

**AN ASSESSMENT OF THE FACTORS AFFECTING ELECTRONIC
MONEY TRANSFER IN BANKING INDUSTRY: A CASE OF BANK OF
TANZANIA MWANZA**

GEOFREY PHILLIP SWAI

**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION (FINANCE) OF THE OPEN UNIVERSITY
OF TANZANIA**

2013

CERTIFICATION

The undersigned certifies that he has read and hereby recommends for the acceptance by the Open University of Tanzania a dissertation titled, “**An Assessment of the Factors Affecting Electronic Money Transfer in Banking Industry. A case of Bank of Tanzania, Mwanza**” in partial fulfillment for the requirements for the Master in Business Administration of the Open University of Tanzania.

Odass.

.....

Dr. Odass Bilame

(Supervisor)

28-08-2013

.....

Date

COPYRIGHT

This dissertation is copyright material protected under Berne Convention, the copyright Act 1999 and other International and National enactments, in that behalf, on Intellectual property. It may not be reproduced by any means, in full or part, except for short extracts in fair dealings, for research or private study, critical scholarly review or discourse with an acknowledgement without written permission of the Directorate of School of Graduates, on behalf of both author and the Open University of Tanzania.

DECLARATION

I **Geofrey Phillip Swai**, declare that this Dissertation is my own original work and that has not been presented and will not be presented to any University for a similar or any other degree award.

.....

Signature

.....

Date

DEDICATION

This dissertation is dedicated to my lovely wife Anjella and our lovely son Donald and our daughters Lyse and Grazia who missed my parental care during the hard time of my studies. Also the extended dedication goes to my father Phillip Swai and my Mother Ndeshwangisa for their parental love and assistance in my hard educational pursuit. May, the Almighty God bless them all.

ACKNOWLEDGEMENTS

I would like to express my heartfelt thanks and appreciation to all those who have contributed in one way or another to enable the successful completion of this research work. First and foremost I extend my grateful to my Supervisor Dr. Odass Bilame, who did a lot of work in directing, guiding, encouraging and giving intellectual support when needed from time to time.

Secondly, I wish to thank all the employees and top Management of BOT Mwanza for their great assistance and support during the time of collecting data. To mention a few of them for special gratitude were G. Maganga Branch director and P. Mlay Principal Training Institute for their encouragement and support in providing me with various needed documents.

Thirdly, my colleagues whom we used to study and discuss together up to odd hours, I humbly appreciate their contribution to the success of this work. These were Shaban Ndossi, Rose Palagha, and Cletus Mwankalinga.

My wife Anjella also deserves to be given special appreciation for her tireless encouragement during my entire period of my studies. She had to do extra work of managing the family alone in order to release me with family obligations.

It is difficult to acknowledge each and every one individually for the kind support offered but generally I may ask to accept my thanks through this note and let the Almighty God bless you all.

ABSTRACT

Several theories on electronic transaction have been applied in order to determine the challenges that face the application of e money transfer at the BOT Mwanza were consulted supported with a good number of empirical studies on the subject matter.

The study examined the challenges facing application of e- money transfer in banking industry. In order to reach the goal the study tested three major objectives. (1) To analyze the influence of e - money transfer dimensions in Banking Industry at the BOT Mwanza. (2) To examine the relationship between e- money transfer service quality and customer satisfaction (3) To examine the challenges facing the application of e money transfer in Banking Industry at Bot Mwanza.

Both primary and secondary data were collected for the study. The study population comprised of 98 respondents in which the study managed to meet only 41 respondents to collect the needed primary data. The data collected included personal characteristics of the respondents, factors that Influence the e- money Transfer and the possible solution to the problem.

Recommendations given include advancing the technology, standardizing the infrastructure within BOT; providing educational to the BOT workers and customers; and maintaining safety and efficiency of system of transferring e – money with BOT. This study also opened the doors for further researches on the same or similar case to fill the gaps that will be identified.

TABLE OF CONTENTS

CERTIFICATION	ii
COPYRIGHT	iii
DECLARATION	iv
DEDICATION	v
ACKNOWLEDGEMENT	vi
ABSTRACT.....	vii
TABLE OF CONTENTS.....	viii
LIST OF TABLES	xi
LIST OF ABBREVIATIONS.....	xiii
CHAPTER ONE	1
1.0 INTRODUCTION.....	1
1.1 Background of the Study	1
1.2 Statement of the Problem	4
1.3 Research Objectives	6
1.4 Specific Objectives.....	6
1.5 Research Questions	6
1.6 Significance of the Study	7
1.7 Scope and Limitation of the Study	7
1.8 Organization of the Study	8
CHAPTER TWO	9
2.0 LITERATURE REVIEW.....	9
2.1 Theoretical Literature Review	9
2.2 Empirical Literature Review	11

2.4	Research Gap.....	21
CHAPTER THREE		22
3.0	RESEARCH METHODOLOGY.....	22
3.1	Introduction	22
3.2	Study Design	22
3.3	Area of the Study.....	23
3.4	Population of the Study	24
3.5	Sample Size and Sampling Procedure.....	24
3.6	Source of Data Collection	24
3.7	Data Analysis	25
3.8	Validity and Reliability of Data	25
CHAPTER FOUR.....		26
4.0	PRESENTATION OF FINDINGS/RESULTS.....	26
4.1	Introduction.....	26
4.2	General Information of the Respondents.	26
4.3	Factors that Influence the E-Money Transfer at BOT Mwanza.....	29
4.4	The possible Solution to be Applied in Order to Solve the Problem E-Money Transfer at BOT Mwanza.....	39
CHAPTER FIVE.....		43
5.0	DISCUSSION OF THE RESEARCH FINDINGS.....	43
5.1	General Information of the Respondents	43
5.2	Factors that Might Influence the E-Money Transfer at BOT Mwanza	44
CHAPTER SIX		48
6.0	SUMMARY OF FINDINGS, IMPLICATION OF THE RESULTS	48

6.1	Summary of Findings	48
6.2	Conclusion.....	52
6.3	Area for Further Studies	55
REFERENCES.....		56
APPENDIX		58

LIST OF TABLES

Table 3.1: Population of the study.....	23
Table 4.1: Distribution of Respondents by Sex.....	26
Table 4.2: Distribution of Respondents by Marital Status	27
Table 4.3: Distribution of Respondents by Age	27
Table 4.4: Distribution of Respondents by level of Education	28
Table 4.5: Distribution of Respondent by Designation of Workers.....	29
Table 4.6: Distribution of Respondents by whether there are Factors that Influence the E-Money Transfer at BOT Mwanza.....	29
Table 4.7: Distribution of Respondents by Categories of Factors that Influence the E-Money Transfer	30
Table 4.8: Distribution of Respondents by Working Experience.....	30
Table 4.9: Distribution of Respondent by whether the Respondents had Received any Training	31
Table 4.10: Distribution of Respondents by whether Application of E-Money Enhances the Transfer of Money at BOT Mwanza.....	32
Table 4.11: Distribution of Respondents by whether E-Money is Accepted to be the best option of Money Transfer Service	32
Table 4.12: Distribution of Respondents by whether E-Money Saves Time and Cost.....	33
Table 4.13: Distribution of Respondents by whether there have been Noticeable changes in Service Delivery and Bureaucratic Practices	33
Table 4.14: Distribution of Respondents by whether BOT Worker and Customers prefer using E-Money Transfer over the Traditional Approach in Fund	

Transfer Service	34
Table 4.15: Distribution of Respondent by whether there are some Challenges to Application of E-Money Transfer	35
Table 4.16: Distribution of Respondent by whether Money Transfer is more Secure than the Manual use.....	35
Table 4.17: Distribution of Respondents by whether Accessibility is a Major Barrier to the Application of E-Money Transfer	36
Table 4.18: Distribution of Respondents by whether E-Money Transfer Service at BOT is always Available whenever is needed	37
Table 4.19: Distribution of Respondents by whether there is more Privacy when using E-Money Transfer.....	37
Table 4.20: Distribution of Respondents by Technological Standardizing if Impede the adoption of E-Money Transfer	38
Table 4.21: Distribution of Respondent by whether the Existing Law impede the desired Results on Adoption of E-Money Transfer	39
Table 4.22: Distribution of Respondents by Advancing the Technology	40
Table 4.23: Distribution of Respondents by Standardizing the Infrastructure within the BOT Mwanza in relation to E-Money Transfer	40
Table 4.24: Distribution of Respondents by Providing Education to BOT Workers as well as the Customers.....	41
Table 4.25: Distribution of Respondents by Maintaining Safety and Efficiency of system of Transferring Money within the BOT Workers	42

LIST OF ABBREVIATIONS

ATM	Automated Teller Machine
BFI	Banking and Financial Institutions
BOT	Bank of Tanzania
EACB	East Africa Currency Board
EFT	Electronic Fund Transfer
OUT	Open University of Tanzania
POS	Point of Sale
TISS	Tanzania Inter-Bank Settlement Services
TRA	Tanzania Revenue Authority

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Following the great changes that were introduced basing on the liberations in banking industry under the act of Banking and Financial Institutions 1991 (BFI Act), the Banking industry has undergone a dramatic change allowing the establishment of private banks in the country. As in many other developing countries, banks play a predominant role in the financial sector of the country as far as mobilisation and allocation of financial resources is concerned. (Mutaitina, 1999: 98-113).

The Tanzania banking sector embarked on a plan for financial liberalization in 1992 in order to sustain its economic growth. As a result of this liberalization, the banking sector in Tanzania has been booming, particularly over the last few years. The total assets have increased by 60%, from \$ 1.7 billion at the end of 1999 to \$ 2.7 billion at the end of June 2004. Likewise, the securities market in Tanzania emerged in the 1990s as a result of the government policy to liberalize the financial sector. Since then, most of the listed companies have been giving dividends of about 20% and none of them below 10%. The Market capitalization for the quarter ending December 2004 rose to Tshs 2,325 billion from Tshs 665 billion the year before. (Tanzania Capital Report 2008)

The establishment of several banks corroborates this claim. Some of these banks are barely ten years old. The liberalization of the economy has created a competitive

culture, which has taken the service industry and particularly the banking industry by the storm. In today's retail banking environment information technology, effective service delivery and customer satisfaction are an indispensable competitive strategy. Furthermore, the stiff competition and the compression of the interest rates, has forced banks to set up and put into effect all necessary decision support systems. This enables them to dynamically plan new locations, evaluate their performance, forecast customers' attitude to new offered products and services, estimate customers' switching behaviour, and finally provide marketing support to their geographically separate branches.

The banking sector has been the backbone of every country. It implements and brings about economic reforms. Any change in this sector through technology has a sweeping impact on any country. The developments in information collection, storage, processing and transmission technologies have influenced all aspects of the banking activity. Moreover the changing business environment offers challenges and opportunities to the organizations. The changing customers' perception of quality poses unique challenge. Excellence in quality has become an imperative for organizational sustainability (Lewis et al., 1991). The developments of technology have enabled organizations to provide superior services for customers' satisfaction (Surjadja et al., 2003).

The Central Bank of Tanzania was established following the decision reached to dissolve the East Africa Currency Board (EACB) and to establish the separate central Banks in Tanzania, Kenya and Uganda as passed by the National Assembly in

December 1965 and it was opened on 14th of June, 1966. The Act empowered the bank of Tanzania to perform all traditional central banking functions. Since its establishment in 1966 the bank has shown growth in all dimensions as opening other branches of central banks which includes Mbeya, Arusha, Mwanza and Zanzibar. The aim was to ensure the effectiveness and efficiency of service to its customers. The development of any organization depended on how it utilizes its resources in terms of man power and other material resources the proper application of its resources will lead any organization to the effective and efficiency of customer service.

As it was noted the increase and need of high quality service to its customers the BOT introduced the quick system to ensure that its customers are being satisfied known as TISS (Tanzania Inter-bank Settlement System), which is the country's payments settlement system that processes high value and time sensitive payments on real time basis. The system facilitates settlement of interbank fund transfers, cheques and electronic funds transfer clearing obligations, payment card switch balances and money market transactions. The system is owned and operated by the Bank of Tanzania.

The users of TISS are commercial banks, Tanzania Revenue Authority, Sub treasury and anti corruption. TISS members send and receive payment messages on their behalf or on behalf of their customers through this system. (BOT Press Release 2010)

Apart from those there are other payments system used to transfer funds these include.

- The Automated Cheques Clearing System which processes interbank cheque payments
- The Electronic Fund Transfer (EFT) system which processes low value bulk payment such as salaries, dividends and pension funds
- A payment Card Switch that processes card payment transactions through Automated Teller Machine (ATMs), Point of Sale (POS)
- Internet Banking
- International fund remittance schemes such as Western Union, MoneyGram and Coinstar
- Tanzania Postal service fund transfer services such as the Postal order, Money order and Money fax; and
- Mobile phone payment schemes such as M-pesa, Z-pesa and ZAP.

1.2 Statement of the Problem

Likewise, Wu & Wang, (2005) argues “Software application is a delivery channel that has revolutionized banking and everyday operations. The use of e money transfer has become extremely popular among customers as convenient mode of transactions”. The technological innovation has transformed the banking business in Tanzania.

Banks are aggressively adopting this mode. The advantages of using e money transfer have given new impetus in dimensions of service quality and banks are offering new choices to customers. Cabas (2001) noted investment opportunities, reduction in costs, satisfaction of customers and competitiveness as motives to

enhance the use of software to the existing network. Moutinho (1992) established that software application facility resulted in speed of transactions and saved time for customers.

Due to the growth and development of banking industry in Tanzania the need for having effective and efficiency in service became the great issue to be tackled for the example the use of electronic Money Transfer has been adapted in our country and particularly Bank of Tanzania to ensure quality the service to other bank transaction as well as other customers. The number of bank customers preferring to use self-service delivery systems is on the increase. This preference is attributed to increased autonomy in executing the transactions. Banks are increasing their technology-based service options to remain competitive.

The e Money Transfer is an innovative service delivery mode that offers diversified financial services like cash withdrawal, funds transfer, cash deposits, payment of utility and credit card bills, and other financial enquiries. Researchers have stated that users' satisfaction is an essential determinant of success of the technology-based delivery channels (Tong, 2009).

Most banks are faced with the challenge of effective delivery service channel which can satisfy their customers these challenge do not exclude the central bank in its daily activities. In the effort to deliver effective services, the central bank undertakes numerous approaches and among them is the use of fund transfer. This is the substitute of the previous system where as the transaction was supposed to be done

manually either by having a physical transfer which was more dangerous to the property and to the lives of the people.

Despite the banking sector introducing a software as one of the delivery channel, we have seen the problem of inconvenience of services, fear of technology security and confidentiality, technical knowhow, the technology usage and reliability. Therefore, this study aimed assessing of the factors affecting the electronic money transfer in banking with views to minimizing the challenges faced by electronic money transfer.

1.3 Research objectives.

The main objective of the study was to examine the challenges facing application of e money transfer in banking industry: A Case of BOT in Mwanza.

1.4 Specific objectives

The specific objectives of the study were:

- i) To analyze the influence of E money transfer dimensions in Banking Industry at the BOT Mwanza.
- ii) To examine the relationship between E money transfer service quality and customer satisfaction
- iii) To examine the challenges facing the application of e money transfer in Banking Industry.

1.5 Research questions

This study was guided by the following research questions;

- i) What is the influence of e money transfer dimensions in Banking Industry at the BOT Mwanza?.
- ii) What is the relationship between E money transfer service quality and customer satisfaction?
- iii) What are the challenges facing the application of e money transfer in Banking Industry at Bot Mwanza?

1.6 Significance of the study

The findings of the study add knowledge to the existing body of literature on performance of the banking industry in Tanzania.

The findings of the study enabled stakeholders of the banking industry in Tanzania to become aware of the essential dimensions of software application service quality that influence customer satisfaction and in doing so, enable them to come up with measures to improve the performance of the e money transfer operations.

Findings of this study are also expected to serve as a stimulant and stepping stone for future researchers and academicians by suggesting areas where further studies need to be conducted on the same or similar topics. Again, policy makers are expected to use the findings of this study for policy formulation.

1.7 Scope and limitations of the study

The study was limited to intervention of application of e money transfer at BOT. Time constraint is also likely to affect the depth and wider coverage of the research.

Financial constraints are too likely to hamper the study this is because the researcher is the sponsor of the study who has limited resources.

1.8 Organization of the study

This study is organized in six chapters namely. Chapter one entails introduction specifically it captures the background of the study, the statement of the problem, objectives of the study, research questions, significance of the study, scope and limitations of the study. Chapter two reviewed literature, theories guided the study and empirical literature that brought out in this chapter. Chapter three covered research methodology under the following headings; research design, area of the study, population of the study, Sampling procedure, sample size, data sources, data collection instruments, reliability and validity and data analysis. While chapter four dealt with the presentation of the research findings, chapter five is for discussion of the research and the last chapter talks about conclusion and recommendation as well as the pointing out the areas for further research.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Theoretical Literature Review

Several theories on electronic transaction have been applied in order to determine the challenges that face the application of e money transfer at the BOT Mwanza. Through these theories you can understand different perception on challenges and the way how to combat them and conceptualise what different authors say about the context. Different scholars in distinct contextual settings have conducted a number of studies to deeply and widely enrich and honour e-money concept. For the purpose of this study few selected authors are hereby appreciated.

2.1.1 Speed Model

Bhatnagar, S. (2004) postulates that time taken to serve or operate has been shortened as a result of introducing online services, indeed e-money for BOT. Nowadays a customer does not need the catalog or instruction manuals be printed. Rather, a customer can download them. For example BOT has managed to effectively update and improve the service of money trasfer. e-fund transfer has been hailed as away to improve service delivery and responsiveness to citizens. e- fund transfer does not only break boundaries and reduce transaction costs between citizens and their government but also reduces levels of government bureaucracy and hence timely service. This speedy delivery of services in turn promotes government efficiency, transparency, citizens trust and political participation in transitional democracy.

2.1.2 Townsend Model of Financial Deepening and Growth

This model focuses directly on improvements in the technology of communication and links the degree of financial interconnectedness of agents with the level of economic development in a cross section and also over time. The idea is that as connectedness increases, with electronic payments connecting otherwise spatially separated agents, there is an increase in the specialization of labor, an increase in the consumption of market-produced goods, and a shift toward e-money relative to fiat money. This is the story of how financial deepening and growth are intertwined and increase gross domestic product over time at the same time as it increases monetized exchange.

2.1.3 Financial and pricing of e-services

According to Abramson and Morin (2003) financial and pricing of e-services is one of the major challenges of e-money transfer. These include the cost of moving to the internet. They further argue that web portal projects carry a significant weight as other capital investments do. Moreover, a website is a long-term investment that requires strategic decision and approach. Thus, the project may be government self-funded or vendor-financed oriented.

Reddick (2010) discusses financial inhibitors that arise as the costs incurred in implementing, developing and use of e-money, together with unforeseen cost/benefit analysis approaches can badly affect investment in e-money projects. In third world countries this is more serious as they experience budgetary constraints. OECD (2003) insists that governments have tight budgets to suffice the IT needs

(investments). The study shows that back office implementation of e-government like training and change management are too costly hindering e-government takeover. Nixon et al (2010) adds that government spending is funded through taxation which can distort resource allocation pattern. It is from this notion he calls for economic assessment of e-government funding. Investment in IT should be optimal and beneficial to the public. West, (2005) adds that financial resources and budget conditions constitute to major factor that drives the pace of governmental change. Likewise, e-government as other technologies do requires up-front investment, and the relative scarcity or abundance of budget support exerts a significant thrust to the ability of government to innovate. The more difficulty bureaucrats have financing new technologies, the more difficult it will be for those innovations (adoption and diffusion) to be realised towards yielding large scale change.

2.2 Empirical Literature Review

When conducted a research in the USA that intended to find out the impact of digital divide on e- government use, Balanger and Carter (2009) revealed that income, age and education are significant predictors of access to the technology. The study shows that white Americans experience narrow digital divide as compared to African Americans. Likewise, educated group is more exposed to internet usage than uneducated one. Further the study found young citizens using internet more than the old one. In concluding the research findings, Balanger (2009) harpers that adoption and use of e-government is limited to those with access to the technology and have skills to use e-services. This implies that one's ability to effectively use the internet

has a significant impact on the intentions to use e-government. The study therefore concurs with the assumption that the adoption and diffusion of e-government may be hampered by digital divide.

On the other hand Al-Shafi and Weerakkody (2007) conducted a research that intended to explore the benefits, challenges and complexities of e-government in the state of Qatar points out that majority of the respondents had access to and frequent use of the internet from home or at work. This majority group, mostly citizens are said to attest that the government provides high level of support for e-government. Likewise, government official who were interviewed claimed that there was a high level of government support for the national e-government project initiatives. The study however highlights accessibility and trust as some of the challenges. They argue that the technology (e-government) lacks government to citizen (G2C) trust in completing public services online. Qataris were quoted being comfortable with face-to-face interaction with government agencies than using e-services. These results from the fact that citizens who applied for passports online were still compelled to meet government officials physically before the completion of the process.

While commenting on change or bureaucracy they put forth that some government official were resistant to change in roles and responsibilities. Their arguments excused that the initial development of the project was done by IT people without proportionate involvement of respective government agencies staff who are potential service providers. The study however concluded that there is high level of trust in e-government and that citizens are happy with the e-government projects.

Al- Busaid, M. and Weerakkody, V. (2009) when conducted a research in Oman found that the majority of the interviewed respondents ascertained that there was no problem with access to the e-government and that infers that accessibility had no adverse effect to e-government in Oman. On the other side, security was affirmatively noted by the majority of respondents to be worthwhile. They have positive attitude and trust towards e-service security. The study further ascertains that the citizens are happy with the level of privacy provided by e-government. Finally the research shows that there is good level of e-services in Oman's government agencies which denotes availability of services (e-government). The setback behind this research is that the research focused on the views of government employees and there being subject to the influence of one's experience, background and attitude towards e-services.

Another scholarly work by Professor Coleman, S (unknown) at Oxford Internet Institute provides that African countries are proceeding well with e-government projects to provide good practice. The study cites Tanzania as one of the vivid example among other many African countries. He clarifies that Tanzania has developed payroll and human resources system that covers more than 280,000 employees with intention to create efficient management of civil servants (government employees).

Heeks, R. (1998) who publicised a paper on Information Technology and public sector corruption came up with the case where university admission process was

notoriously corrupt and sluggish. The automation of the admission system based on the secondary school final (overall scores). The established system could curb malpractice in the admission process conducted by admission staff. Corrupt practice had formerly allowed admission to stupid but financially rich applicants denying entry to the bright but financially poor ones. Heeks (1998) however comes out with opinion that experience suggests public servants' perception that the introduction of IT has a significant effect of reducing corruption. This in turn may influence planning of the system with some loopholes for bribery. The study had moreover, a deep view on the pension departments where the system was resisted due to the fear of loss of jobs, lack of skills and health and safety concerns. Actually a thorough study reveals that it was a fear to lose corruption opportunities.

Colesca, S. and Lilian, D. (2008) conducted a study to identify factors responsible for adoption and use of e-government services in Romania and found that perceived trust is a significant factor influencing users' decision to adopt and use e-government. They further argue that without confidence and trust in the e-government services, processes, procedures and other aspects of government, the vision of fully electronic service delivery will remain a challenge. The study subsequently concluded that the citizens' higher perception of usefulness, ease of use, quality and trust of e-government services directly enhanced their satisfaction and implicitly the level of adoption and diffusion of e-government.

Margretts, H. and Dunleavy (1996) comment on the uniformity puts it forward as the administrative value. e-government is said to be more flexible approach that is more

appropriate to students. The information over internet may be more personalised and targeted than any other communication media. On bureaucracy that is created by the existence of hierarchy which is more traditional oriented. This bureaucracy can be cracked down by the use of web-enabled technology practice. Subsequently, web-enabled technology makes different government entities share the same one stop shop/ zero- stop- shop.

Kumar, A. (2003) carried out a study in Kerala state in India on e-government and efficiency, accountability and transparency ascertains that e-government can be a vehicle for achieving efficiency, accountability and transparency. The three aspects had existed even before e-government come into scene. He further points out that e-government enhance greater participation of citizens in policy and decision making which is said to be difficult before. Kerala state introduced among other e-government services e-registration through which transparency and reduced corruption were attained contrary to traditional approach that embraced bureaucracy and corrupt practices.

Colesca, S. and Lilian, D. (2008) conducted a study to identify factors responsible for adoption and use of e-money services in Romania and found that perceived trust is a significant factor influencing users' decision to adopt and use e-government. They further argue that without confidence and trust in the e-money transfer services, processes, procedures and other aspects of government, the vision of fully electronic service delivery will remain a challenge. The study subsequently concluded that the citizens' higher perception of usefulness, ease of use, quality and trust of e-

government services directly enhanced their satisfaction and implicitly the level of adoption of e-money.

Eyob, E. (2004) conducted a research in US to study the barriers of e-money initiatives and respondents highlighted lack of technology staff, lack of financial resources and lack of web expertise. Also lack of security, low Return on Investment (ROI) and privacy were also identified as barriers. Notwithstanding, the researcher revealed benefits of e-money transfer including increased citizens contact with government officials, increased demand for staff and efficiency in business process. He further enumerates communicating with government officials via e-mail, request for services and records as the frequently used e-money transfer.. The study summaries that lack of resources and trained personnel in web technology are major barriers singled out.

Margretts, H. (1996), put it forward as the administrative value. E-money transfer is said to be more flexible approach that is more appropriate to any service in the organization. The information over internet may be more persornalised and targeted than any other communication media. On bureaucracy that is created by the existence of hierarchy which is more traditional oriented. This bureaucracy can be cracked down by the use of web-enabled technology practice. Subsequently, web-enabled technology makes different government entities share the same one stop shop/ zero- stop- shop.

Cupta V. P. (2006) Published in India thats an electronic fund is a new concept in on – line. Payment systems because it combines computerized convenience, with

security and privacy that was considered to improve on paper cash. Its versatility opens up a host of new markets and applications. e - fund was represented some interesting characteristics that should make it an attractive alternative for payment over the internet.

e-cash was focused on replacing fund as the principle payment vehicle in consumer oriented electronic payments. Although it might be surprising to some fund was still the most prevalent consumer payment instrument even after thirty years of continuous developments in electronic payment systems. Fund were remained the dominant form of payment for three reasons.

Lack of trust in the bank systems inefficient and settlement of non fund transaction and negative real interest rates paid on bank deposits. The predominance of fund indicated an opportunity for innovative business practices that revamps the purchasing process where consumers are heavy users of cash. To really displace fund the electronic payment systems was needed to have some qualities of cash that current credit and debts cards.

For example fund is legal tender meaning the payee is obligated to take its fund is a bearer instrument meaning that possession is prima face, proof of ownership.

Also fund places no risk on the part of the acceptor that the medium of exchange may be no be good. Also the publisher introduced the properties of e-money, e money must have a monetary value it must be backed by either cash (currency) bank authorized credit or a bank certified cashiers check when e- money created by one

bank is accepted by others reconciliation must occur without any problems stated another way e- money without proper bank certification carries the risk that when deposited it might be returned for insufficient funds.

Electronic cash is based on cryptographic systems called digital signatures, this method involves a pair of numeric keys that work in tandem one for locking (or encoding) and the other for unlocking or decoding. Messages encoded with one numeric keys can only be decoded with the other numeric key and none other. Operational risk associated with e – money can be mitigated by imposing constraints such as limits on the time over which a given electronic money is invalid how much can be shared on and tranfered by electronic money the number of exchanges that can take place before a money needs to be red posited with a bank or financial institutions that can be made during a given period of time.

These constraints introduce a whole new sets of implementation issues. For example time limits could be set beyond which the electronic money would expire and become worth less. The customers would have to redeem or exchange the money prior to the expiration deadline. For this feature to work electronic money would have to be time stamped and time would have to be synchroniced across the network to some degree of precision.

BPP-CIB. (1992) 3rd edition customers services marketing and competitive environments. The BPP published in United Kingdom that the customer can initiate sterlying and currency payments through his terminal and can instruct the bank to

pay bills on a given date in the future thus maximising interest in the mean time and avoiding the risk of forgetting to make the payment when due.

One difference between personal and corporate customers is that the latter are often very sophisticated in their approach to financial management. They therefore require more specialized services than personal customers. A fairly recent development in banking services is a cash management service for corporate customers, the essence of this service is that a company with many different bank accounts can obtain up to date information about the cash balance in each account by means of data transmission from its banks computer to a computer terminal in the company treasury department. The company can arrange to move cash from one account to another and so manage its cash position more efficiently. A cash management service can be provided to a company with several bank accounts in the United Kingdom or through international network of banks to a multinational company with accounts in differing currencies in various countries.

The corporate treasuries of companies can use their fund management computer terminals linked to their banks, network to provide the following services.

- Accounting reporting

Information about the balances on sterling or currency accounts including details of the cleared balance for the previous day and any uncleared sterling items.

- Forecast balance sheets reports which take into account uncleared items and automated entries.

- Reports giving individual transaction details.

- Summary reports of transactions because and forecast balances.

Keneth C. et al (2007) e- money was one of the first form of alternative payment systems developed in USA. Recalled original definition of cash legal tender (called currency) created by national authorities that is instantly convertible to other forms of value goods and services without the intermediation of any third parts so far neither the Federal reserve Bank of the United States, nor the government regulators of any other country have created an electronic form of legal tender.

However there were still several firms that is continuing to pursue the idea of e-money cash. Some firms such as e – gold and gold money.com have focused on of these firms, originally established in 1996 e – gold limited, a company organized under the laws of the country of mains offers an electronic currency of calls e- gold that is backed by gold bullion. An e – gold account can be founded through a deposit via wire transfer checking account payment or pre paid card. Once funded the specified weight of gold or monetary amounts expressed in one of eight different national currencies.

Kumar, A. (2003) carried out a study in Kerala state in India on e-money transfer and efficiency, accountability and transparency ascertains that e-money can be a vehicle for achieving efficiency, accountability and transparency. The three aspects had existed even before e-money come into scene. He further points out that e-money enhance greater participation of citizens in policy and decision making which is said to be difficult before. Kerala state introduced among other e-money transfer services

through which transparency and reduced corruption were attained contrary to traditional approach that embraced bureaucracy and lack of efficiency and accountability.

2.3 Research Gap

All the reviewed studies none has specifically dealt with factors affecting electronic money transfer in banking industry. To this end therefore, this study tried to address the “factors affecting the electronic money transfer in banking industry with particular focus on BOT, Mwanza.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter presents the methodology used to undertake this study. It tried to describe the study design, Area of the Study, the study population, sample size, sampling technique, instruments of data collection as well as validity and reliability of data.

3.2 Study Design

The study used a case study design which aimed at examining the relationship between performance objectives set (goals) and performance outcomes of BOT Mwanza Staff particularly in the financial control.

According to (Kothari, 1993) research design is an assemblage of conditions for specifying relationships among variables in a study operationalizing these variables and controlling effects of extraneous variables and a plan for selecting these sources and types of information to be used in answering the research questions. In order to achieve the objectives of this study, the study employed survey design.

Survey design is mostly used by researchers to provide answers to business problems and is credited for its usefulness in collecting large amount of data from a sizeable population for generalization effectiveness (Kamuzora 2008). This is normally done through the researcher's physically visits the area of study environment and collects data.

3.3 Area of the Study

This study was conducted at BOT Mwanza as the branch of Bank of Tanzania which operates for the whole lake zone.

3.4 Population of the Study

‘Population is a group of individuals who have one or common characteristics that are of interest to the researcher’, (Best and Khan, 1998). Therefore, the population for this study will focus on the current employees of BOT Mwanza. The study population comprised of 98 employees divided into three categories of departments.

Table 3.1 Population of the study

S/No.	DEPARTMENT	No. OF EMPLOYEES	%
1	Economic	06	6%
2	Finance and Administration	54	55%
3	Operations	38	39%
	TOTAL	98	100

Source: BOT Mwanza

3.5 Sample Size

Due to the nature of the study, the entire population of the study was 98 respondents.

The sample size was 41 respondents. They were sample from three departments.

These departments were finance and administration, operations and economics.

3.6 Sources of Data Collection

Primary data was collected by using interviews and questionnaires. Secondary data on another hand was collected through BOT documentary review such as Accounting

Manuals, Procurement Manuals, and Small Business Teams' Meetings Reports and Human Resource Department Reports.

3.6.1 Primary Data

Primary source is the original sources from which the study directly collects data. Therefore the primary data was collected by use of survey method and interview method as the tools of data collection. The aim of this primary source was to get the ideas of the people how they understand about the e money transfer and its impact at BOT Mwanza.

The use of questionnaires was desirable because through it, a large portion of information was collected within a limited time and helped the study to find the inner details. This was conducted through assistance of prepared questions. The study used closed questions which were in form of structured questions. This enabled the researcher to be very systematic and had what was required. Also it helped the study to guide the data and information that was needed.

3.6.2 Secondary Data

The secondary data is expected to be obtained from the officials records like files. This enabled the study to visit the respective area and obtain the data needed such official documentary, computer files etc. It will enabled the study to observe different information such as, Tanzania Revenue Authority, Sub treasury and anti corruption as TISS members send and receive payment messages on their behalf or on behalf of their customers through this system.

3.7 Data Analysis

The study used two methods of data analysis, these were; Qualitative method and Quantitative method. Quantitative method used content analysis technique whereas Quantitative method applied Statistical Package for social Sciences (SPSS) where descriptive statistics of percentage was be used as well.

3.8 Validity and Reliability of Data

As a matter of fact, reliability is a matter of whether a particular technique applied repeatedly to the same object, yield the same result each time. Thus, a measuring instrument is reliable if it provides consistent results. In line with this, measuring instruments designed in such a way they assist to get consistency in terms of the results. For instance, each questionnaire was pre-tested to see as to whether it matched with the research objective intended. “A reliable measuring instrument does contribute to validity” Ako et al (1999). Therefore, measuring instruments are designed and prepared to measure what each tool is supposed to measure.

The pre-test involved experts in the field of performance management who were used to pre examine the validity and reliability of questionnaires.

CHAPTER FOUR

4.0 PRESENTATION OF RESEARCH FINDINGS

4.1 INTRODUCTION

This chapter mainly deals with the analysis of data basing on the data discussed and interpretation by means of methodology applied. The discussions and interpretations are grounded on the problem as has been identified in chapter one.

4.2 General Information of the Respondents

4.2.1 Category Distribution of Sex of Respondents

The research findings shown that 70.7% were male, while females were only at 29.3% The findings have shown the leading were male as seem to dominate the variable to the great extent as the table shows below

Table 4.1 Distribution of Respondents by Sex of Respondents

		Frequency	Percent
Valid	Male	29	70.7
	Female	12	29.3
	Total	41	100.0

Source field data: 2013

4.2.2 Category Distribution of Marital Status of Respondents

The findings indicate that the married ones were many at 87.8% while the single ones were only at 12.2%. This implies that the dominating were the married respondents to the great extent.

Table 4.2 Distribution of Respondents by Marital status

		Frequency	Percent
Valid	Single	5	12.2
	married	36	87.8
	Total	41	100.0

Source Field Data: 2013

4.2.3 Distribution of Respondents by their Age

The findings indicate that at large extent those of between 35 and 45 years were many at 36.6%. This group were followed by those of age group between 25 and 35 years at 31.7%. Between 45 and 55 were at 26.8% and the last were of the age above 55 years at only 4.9%.

Table 4.3 Distribution of Respondents by their Age

		Frequency	Percent
Valid	Between 25 and 35 years	13	31.7
	Between 35 and 45 years	15	36.6
	Between 45 and 55 years	11	26.8
	Above 55 years	2	4.9
	Total	41	100.0

Source Field data: 2013

4.2.4 Distribution of Respondents by Level of Education

The study also tested the distribution of respondents by the level of education. The finding shows that the certificate and diploma holders are many at 46.3% whom were followed by the holder of advance diploma/bachelor at 26.8%. The secondary/high schools were at 14.6% and the master's holders were the minority group at only 12.2% as table shows below

Table 4.4 Distribution of Respondents by the Level of Education

	Frequency	Percent
Valid Secondary/ High School	6	14.6
Certificate/Diploma	19	46.3
Bachelor/Advance diploma	11	26.8
Masters Degree	5	12.2
Total	41	100.0

Source field data: 2013

4.2.5 Distribution of Respondents by Designation/Working Position

Likewise, the study tested the distribution of respondents' designation/working position. The data indicates that middle level management dominated at 41.5% followed by lower level at 31.7% while the supporting staffs was the 24.4% and the top management level were the top management level at 2.4%

Table 4.5 Distribution of Respondents by Designation/working position

	Frequency	Percent
Valid management	1	2.4
Middle level	17	41.5
Lower level	13	31.7
Supporting staff	10	24.4
Total	41	100.0

Source field data: 2013

4.3 Factors that Influence the e- money Transfer at BOT Mwanza

4.3.1 Distribution of Respondents by whether there are Factors that Influence the E-Money Transfer

The study tested to see whether there were factors that influence e – money transfer at Bank of Tanzania Mwanza. The findings showed that at the great extent of 82.9% agreed with the variable to that at BOT Mwanza there are factors that influence e – money transfer while at only 17.1% rejected the variable. This implies that at the great extent there were factors that influence e money transfer exist at BOT Mwanza as the below indicates

Table 4.6 Distribution of Respondents by whether there are Factors that Influence the E-Money Transfer

		Frequency	Percent
Valid	Yes	34	82.9
	No	7	17.1
	Total	41	100.0

Source field data: 2013

When the study tested to see the categories of factors that affect the e money transfer at BOT Mwanza, the findings indicate that to the large extent time, technological change, environmental change and protection against criminal had the direct relationship e – money transfer at BOT as it is indicated in the below table.

4.3.2 Categories of Factors that Influence the e -money Transfer

Table 4.7 Distribution of Respondents by Categories of Factors that Influence the E-Money Transfer

	Frequency	Percent
Valid Time factor	7	17.1
Technological change	10	24.4
Environmental change	5	12.2
Protection Against Criminal	5	12.2
All the above Factors Applied	14	34.1
Total	41	100.0

Source field data: 2013

4.3.3 Distribution of Respondents by Working Experience

The findings show that those who have worked with BOT were at between 5 and 10 years were at 34.1% followed by those who have worked for long time above 15 years at 26.8%. Between 10 and 15 years and those worked for less than 5 years were at 19.5% respectively.

Table 4.8 Distribution of Respondents by Working Experience

	Frequency	Percent
Valid less than 5 years	8	19.5
Between 5 and 10 years	14	34.1
Between 10 and 15 years	8	19.5
Above 15 years	11	26.8
Total	41	100.0

Source field data: 2013

4.3.4 Distribution of Respondents by Whether the Respondents had Received any Training

The study tested to see if on the job training was conducted at BOT and whether respondents had received any training on e – money transfer at BOT for all the time that they been working with this organization. The findings indicate that 75.6% had not attained any training.

Table 4.9 Distribution of Respondents by Whether the Respondents had Received any Training

	Frequency	Percent
Valid yes	10	24.4
No	31	75.6
Total	41	100.0

Source Field data: 2013

4.3.5 Distribution of Respondents by Whether the Application of E-Money Enhance the Transfer at BOT

The application of e-money whether enhances the transfer at BOT was also tested. The findings indicate that at 36.6% among all respondents strongly agreed that the application of e money enhances the transfer of money at BOT. 51.2% of all respondents did agree while 12.2% were undecided.

Table 4.10 Distribution of Respondents by Whether the Application of E-Money Enhances the Transfer at BOT

	Frequency	Percent
Valid Strongly agree	15	36.6
Agree	21	51.2
Undecided	5	12.2
Total	41	100.0

Source field data: 2013

4.3.6 Distribution of Respondents by Whether E-Money is Accepted to be the Best Option of E-money Transfer Service

The distribution of respondents by whether e-money is accepted to be the best option of money transfer service was tested also. The findings indicate that to the large at 80.5% of all respondents agreed with e-money being accepted as the best option of money transfer service as the table below indicates.

Table 4.11 Distribution of Respondents by Whether E-Money is Accepted to be the Best Option of Money Transfer Service

	Frequency	Percent
Valid Strongly agree	11	26.8
Agree	22	53.7
Undecided	8	19.5
Total	41	100.0

Source field data: 2013

4.3.7 Distribution of Respondents by whether E-Money Saves Time and Cost

The findings show that at the large extent the respondents agreed at 83.0% and at 14.6% were undecided while those who disagreed were at only 2.4%.

Table 4.12 Distribution of Respondents by Whether E-Money Saves Time and Cost

	Frequency	Percent
Valid Strongly agree	12	29.3
Agree	22	53.7
Undecided	6	14.6
Disagree	1	2.4
Total	41	100.0

Source field data: 2013

4.3.8 Distribution of Respondents by Whether There Have Been Noticeable Change in Service Delivery and Bureaucratic Practice

The findings indicate that at the large extent the respondents agreed with at 80.5% while those who disagreed were at 4.8% and those who did not decide anything were at 14.6% this implies that at the large extent there was the strong relationship to the variable in this study.

Table 4.13 Distribution of Respondents by Whether There Have Been Noticeable Changes in Service Delivery and Bureaucratic Practice

	Frequency	Percent
Valid Strongly agree	10	24.4
Agree	23	56.1
Undecided	6	14.6
Disagree	1	2.4
Strongly disagree	1	2.4
Total	41	100.0

Source field data: 2013

4.3.9 Distribution of Respondents by Whether BOT and Customers Prefer Using E-Money Transfer Over Traditional Approach in Fund Transfer Service

The findings showed that at 82.9% among all respondents agreed with that BOT and customers prefer using this service compared to the traditional approach in money transfer. On the other side at 17.1% of all respondents rejected. This implies that to the great extent BOT and customer prefer the use of this system.

Table 4.14 Distribution of Respondents by Whether BOT and Customers Prefer Using e-money Transfer Over Traditional Approach in Fund Transfer Service

		Frequency	Percent
Valid	Strongly agree	10	24.4
	Agree	24	58.5
	Undecided	7	17.1
	Total	41	100.0

Source field data: 2013

4.3.10 Distribution of Respondents by Whether There are Some Challenges to Application of E-Money Transfer

Table 4.15 shows the distribution of respondents by whether there are some challenges to application of e money transfer. The data indicates that to the great extent the respondents agree with the variable at 78.0% while those who rejected were the minority at only 2.4% and those who were undecided were at 19.5%. This implies that to the great extent this variable was accepted at the large extent.

Table 4.15 Distribution of Respondents by Whether There are Some Challenges to Application of E-Money Transfer

	Frequency	Percent
Valid Strongly agree	13	31.7
Agree	19	46.3
Undecided	8	19.5
Disagree	1	2.4
Total	41	100.0

Source field data: 2013

4.3.11 Distribution of Respondents by Whether E-Money Transfer is More Secure than the Manual System

Table 4.16 in this part shows the distribution of respondents by whether money transfer is more than the manual system. The data shows that at 82.9% among all respondents compared to those who remained undecided at 17.1%. This implies that at the great extent this variable had a strong relationship to the problem discussed in this study.

Table 4.16 Distribution of Respondents by Whether Money Transfer is More Secure than the Manual System

	Frequency	Percent
Valid Strongly Agree	11	26.8
Agree	23	56.1
Undecided	7	17.1
Total	41	100.0

Source field data: 2013

4.3.12 Distribution of Respondents by Whether Accessibility is the Major Barrier to the Application of E-Money Transfer

The findings indicates that to the great extent 63.4% among all respondents agreed with the variable while at 21.9% rejected the validity of the variable as they disagreed with the functions of the variable and those who did not decide anything were at 14.6%. This implies that the variable had a relationship with the posed quest.

Table 4.17 Distribution of Respondents by Whether Accessibility is the Major Barrier to the Application of E-Money Transfer

	Frequency	Percent
Valid Strongly Agree	8	19.5
Agree	18	43.9
Undecided	6	14.6
Disagree	8	19.5
Strongly Disagree	1	2.4
Total	41	100.0

Source Field Data: 2013

4.3.13 Distribution of Respondents by Whether E-Money Service at BOT is Always Available Whenever is Needed

The findings show that at the great extent respondents agreed at 68.3% while those disagreed were at 7.3% and undecided respondents were at 24.4%. This implies that those who agreed dominated the number compared to those who disagreed.

Table 4.18 Distribution of Respondents by Whether E-Money Service at BOT is Always Available Whenever is Needed

		Frequency	Percent
Valid	Strongly Agree	13	31.7
	Agree	15	36.6
	Undecided	10	24.4
	Agree	2	4.9
	Strongly Disagree	1	2.4
	Total	41	100.0

Source Field Data: 2013

4.3.14 Distribution of Respondents by Whether there is More Privacy When Using E-Money Transfer

The data findings showed that at the great extent most of the respondents agreed to the variable at 68.3% while who disagreed were at 14.7% and those did not decide anything were at 17.1%.

Table 4.19 Distribution of Respondents by Whether There is More Privacy When Using E-Money Transfer

		Frequency	Percent
Valid	Strongly Disagree	15	36.6
	Agree	13	31.7
	Undecided	7	17.1
	Disagree	4	9.8
	Strongly disagree	2	4.9
	Total	41	100.0

Source field data: 2013

4.3.15 Distribution of Respondents by Technological Standards if Impede the Adoption of E-Money Transfer

The study tested the technological standards if impede the adoption of e- money transfer. The findings shows that the great extent among all respondents who were interviewed disagreed to that technological standards if impede the adoption of e – money transfer at 78.0% while those who agreed to the variable were only at 17.1% and the undecided were at 4.9%. This implies that the dominating were those who disagreed.

Table 4.20 Distribution of Respondents by Technological Standards if Impede the Adoption of E-Money Transfer

		Frequency	Percent
Valid	Strongly Agree	3	7.3
	Agree	4	9.8
	Undecided	2	4.9
	Disagree	19	46.3
	Strongly disagree	13	31.7
	Total	41	100.0

Source field data: 2013

4.3.16 Distribution of Respondents by if the Existing Law Impede the Desired Results on Adoption of E-Money

Table 4.21 shows the distribution of respondents by the existing of low technology if impede the desire results on adoption of e – money. The finding shows that at 75.6%

among all respondents agreed to that the low technology impede the desired results on adoption of e-money while those who disagreed with the variable were the minority at only 4.9% and the undecided were 19.5%. This means that the dominating were those who agreed

Table 4.21 Distribution of Respondents by if the Existing Law Impede the Desired Results on Adoption of E-Money

	Frequency	Percent
Valid Strongly Agree	16	39.0
Agree	15	36.6
Undecided	8	19.5
Disagree	2	4.9
Total	41	100.0

Source Field Data: 2013

4.4 The Possible Solution to be Applied in Order to Solve the Problem E-Money Transfer at BOT Mwanza

4.4.1 Distribution of Respondents by Advancing the Technology

The findings showed that at 87.8% among all respondents agreed with the variable while none of the respondents who disagreed and those who were undecided was at 12.2%. This implies there was a strong relationship to the problem discussed in the study.

Table 4.22 Distribution of Respondents by Advancing the Technology

	Frequency	Percent
Valid Strongly Agree	22	53.7
Agree	14	34.1
Undecided	5	12.2
Total	41	100.0

Source Field Data: 2013

4.4.2 Distribution of Respondents by Standardizing the Infrastructure Within the BOT Mwanza

The field data indicates that to the great extent it had very strong relationship to standardizing the infrastructure within the BOT Mwanza at 87.8% and those who were undecided were at 12.2%. This shows that standardizing the infrastructure within the bank was the key factor to advancement of service.

Table 4.23 Distribution of Respondents by Standardizing the Infrastructure Within the BOT Mwanza

	Frequency	Percent
Valid Strongly Agree	22	53.7
Agree	14	34.1
Undecided	5	12.2
Total	41	100.0

Source field data: 2013

4.4.3 Distribution of Respondents by Providing Education to the Bank Workers and Customers

Table 4.24 shows the distribution of respondents by providing education to the bank workers and customers on how to use the system. The data findings showed that at the great extent the variable had a very strong relationship at 85.4% while those who did not decide anything on the variable were at 14.6%.

Table 4.24 Distribution of Respondents by Providing Education to the Bank Workers and Customers

		Frequency	Percent
Valid	Strongly Agree	22	53.7
	Agree	13	31.7
	Undecided	6	14.6
	Total	41	100.0

Source field data: 2013

4.4.4 Distribution of Respondents by Maintaining the Safety and Efficiency of System of Transferring Money Within the BOT

The findings showed that at 92.7% among all respondents who were interviewed agreed while undecided were the minority at 7.3%. This indicates that to the great extent the number of those who agreed had a strong relationship to the problem discussed in the study.

Table 4.25 Distribution of Respondents by maintaining the safety and efficiency of system of transferring money within the BOT

		Frequency	Percent
Valid	Strongly Agree	23	56.1
	Agree	15	36.6
	Undecided	3	7.3
	Total	41	100.0

Source field data: 2013

CHAPTER FIVE

5.0 DISCUSSION OF THE RESEARCH FINDINGS

5.1 General Information of the Respondents

Several factors on general information of respondents were tested to see if they had any relationship to the problem posed in this study these include the following: sex of respondents, age, and the level of education and designation /of working position. The findings showed that on the area of sex those who dominated the number were male compared to female who were at only 29.3%. This implies that in this organization the issue of gender was not put into consideration.

Marital status was dominated by the married one at 87.8% while the single ones were at only 12.2%. This implies that most of the BOT employees are the couple ones. Due to that it seems most of the BOT workers are matured personnel. When age of respondents were tested the findings showed that the leading factor were those between 35 – 45 years of age at 36.6% followed by 25 – 35 years at 31.7% while 45-55 were at 26.8% while those above 55 years were at 4.9%. This implies that at the great extent this organization contains the workers who are mature people or middle aged people. On the other hand it has revealed that the old ones are few in this organization as the sensitivity of the duties in this organization which needs people whose thinking ability is working properly.

Likewise, when the levels of education of these respondents were tested it was noted that the leading were those of certificate and diploma holders at 46.3% while the

advance diploma and bachelor were at 26.8%. But of the other side the master's holders were at only 12.2%. This means that in this organization most of the worker are those who have the low education level as the data has revealed that the masters holder are very few at BOT Mwanza.

The study revealed that in the designation of workers the dominating were those of middle and lower cadre at 41.5% and 31.7% respectively while the supporting staff were at 24.4% and the top level management were at 2.4% only. This implies at BOT top level management staff members are few since they are just responsible to monitor the duties performed at BOT. The number of middle and lower is high because these is the group of worker that are responsible for day to day in the organization compared to the top management.

5.2 Factors that Influence the e- money Transfer

The identified that most of the respondents interviewed agreed with the variable which was tested to see if there were any factors that influence the e- money transfer at BOT. The data indicates that at 82.9% agreed while 17.1% rejected the variable. This implies that at BOT there are factors that influence the e – money transfer.

But when the respondents were tested to reveal the categories of these factors it was noted that technological adaptation, environmental factor, time factor and protection against criminal were the most factors that lead as influential factors to the problem posed.

The study identified that working experience was also the very important in contributing to factors in e money transfer at the BOT Mwanza as it was noted that most of the workers have got the long experience with the work in this organization so making them to have an abundant experience which is the tool to performance and development of any organization.

But when the respondents were tested if they had received any training in the time they been in this organization the data showed that at the great extent respondents had not received any training as the data showed at 75.6% compared to those who agreed with the variable at only 24.4%. This implies that BOT had no the clear program of on the job trainings to its workers.

Likewise, the study tested whether application of e – money transfer enhances the service. The data indicated that at 87.8% agreed with the variable while undecided were at only 12.2%. This implies that variable had the direct relationship to the problem posed in the study. Also it was identified that at 80.5% among all respondents who were interviewed to see if e money transfer is accepted to be the best option service the data showed strong positive response while at 19.5% rejected it. This implies that to the great extent the variable had a strong relationship to the quest.

Also the study wanted to know if e money service saves time and cost. The study noted that at 83.0% among al respondents agreed with the variable while 14.6 were

those who did not decide anything in relation to the variable and 2.4% disagreed with the variable. This implies that e – money transfer save time and cost as well.

The study identified that 80.5% among all respondents agreed with the as whether there have been changes in service delivery and bureaucratic practice compared to those who disagreed at 4.8% and undecided were at 14.6%. This implies that to the great extent the variable has the strong relationship to the problem posed to this study.

Likewise, it was noted that at BOT the respondents and customers prefer using e – money transfer over traditional approach in fund transfer service at 82.9% while those who were undecided were at only 17.1% as to show the strong relationship to the variable.

Also it was tested to see if there are some challenges in application of e – money transfer. The findings showed that at 78.0% of all respondents agreed with the variable while at only 2.4% rejected it and at 19.5% were undecided. This implies there is the very strong relationship to the quest posed in the study.

The study wanted to know if e –money transfer is more secured than manual transfer. The data showed that at the great extent the respondents agreed with the variable at 82.9% compared to those who did not decide anything to the variable who were at 17.1%. This implies that the dominating factor were those who supported the variable at large.

The study tested to see if e money always is available whenever is needed where as the findings showed that at 68.3% among all respondents agreed with the variable while at 7.3% disagreed and at 24.4% were undecided to imply that the variable has the strong relationship.

The privacy and security of service when was tested the findings showed that at 68.3% of all respondents agreed while at 14.7% disagreed and at 17.1 among all respondents did not decided anything in relation to the variable posed in the study.

The study put into account to whether technological standards applied in the service might impede the adoption of e – money transfer at the BOT Mwanza. The data showed that at 78.0% of all respondents disagreed while only 17.1% agreed with it and at 4.9% were undecided. This implied that the application of technological standards do not impede the process though there are some factors that might be tested.

The study also put into account if the existing of law impedes the desired results on adoption of e money. The findings showed that at 76.6% of all respondents agreed to that the existence of law impede the service while at 4.9% disagreed and at 19.5% were undecided. This shows how the existing of law has strong relationship is in this study.

CHAPTER SIX

6.0 SUMMARY OF THE FINDINGS, IMPLICATION OF THE RESULTS, CONCLUSION

6.1 SUMMARY OF FINDINGS

6.1.1 Gender Balance

On general information of the respondents several factors were tested to see if they had some effects to the e- money transfer at BOT Mwanza such as sex of respondents, age, and the level of education and designation of working position. The findings showed that on the area of sex the male dominated the number compared to female. This implies that in this organization the issue of gender was not put into consideration. But also this implies how BOT might not be putting into consideration the issue of gender as the females are minority in this institution.

Therefore it is highly recommended that the organization has to review its policy on recruitment and put balance between men and women. This will open the way for women to have chances but must base on their qualifications and not on merits.

6.1.2 Age Consideration

The issue of age for the workers were tested; it was revealed that to the great extent those who were at between 35 – 45 years dominated the number while those who are above 55 were very few at only 4.9%. This implies that in this organization who are considered most are those who are the young adults as they are able and even their mind is still very strong in thinking. Therefore it is recommended that the

organization has also had the mixture of age workers. However the it more recommended that BOT must consider more the young ones who are more aggressive and their thinking capacity is still very high.

On the level education it was noted that at BOT Mwanza education was not the big deal since that most of the respondents that were interviewed were the certificate holders and diploma holders. This was contrary to the maters holders as they were minority at only 12.2%. This implies that the organization does not put into consideration the people of high education which might cause the deteriorating of efficiency at work place.

Therefore it is recommended that the institution must consider on recruitment policy and have the educated people. Likewise the BOT should have the program of improving its workers and particularly those with low level of education this will make the workers of this very sensitive institution to have the very informed people who have good knowledge and skills even to cope with the advancement of new technology of today.

6.1.3 BOT Employee and Uses of E-Money

The study identified that most of the respondents interviewed agreed to if there were any factors that influence the e- money transfer at BOT. The data indicates that at 82.9% agreed while 17.1% rejected if there were any factors that influence the e- money transfer at BOT. This implies that at BOT there are factors that that affect the

e – money transfer which implies to some extent to have positive or negative effects in the daily service.

Therefore it highly recommended that the organization has to monitor any kind of environmental changes that might occur in order to combat them at once at they are likely to happen. The BOT is advised to introduce and intensify its informational and intelligence department for this matter.

Likewise, it was noted that BOT has no any program of on the job training to its employees as the data revealed in this study. This might the big problem to the organization since workers can lack new skills which will enable them to cope with new technological change. Therefore it is recommended that there must be the sustainable program for short and long term programs for the worker to advance and sharpen their knowledge and skills in order to cope with the changes of the world's technology which is continuing to grow day to day.

The study tested whether application of e – money transfer enhances the service and that it saves time and cost at BOT to the great extent as the findings showed in this study. It is recommended that BOT has to improve this system as it has shown the good outcome to the development of the organization in general.

Likewise, the study revealed that e – money transfer is more secured compared to the manual transfer. This is very important to any organization and especially the financial institution as BOT which requires the highly standard of security and

integrity among its workers. It is recommended that the BOT must intensify and have new skills so that to improve and as the result to add credibility to the customers.

When the study tested to see if e money always is available whenever is needed the findings showed that at 68.3% among all respondents agreed while at 7.3% disagreed and at 24.4%. This implies that at the large extent at BOT whenever the service is needed by the customers is always available as the results it increases and hastens the availability of service.

Therefore it is recommended that there must be the good system of technology particularly on the network system in order to avoid network failure. This will enable to run its activities and satisfy the needs of its customers

6.1.4 Implication of the Results

The study revealed that to the great extent all the following factors if could be applied might have to the large extent help the BOT to improve advancing the technology, standardizing the infrastructure within BOT; providing educational to the BOT workers and customers; and maintaining safety and efficiency of system of transferring e – money with BOT.

In issue of safety and security seemed to touch the respondents more as it led all other factors. This is because all customers do like to lose their money. Therefore, it recommended that this must be intensified and all systems be reviewed always in order to combat any kind of problem that can come in relation to the application of e

– money transfer. Not only is that it recommended the BOT Mwanza better put into consideration any kind of factor that might help to improve and advance e money service and particularly have the training programs to its workers in order to improve efficiency and credibility to its customers

6.2 CONCLUSION

Several factors on general information of the respondents were tested to see if they had some effects to the e- money transfer at BOT Mwanza. The factors tested include the followings sex of respondents, age, and the level of education and designation /of working position. The findings showed that on the area of sex the leading factor was male compared to female who were at only 29.3%. This implies that in this organization the issue of gender was not put into consideration.

But also this implies how BOT might not be putting into consideration the issue of gender as the females are minority in this institution. The issue of age for the workers were tested. As it was revealed that to the great extent those who were at between 35 – 45 years dominated the number while those who are above 55 were very few at only 4.9%. This implies that in this organization who are considered most are those who are the young adults as they are able and even their mind is still very strong in thinking.

Likewise, on the side of the aged it has revealed that BOT still put into consideration the experienced people just because experience is the very important tool to the development of any organization.

On the level education it was noted that at BOT Mwanza education was not the big deal since that most of the respondents that were interviewed were the certificate holders and diploma holders. This was contrary to the maters holders as they were minority at only 12.2%. This implies that the organization does not put into consideration the people of high education which might cause the deteriorating of efficiency at work place.

When the designation of worker was tested, it was noted that the dominating were those of middle and lower cadre at 41.5% and 31.7% respectively while the supporting staff were at 24.4% and the top level management were at 2.4% only. This implies at the great extent at BOT the top level management are few since they are just responsible to monitor the duties performed at BOT. The number of middle and lower is high because these is the group of worker that are responsible for day to day in the organization compared to the top management.

The study identified that most of the respondents interviewed agreed to if there were any factors that influence the e- money transfer at BOT. The data indicates that at 82.9% agreed while 17.1% rejected the variable. This implies that at BOT there are factors that that affect the e – money transfer which implies to some extent to have positive or negative effects in the daily service.

Likewise, it was noted that BOT has no any program of on the job training to its employees as the data revealed in this study. This might be the big problem to the organization since workers can lack new skills which will enable them to cope with new technological change.

The study tested whether application of e – money transfer enhances the service. The data indicated that at 87.8% agreed with the variable while undecided were at only 12.2%. This implied to have the direct relationship to the problem posed in the study as it was revealed the advancement of service to both the organization performance and to customer service.

Application of e – money transfer seems to save time and cost at BOT to the great extent as the findings showed in this study. This might be the cause of advancement of performance of the organization and increase the trust to its customers as the institution will be offering the reliable service as it was revealed also to contribute to some changes in services and bureaucratic practice to the great extent. Likewise, the study revealed that e – money transfer is more secured compared to the manual transfer. This is very important to any organization and especially the financial institution as BOT which requires the highly standard of security and integrity among its workers.

When the study tested to see if e money always is available whenever is needed the findings showed that at 68.3% among all respondents agreed while at 7.3% disagreed and at 24.4%. This implies that at the large extent at BOT whenever the service is needed by the customers is always available as the results it increases and hastens the availability of service.

The study put into account to whether technological standards applied in the service if might impede the adoption of e – money transfer at the BOT Mwanza. The data

showed that at 78.0% of all respondents disagreed. This implies that new technology is not the big problem to the application and service delivery in this institution as it has proved to be the way of performance advancement.

6.2.3 Limitations of the study

During the data collection the availability of and collection of all questionnaires that were distributed were not returned by the respondents. It was estimated the sample to involve all respondents but those who returned the questionnaires were only 41 which was out of the power of the researcher.

6.3 AREA FOR FURTHER STUDIES

This study was done purposely to assessment of the factors affecting electronic money transfer in banking industry: a case of Bank of Tanzania Mwanza. Since a single study cannot cover each and every variable regarding the posed problem, there are other variables not fully covered that need some other scholars and researchers to conduct further studies.

REFERENCES

- Ako, J. (1999). *Social Science Research Method*; The Open University of Tanzania, Printed in Dar es Salaam.
- AL-Shehry, A. (2006). *The Motivations for Change towards E-government Adoption: Saudi Arabia as a case Study*, e Government Workshop '06 (eGOV06) September 11 2006, Brunel University, West London, UB8 3PH
- Ayoub, E. (2004). *Significant barriers to ICT adoption in the public sector in the Least Developed Countries (LDCs): A case study of Bangladesh*
- Bhatnagar, S. (2004). *E-Government From vision to Implementation: a practical guide with case studies*: New Delhi.
- BPP-CIB. (1992). 3rd edition *customers services marketing and competitive environments from chartered institute of Bankers London*.
- Colesca, S and Lilian D. (2008) *E-Commerce An Indian Perspective*, Prentice Hall, New Delhi India, Second Edition
- Cupta, V. (2006). Published that is an electronic fund is a new concept in on – line.
- Heeks, R. (1998). *Communications of the Association for Information Systems, Introducing E-Gov: History, Definitions, And Issues*, Örebro University (Volume 15, 2004)713-729
- Keneth C. Loudon , Caral Cruercio Traver (2007). *Types of Payment Systems from United States of America*.
- Kothari,C.R. (1990). *Research Methodology: Methods and Techniques*, 2nd Edition, Wishwa Prakashan. New Delhi.
- Kummar, R. (2003). *E-Governance concepts and Case studies*. Prentice House Hall, New delhi India

- Krishnaswami, O. R. (2003). *Methodology of Research in Social Sciences*. Himalaya Publishing House, Mumbai.
- Lewis, B.R. & Bingham, G.H. (1991). The youth market for financial services. *International Journal of Bank Marketing*, 9(2), 3-11.
- Margrett, H. (1996). *Information Technology for Local Administration Support: The Governorates Project in Egypt*. MISQ. Volume 20 Number 2 - June 1996
Shivakumar Kolachalam
- Moutinho, L. (1992). Customer satisfaction measurements: prolonged satisfaction with ATMs. *International Journal of Bank Marketing*, 10 (7), 30-7.
- Mutaitina, O. R. (1999) Liberalisation of the Banking Industry in Tanzania: Issues and Prospect. *African Journal of Finance and Management* Vol.7(2) pg 98-113
- OECD (2003) E-Government Studies: The *E-government Imperative Tanzania Capital Markets Report* 27 July, 2008
- Sage Cabas, M. G. (2001). *A History of the Future of Banking: Predictions and Outcomes*. Retrieved September 2, 2005.
- Surjadaja, H., Ghosh, S., & Antony, J. (2003). Determining and assessing the determinants of e-service operations. *Managing Service Quality*, 13(1), 39-53.
- Wan, W. W.N., Luk, C. L., & Chow, C. W.C. (2005). Customers' adoption of banking channels in Hong Kong. *International Journal of Bank Marketing*, 23(3), 255-272.
- West, D.M (2005). *Digital Government- Technology and Public sector Performance*, Princeton University Press, New Jersey U.S.A

APPENDIX

QUESTIONNAIRE

Dear respondent,

This questionnaire aims at collecting information concerning the study, 'An assessment of the factors affecting the electronic money transfer in banking industry: a case of BOT in Mwanza. The study is conducted as a partial fulfilment for the award of the masters' degree as according to Open University of Tanzania prospectus. Note that all information that you will deliver will be treated only for academic purposes and not otherwise, so you're requested to feel free when you fill this questionnaire. This study will greatly contribute to defining the ways how to improve e money services transfer at BOT in Mwanza. We would like to ask you to share your opinions about e money transfer. The questionnaire is anonymous and information you provided here will be kept confidentially.

Please, I request for your cooperation to enable the study reach reliable, valid and scientific conclusion. The information provided by you will be honoured and treated as a confidential matter. In this regard do not mention your name. If you would like further information please contact me through phone number +255754 392 990

Thank you so much,

Swai, Geoffrey Phillip

GENERAL BACKGROUND INFORMATION

The questions asked in this section will be used for classification purposes only. The information gathered will not be used in any other way and will be kept strictly confidential. Please Tick [✓] the most appropriate alternative/s

SECTION I: GENERAL INFORMATION OF RESPONDENTS

1. Sex of respondents
 - a. Male
 - b. Female ()

2. Which of the following categories best describes your age?
 - a. Below 25 years
 - b. Between 25 and 35 years
 - c. Between 35 and 45 years ()
 - d. Between 45 and 55 years
 - e. Above 55

3. What is your highest education level?
 - a. Primary school
 - b. Secondary/ High school
 - c. Certificate/Diploma ()
 - d. Bachelor/Advanced diploma
 - e. Masters Degree

4. Which of the following categories best describes your position at BOT Mwanza?

- a. Management
- b. Middle level
- c. Lower level cadre ()
- d. Supporting staff

SECTION 11: FACTORS THAT INFLUENCE THE E-MONEY TRANSFER

5. Do you think that there some factors that influence the use of e money at BOT?

- a. Yes ()
- b. No

6. If the answer is yes what are those factors?

.....

.....

.....

.....

7. For how long have you been working with this organization

- a. Less than 5 years
- b. Between 5 and 10 years
- c. Between 10 and 15 years
- d. Above 15 years ()

8. Have you receive any training on e money service

a. Yes

b. No

()

SECTION III: TO DETERMINE THE RELATIONSHIP BETWEEN E MONEY TRANSFER SERVICE QUALITY DIMENSIONS AND CUSTOMER SATISFACTION

Please indicate your level of agreement or disagreement with each of the following statements. For each statement below please circle the number that best describe your view on the contention

	<i>Strongly Agree</i>	<i>Agree</i>	<i>Neutral (undecided)</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
1 Does the application of e money transfer at BOT enhances ease of service	1	2	3	4	5
2 E-money transfer is accepted to be the best option of money transfer service	1	2	3	4	5
3 E money transfer embedded in e-government saves time and cost.	1	2	3	4	5
4 There have been the noticeable change in service delivery, and bureaucratic practice	1	2	3	4	5
5 Both BOT staff and customers prefer using e money transfer over traditional approach in fund transfer service	1	2	3	4	5

PART IV: TO DETERMINE THE CHALLENGES FACING THE APPLICATION OF E MONEY TRANSFER AT BOT MWANZA

PART II: The challenges			
Please indicate your level of agreement or disagreement with each of the following statements. For each statement below please circle the number that best describe your view on your firm			
	<i>Strongly Agree</i>	<i>Agree</i>	<i>Neutral (undecided)</i>
1 The e-money transfer challenges characteristics	1	2	3
2 Do you think that there are some challenges in relation to application of e money transfer	1	2	3
3 E-money transfer is more secure than manual system	1	2	3
4 Accessibility is the major barrier to the application of e money transfer	1	2	3
5 E-money service at BOT is always available whenever is needed	1	2	3
6 There is more privacy when using e-Government.	1	2	3
7 The technological standards do not impede the adoption and diffusion of e-government	1	2	3
8 The existing laws impede the desired results on adoption of e-money	1	2	3
9 The existing of low technology impede the desired results on adoption of e-money	1	2	3

PART V: SOLUTION TO THE PROBLEM POSED

What are the possible solutions to be applied in order to resolve the problem at BOT

Mwanza

[illegible]