motivated banks, having super brand for a bank, particularly in service quality, price and availability of the service would lead to an outstanding performance of agents.

As a business goal agents are interested in rewards. Highly rewarded agents tend to be very much satisfied in performing well and bound to remain loyal as well as work for longer period with the bank. Going according to the findings of this study a significant positive relationships do exist between reward (financial and non-financial) and agent performance. Therefore, the issue of rewarding agents using all possible types of rewards matters to a great extent.

Regarding agent experience and knowledge, it can be concluded that it affects performance of agents. Experience and knowledgeable agents are able to conduct agent banking transaction efficiently and effectively. They also manage the service in an advanced and better way. This in return leads to a progress in their performance.

The study further concludes that network and technological capability has a positive impact on the performance of agents. The banking system, including agent banking depend on internet connection and telecom network to process transactions, which is partly provided by other players than the banks. Thus, improving the network and technological capability will create suitable transaction platforms and IT security, which in turn enhance performance of agents.

The study concluded that incidences of frauds and the cost of delivering financial services affect agent performance inversely and insignificantly. The occurrences of fraud affected operations in agent banking, brings down/plunges the trust/confidence of

customers. Likewise, as the cost incurred to deliver financial services increases, the margin of gain form from agent banking business become lower. And, perhaps may affect the performance of agents.

The study also concluded that commitment has direct bearing on performance of banking agents even if it is not significant. Committed agents will be able to achieve a higher customer base and transaction volume, which lead to better uptake of the agency banking business model.

5.4 Recommendation

It's hoped that this study will have important practical implications for all those interested in the subject of agent banking business. This research emphasized on the importance of determining factors affecting the performance of agent banking.

Banks should give emphasis in building their overall brand and acceptance by the society. The image of the Bank will be enhanced by providing quality and consistent service and also by promoting their service to a standardized level. In addition, banks should take great care in agent selection and also urge agents to meet their standards. After all agent banking service is all about trust and societal acceptance like other banking services. Agents should also make an endeavor, to build the image of the bank that they are representing in their locality. By doing so, the performance of agents will be improved considerably.

In agent banking business, banks should design better reward systems and programs that link the type of rewards given to agents with performance results. Banks should introduce bonus and gifts for high performing agents so that they will be encouraged to perform better. The higher the rewards perceived by agents, the greater the satisfaction towards the represented bank and the agent banking service provision which resulted in improved performance.

Since the experience and knowledge of agents have a significant effect on their performance, agents should have updated information and also strive to be acquainted with the necessary skill to conduct agent banking services. In addition, the Bank should

initiate agents using brochures, short notes and the like to have better understanding of the business. The Bank should also give regular training for agents at their own location. When the capacity of agents is built, they will be capable of rendering agent banking service beyond customers' expectation and hence, their performance will eventually be improved.

Banks should put pressure on telecom infrastructure providers, as well as system developers for a better network and technology. In addition, the Bank should deploy the necessary telecom appliances and user friendly interfaces in agent locations to speed up the service provision. The agents should also be concerned and follow up regularly about the proper functioning of service delivery platforms. This will increase the satisfaction of agent banking service customers and thereby, performance of agents will be enhanced.

Even though fraud, cost and commitment has no significant impact on agent performance, agents in collaboration with banks should make an utmost effort to minimize threats of fraud using more secured system and conducting better training on integrity, be conscious in managing costs of delivering agent banking services by improving operational efficiency, and be committed in providing service beyond the expectation of customers, despite having their own core business.

In a nut shell, as a business model banks and agents should give emphasis for agent banking service considering the success of many countries in the world and the untapped market potential of Ethiopia. For a new agent or a bank who wants to adopt agent banking, the task is not free of challenges or cost, but it is advisable to account into account the aforementioned recommendations so that, it will be possible to secures greater achievement in this line of business.

Future Research

This study focused only on determining the factors that affect performance of agents from the service providers' aspect and further study can be conducted from the customers' point of view like awareness of the society about agent banking and its effect on agent performance. In addition, a study can also be done on the role of the government or regulatory framework in supporting the adoption of agency banking. Moreover, the study has surveyed agents of United Bank and it is recommendable to include other bank agents especially to include other regions using a larger sample of agents though more research.

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COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

EXECUTIVE MBA PROGRAM

Dear Sir/Madam

I am a post graduate student in the College of Business and Economics in Addis Ababa University. I would like to invite you to participate in the research project entitled "Factors affecting the performance of bank agents: The case of United Bank. Based on the findings, various stakeholders including bank management will be able to ascertain factors affecting the performance of bank agents and explore ways of enhancing agents' capacity and performance. In addition, policy recommendations will be proposed, to address the problems constraining the performance of agents and thereby, it will lead to the development of a more vibrant agent network that improves financial access in Ethiopia.

The results of the project may be published but this will not be done in a way that allows identification of the individuals or businesses that responded. All information provided will be treated in the strictest top-secret. To ensure anonymity and confidentiality the names of the individuals who completed questionnaires will not be made available to any person other than the researcher and his advisor.

This is, therefore, to kindly request your assistance in completing the attached questionnaire to the best of your knowledge.

Thank you in advance for your cooperation.

GENERAL INSTRUCTIONS

There is no need for writing your name

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

Region _____

PART I: DEMOGRAPHIC CHARACTERISTICS

1. Gender
   - ☐ Male
   - ☐ Female

2. Age
   - ☐ 21-30 years
   - ☐ 31-40 years
   - ☐ 41-50 years
   - ☐ >50 years

3. Marital status
   - ☐ Single
   - ☐ Married
   - ☐ Divorce
   - ☐ Widow

4. Education level
   - ☐ High School Certificate
   - ☐ Diploma
   - ☐ First Degree
   - ☐ Masters and Above
   - ☐ Other (specify) _____

5. What is your main business?
   - ☐ Commodity shop
   - ☐ Pharmacy
   - ☐ Stationery/copy shop
   - ☐ Fuel stations
   - ☐ Boutique
   - ☐ Super market
   - ☐ Electronics shop
   - ☐ Cafeteria/bar/restaurant/grocery
   - ☐ Other (specify) _____

6. For how long have you worked in the agent banking business?
   - ☐ Below 1 year
   - ☐ Up to 2 years
   - ☐ Up to 3 years
   - ☐ above 3 years

PART II: RELATED FACTORS AFFECTING PERFORMANCE

The questions under this part are presented on a five point Likert scale. How do you rate the following statements in relation to performance of an agent?

Key: 1=strongly disagree, 2= disagree, 3=moderately Agree, 4= agree, 5= strongly agree

	1	2	3	4	5
Agent experience and knowledge					
Training given by the bank help to build the agent knowledge and skills to provide agency banking services					
My level of education help me to deliver services in a better way					
I believe that I have enough experience and knowledge to provide agent banking service					
Experienced and skilled agents perform better					
My explanation to customers about agent banking services is clear and understandable					
I regularly update myself about services of agent banking					
Cost delivering financial services					
The investment cost incurred to be an agent is low					
I believe that the cost of operating/running the agent banking service is low (e.g. salary paid to employees and expense incurred for the purchase of materials)					
There is no or significant cost of accessing agent banking services using mobile based device					
Considering the low cost to become an agent large number of agents will join the service provision					
The application or use of agency banking enables agents to minimize costs in their overall trading activity					
Reward (Financial and Non-Financial)					
The current reward motivates agents for higher performance					
Reward is given to agents based on their					

contribution					
The Bank is providing non-financial rewards like recognition for high performing agents					
The pay levels of the Bank to agents are competitive					
Fraud					
I have confidence that the Bank uses safe and secured system					
I am responsible to safeguard money laundry					
I am responsible to take care of thefts					
Considering the low level of fraud in agent banking I recommend others to engage in agent business					
Since there is no significant fraud problem, I have full trust or confidence on the agency banking					
Network and technological capability					
The Bank has effective system integration with agents					
The technology used by agents is easy to conduct transactions and user friendly					
Accessing banking services using mobile based device is easy					
The existing IT standards are strong enough to undertake agency banking service					
Telecom infrastructure coverage in Ethiopia contributes significantly for the growth of agency banking business					
Agent commitment					
The activities/tasks of agent banking are interesting					
I believe that I have a good future with agent banking business					
I believe that the products of agent banking services are excellent					
I intend to go on working as an agent					
I am very satisfied with the work I do related to agent banking business					
As an agent I know what's expected from me and hence, I understand the goals of my agent banking business					
Brand of the represented Bank					
The Bank has acceptance by the localities					
The Bank has wide network of					

	branches/agents that makes easily accessible					
	The service quality makes the Bank preferable					
	The service price of the represented Bank are fare and competitive which makes the Bank preferable					
	The represented Bank is desirable because it uses alternative technologies (ATM, Mobile devices and Internet) to deliver agent banking services					
	Agents performance					
	As an agent the number of transaction that I conducted is very low					
	I believe that I earned very low commissions					
	I opened very few number of new accounts					

III. Open Ended Questions

1. What measures would you recommend to be instituted by the Bank to improve agents performance?.....
.....

2. In your opinion, what are the major factors that affect performance of agents other than factors mentioned above? …….
.....
.....

"Thank You once again"

ለሕብረት ባንክ ወኪሎች የቀረበ መጠይቅ

ለክቡራን ወኪሎቻችን፡- ይህ መጠይቅ በወኪሎች የስራ አፈጻጸም ላይ አስተዋጾ ወይም ተጽዕኖ ያላቸውን ነገሮች በመለየት ችግሮችን ለመፍታት እና ወኪሎች የተሻለ የስራ አፈጻጸም እንዲኖራቸው ለማድረግ የተዘጋጀ ስለሆነ እባክዎ መጠይቁን በጥንቃቄ እንዲሞሉልን በአክብሮት እንጠይቃለን፡፡

አጠቃላይ መመሪያ

- **ስም መፃፍ አያስፈልግም**
- **ለሚሰጡት መልስ ተስማሚ በሆነው ቦታ ላይ ✓ምልክት ያስቀምጡ**

ክልል _____

ክፍል 1 የተሳታፊዎች አጠቃላይ ሁኔታ

1. *ፆታ*
   - ☐ ወንድ
   - ☐ ሴት
2. እድሜ
   - ☐ 21-30 *ዓመት*
   - ☐ 31-40 *ዓመት*
   - ☐ 41-50 *ዓመት*
   - ☐ >50 *ዓመት*
3. የጋብቻ ሁኔታ
   - ☐ ያላገባ
   - ☐ የተፋታ
   - ☐ ያገባ
   - ☐ በሞት የተለየበት
4. የትምህርት ደረጃ
   - ☐ የሁለተኛ ደረጃ ትምህርትን ያጠናቀቀ
   - ☐ የመጀመሪያ ዲግሪ
   - ☐ ማስተርስ እና ከዚያ በላይ
   - ☐ ዲፕሎማ
   - ☐ ሌላ ከሆነ ይገለጽ _____
5. በዋነኝነት የተሰማሩበት የንግድ ስራ ዘርፍ
   - ☐ የሸቀጥ ሱቅ
   - ☐ የጽህፈት አገልግሎት (ፎቶ ኮፒ)
   - ☐ ፋርማሲ
   - ☐ ሱፐር ማርኬት
   - ☐ ኤሌክትሪክ ዕቃዎች
   - ☐ ካፌ/ሬስቶራንት/መጠጥ
   - ☐ ነዳጅ ማደያ
   - ☐ ሌላ ከሆነ ይገለጽ _____
   - ☐ ቡቲክ/ ልብስ

6. የወኪል ባንክ አገልግሎት መስጠት ከጀመሩ ስንት ጊዜ ሆንዎት

☐ ከዓመት በታች ☐ እስከ 3 ዓመት

☐ እስከ 2 ዓመት ☐ ከ3 ዓመት በላይ

ክፍል 2 ከሥራ አፈፃፀም ጋር የተያያዙ ጥያቄዎች

ከዚህ በታች የተዘረዘሩት ጥያቄዎች እያንዳንዳቸው አምስት ምርጫዎች አለአቸው፡፡ ምርጫዎቹም እንደሚከተለዉ ተወክለዋል፡፡

መፍቻ፡ 1= በጣም አልስማማም 2=አልስማማም 3= ለመወሰን እቸገራለሁ (በመጠኑ) 4= እስማማለሁ 5= በጣም እስማማለሁ

	1	2	3	4	5
ወኪሎች ያላቸው ልምድ እና እውቀት					
በባንኩ የወኪል ባንክ አገልግሎት እንድሰጥ የተሰጠኝ ስልጠና የነበረኝን እውቀት እና ክህሎት ከፍ አድርጎልኛል					
ያለኝ የትምህርት ደረጃ በተሻለ መንገድ አገልግሎት ለመስጠት አግዞኛል					
የተሻለ ልምድ እና ዕውቀት ያላቸው ወኪሎች የተሻለ የስራ አፈጻጸም አላቸው					
የወኪል ባንክ አገልግሎት ለመስጠት የሚያስችል በቂ የሆነ ልምድ እና እውቀት አለኝ					
ስለ ወኪል ባንክ አገልግሎት ለደንበኞች የምንሰጠው ማብራሪያ ግልጽ እና በቀላሉ የሚረዱት ነው					
የወኪል ባንክ አገልግሎቶችን በተመለከተ በየጊዜው ወቅታዊ የሆኑ መረጃዎች እከታተላለሁ					
አገልግሎት ለመስጠት ወኪሎች የሚያወጧቸው ወጪዎች					
የባንኩ ወኪል ለመሆን አንድ ወኪል የሚያስፈልገው/የሚያፈሰው መዋዕለ ነዋይ ዝቅተኛ ነው					
የባንኩ ወኪሎች አገልግሎት በሚሰጡበት ጊዜ ለምሳሌ ለደመወዝ እና ለሌሎች ወጪዎች የሚከፍሉት የገንዘብ መጠን ወይም ወጪ ዝቅተኛ ነው፡፡					
የወኪል ባንክ አገልግሎትን በተንቀሳቃሽ መሳሪያ (ለምሳሌ ሞባይልን በመጠቀም) ለመስጠት ወኪሎች የሚያወጡት ሌላ ተጨማሪ ወጪ የለም ወይም በጣም አነስተኛ ነው					
ወኪል ለመሆን አነስተኛ ወጪን የሚጠይቅ በመሆኑ ብዛት ያላቸው ወኪሎች አገልግሎት ለመስጠት ይፈልጋሉ					
ወኪሎች የወኪል ባንክ አገልግሎትን በመተግበራቸው ምክንያት በአጠቃላይ በንግዳቸው ላይ ወጪን እንዲቀንሱ አስችሏቸዋል					
ሽልማት/ማበረታቻ (ገንዘብ እና ገንዘብ ነክ ያለሆኑ)					
አሁን እየተሰጠ ያለው ማበረታቻ ወኪሎችን ለላቀ የስራ አፈፃፀም ያነሳሳል					
ለወኪሎች የሚሰጠው ማበረታቻ የስራ አፈፃፀማቸውን መሠረት ያደረገ ነው					
የማበረታቻው (የሽልማት) መጠኑ ቢጨምር ወኪሎች የተሻለ የስራ አፈፃፀም እንዲያስመዘግቡ ያነሳሳል					
ባንኩ ገንዘብ ነክ ያልሆኑ ማበረታቻዎችን ሰጥቷል ለምሳሌ ትልቅ አፈፃፀም ላላቸው ወኪሎች እውቅና መስጠት					
ባንኩ የሚከፍለው ማበረታቻ (ሽልማት) ከሌሎች ተፎካካሪ ባንኮች አንፃር ሲታይ ተወዳዳሪ ነው					
የውክልና ስራ ለወኪሉ የሚያስገኘው ጥቅም ዝቅተኛ ነው					

መጭበርበር					
የወኪል ስራ ሲሰራ መጭበርበር ይኖራል ብዬ አስባለሁ					
ባንኩ ደህንነቱ የተጠበቀ እና አስተማማኝ የሆነ ሲስተም እየተጠቀመ እንደሆነ እተማመናለሁ					
ምንጩ ያልታወቀ ገንዘብን ለመከላከል ኃላፊነት አለብኝ					
ሰዎች እንዳያታልሉኝ እና እንዳልሰረቅ ጥንቃቄ የማድረግ ኃላፊነት አለብኝ					
ትክክለኛ ባልሆነ ሰነድ ብጭበረበር ባንኩ ዋስትና ይሰጠኛል					
ወኪሎችን የሚያጨበረብሩ የባንኩ ሰራተኞ ይኖሩ ይሆናል ብዬ አስባለሁ					
የጎላ የማጭበርበር ችግር ባለመኖሩ በወኪል የባንክ አገልግሎት የስራ ዘርፍ ሙሉ እምነት አለኝ					
ከወኪል ባንክ አገልግሎት ጋር በተያያዘ ያለውን ዝቅተኛ የሆነ መጭበርበር ከግምት በማስገባት ሌሎች ሰዎች ወደዚህ ስራ እንዲገቡ እመክራለሁ					
የኔትወርክ እና የቴክኖሎጂ አቅም					
አሁን ያለው የቴክኖሎጂ ደረጃ ጠንካራ በመሆኑ የኢጀንሲ ባንክ አገልግሎትን ለመስጠት ያስችላል					
በኢትዮጵያ ያለው የቴክኖሎጂ (ቴሌኮም)መሠረተ ልማት ለወኪል ባንክ አገልግሎት ዕድገት ከፍተኛ አስተዋያኦ አበርክቷል					
የባንኩ ሲስተም ከወኪሎች ጋር ያለው መስተጋብር/ ትስስር ስኬታማ ነው					
ከፍተኛ የሆነ የኔትወርክ ፍጥነት አቅም አዳዲስ ወኪሎችን ይስባል					
ወኪሎች የሚጠቀሙት ቴክኖሎጂ የገንዘብ ልውውጥ (Transaction) ለማካሄድ ወይም ለአጠቃቀም ምቹ ነው					
የሞባይል ስልክ ኔትወርክ (የኔትወርክ አለመኖር ወይም ጠንካራ መሆን) የወኪል ስራ ላይ ተፅእኖ አለው					
የወኪል ባንክ አገልግሎትን በተንቀሳቀሽ ስልክና የመሳሰሉት (mobile device) መስጠት ቀላል ነው					
ወኪሎች ለስራው ያላቸው ትጋት					
የወኪል ባንክ ስራዎች በፍላጎትና በደስታ የምሰራቸው ናቸው					
የወኪል ባንክ ቢዝነስ ወደፊት ጥሩ ተስፋ ያለው ስራ ነው					
የወኪል ባንክ አገልግሎቶች እጅግ በጣም ጥሩ ናቸው					
ወደፊትም የባንኩ ወኪል በመሆን ስራ መስራቴን እቀጥላለሁ					
የወኪል ባንክ ሥራ ከዋናው የንግድ ስራዬ ጋር አጣጥሞ ለመስራት ያስቸግረኛል					
የወኪል ባንክ አገልግሎት ስሰጥ ከባንኩ በቂ ድጋፍ አላገኝም					
ከወኪል የባንክ ቢዝነስ ጋር በተያያዘ በምሰራው ስራ እርካታ ይሰማኛል					
እንደወኪል ከእኔ የሚጠበቀውን አውቃለሁ ስለሆነም የወኪል ባንክ ሥራዬን ግብ (ዓላማ) እረዳለሁ					
የተወከለው ባንክ ገጽታ					
የወከልኩት ባንክ በአካባቢው ማህበረሰብ ተቀባይነት አለው					
የወከልኩት ባንክ ትልቅ ቁጥር ያለው የቅርንጫፍ ወይም የወኪል ትስስር ስላለው በቀላሉ በብዙ ቦታዎች ይገኛል ወይም ሰፊ ተደራሽነት አለው					
የወከልኩት ባንክ አገልግሎቶቹ ጥራት ያላቸው በመሆናቸው ባንኩን ተመራጭ አድርጎታል					
የወከልኩት ባንክ ለሚሰጠው አገልግሎት የሚያስከፍለው ዋጋ ተመጣጣኝ እና ተወዳዳሪ በመሆኑ ተመራጭ ነው					
የወከልኩት ባንክ የወኪል ባንክ አገልግሎቶችን ለመስጠት የሚያስችል አማራጭ ቴክኖሎጂን (ኤ.ቲ.ኤም. ተንቀሳቃሽ ስልክና የመሳሰሉት፣ እና ኢንተርኔት) በመጠቀሙ ተመራጭ ነው					

የወኪሎች የሥራ አፈፃፀም					
እንደ ወኪል ያከናወንኩት የገንዘብ ልውውጥ መጠን (transaction) አነስተኛ ነው					
ወኪሎች የሚያገኙት ጥቅማ ጥቅም መጠን ዝቅተኛ ነው					
አዳዲስ የምከፍታቸው ሂሳብ ቁጥሮች ብዛት አነስተኛ ነው					

ክፍል 3 ክፍት ጥያቄዎች

1. **የወኪሎችን የስራ አፈፃፀም ለማሻሻል በባንኩ ሊወሰዱ የሚገቡ እርምጃዎች ምን መሆን አለባቸው ይላሉ?** _____

   _____

   _____

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2. **በእርስዎ አስተያየት በወኪሎች የስራ አፈፃፀም ላይ አስተዋጾ ወይም ተጽዕኖ ያላቸውን ነገሮች ከላይ ከተገለጹት ውጪ ካሉ ቢገልጹልን?** _____

   _____

   _____

ስለ ትብብርዎ እናመሰግናለን፡፡