



**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
GRADUATE STUDIES PROGRAM
DEPARTMENT OF PROJECT MANAGEMENT**

**ASSESSING IMPLEMENTATION CHALLENGES OF AGENT BANKING PROJECT:
EVIDENCE FROM PROJECT TEAM MEMBERS OF COMMERCIAL BANK OF
ETHIOPIA**

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Declaration

I, Mulu Mekuria Negash, hereby declare that this thesis entitled “*Assessing Implementation Challenges of Agent Banking Project: Evidence From Team Members of Commercial Bank of Ethiopia*” submitted by me for the award of the degree of master of project management (MAPM), Addis Ababa University, at Addis Ababa, Ethiopia, is my original work and it has never been presented in any university. All sources and materials used for this thesis have been duly acknowledged.

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Certification

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This is to certify that the thesis entitled, “Assessing Implementation Challenges of Agent Banking Project: Evidence From Team Members of Commercial Bank of Ethiopia” was carried out by Mulu Mekuria Negash under the supervision of Wubishet Bekalu (PhD), submitted in partial fulfillment of the requirements for the Degree of Master of Project Management complies with the regulations of the university and meets the accepted standards with respect to originality and quality.

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Chair of Department or Graduate Program Coordinator

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Abstract

This research project aims to assess implementation challenges of agent banking project in case of commercial bank of Ethiopia hoping that the finding of the research will add value to various stakeholders for decision making as well as serving as a momentum for further research work in the field. In order to achieve the objective of this study the researcher adopted a descriptive research design and employed mixed research approach whereby both quantitative and qualitative types of data were used. This descriptive study was conducted based on the data gathered from agent banking team members of commercial banks of Ethiopia (CBE). The population of the study was agent banking project team members of Commercial Bank of Ethiopia (CBE). The researcher used census sampling method with a target population of 32 CBE staff agent banking project team members. 32 research questioners were distributed of which 30 of the research questioners were returned. Sample data was collected by use of questionnaire. Personal Interviews were also conducted to validate the data obtained from the questionnaires. The data collected was analyzed using descriptive statistics and used tables, percentage, mean and standard deviation to improve the presentation of the analyzed results for ease of interpretation. Finally, study showed that the following major challenges facing up the implementation of agent banking project in commercial bank of Ethiopia(CBE); Level of development of ICT infrastructure, Lack of frequent training and support to the agents, Inadequate telecommunication infrastructure, Agents inadequately prepared for the adoption of new system, sharing of responsibility among the project team members, Education level of agents and customers, Network failure and road infrastructure, Lack of delivery of required equipments, Lack of technical and managerial skills on the use technological innovation, Continuous technology innovation, Customers willingness to accept agent banking and Insufficient training for project team members. The study recommended bank to consider organizational, technology, awareness based factors, focusing on to invest more time on awareness creation, credibility, security, ease of use, and availability to exploit the benefit of agency banking while the management should support banking sector by facilitating sufficient ICT, road and telecommunication infrastructure development and to consider the competitive advantage of agency banking.

Keywords: banking industry, project implementation, challenges of agency banking in Ethiopia.

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Acronyms and Abbreviation

ATMS-Automatic Teller Machines

CBE-Commercial Bank of Ethiopia

E.C-Ethiopian Calendar

EIB-European Investment Bank

FIS-Financial Inclusions

ICT-Information Commutation Technology

IT-Information Technology

KYC-Known Your Customer

NBE-National Bank of Ethiopia

POS-Point -of -Sales

PMI-Project Management Institutes

PMBOK-project Management Body of Knowledge

SPSS- Statistical Package for Social Scientists

WB-World Bank

CHAPTER ONE: Introduction

1.1. Background of study

A project is a temporary effort undertaken to create a unique product, service or result and a unique venture with a beginning and an end, conducted by people to meet established goals within parameters of cost, schedule and scope (PMI, 2008).

The execution/implementation phase, labeled by PMI as “carrying out the work,” includes the major activities needed to accomplish the work of the project. On a construction project, this would include the design and construction activities. On an information technology (IT) project, this would include the development of the software code. On a training project, this would include the development and delivery of the training. This phase represents the work done to meet the requirements of the scope of work and fulfill the charter. During the execution phase, the project team accomplished the work defined in the plan and made adjustments when the project factors changed. Equipment and materials were delivered to the work site, labor was hired and trained, a construction site was built, and all the construction activities, from the arrival of the first dozer to the installation of the final light switch, were accomplished (PMI, 2008).

The execution/implementation phase is the longest phase of the project in which the deliverables are physically built and presented to the customer for acceptance. To ensure that the customer’s requirements are met, the project manager monitors and controls the production of each deliverable by executing a suite of management processes (Westland, 2006). According to Muketha, (2006) cited by Eden (2017) for a project manager to succeed in the implementation process, he requires have understanding the project goal, identifying the purpose, establishing the required outputs, then the activities, allocate the resources, develop a work schedule and lastly establish the management and operational arrangements with key responsibilities and working procedures.

As Justus (2014) cited in the work of Mintzberg and Quinn (1991) stated that ninety percent of well planned projects or strategies fail at implementation stages while David (1997) claimed only ten percent of good projects were successfully implemented. Reasons advanced for these success and / or failures revolve around both macro-organizational issues such as structure, technology,

reward systems and decision process and micro-organizational issues organizational culture and resistance to change. Macro-organizational issues are large scale, system-wide issues that affect many people within the organization. According to Galbraith and Kazanjian (1986), there are several major internal subsystems of the organization that must be coordinated in order to successfully implement a new project.

According to Kumar et al. (2006), further observe that in a growing number of countries, banks and other commercial financial service providers are finding new ways to make money delivering financial services to unbanked people, rather than using bank branches and their own field officers, they offer banking and payment services through postal and retail outlets. A banking agent is a retail or postal outlet contracted by a financial institution or a mobile network operator to process client's transaction instead of branch teller, it is the owner or an employee of the retail outlet 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, banking agents can be pharmacies, supermarkets, grocery, convenience stores, lottery outlets, gas station and post offices among others(Titus,2014)

Financial services agents play an important role in the improving financial access by bringing banking services closer to the people. There for agency banking has dramatically reduced the cost of delivering financial services to the unreached people and created suitable living environment to residents in the area. Even though the enormous role played by agents, they are affected by various challenges that act as an impediment to their effective operations (Mercy, 2017).

1.1.1. Background of the Organization and The project

The history of the Commercial Bank of Ethiopia (CBE) dates back to the establishment of the State Bank of Ethiopia in 1942 E.C. CBE was legally established as a share company in 1963 E.C. In 1974, CBE merged with the privately owned Addis Ababa Bank. Since then, it has been playing significant roles in the development of the country. Pioneer to introduce modern banking to the country.

In its economical contribution the bank is the greatest source of finance to the country. It is a Pioneer to work with Western Union Money Transfer Services in Ethiopia. And now a day's

CBE is working with more than 19 worldwide known Transfer agents. It has strong correspondent relationship with more than 52 renowned foreign banks and a SWIFT bilateral arrangement with more than 718 financial institutions. It has about birr 495.4 billion in assets, 43 billion capital & contingency, 14.6 billion profit, 384.6 billion deposit, holding 65.4% of market share in deposits, 16.6 million customers. The bank currently (June 2017) has about 33,706 employees with different qualification. 1,586 ATM, 6,985 POS machines and 1,235 branches through positioned in a main cities and regional towns. Currently, various services have been giving as per NBE proclamation 592/2008. The bank also officially launched its mobile money service which is called CBE Birr on DEC11, 2017 after successfully testing its functionality for six months. CBE Birr is a mobile based banking whereby the bank selects, trains and authorizes agents to provide banking services on behalf of the bank through a mobile phone. It is deployed as a means of extending financial services to the unbanked segment Customers may no longer need to travel long distances to visit CBE branch as they can get the service from the nearest CBE agents through CBE Birr. CBE birr customer can deposit, withdraw, transfer money, make payment, buy mobile airtime and pay bill using a mobile phone in a very simple and in order to get access to CBE birr service.

The Vision of CBE is formulated as “To become a world-class commercial bank by the year 2025” & its Mission has stated as.

1.2. Statement of the problem

Use of technology and innovative financial service delivery channels such as mobile devices and agents have significant contribution in deepening financial service accessibility to the wider section of the population at an affordable price. The national bank of Ethiopia is forcing, the financial institutions to deliver mobile and agent banking services without compromising the safety and soundness of the financial system of the country (NBE directive no. FIS /01-1-2012).

Over 66% of Ethiopian population, “the unbanked”, has never had a bank account institution in the year 2016. They use their account to keep money safe, send and receive payments, and to get. The poor tend to be frightened of banks, since they are often humiliated or ignored when they try to enter them. That means they cannot leave their savings any where safe, pay a bill without

walking with the cash to the office or prove that they are credit worthy, (Andualem & K.Sambasiva, 2017)

Ethiopia lags significantly behind the other Sub-Saharan African countries in all measures of financial access, overall access to financial services remains highly limited across Ethiopia with only 2.9 commercial bank branches and 0.33 ATM per 100,000 adults compared to the Sub-Saharan African countries average of 4.5 and 3.4, respectively in 2015. While around 80 percent of the population lives in rural areas, access points remain concentrated in the capital city; 35.4 percent of total bank branches are located in Addis Ababa. Thus, the long distances to regulated financial institutions present a barrier to account ownership for the rural population (World Bank, 2016).

Ethiopia's Growth and Transition Plan II foresees a rise in the number of bank branches from 2 868 in 2014/15 to 5 736 by 2019/20. These targets are impossible to achieve using a brick-and-mortar approach – only an agent banking model will enable these financial institutions to meet these targets. Agent banking works well in Ethiopia where about 80% of the population is rural. With only 22% of the population formally banked, mobile banking can in principle significantly help financial inclusion. However, as Ethiopia has one of the lowest rates of mobile phone penetration in the world, agent banking has innovated by allowing customers to have a mobile account without a mobile phone (EIB,2017).

Hrebiniak (2005) cited by Justus (2013) observes that difficulties in strategy implementation often include cost overruns; inadequate allocation of resources; vague definition of strategy, power struggle within organization structure; lack of understanding of organizational structure, poor communication, poor coordination methods; unclear responsibility and accountability in the implementation process and an inability to manage change including aligning organization culture with strategy and failure to involve employees in the strategy implementation process. Similarly to any projects implementation, agency banking implementation is complex and has significant chance of failures and like any other project its success is defined by on time and budget delivery, technology serve to the requirement and satisfaction of end users about the result (Mcdouall,2005) .

Tesfaye(2016), conducted a study on factors influencing the adoption of agent banking in selected private banks. The study identified that the factors have great influence on commercial banks to adopt agent banking since agent banking has benefit for the banks and the customers in reducing costs

Afework(2015) did his study on assessment of adoption of agency banking innovation in Ethiopia: barriers and drivers. The study revealed the following major driving factors in adopting agency banking among commercial banks in Ethiopia; the prospects of cost reduction, availing services beyond restriction of space and time through established third party with the application of technology.

In different parts of the world various research studies have been conducted on agency banking services. However, there are limited studies focused on factors affecting implementation of agent banking project in Ethiopia banking industry.

According to the studies conducted by World Bank and European Investment Bank, all measures of financial access, overall access to financial services remains highly limited across Ethiopia, only 22% of Ethiopian populations are banked.

This indicates that, further studies are required in order to increase the growth of financial inclusion in country such as mobile banking, Automated Teller machine and Agent Banking and to solve the problems in the area.

Therefore the researcher seeking to study project implementation challenges of agent banking in case of commercial bank of Ethiopia to fill this knowledge gap by answering the following research questions.

1.3. Basic research questions

The major research questions to be addressed within the domain of the study are:

- I. What does organizational issues related to implementation of agent banking?
- II. What are the technological related challenges in the implementation of agent banking?
- III. In what extent level of awareness and training affect implementation of agent banking project?

1.4. Objective of the study

1.4.1. General objective

The general objective of the study is to investigate project implementation challenges of agent banking in commercial bank of Ethiopia.

1.4.2. Specific objectives

The specific objectives of the study are:

1. To investigate organizational challenges in the implementation of agent banking.
2. To assess technological challenges that affect the implementation of agent banking
3. To assess the impact of level of awareness and training in agent banking project implementation in CBE.

1.5. Significance of the study

The study was expected to have variety of importance for different bodies concerned. Help the bank to look into main areas of problems and document as a lessons learned for similar projects or for aspects similar to this project. The study would be useful in providing additional theoretical knowledge to existing and future financial institutions on challenges to implementing agency banking and provide information to potential and current scholars on implementation in Ethiopia. This research may help the Ethiopian banking industry by recommending possible solutions to the problems in agent banking. Since CBE provide agent banking project to nationwide, this study could be expected to help other academicians and researchers who would be interested to conduct further study regarding the issue under investigated by providing use full information.

1.6. Scope of the study

The scope of the study would be limited to the banking industry specifically in commercial bank of Ethiopia (CBE). The target respondents would be head of departments of agency banking and agency banking managers and team member. The study would be discussed the challenges that

commercial bank of Ethiopia agent banking integration project faced at an implementation phase.

1.7. Limitation of the study

Agency banking having been launched in commercial bank Ethiopia in December 2017 is a fairly new model within banking sector. The area to be covered by this research would generally small since most of the agency banking within the country commercial bank are in their formative stages, thus a more comprehensive view of the topic under study may not be attained.

Generally agent banking service is in infant stage in Ethiopia and therefore there is little information available about the subject matter.

1.8. Organization of the paper

This research paper was organized in to five chapters. The first chapter consists of the introduction, research problem, research questions, research objectives, significance, and scope of the study. The second chapter deals with review of related literatures. Issues like, conceptual/frameworks of project implementation. The third chapter contained the methodology part. This part of the study offers fundamental assumptions used in the study with special emphasis on research approaches, study design, sampling, and sample size determination, methods of data collection and analysis. In the fourth chapter empirical findings are discussed in detail. In the last chapter the summary and conclusions are presented as per the findings discussed and analyzed in the fourth chapters.

CHAPTER TWO: Review of Related Literature

2.1. Introduction

A number of studies have theoretically and empirically looked at the project implementation challenges of agent banking.

The purpose of this chapter is to discuss theoretical and issues relevant to project implementation challenges of agent banking. The review has three sections. The first section presents theoretical review. The second section will present a review of empirical studies that have been conducted so far on implementation challenges of agent banking project. Finally, conclusions on the literature review will be presented.

2.2. Theoretical frameworks

2.2.1. Project and project management

A project define as sequence of unique, complex, and connected activities that have one goal or purpose and that must be completed by a specific time, within budget, and according to specification. Projects arise out of unskilled (unmet) needs. Those needs might be to find a solution to a critical business problem that has evaded any prior attempts at finding a solution. Or those needs might be to take advantage of an untapped business opportunity (Wysock, 2014). Project management is application of knowledge, skills, tools and techniques to project activities to achieve project requirements and accomplished through the application and integration of the project management processes of initiating, planning, executing/implementing, monitoring and controlling, and closing” (PMBOK, 2004).successful project management can be defined as having achieved project objectives, within a given cost, time ,desired performance or technology level, while utilizing the assigned resources effectively and efficiently and accepted by the customer (Kerzner, 2009).

According Thamhain (1991), researched the training of project managers and, based on the finding, categorized project management into interpersonal, technical, and administrative skills: interpersonal skills: - these skills include providing direction, communicating, assisting with problem solving, and dealing effectively with people without having authority.

Technical expertise: - technical knowledge gives the project manager the creditability to provide leadership on a technically based project, the ability to understand important aspects of the project, and the ability to communicate in the language of the technicians.

Administrative skills: - these skills include planning, organizing, and controlling the work.

2.2.2. Project implementation/execution phase

The execution stage of a project was the transformation of a theoretical and planned concept into physical and material structures. During this stage, we see the actual site preparation; buildings, equipment, and machinery constructed (*systems*) and begin functioning to deliver the project objectives. The organizational framework and structure (*people*) are developed, personnel are hired and trained to operate the project, and adequate systems for managing and operating the project are developed. Also, *processes* such as procurement (supply chain management), maintenance management, accounting, and marketing are developed to meet the operational needs of the project (Lutchman, 2011)

The execution/ implementation phase represents the work done to meet the requirements of the scope of work and fulfill the charter. During the execution phase, the project team accomplished the work defined in the plan and made adjustments when the project factors changed. Equipment and materials were delivered to the work site, labor was hired and trained, a construction site was built, and all the construction activities, from the arrival of the first dozer to the installation of the final light switch, were accomplished (PMI, 2008).

Peansupap and Walker (2005), they classify the factors affecting ICT implementation in an organization as static and dynamic, where static factors, example. Technological characteristics and communication channels fundamentally affect initial ICT implementation and dynamic factors, example Motivation, training and technical support, sustain ICT implementation changes. People, who are a part of different project team organizations, manage projects and the project team organizations are a part of the construction industry.

2.2.3. Project success failure factors at execution phase

The success of the project team and the project manager would usually be judged according to how well they achieve the three primary objectives of cost, performance and time. Many things need to be in place and many actions taken during the project execution period to help ensure success. Compatibility of regulations for project management effectiveness of consultation with stakeholder's consistency of support for stakeholders competency of project team can be taken as critical success factors at the project's implementation phase (PMBOK, 2000).

According to (Morris, 1986), among the process related challenges include: good project definition and a sound business case, appropriate choice of project strategy, strong support for the project and its manager from higher management, availability of sufficient funds and other resources, firm control of changes to the authorized project, technical competence, a sound quality culture throughout the organization, a suitable organization structure, appropriate regard for the health and safety of everyone connected with the project, good project communications, well-motivated staff, quick and fair resolution of conflict. To John T. Yee and Seog-Chan Oh (2013), project execution problems can be classified to three types. People related problems include inappropriate mix of skills, late involvement of resources, team member turnover, newly joined team member, and low performer. Process related problems are inaccurate planning, overly optimistic schedules, inefficient task handling, and political conflicts. Technology related problems consist in silver bullet misconception, overestimated savings for technology, and insufficient analysis of technology applicability.

Sumner and Powell (2013) also stated that during project execution, typical problems may occur like: lack of good data on activity progress, imperfect definition of requirements, frequent and uncontrolled changes to the baseline requirements, inaccurate time and cost estimates, lack of completion criteria for a project activity, frequent changes of team members, insufficient tracking and directing of project activities.

2.2.4. Project manager responsibility in project implementation

Project success was connected to achieving the project goals within the project timeline. Project managers apply project management tools and techniques to clearly define the project goals,

develop an execution plan to meet those goals, and meet the milestones and end date of the project, project management were complex because project managers must understand several knowledge areas and develop a variety of tools and techniques to successfully manage a project (PMI, 2008).

Wiley (2006), also discussed project management in terms of producing project outcomes within the three objectives of cost, schedule, and specifications. Project managers are then expected to develop and execute a project plan that meets cost, schedule, and specification parameters. According to this view, project management implies the application of everything a project manager does to meet these parameters. This approach to defining project management shares PMI'S focus on the project outcomes in terms of requirements.

The key responsibilities of the project manager as a team manager includes be honest and ethical, motivate staff and team, understand deliverables and quality in regard to the deliverables, be sensitive to organizational values and politics, assign meaningful tasks for each employee, provide something “to look forward to” for each employee, shared goals (employee/supervisor & employee/organization), delegate; generally, give direction, not directions (depends somewhat on performance, capabilities, maturity), be a facilitator be an example, be accessible and visible, then listen(posner,1987). A project manager needs a different set of skills to both define and successfully execute temporary projects. Because projects are temporary, they have a defined beginning and end. Project managers must manage start-up activities and project closeout activities. The processes for developing teams, organizing work, and establishing priorities require a different set of knowledge and skills because members of the project management team recognize that it is temporary. They seldom report directly to the project manager and the effect of success or failure of the project might not affect their reputations or careers the same way that the success or failure of one of their other job responsibilities would. (*PMBOK guide*), 4th ed.

2.2.5. Definition of agent banking

This conception of agency banking was supported in literature by Kumar et al (2006) who define agency banking as bank partnerships with nonbanks, typically retail commercial outlets, ranging from lottery kiosks, pharmacies, post offices, construction goods stores, and so forth, to provide distribution outlets for financial services.

The agency banking is one in which banks provide financial services through nonbank agents, such as grocery stores, gas stations, super markets, retail outlets, post offices, pharmacies, or lottery outlets. Agency banking takes customers out of the bank lobbies to kiosks and villages. Investors have pumped billions into new platforms that offer agency banking services, (Titus, 2014). Use of retail outlets in their various forms invariably translates into added convenience of access to banking services and the extended hours that the agencies work is a most attractive feature to the customer and this is in line with arguments put forward by (Ivatury and Lyman, 2006). Agency banking also delivering convenience in form of extended hours of banking and by bringing the banking service closer to the customers leading to increased adoption of agency banking. It is quickly becoming recognized as a viable strategy in many countries for extending formal financial services into poor and rural areas in that agency banking enables clients to store, send and receive electronic money through local agents, rather than travelling to the nearest bank branch (Charles, 2014).

Sahut (2011) also defines agency banking as systems that enable bank customers to access accounts and general information on bank products and services through a personal computer or an intelligent device or any other banking activity held on internet.

Fred(2013), showed that financial inclusion is major to reducing the economic vulnerability of households, promoting economic growth, alleviating poverty and improving the quality of people's lives and financial inclusion is a process that ensures ease of access and ability to use formal financial system by all members of an economy. Due to the high connectedness between financial and social exclusion, an inclusive financial system have been identified to exceed individual gains to enhance societal benefits. Its contributions to enhancing appropriate financial decision-making and capability of financial users are expected to complement the investment redistribution role of financial service providers. Thus, an all inclusive financial system enhances efficiency and welfare by establishing functional equilibrium between the financial and real sectors of an economy (Kumar *et al.* 2006).

Banking agent is a retail or postal entity that has been contracted by a financial institution or a mobile network operator and approved by national bank of Ethiopia to provide services of the institution on behalf of the institution to process client's transactions, rather than a branch teller, it is the owner or an employee of the retail outlet 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. Banking agents can be owner of pharmacies, supermarkets, convenience stores, post offices, and many more (NBE Directive, FIS-01-2012). Regulators such as national bank of Ethiopia(NBE) generally determine what kind of financial institutions are permitted to contract banking agents, what products can be offered at the retail outlets, how financial institutions have to handle cash transport, know your customer (KYC), requirements, consumer protection, and other operational areas.

As Mwenda (2012) cited the work of (Afl, 2010), internationally, these retailers and post offices are highly utilized as important distribution channels for financial institutions. The points of service range from post offices in the outback of Australia where clients from all banks can conduct their transactions, to rural France where the bank credit Agricore uses corner stores to provide financial services, to small lottery outlets in Brazil at which clients can receive their social payments and access their bank accounts.

2.2.6. Theory of financial inclusion

Financial inclusion was the core of the national bank of Ethiopia reform agenda to support Ethiopian's development vision. Financial inclusion were as defined as the process of ensuring access to financial services and timely and adequate credit where needed by susceptible groups such as weaker sections and low income groups at affordable costs (Elfagid, 2015). Financial inclusion was the delivery of banking services at an affordable cost to the vast sections of disadvantaged and low income groups. Unrestrained access to public goods and services is the sine qua non of an open and efficient society. As banking services are in the nature of public good, it is essential that availability of banking and payment services to the entire population without discrimination is the prime objective of the public policy (Leeladhar, 2005).

Agency addresses the relationship where in a contract 'one or more persons (the principal(s)) engage another person, the agent, to perform some service on their behalf by delegating authority to make some decisions to the agent. According to the national bank of Ethiopia directive (FIS-01-2012) issued to regulate the mobile and agent banking services "agent" means a person engaged in a commercial or business activity and has been contracted by a financial institution to provide the services of the financial institution on its behalf in a manner specified in these

directives; and “agent banking” means the conduct of banking business on behalf of a financial institution through an agent using various service delivery channels as permitted under these directives (NBE directive, FIS-01-2012).

Titus (2014) also define banking agency as a retail or postal outlet contracted by a financial institution or a mobile network operator to process clients' transactions, instead of branch teller, therefore the owner or an employee of the retail outlet 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. Banking agents can be pharmacies, supermarkets, convenience stores, lottery outlets, post offices, and many more and mobile phones are proving to be a powerful tool for the delivery of basic financial services to lower income households throughout the world. In just a few years, millions of new mobile phone subscribers are now transferring money, sending international remittances and even saving through mobile phone networks. The term "mobile money" is used broadly to mean agency banking as most of transactions is carried out using mobile phone devices.

According to Charles (2014), agency theory explains the relationship between principal and agent in business. Agency theory is concerned with resolving problems that can exist in agency relationships; that is, between principals and agents of the principals. The two problems that agency theory addresses are: (1) the problems that arise when the desires or goals of the principal and agent are in conflict, and the principal is unable to verify what the agent is actually doing; and (2) the problems that arise when the principal and agent have different attitudes towards risk. Because of different risk tolerances, the principal and agent may each be inclined to take different actions.

The amount of money expended by financial service providers to serve a poor customer with a small balance and conducting small transactions is simply too great to make such accounts viable. In addition, when financial service providers do not have branches that are close to the customer, the customer is less likely to use and transact with their service (Clara, 2010). Stephen Ross defined agency relationships as arising “between two (or more) parties when one, designated as the agent, acts for, on behalf of, or as representative for the other, designated the principal in a particular domain of decision problems.

The complexity of agency relationships has created a fertile field for legal and economic analysis. Both a principal and an agency form an agency relationship because they each expect to receive some net benefit. The parties expect that the relationship will lead to an efficient division of labor. Thus, a principal might benefit from the greater expertise of an agent, such as where shareholders of a corporation hire managers to skillfully oversee their ownership interest in the firm. Similarly, agency relationships allow investment in many different productive enterprises allowing those with wealth to diversify their holdings, protecting them from unforeseeable risks inherent in any one given venture. Sometimes principals seek agents where the principal recognizes, forecast, and the potential for some non-welfare maximizing behavior, such as when a parent creates a spendthrift trust for a child. Even where a principal has greater capabilities with respect to a task than an agent, the principal may also have higher opportunity costs, and thus capture a pareto gain from the agents' relatively inexpensive labor (Fred, 2013).

Despite these obvious advantages, agency relationships also come with Agent banking represents a significant opportunity to reduce transaction costs such as travel for clients by bringing financial services to hard-to-reach and geographically dispersed areas. This is especially true in Africa where some areas are sparsely populated leaving long distances between the customer and the bank. Moreover, in these areas overall literacy levels are fairly low. Also, banks and other financial institutions often do not have sufficient incentive or capacity to establish formal branches in these areas. Obviously, the set-up of agent banking is less costly and more flexible than for traditional bank branches since it reduces the need to invest in staff and physical infrastructure (Barasa et al, 2013). One of the central insights of economic agency cost theory over the past generation is that while an agency relationship may be relatively efficient in comparison to no relationship at all, the incentives of a principal and her agency nevertheless are frequently (if not always) misaligned. Principals virtually never enjoy representation of an agency with the same cost-to-benefit ratio for expending resources on the completion of a given productive task. Social norms, business practices, contract terms, and the legal system often attempt to more closely align the incentives of agents and their principals. When a stranger at the beach asks another to watch his belongings, most people will invest some care and attention for those belongings even at a cost to themselves (Charles, 2014).

2.3. Factors affecting the project implementation of agent banking

2.3.1. Organizational factors

Organizational factor captures firm's business scope, organizational culture, top management support, complexity of organizational structure measured in terms of centralization, vertical differentiation, and formalization, the quality of human resource, and size related issues such as specialization and internal slack resources (Jeyaraj a. Et al, 2006). Jacovou (1995) and Grover (1993) also argued that organizations influenced by a number of factors, like firm size, top management support and financial and human resources in their preference to adopt technological innovations.

The policy makers and regulators have been facing problems to reconcile safe development of branchless banking and operation with increased levels of financial access (for broad branchless banking experiences). Agency banking adoption requires commitment from upper level leaders. Commitment refers to the visible support by the upper level leaders or powerbrokers in an organization. The key to this condition is how the users perceive the powerbrokers' commitment to the implementation of the innovation. Simple verbal endorsement of the innovation by leaders and powerbrokers does not constitute commitment (Ely, 1990, 1999). Visible forms of commitment include such things as personal communication, development of strategic implementation plans, changes to organizational policies, dedication of resources, and active involvement in the implementation of the innovation. Projects require both human and tangible resources. The project requires people with the right experience, knowledge, and skills to accomplish the assigned tasks. Construction projects typically require resources such as bricks and cranes. Some projects require specialized subcontractors with skills not found within the project team. Each of these resources required by the project will be needed at the point in the project schedule when the materials or skills are required (PMBOK, 4th Ed).

2.3.2. Technology factors

According to Suoranta and Mattila as cited in Fred (2013), technology carries on to be a main element in financial service delivery, understanding the factors that influence the behavior of consumers towards using electronic banking technologies will continue to be an important area

of research. Even if the bank continues to invest in rolling out brick and mortar branches that are complimented by various delivery channels, the challenge of access to formal financial services remains a big impediment to financial performance. Customers especially in remote areas are forced to travel long distances and spend huge amounts on transport in order to access a branch. In addition to the cost of transport is the time spent commuting to and fro that could have been spent more productively. To curb these challenges, the central bank of Ethiopia released legislation that allows commercial banks to contract third party retail networks as agents (NBE directive, FIS-01-2012).

According to (Titus, 2014), branchless banking (agency banking) requires the outsourcing of cash transfers to these distributed networks of agents such as small shops. Technology application requires knowledge on card readers, mobile phones, barcode scanners, and sometimes personal computers that connect with the bank's server using a dial-up or other data connection as well as software requirements, inter-operability and protocols accepted. This determines the viability of the service by the agent. Technology involves people using knowledge, tools, and systems to make their lives easier and better. Technological factor in this study will be used to relate to mobile devices; software requires, inter-operability and protocols accepted and communications infrastructure (optimization and efficiency of bandwidth, communications interface, interference from other communications technologies).

As discussed in national bank of Ethiopia directives (FIS-01-2012) the technology used for delivery of mobile and agent banking services must be secure and should at least ensure the following, which shall be part of the technology risk management program of a financial institution: user risk, infrastructure and software application risk, communication media risks, agent and third party service provider risks, business continuity plan and interface feature of the application information technology revolution has essentially changed the face of the world and the economic, financial and social status has taken a giant leap from what it used to be previously. Agent banking is a modern technology of mobile banking to transact. It involves use of mobile phones, barcode scanners, reader cards that connect to the bank server using data connection.

Successful agency banking implementation requires effective technology management; the limited access to financial services is attributed to three main challenges: limited scale

(outreach), depth and the high cost of providing financial services. Essentially, the provision of financial services to many more people, especially in the depth of rural areas, using traditional branch networks entails high costs (Helms, 2006). In an attempt to overcome these challenges, financial service providers in a growing number of countries are finding innovative ways of delivering financial services. The use of ICT is indeed providing a means to increasing scale and depth, while reducing costs in the provision of financial services (Nganga, 2013)

According to Elfagid (2015) the ongoing global expansion of a high-tech telecommunications infrastructure, coupled with the increased availability of advanced information technology services, is having an impact on almost every emerging industry. Emerging industries are newly formed or reformed industries that have been created by technological innovations, shifts in relative cost relationships, emergence of new consumer needs or other economic and sociological changes that evaluate a new product or service to the level of a potentially viable business opportunity. Bewngi (2012), availability and quality of infrastructure is one of the challenges which impact the agent banking implementation. Interruption in services of telecommunications due to technical or nontechnical issue and non-availability of any parallel system or alternative may cause disruption in service availability. Similarly, congestion in network may become a bottle neck in providing quality of service to agent banking user. The inconsistent availability of power supply in the country particularly in the rural area is one of the challenges for the implementation and continuous availability of mobile and agent banking service. Therefore, utility disruptions or software or hardware failures can cause a lack of service availability and information loss. Financial institution without business continuity and disaster recovery planning may be on risk of non availability of services in case of catastrophic events, power breakdowns, fire etc and natural disasters (flooding, earthquake etc (Flaming et al. 2011).

2.3.3. Level of awareness and training

Level of awareness and training are perceived risks due to lack of understanding the business benefits to the bank and the economy at large (Titus, 2014). These refers to social issues, such as acceptability of mobile device and cultural fit of wireless application, as primary consideration for the wireless market and perceived usefulness of a wireless application all affecting behavior intention (Mberia 2009). Irura and Munjiru (2013) studied challenges of implementing agency

banking in kaka mega county, Kenya and the study found that implementation could be explained by fraud, literacy level, technological issues and liquidity problems.

According (Sein et al., 2006) training outcomes are: the knowledge level and skills about a specific it tool that a trainee can achieve by the end of a training course, training method and delivery mode: how the training material is delivered to the trainees and who delivers it. Training methods range from instructor-led to self-based, and the delivery mode from traditional (fixed timing, fixed place) to on-line training. User: classifying users based on a variety of factors such as job roles and learning style. Learning content: learning objects that combine to form the training materials.

2.4. Empirical literature on implementation of agent banking Project

There are some studies that have been conducted so far in challenges of agent banking project implementation. Their results have shown that, agent banking project implementation of commercial banks are determined by internal or external or both factors. Hence, the following section presents the empirical evidence on the implementation challenges agent banking project of commercial banks.

Nganga(2013) conducted the study on technology adoption and the banking agency in rural Kenya. The result of the paper looks at the ways of approaching the promotion of Mobile and Agency Banking technology adoption and its diffusion in Kenya. Technology adoption climates in developing countries are, by nature, problematic, characterized by poor business and governance conditions, low educational levels, and inappropriate infrastructure.

(Santu , Mwanza & Muredz ,2017), conducted the research on evaluation of the agency banking model adopted by Zimbabwean commercial banks. The result of the study identified that the challenges faced by commercial banks in operating agency banking operations and these include reputational risk, consumer protection and legal risk. The agents on the other hand face challenges such as liquidity risk, operational risk, and credit risk.

(Fred, 2013) in Kenya has made a study on Challenges of Agent Banking Experiences in Kenya with the objective of determining the extent to which insecurity affects agent banking, investigating the extent to which capital availability affects agent banking, establishing the effect of liquidity/float related problems and how perceived credibility affects the agency banking. The

study has found out the uptake of agent banking in Kenya has not been well appreciated by the target beneficiaries who include among others the micro and small enterprises in the rural areas in Kenya who were expected to benefit from this technologically innovative service. The study also noted that, the banks have not fully taken advantage of agent banking to explore all market segments at low operating costs. The researcher also identified some of the factors hindering the well functioning of agent banking despite mounting financial literacy training to Equity bank clients such as lack of mobile network services, float, lack of capital, issues of insecurity and fear of robbery.

Brazil has the highest banking agent network in the world with more than 113,000 agents in the year 2009 out of which close to 40,000 offers a broad range of banking services such as cash-in, cash-out, bill payments, account opening and loan application according to CGAP (2009). The study concluded that the growing interest in agency banking was mainly as a result of reduced costs.

On the other hand the descriptive study conducted by Bwengi (2012) that aimed challenges facing the implementation of agent banking strategy in commercial banks of Kenya. The study found that the factors agent banking strategy included fraud and money laundering and fear of break into the premises of the agents. The least of the challenges was lack of trust to the agents and government set policies on agent banking.

(Ayana, 2012) was conducted his research on the challenges and opportunities of E-banking in Ethiopia. The aims of his study were to analyze the status of e-banking in Ethiopia and investigate challenges and opportunities in implementation of same. The result of the study showed that, poorly developed telecommunication infrastructure, low level of internet penetration, lack of suitable legal and regulatory framework for e-commerce and e-payment, inadequate banking system, political instabilities, high rates of illiteracy, high cost of internet, absence of financial institutions networks that link different banks and frequent power interruptions among the challenges.

Wondwossen and Tsegai (2005) also studied on the challenges and opportunities of E-payments in Ethiopia; their objective was studying of E-payment practices in developing countries, Africa and Ethiopia. The researcher employs interview and on site observation to investigate challenges to E-payment in Ethiopia and found that, the main obstacles to the development of E-payments

are, lack of customers trust in the initiatives, Unavailability of payment laws and regulations particularly for E-payment, Lack of skilled manpower and frequent power disruption..

Elfagid(2015), conducted a study on the challenges and prospects of mobile and agent banking in Ethiopia. The findings of the research revealed that major challenges facing up the successful implementation of Mobile and Agent banking in Ethiopia were the infrastructural problem associated with ICT and road network, lack of appropriate agent banking channels and low level of financial literacy in the Country.

(Wolela A., 2014) done the study on Prospects and Challenges on the Implementation of Mobile and Agent Banking in Ethiopia. The objective of the study was to investigate prospect and challenges of Mobile and Agent banking in Ethiopia based on structural, organizational, infrastructural, economic, social and legal aspects. It was exploratory type of research design and data was collected through conducting interviews with key informants from different stakeholders such as selected Financial Institutions, Technology providers, NBE and Ethio Telecom. Data were discussed with narrative method of qualitative data analysis. The researcher found out that the challenges on competitive price with the traditional banking offerings, improper articulation of organizational structure, infrastructure issues like Telecom, Power and road, failure to realize interoperability among financial institutions and financial literacy level of the society. Moreover, the research identified that the strangest regulatory framework drafted by NBE has missing and ambiguous articles which casted shadow on the provision of Mobile and Agent Banking in Ethiopia.

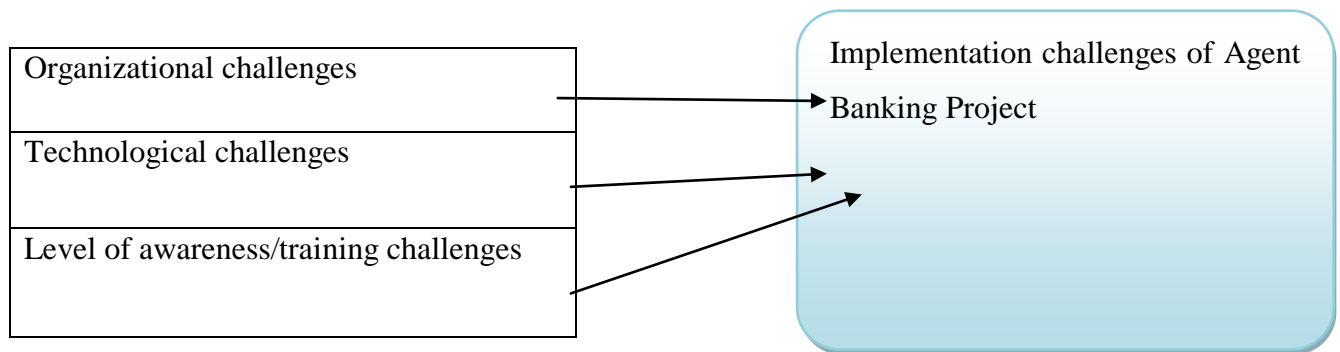
2.5. Conceptual framework

According to (Svinicki, 2010) conceptual framework is defined as an interconnected set of ideas (theories) about how a particular phenomenon functions are/ is related to its parts. That means, the conceptual framework is a system that shows relationship of dependent variable and the independent variables in the study. The independent variables in this study include: policy and regulation, technological factors, risk factors and level of awareness while dependent variable is implementation challenges of agent banking.

The researcher considering the above mentioned theories and related studies made on the challenges of implementation of agent banking project in Ethiopia and worldwide, tries to

identify the factors that influence the implementation of agent banking project by Ethiopian commercial banks. The conceptual framework developed by showing the relationship of these factors against the resultant variable which is implementation of agent banking

Figure 1 Conceptual Framework



Source: Tesfaye (2016)

CHAPTER THREE: Research Methodology

This section will be discussed the research methodology applied for the study, specifically, nature of data, the research design, target population, sampling design, data type, method of data collection and analysis techniques was presented.

3.1. Research Design

According to Sekaran and Bougie (2013), research design is the blue print for data collection, measurement and analysis; based on the research questions of the study. The study employed a descriptive research approaches. Descriptive research involves collections of quantitative information and it tabulated in numerical form; it involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data collection.

The study was designed for assessing the challenges of agent banking project implementation in Commercial bank of Ethiopia (CBE). It was fact finding and the suitable type for this type of research is descriptive. Thus, the researcher used a descriptive type of research since it describes the actual situations which exist in the study area based on the current condition and also it is easy to interpret the findings.

3.2. Research Approach

During conducting a study, there are different ways of approaching the problem. According to Creswell (2009), there are three approaches of research design; quantitative, qualitative and mixed. In conducting the research, the researcher used descriptive research design using mixed research approach whereby both qualitative and quantitative approaches were employed to answer the research questions.

3.3. Population of the study

A population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate and from which they can make inferences based on the sample statistics (Sekaran & Bougie, 2013). A target population according to Ngechu (2004) is the specific population about which information is desired. For this study, the total population of the study was all commercial bank of Ethiopia (CBE) staffs engaged agent banking project (CBE Birr)

implementation. These groups are targeted because the researcher believed that they provide accurate information and answer of the research questions.

3.4. Sample Design

Sekaran and Bougie (2013) define a sample frame as the total number of elements in the entire population from which subjects are selected to represent the rest of the population.

According to Daniel(2016) as cited in Singh (2006) when the subjects used in the sample is small number of population, using census sampling technique was appropriate. Hence, the researcher should be employed census sampling method to meet the study objective. The total population for the study was the staff which engaged in commercial bank of Ethiopia agent banking project implementation. The number of population was CBE Birr project team members (the staff engaged in the project) are thirty (32).

3.5. Data source

To generate data to address the research objectives, both primary and secondary data was used. The primary data collected using structured questionnaire from CBE agent banking project team members and interview. Creswell (2009) noted that questionnaires are commonly used to obtain important information about the population. The study concerned with views, opinions, perceptions, feelings, and attitudes of the agency banking project implementation regarding the challenging they faced. In order to get additional information's, the researcher used written bank documents as secondary source such as brochures, and CBE websites.

3.6. Data Gathering Instrument

The research used structured closed ended questionnaires and interview administered in face to face as the main instrument for data collection. Close-ended questions supported by a list of possible alternatives from which respondents selected the answer that best described their situations. Interview with the project manager was conducted and used as means of getting additional information.

In supporting this, Wilkinson and Birmingham (2003) have argued that the questionnaire is a preferable data gathering tools which enable to effectively collect data in a planned and manage

able ways. Furthermore, the questionnaire could be very detailed, help to cover many subjects or issues and should be easily and quickly analyzed once field data gathering work completed.

The questionnaires were structured in close-ended type and responses to the questions was measured on a five Likert rating scale where: Strongly Agree (SA) = 5; Agree (A) = 4; Neutral (N) = 3, Disagree (D) = 2; and Strongly Disagree (SD) = 1. The questionnaires were distributed physically in person to the survey participants and follow-up call was made to provide feedback, clarification and remainder.

In order to get additional information's, the researcher used written bank documents as secondary source such as brochures, and CBE websites.

3.7. Reliability and Validity of the Instrument

according to Creswell (2009) noted that validity of instrument is critical in all forms of reserves and the acceptance level largely depends on logical reasoning experience and professionalism of the researcher who should have a good understanding of the various quality control techniques. It refers to the representativeness of the items in the questionnaire. All constructs and their associated items in this study were designed according to the relevant literature. Moreover, validity of the instrument was checked by advisor, in order to make respondents comfortable in understanding the real meaning of the questionnaire. The advisor checked the questionnaires according to item clarity, wording, and format and determines if the statements were valid or not valid. Based on the feedback from the advisor, valuable improvements were made and irrelevant items were rejected.

Reliability: - the instrument for project team members questionnaire was pilot tested for reliability to ensure internal consistency. According to Getachew (2016) cited Hair and others (1992) the reliability of all the constructs exceeds the recommended cut-off value (0.7).

3.8. Method of Data Analysis

Blumberg, cooper and Schindler (2014) define data analysis as a process of gathering, modeling and transforming data with an aim of retrieving useful information, suggesting conclusions and supporting decision making. Jackson (2009) notes that before data can be analyzed and presented

it has to be organized. Organization involves putting the data into some systematic form. To analysis data researcher used software statistical packages for social sciences (SPSS) version 20. Descriptive statistics method is used in the study. Descriptive statistics, including frequencies, mean, and standard deviation was used to summarize data.

The data presented in tables. Tables are preferred as they give a clear understanding of the research interpretation for easy understanding of the phenomenon under study (Blumberg, cooper & Schindler, 2014). Tables used to present data in form of frequencies and percentages.

3.9. Ethical Issues

The study will in line with the organizations policy in relation to any intellectual property rights of the organization. Regarding privacy of the respondents, their responses are strictly confidential and only used for academic purposes. It cannot be ethical to access some confidential documents of the organization. So, the organization's code of ethics taken in to account without significantly compromising the findings of the study. Concerning references, all the materials and sources are properly acknowledged

CHAPTER FOUR: Data Analysis and Interpretation

4.1. Introduction

This chapter contains the findings and analysis of the research study based on interpretation of the data collected. The researcher distributed a total of 32 questionnaires to the agent banking project team members and interview.

This chapter presents the results and discussions of the challenges of implementation of Agent banking in Ethiopian banking industry. A descriptive statistical analysis was used to present and interpret the data collected on variables of factors affecting implementation of agent banking. Frequency tables and charts along with Percentages, mean and standard deviation are also employed to analyze the responses of the respondents.

The presentation, analysis, and interpretation of the interview and questionnaires were done simultaneously whereby the findings obtained from the interview were presented in parallel by substantiating against the result obtained from the questioners.

4.2. Response rate

A total of thirty two (32) questionnaires were distributed to all commercial bank of Ethiopia agent banking project team members and the researcher received thirty (30) responses from a total of thirty two (32) questionnaires distributed, which represents ninety three point eight percent (93.8%) response rate, thus enabling meaningful data analysis. According to Mugenda and Mugenda (2003) a response rate of 60% is good and a response rate of 70% and over is very good and interview. For interview one project manager asked for additional information, for this study 'X' represents project manager.

4.3. Demographic information of the respondents

The study participants on survey questionnaire have different personal information; besides these differences they introduce different responses towards the factors affecting implementation of agent banking project. The respondents of the questionnaire have different personal information. The demographic profile of respondents, participated in this study was shown this section.

4.3.1. Gender of the respondents

As reflected in table 1, sixty six point seven percent of the study participants were male and thirty three point three percent were female. This shows that most of the study participants are male.

Table 1 :- Gender of the respondents

Description	Frequency	Percent
Male	20	66.7
Female	10	33.3
Total	30	100.0

Source: Researcher Data

4.3.2. Age of the respondents

Table 2 shows the age group into which the respondents lay. The largest percentage of the participants are the youngsters (21-30) years old which is 63.3% of the total respondents, followed by those the age group of 30-40 years which takes 30% and 6.7% above40. The demographic age profile of the study participants shows that the 20 to 30 age group is dominant.

Table 2:- Age of Respondents

Age Range	Frequency	Percent
21-30	19	63.3
30-40	9	30.0
above40	2	6.7
Total	30	100.0

Source: Researcher Data

4.3.3. Educational level of the respondents

The education level of the participants varied widely. Table 3 indicates that 90 percent of the respondents have a first degree, and 10 percent have a master's degree. This shows that the majority of respondents are first degree holders.

Table 3:- Educational Level of the Respondent

Description	Frequency	Percent
Degree	27	90.0
Masters	3	10.0
Total	30	100.0

Source: Researcher Data

4.4. Factors affecting agent banking project implementation

The challenging factors in implementation of agent banking in Ethiopian banking industry regarding to the technological factor, organizational factor and level of awareness were analyzed in the following sections.

A total of nineteen(19) questions on factors of agent banking project implementation were asked to indicate the extent to which each respondent agrees to corresponding closed ended statements rated on a five-point likert type scales ranging from 1= Strongly disagree(SD), 2= Disagree(D), 3= Neutral(N), 4='Agree(A) to 5= Strongly agree(SA). The summary of the results for all the variables under the research study and the result with respect to each statement is indicated below. Accordingly, the researcher tried to interpret the mean and the standard deviation of the data points and also tried to triangulate and complement the result obtained from the interview and closed ended questions with the results obtained from the likert type statements pertaining to similar variables whenever appropriate.

The mean tried to tell the average where the data points fall for each specific variable while the standard deviation column showed the variability of the data points for each variable under consideration (Elfagid, 2015).

4.4.1. Organizational factors

(Zhang et al., 2003) found that information system implementation is influenced by internal organizational factors such as diversity of coordination and cooperation, sharing responsibility, and organizational members' and group commitment towards information system implementation.

Organizational factors considered as challenges in implementation of agent banking project. In this section five organizational factors are discussed, these are sharing of responsibility among the project team members, Lack of delivery of required equipment's to support implementation of agent banking, Management and project team member commitment towards agent banking project implementation, Lack of time management and Management perception of the agent banking as a source of competitive advantage.

Table 4:- Descriptive statistics of organizational factor

Statements	N	SA	A	N	D	SD	mean	Std, Deviation
Sharing of responsibility among the project team members	30	13(43.3%)	10(33.3%)	2(6.7%)	4(13.3%)	1(3.3%)	4.0	1.17
Lack of delivery of required equipment's to support implementation of agent banking	30	11(36.7%)	10(33.3%)	3(10%)	4(13.3%)	2(6.7%)	3.8	1.27
Management and project team member	30	3(10%)	10(33.3%)	2(6.7%)	11(36.7%)	4(13.3%)	2.9	1.27
Lack of time management	30	3(10%)	16(53.3%)	4(13.3%)	5(16.7%)	2(6.7%)	3.4	1.1
Management perception of the agent banking as a source of competitive advantage	30	4(13.3%)	6(20%)	2(6.7%)	13(43.3%)	5(16.7%)	2.7	1.25

Source: Researcher Data

Table 4 shows that the majority of the respondents agree and strongly agree 10 and 13 respectively with statement of sharing of responsibility among the project team members have significant impacts on agent banking project implementation having the mean score of 4.00 and standard deviation of 1.17. The average response of the respondents agreed that lack of sharing of responsibility among the project team members (mean=4.0), this implies that sharing responsibility or information among team member necessary to project implementation success mean that, project member have different knowledge, skill, observation and cultures, sharing of all this each other were lead the project accomplished properly and also this variable was challenge for implementation of agent banking. It is in line with the finding of (ayana, 2012) organizational factors mainly relates with availability of financial and skilled human resources in implementing a system.

As interviewed project manager(X) communication was underscored as a major requirement of the successful implementation. Communication was to be frequent, timely and calculated. It was seen from secondary data that emails, circulars and presentations were done through all the regions to prepare staff for implementation. The management had a feeling that not all staff gave the required interest in the circulars or emails sent communicating the right message at the right timing to the right people proved to be a challenge.

Similarly the majority of the respondents agree with 'lack of delivery of required equipment's to support implementation of agent banking' by the management significant negative effect on implementation of agent banking project having the mean score of 3.80 and standard deviation of 1.27. These findings are consistent with those of Burkman (1987) who emphasized the importance of locating of the necessary equipment, materials, and facilities in order to support the implementation of a new instructional product. The result indicates that, lack of delivery of the required equipments for the project is main challenges for the implementation of agent banking project in commercial bank of Ethiopia.

From interview 'X' discussed with the project manager the issue of delivery of physical resources to be used in the implementation presented as a major challenge. The challenge came about as either to purchase them for the agent bankers or let them acquire their own sets. If the same had to acquire their own sets, would they be compatible with the system or would modifications be required? This also led the project implementation to delay.

The result shows that mean score of 3.43 and standard deviation of 1.1 for the question of lack time management negatively influences project implementation of Agent banking, the majorities of the respondents agree and strongly agree 10% and 53.3% respectively out of the total respondents. The mean = 3.43 implies that there was a common understanding by the respondents for this specific variable under consideration. Therefore, most of the respondents agreed that time management would be contributing more on the implementation of agent banking project efficiently and effectively. From interview discussion of 'X' with this project time management would be one of major challenge to implement. challenge to finished the project on time are delivery of the equipment , delay of national bank permit and regulation on agent selection from NBE Government regulations are sometimes a major hindrance to agent banking implementation. It is the government through National bank of Ethiopia that regulates the banks agents and determines the minimum criteria that one requires in order to be approved to conduct agency banking. Some of these regulations hinder a certain number of personnel that would have qualified to conduct the agency business. It was found out that some of these regulations dictate the license fee charged by the National bank of Ethiopia and an additional fee for the municipal or county license. A number of potential agents thus view this as additional overheads that are expensive to maintain each year. And the technology not delivered on time which necessary to facility the system.

Other questioner management and project team member commitment towards agent banking project implementation Out of the total of 32 respondents, 30 of them answered to the above statement and out of which only 10% of them strongly agree, 33.3% of the respondents agree, while 36.7% disagree and 13.3% strongly disagree with the statement while the rest 6.7% of the respondents are indifference with the statement and the average value mean 2.9 and standard deviation 1.27 indicated that management and project team member commitment towards agent banking project implementation is not as challenge for agent banking implementation in commercial bank of Ethiopia, but for one project management and team member commitment was necessary.

In the above Table 4 represented the degree to which respondents agree to the statement saying management perception of the agent banking as a source of competitive advantage. As indicated that the respondents, 13.3 % of them strongly agreed and 20% of the respondents agreed to the statement and 16.7% strongly disagree and 43.3%disagee, the rest of 6.7% of them are neutral

and the mean value 2.7 standard deviation 1.25. This indicated that average respondents are in different. Therefore, the majority of the respondents agreed on the variable was no challenge to implement agent banking, therefore management of commercial bank of Ethiopia perceived agent banking as a source of competitive advantage.

4.4.2. Technological factors

Technological innovations play a vital role in the banking industry in creating value for banks and customers to enable customers perform banking transactions without visiting a traditional branch banking system (Afeework, 2015). The issues raised herein under the technological factors were relative challenges that delay banking industries from the adoption of the new technological innovations. Major factors established to have contributed to the successful project implementation of agency banking in most of the banks is technological advancement (Santu , Mawanza & Muredz ,2017)

A total of 7 questions on technological challenges of agent banking project implementation were level of development of ICT infrastructure ,cost of ICT infrastructure ,network failure and road infrastructure ,lack of confidence in aspect of security ,agent banking software incompatible with bank software and inadequate telecommunication infrastructure. asked to indicate the extent to which each respondent agrees to corresponding closed ended statements rated on a five-point likert type scales ranging from Respondents were asked whether they `strongly agreed, agreed, neutral, disagreed or strongly disagreed' The table also shows the statistical results on the variables, including the number of frequencies, the mean, and standard deviation of the data points.

Table 5:- Descriptive statics of technological challenges

Statement	N	SA	A	N	D	SD	mean	Std, Deviation
Level of development of ICT infrastructure	30	15(50%)	11(36.7%)	2(6.7%)	1(3.3%)	1(3.3%)	4.27	.98
Cost of ICT infrastructure development	30	5(16.7%)	8(26.7%)	4(13.3%)	10(33.3%)	3(10%)	2.73	1.26
Network failure and road infrastructure	30	10(33.3%)	13(43.3%)	2(6.7%)	5(16.7%)	0	3.93	1.05
Continuous technology innovation	30	7(23.3%)	12(40%)	3(10%)	7(23.3%)	1(3.3%)	3.57	1.19
Lack of confidence with the security aspects	30	6(20%)	16(53.3%)	2(6.7%)	4(13.3%)	2(6.7%)	3.67	1.15
Agency banking software is incompatible with the core banking software.	30	3(10%)	7(23.3%)	3(10%)	13(43.3%)	4(13.3%)	2.47	1.25
Inadequate telecommunication infrastructure	30	12(40%)	13(43.3%)	2(6.7%)	2(6.7%)	1(3.3)	4.1	1.03

Source: Researcher Data

As stated the table 5 above, the majority respondents strongly agreed that in adequate telecommunication is a challenge for implementation of agent banking project. As indicated that out of the total respondents most of them are agreed that means 43.3% agree, 40% strongly agreed and 3.3% of them strongly disagree and 6.7% disagree, the rest of respondents neither agree nor disagree 6.7% and mean value 4.1 and standard deviation 1.03. This finding were consist with Elfagid(2015) to implement agent banking effective telecommunication infrastructure was necessary without telecomm, infrastructure provide agent banking service was impossible.

Form interviewed discusses 'X' that, Communication was to be frequent, timely and calculated. It was seen from secondary data that emails, circulars and presentations were done through all the regions to prepare staff for implementation. In such communication, the management always aired the benefits that would be attained when the accessing would be implemented. The challenge that faced the issue of communication was: how would communication be received and how much of it would be deemed enough. The channels of communication was also considered as it became clear from the interview that the management had a feeling that not all staff gave the required interest in the circulars or emails sent. If the circular would be a tool to be used, they would also require the support of other methods of communication. Communicating the right message at the right timing to the right people proved to be a challenge. Therefore inadequate telecommunication infrastructure was challenge to this project implementation.

The other question was level of development of ICT (information communication technology) infrastructure. From total number of respondents 50 % of them strongly agreed and 36.7% of the respondents agreed to the statement and 3.3% and 3.3% are strongly disagreed and disagreed the rest of them are neutral 6.7% and found the mean value 4.27 and standard deviation .89 This indicated the level of development of ICT infrastructure would be necessary for effective implementation of agent banking , because the objective of agent banking was to increase resource mobilization ,financial inclusions and to create cashless society but majority of population 80% of Ethiopian live in rural area and 66% of Ethiopian population un banked this difficult to address the service without availability of ICT infrastructure. From interview question of technological challenge the 'X' says that the use of ICT infrastructure in indeed providing a means to increasing scale and depth , while reducing cost in the provision of financial service. accordingly ,as a challenge the level of ICT infrastructure could have impacted agent banking business , the manager believe that the existing of infrastructural development in the country , especially in relation to telecom and road network would have significant impact on the provision of the agent banking business in Ethiopia since the business requires generally good infrastructure in terms of road network ,telecomm, communication and information technology .unless there is transformational infrastructural development in Ethiopia .agent banking would no service its purpose as a successful propagator for financial inclusions , This result were consistent with the findings of Ayana (2012), Afowerk(2015) in which all indicted that, technological factors such as in adequate telecommunication infrastructure, network failure

and ICT infrastructure as impediment factor for the implementation of agent banking project as well as adoption of e-banking. as indicate above this variable was challenge to agent banking implementation.

The network failure and road infrastructure was the next question as indicate table 5 the mean value of variable 3.93, and standard deviation 1.05 The respondents indicated that out of the total of 30 respondents, 43.3% agree and 33.3% strongly agreed on the other hand 16.7% disagree and 6.7% neither of two. The statement showed that network failure and road infrastructure is a major challenge for implementation of agent banking project. This finding consists with Flaming.et.al (2011) Availability and quality of infrastructure is one of the challenges which impact the agent banking business. Therefore network failure and road infrastructure challenge to project implementation.

Other question Lack of confidence with the security aspects mean of 3.67 were challenges of agent banking project implementation and the respondents indicated that out of the total respondents majority of them 53.3% agreed on statement and 20% strongly agreed the other of them 6.7% strongly disagree and 13.3% disagree the rest 6.7% are neutral . This statement indicated that lack of confidence with security aspects is one of major challenge for implementation of agent banking project. The interview revealed that in majority of Ethiopian population live in rural area and also the objectives of the project was to force them in to financial inclusion and new technology (cashless society), but most of them have not confidence with in secret and the service provider. System acceptance was depicted as a major challenge to agency banking implementation. This was widely viewed as bringing in a huge change to the traditional method of banking where for any withdrawal, the customers image would be seen by the teller, his identity and other security credentials viewed before the cash is released to him. The new system was bringing in a form of cash withdrawal where the customers image was not going to be paramount, his signature would not be an identifier but a confirmation; a system where one's mobile phone number would become almost synonymous to his personal identity. Therefore this variable was challenge to impalement agent banking project.

Next question Continues technology innovation majority of the respondents agreed which is 23.3% strongly agree and 40% agree. On the other hand 3.3% strongly disagree, 23.3% disagree, and the remaining 10% indifference with the statement and mean value 3.57 and standard

deviation 1.19. This implies that the emergence of new application, new phone and other are challenge of agent banking implementation in commercial bank of Ethiopia. From this fact, we conclude that continues technology innovation.eg emergence of new apps new phones and new mobile phone operating systems will changes agent banking project implementation this also track for the implementation and operating the service . Wondwossen & Tsegai (2005) cited lack of appropriate infrastructure for e-payment, lack of internet facilities with customer and learning how to interact with technological products as challenges for new technology innovation of banking sector, So that this variable would be challenge to implementation of agent banking project.

Other question agent banking software incompatible with bank software as indicated on table the respondents that representing 10% strongly agreed and 23.3% agree. On the other majority of the respondent hand 43.3% disagree with the statement and 13.3% strongly disagree, the remaining 10 % respondents neither agree nor disagree and the mean valve 2.47 and standard deviation 1.25. This finding consist with Elizabeth (2016), compatibility was measured by seeking to establish whether compatibility of agency banking with the core banking software, compatibility of agency banking with the culture of the bank. Results revealed that agency banking software was compatible with the core banking software, and that agency banking was completely compatible with the culture of the bank. Results indicated that the relationship between technology compatibility and behavioral intention to implement was positive and significant.

Other question Cost of ICT infrastructure development, from total number of respondents 10 % of them strongly disagree 33.3% of the respondents disagreed to the statement. 26.7% agree, and 16.7% are strongly agreed with the statement and the rest are indifference 13.3% and the mean resulted in 2.73 and standard deviation 1.26.therefore found indifferent whether the cost of ICT infrastructure development incurred during the project implementation was no challenge for implementation of agent banking. This indicated that cost of ICT infrastructure is not challenge for implementation of agent banking project of commercial banks.

4.4.3. Level of awareness and training

The last objective of this study was to determine how level of awareness and training affects implementation of agency banking and the respondents were asked 7 questioners if they had received any training from the bank and the findings are summarized in table 6 below.

Table 6:-*Descriptive statistics of Level of training and awareness*

Statement	N	SA	A	N	D	SD	Mean	Standard Deviation
Lack of technical and managerial skills on the use technological innovation	30	8(26.7%)	15(50%)	0	6(20%)	1(3.3%)	3.8	1.14
Agents inadequately prepared for the adoption of new system.	30	9(30%)	16(53.3%)	2(6.7%)	3(10%)	0	4.2	0.76
Lack of frequent training and support to the agents	30	11(36.7%)	13(43.3%)	5(16.7%)	1(3.3%)	0	4.28	0.73
Insufficient training for project team members	30	5(16.7%)	13(43.3%)	4(13.3%)	8(26.7%)	0	3.52	1.12
Education level of agents and customers	30	11(36.7%)	13(43.3%)	2(6.7%)	3(10%)	1(3.3%)	4.08	1.08
Cost of training of employees, agents and customers.	30	3(10%)	9(30%)	5(16.7%)	10(33.3%)	3(10%)	2.96	1.27
Customers may not be willing to accept agent banking	30	3(10%)	18(60%)	1(3.3%)	7(23.3%)	1(3.3%)	3.44	1.08

Source: Researcher Data

Respondents were asked whether they 'strongly agreed, agreed, neutral, disagreed or strongly disagreed' based on the 7 statements shown in the table 6 above to confirm the level of awareness and training for implementation of agency banking project. The table also had shown statistical results on the variables, including the number of frequencies, the mean, and standard deviation of the data points.

Lack of frequent training and support to the agents, majority of respondents are agreed on statement 43.3% agree and 36.7% strongly agree. On the other hand 3.3% of them disagree and 16.7% of them neither agree nor disagree and the mean 4.28 and standard deviation .73. This finding consist with Titus (2014) to implement agent banking lack of training was led the customers and agents to ignore the service the system was need proper training

Interview discussion 'X' other prominent training challenges include the difficulty in setting up the required training logistics, which includes selecting the right facilitators to provide end-user training, providing adequate training to the facilitators themselves, setting up training facilities with the right infrastructure and the preparation of quality training documentation Training content is usually perceived as being inadequate with lack of attention to detail, thus hampering the holistic understanding of how agent banking system facilitate. Therefore this variable indicated that lack of frequent training and support to the agents is the major challenges that hinder implementation of agent banking project.

The other questions were agents inadequately prepared for the adoption of new system. The majority of respondents would be agreed on the statement that out of the total respondents, 53.3% agree and 30% strongly agree with the statement and 10% of them disagree, the rest of 6.7% of them neither agree nor disagree and mean value 4.2 and standard deviation .76. According to Charles (2014) high quality of agents increases the adoption of agency banking while poor quality agents inhibit the adoption of agency banking. The issues raised herein under the level of awareness factors were relative disadvantages (perceived risk) that hinder banking industries from the adoption of the new technological innovations. The results were consistent issues raised herein under the level of awareness factors were relative disadvantages (perceived risk) that hinder banking industries from the adoption of the new technological innovations. This indicate that agent inadequate to accept new systems challenge to implement project

The other question Lack of technical, managerial skills on the use technological innovation The respondents indicated that out of the total respondents, 50% agree and 26.7% strongly agreed and 20% of them disagree and 3.3% strongly disagree on the variables and mean value of the variable 3.84 and standard deviation 1.14 to adopt technological innovation will have impact on the implementation of adoption of new technological innovation in the banking sector like agency banking as per the response of the sampled participants. As statement indicated that majority of respondents agreed on lack of technical and managerial skills on the use technological innovation was challenge to the implementation of agent banking project.

The next question Insufficient training for project team members the respondents indicated that out of the total of respondents, 43.3% agree and 16.7% strongly agree with the statement and other respondents 26.7% disagree the remaining 13.3% and 3.52 mean value and 1.12 standard deviation value. This indicated that lack sufficient training for project team members is one of the major challenges and lead the project to delay in the phase and also challenge to agent banking implementation in commercial bank of Ethiopia.

Education level of agents and customers The respondents indicated that out of the total respondents majority of the respondents agreed on the statement expressed their level of agreement and out of which 43.3% tem agreed and 36.7% them strongly agreed to the challenge of such specific variable on agent banking On the other hand, 10 % disagree and strongly disagree 3.3% of the respondents disagree and 6.7% of the respondents neither of the two. From 'X' interview discussion, the majority of challenge was education level of customer and agents inspect of clearly know system miss understanding of them like when training is give to them they will not accept that may be theirs is lack of training in the bank side this is challenge to implement this is difficult to them to accept the system but the system were not difficult to use From this fact; we can infer that education level of agents and customers was challenge agent banking of project implementation.

Customers may not be willing to accept agent banking the respondents indicated that out of the total respondents, 60% agree and 10% strongly agree with the statement and 23% of them disagree and 3.3% strongly disagree, the remaining 3.3% neither agree nor disagree and mean value 3.44 and standard deviation 1.08. From interview discussion 'X', this indicated that if t External communication was also viewed as a challenge. The right information was required to reach

the customer. This would be the basis through which the customer would build a basis for trusting the agents. Communication via the media both audio and visual would stamp the ability of the agents to perform the function on behalf of the bank. To stamp this, the agents would also form a channel for external communication. The customers they would serve would also pass the same information of how the service was to another person who would then want to try the service. It would then be a big challenge if what was being advertised as being offered would be different from the experience that the customer would receive once at the agents' outlet. If customers are not willing to accept agent banking, it would be a challenge to the implementation of agent banking project.

Cost of training of employees, agents and customers majority of the respondents disagree on this statement from total population 33.3% disagree and 10% strongly disagree, on the other hand 10% agree and 30 strongly agree, the remains 16.7% neither of two and mean value 2.96 and standard deviations 1.27 therefore cost of training were not challenge for implementation of agent banking project. The result is supported by the finding of Afework (2015) financial costs were not found as barrier for the adoption of agency banking system in Ethiopian banking industry.

4.4.4. Summary of the factors Discussed Above

The table 7 below shows that the summary the factors based on their mean Rank. The data was sorted by the mean in descending order showing rank of factors from 1 to 13. Among all the variables, the variable with the highest mean score was "Level of development of ICT infrastructure" having mean value of 4.27 and Inadequate telecommunication infrastructure having mean of 4.10. For most respondents, ICT infrastructure development and telecommunication infrastructure to agent bank project implementation were the critical factors behind agent Banking project implementation in Ethiopia banking industry. In light of advancing the motif of financial inclusion in Ethiopia, agent banking plays underpinning role to overwhelm access to finance through mobile phones ICT and telecommunication infrastructure plays vital role. Taking in to account the gap on the demand and supply side on financial access and the unexploited potential market ahead, project implementation of the Agent Banking service will create circumstances the way to enhance access to financial service and thereby brings financial inclusion in Ethiopia (Afework, 2015).

The other most ranked factors that respondents agreed upon was the statement saying “lack of frequent training and support agents” having mean value of 4.13 also will increase the effectiveness and efficiency of the project and can be used as a means of profit maximization.

Table 7:-Summary of the challenges ranked by mean

Statement	Mean	Mean Rank	Std. Deviation
Level of development of ICT infrastructure	4.27	1	0.98
Lack of frequent training and support to the agents	4.13	2	0.82
Inadequate telecommunication infrastructure	4.10	3	1.03
Agents inadequately prepared for the adoption of new system.	4.03	4	0.89
Sharing of responsibility among the project team members	4.00	5	1.17
Education level of agents and customers	4.00	6	1.08
Network failure and road infrastructure	3.93	7	1.05
Lack of delivery of required equipments	3.80	8	1.27
Lack of technical and managerial skills on the use technological innovation	3.77	9	1.17
Lack of confidence with the security aspects	3.67	10	1.15
Continuous technology innovation	3.57	11	1.19
Customers may not be willing to accept agent banking	3.50	12	1.07
Insufficient training for project team members	3.50	13	1.07

Source: - Researcher Data

The Data was sorted by the mean in descending order showing rank in challenges from 1 to 13. Among all the variables, with the highest mean score was “Level of development of ICT infrastructure” having mean value of 4.27 and Inadequate telecommunication infrastructure having mean of 4.10. For most respondents, ICT infrastructure development and telecommunication infrastructure to agent bank project implementation were the critical factors behind agent Banking project implementation in Ethiopia.

The second most ranked factors that respondents agreed upon was the statement saying “lack of frequent training and support agents” having mean value of 4.13. Continuous training of the agent also will increase the effectiveness and efficiency of the project and can be used as a means of profit maximization.

In light of advancing the motif of financial inclusion in Ethiopia, agent banking plays underpinning role to overwhelm access to finance through mobile phones, ICT and telecommunication infrastructure plays vital role. Taking in to account the gap on the demand and supply side on financial access and the unexploited potential market ahead, project implementation of the Agent Banking service will create circumstances the way to enhance access to financial service and thereby brings financial inclusion in Ethiopia.

The 4th, 5th and 6th ranked challenges having mean value of 4.03, 4.00 and 4.00 were “Agents inadequately prepared for the adoption of new system, Sharing of responsibility among the project team members, and Network failure and road infrastructure” respectively. The harmonization of the service with the existing bank service offerings and the rendering of financial services to the unbanked in a profitable and sustainable way as an alternative channel of the conventional banking service can serve as a momentum for the provision of Agent Banking service in Ethiopia.

Ranked 7th, 8th, 9th, 10th, 11th, 12th and 13th were the challenges stated as "Network failure and road infrastructure, Lack of delivery of required equipments, Lack of technical and managerial skills on the use technological innovation, Lack of confidence with the security aspects, Continuous technology innovation, Customers may not be willing to accept agent banking, and Insufficient training for project team members", having a mean value 3.93, 3.80, 3.77, 3.67, 3.57, 3.50 and 3.50 respectively are the factors based on their mean rank.

All respondents asserted that the existing business environment is conducive in light of employing the existing driving factors taking in to advantage the user friendliness feature of the technology. The respective values of the standard deviations for each variable clearly described that all variables had standard deviation values less than or equal to 1.0, indicating that there was general consensus by respondents that the provision of Agent banking entails opportunities which shall be well equipped to maximize stakeholders’ benefit from such emerging market in Ethiopia.

CHAPTER FIVE: - Summary, Conclusions and Recommendations

5.1. Summary of the findings

The research project objective was to describe factors that affect the implementation of agency banking system in Ethiopia, in case of commercial bank of Ethiopia (CBE). The study accordingly described a number of factors that challenges implementing agency banking project.

Organizational members and project team group commitment towards the project, lack of delivering of required equipment's for the project timely, lack of sharing of responsibility among the project team members, and lack of time management are described in the study as organizational factors for implementation of agent banking project.

Inadequate telecommunication infrastructure, continuous technology innovation, lack of available ICT infrastructure and network failure and road infrastructure are presented in the study as technological factors for implementation of agent banking project. But the respondents confirmed that agency banking software is incompatible with the core banking software and the cost of ICT infrastructure development were not found as barrier or challenges for implementation of agent banking project.

But, majority of the respondents indicated that, they are indifference about the cost of ICT infrastructure development incurred during the project implementation.

In case of training, respondents agreed that that lack of frequent training and support to the agents, agents inadequately prepared for the adoption of new system, educational level of the agents and customers, lack of technical, managerial skills on the use technological innovation, insufficient training for project team members and the unwillingness of the customers to accept agency banking service are considered as barriers for implementation of agent banking project due to lack of training.

5.2. Conclusion

The findings of the study show that the banking sector is eager to hold close agency banking as an alternative service delivery channel. Agency banking presents opportunity for financial inclusion on the existing investment of the retail agents through information and communication technology.

The study shows that the main challenges facing agency banking project implementation in commercial bank of Ethiopia are poor resource allocation, lack of sharing of responsibilities, inadequate telecommunication infrastructure, lack of available ICT infrastructure, network failure and road infrastructure and lack of training of project team members, agent and customers on the relevant policy issues and factors that have a bearing on agency banking.

In general, the findings of the study emphasize factors influencing the implementation of the agent banking project of commercial banks of Ethiopia. Barriers identified in this study while implementing the agent banking project may help to indicate the best alternative course of actions to enhance its development. It will also be valuable by increasing awareness and understanding towards the system.

5.3. Recommendation

Agent banking project implementation is new development in Ethiopian banking industry with significant impact in extending the banking services effectively and efficiently to achieve the required objectives with efforts of all stakeholders. As a result of the above conclusions, the researcher recommends the following points:

- ✓ The bank should train project team members, staffs, agents and customers about the technologies, importance of financial inclusion, and the impact of successful implementation agency banking for development of the economy of the country. Banks should consider technology based competition focusing on, awareness creations, credibility and security.
- ✓ The management should deliver all required equipment's for the project timely in order complete the project within its time frame.

- ✓ Ethio telecom should support banking sector by facilitating development of sufficient ICT and road infrastructure for the successful implementation of agency banking project in order to provide banking service to poor and rural area.

5.4. Suggestions for further research

This study described the challenges of implementation of agent banking project in case of commercial bank of Ethiopia from the bank perspective. But it did not consider the agents and customers perspective. Besides, the researcher was not considering external environmental factors. Therefore, the researcher would like to recommend further research be made on the area especially to capture the agents and the customers' perspectives and external environmental factors.

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Appendix

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School of Commerce

Dear Respondents

I, Mulu Mekuria, who is conducting this study titled 'Project Implementation challenges of agent banking in case of Commercial bank of Ethiopia' for the partial fulfillment of the requirement for obtaining the Master Degree (MA) in Project Management. Thus, the main objective of the study is to investigate project implementation challenges of agent banking in case of commercial bank of Ethiopia.

Dear respondent, the accuracy of the study is highly related to the information you provide, your genuine and timely responses. Therefore you are kindly requested to put the real information without any fear for any consequence in your business as it will be only used for academic (research) purpose. I want also to ensure that all the information you give will be strictly confidential.

Thank you in advance for your cooperation!

Section one: General information please put on it "circle"

1. Gender :
 - a. Male
 - b. Female
2. Age :
 - a. 21 to 30 years
 - b. 30 to 40 years
 - c. Above 40 years
3. Level of education:
 - a. Diploma
 - b. Bachelor degree
 - c. Masters degree and above

Section two: Factors affecting the implementation of agent banking

Organizational Factor

4. Indicate the extent to which you agree with the following statements. Thus, please indicate your level of agreement with each statement by ticking (√) on the spaces provided under each option. The options range from: 1=strongly disagree 2= disagree, 3=Neutral, 4=agree 5= strongly agree.

	Statement	5	4	3	2	1
1	Lack of Sharing of responsibility among the project team members					
2	Lack of delivery of required equipments					
3	Management perception of the agent banking as a source of competitive advantage					
4	Organizational members and project team group commitment towards agent banking project implementation					
5	Lack of time management					

Technology based factors

5. Indicate the extent to which you agree with the following statements with regard to the **Challenges of implementation of agent banking project in your bank.** Thus, please indicate your level of agreement with each statement by ticking (√) on the spaces provided under each option. The options range from: 1=strongly disagree 2= disagree, 3=Neutral, 4=agree 5= strongly agree.

	Statement	5	4	3	2	1
1	Level of development of available ICT infrastructure					
2	Cost of ICT infrastructure development					
3	Network failure and road infrastructure					
4	continuous technology change					
5	Lack of confidence with the security aspects					
6	In adequate telecommunication infrastructure					
7	Agent banking software incompatible with bank software					

Awareness/training Based Factor

6. Indicate the extent to which you agree with the following statements. Thus, please indicate your level of agreement with each statement by ticking (√) on the spaces provided under each option. The options range from: 1=strongly disagree 2= disagree, 3=Neutral, 4=agree 5= strongly agree.

	Statement		5	4	3	2	1
1	Lack of technical and managerial skills on the use technological innovation.						
2	Agents inadequately prepared for the adoption of new system.						
3	Lack of frequent training and support to the agents						
4	Insufficient training for project team members and staff						
5	Education level of agents and customers						
6	Cost of training of employees, agents and customers.						

THANK YOU FOR YOUR RESPONSES