



MOBILE BANKING AND FINANCIAL PERFORMANCE OF COMMERCIAL BANKS
IN KANSANGA ALONG GGABA ROAD

NGOMIRANZE RICHARD
BSTAT/37872/123/DU

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DECLARATION

I, hereby declare that this research report is my original work and has never been submitted to any University or institution for any other award. Where work of others have been used (citations) due acknowledge has been made.

SIGNATURE

NGOMIRANZE RICHARD

BSTAT/37872/123/DU

DATE*25th August 2015*.....

APPROVAL

This report on use of technology on employee performance among commercial banks in
Kansanga along Ggaba road has been submitted with my approval as a University supervisor

SIGNATURE 

MR. MWEBESA EDSON

(SUPERVISOR)

DATE 31/08/2015

DEDICATION

I affectionately dedicate this research report to my beloved mother Mrs. Namukisa Oliver N. my dad Mr. Ngomiranze Augustine, my beloved sisters Mrs. Ngomiranze Grace and Mrs. Karungi Rose, Mrs. Ngora M. Kismart, my kid Baby Ngomiranze Ronitah, my family members and all my dear friends for all moral and financial support they rendered me, and for their effort towards what I am today .I Love you all and may God bless you.

Special dedication goes to my supervisor, Mr. Mwebesa Edson and all the lecturers in the college of Economics and Management Sciences whose contribution towards this report is uncountable may the almighty God award you abundantly.

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I shall live to remember this noble and wonderful undergraduate research experience

LIST OF ACRONYMS

ATM	Automated teller machine
PIN	Personal Identification Number
PC	Personal Computer
PAC	Public Access Computing
EFTPoS	Electronic Funds Transfer of Point of Sale
UBA	United Bank of Africa
IB	Internet Banking
Tele Banking	Telephone Banking
E-banking	Electronic Banking
ICT	Information Communication Technology
ITU	International Telecommunication Union
UTL	Uganda Telecom
MM	Mobile Money
PDA	Personal Digital Assistant
AVR	Automated Voice Response
SMEs	Short Medium Enterprises
CVI	Content Validity Index
BoU	Bank of Uganda

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ABSTRACT

The introduction of customer friendly service by the bank such as m-banking (i.e. telephone Banking, internet banking, Automated Teller Machines among others) as a way of delivering convenience service to customer has become common in the recent year as a way of gaining competitive advantage and maintaining customer loyalty and increase share in order to improve the financial position of a company. The study main objectives were; to find out m-banking technology used among commercial banks (Uganda) using a case study banks in Kansanga; to examine the factors influencing the adoption of mobile banking services used among commercial banks (Uganda) using a case study banks in Kansanga and To establish the relationship between m-banking and financial performance of among commercial banks (Uganda) using a case study banks in Kansanga.

The methods used to collect data basically through self administered questionnaires both structured and semi-structure, interviews and observation. The Data collected was analyzed using SPSS. The study was also backed by literature review on m-banking and banking sector in Uganda. The study findings indicate that one need to register with bank and maintain an account with both the bank and telecom company such as MTN. The services offered by commercial banks (Uganda) using a case study banks in Kansanga include; Account Balance Enquiry, Fund Transfer between Accounts, Bills payment (utility bills) among others. The introduction of m-banking in Uganda has contributed to customer loyalty, convenience and also has influenced the financial performance of the banking sector in Uganda positively. Therefore there is a positive relationship between m-banking and financial performance of a bank.

Conclusion and recommendation were made towards strengthening the contribution of m-banking to financial performance of the banking sector in Uganda, the researcher recommends that; The bank should conduct research on other possible m-banking packages, Free training and refreshing training should be provided to staff of the bank and if possible to customers and the bank should provide toll free line to enable customers who want to use the system and also in case of any problem that deserve attention of the bank.

CHAPTER ONE

1.0 Introduction

This chapter covers the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, scope of the study and the significance/justification of the study.

1.1 Background of the Study

Recent innovations in telecommunications have enabled the launch of new access methods for banking services; one of these is mobile banking; whereby a customer interacts with a bank via mobile phone (Barnes & Corbitt, 2003). In India 617 million mobile subscribers far exceed fixed line subscribers because of better mobile infrastructure (TRAI, 2010). The banks in India are racing to use this latest technology to reduce their operational costs and increase customer base (Peterson, 2009). Mobile Banking refers to provision and an ailment of banking and financial services with the help of mobile telecommunication devices. The scope of offered services may include facilities to conduct bank transactions, to administer accounts and to access customized information (Tiwari & Buse, 2007). After the launch of mobile banking in India, mobile banking transactions have seen some growth. What attracts customers to mobile banking is the round the clock availability and ease of transactions. But mobile banking still has a long way to go as majority of customers prefer banking in the traditional ways (Ashta, 2010; Wang, Wang, Lin & Tang, 2003). Key question is why customers are not adopting mobile banking. Various factors may influence customers' adoption. It is argued that adoption will not take place unless customers perceive the service to be useful (Ali & Bharadwaj, 2010). Understanding the symptoms of the problem of why there is a low rate of mobile banking usage along with understanding of preferred mobile banking services, could help banks to come up with a right solution to improve their mobile banking service as well as to increase the rate of Mobile banking usage.

Mobile banking offers a potential solution for the millions of people in emerging markets that have access to a cell phone, yet remain excluded from the financial mainstream. It can make basic financial services more accessible by minimizing time and distance to the nearest retail bank branches (CGAP, 2006) as well as reducing the bank's own overheads and transaction related costs. According to the International Telecommunication Union (ITU), over 90% of

South Africans use a mobile phone (ITU, 2009), while only 40% have a bank account (African Executive, 2008). Mobile banking presents an opportunity for financial institutions to extend banking services to new customers (Lee, Lee and Kim, 2007).

In recent years, banks, payment system providers, and mobile operators have begun experimenting with branchless banking models which reduce costs by taking small-value Transactions out of banking halls and into local retail shops, where agents such as airtime Vendors, gas stations, and shopkeepers, register new accounts, accept client deposits, process transfers, and issue withdrawals using a client's mobile phone to communicate transaction information back to the telecommunication provider or bank. This enables clients to send and receive electronic money wherever they have cell coverage. They need to visit a retail agent only for transactions that involve depositing or withdrawing cash (Salzaman, Palen & Harper, 2001).

Stiff competition in Uganda's financial sector is forcing institutions into adopting new forms of technology to reduce the costs of doing business and widen customer outreach for enhanced profitability. Banking services has become usual in recent years as a way of maintaining customer loyalty and increase market share. (Africa-Uganda-Business-Travel-Guide.com). the new innovative systems (such as mobile banking) are especially targeting the earning but unbanked population in rural and hard to reach areas.

According to Bank of Uganda (BoU)'s 2012 Annual Supervision Report, annual bank deposits have grown over the last three years though at a sluggish rate, an indication that more Ugandans are slowly taking on banking. Last year, bank deposits grew by 17.5% to Ushs 10.5trillion up from Ushs 8.9trillion in 2011. In 2010, bank deposits grew by 42.5% to Ushs 8.02% up from 5.63% in 2009. The same report notes that in 2012, Mobile Money (MM) transfer services continued to register strong growth.

The number of registered customers increased from 2.9 million in 2011 to 8.9 million in 2012, while the amount transferred by customers rose from Ushs3.7 trillion to Ushs.11.7 trillion over the same period," reads a BoU report. With 8.9 million Ugandans holding a Mobile Money account in just four years, yet about 3.5 million Ugandans hold a bank account, is just enough to tell that MM platform has taken Uganda's banking sector by storm. Pioneered by MTN Uganda in 2009, the MM transfer product has been embraced by all

major telecom companies including Airtel and Warid, Uganda Telecom (UTL) and Orange. Housing Finance Bank also offers this service under their M-cash with Ezee Money being the newest entrant. So, what explains the massive uptake of MM services compared to banking, yet commercial banking operations in Uganda started in 1906?

Nasikye (2009) Mobile banking (m-banking) involves the use of a mobile phone or another mobile device to undertake financial transaction linked to a client account. According to Owen m-banking refers to provision and availing of banking and financial service with the help of mobile telecommunication device. Services include performing balance checks, account transactions, payments, credit applications and other banking transactions through a mobile device such as a mobile phone which is most used in developing countries or Personal Digital Assistant (PDA).

Financial performance refers to the financial soundness where depositors' funds are safe in a stable banking system. (BOU, 2002) The financial soundness of a financial institution may be strong or unsatisfactory varying from one bank to another. Mugembe (2008) external factors such as deregulation: lack of information among bank customers, homogeneity of the bank business do cause bank failure. The activities undertaken in m-banking contribute to the financial soundness of the commercial banks in Uganda. Some useful measures of financial performance are liquidity, profitability, which guide the banking sector Madhyam, Stichele (2010).

The technology innovations have influenced the banking sector in one way or another. Kassim 2005 explains that the technological revolution has produced new development in the banking industry. According to Oryiek (2008) the first ATM in Uganda was brought by SCI for Standard Chartered Bank in 1997 and SCI has been an active catalyst in the rapid growth and development of electronic banking in the country hence the introduction of m-banking few years ago.

Mobile banking has transformed the way people in the developing world transfer money and now it is poised to offer more sophisticated banking services which could make a real difference to people's lives. This type of banking can offer a wide variety of services ranging from account information, which has to do with alerting the customers on the updates and transactions on their account through their mobile phones. People receive short messages on their phones informing them of their immediate transactions in their bank accounts. Also,

they help in payments (utility bills), deposits, withdrawals, transfers, purchase airtime, request bank statements and perform 13 other crucial banking tasks, all in real time over their mobile phones.

Banks including Centenary bank, UBA, tropical bank among others (Buyer and lenders, 2001) have largely implemented service delivery technology as a way of augmenting the services traditionally provided by personnel, Howcraft, Bacett, (1996). According to IDG News Service from Sep, 2008 Equity bank pioneered the first m-banking technology in the world to reach out to the unbanked, and for championed the empowerment of ordinary people through inclusive finance. Nasikye (2009) the m-banking technology is similar to that of MTN (mobile money) Warid (warid-pesa), Airtel money, Safaricom's MPESA (in Kenya), among others that has made banks uncomfortable given the shift of most transactions from banks to mobile phone kiosks

The commercial banks in Kansanga along Ggaba road covers five banks that is; Centenary Bank, UBA, Bank of Baroda, Tropical bank and Barclays bank. The location of the above bank branches is briefly as follows;

UBA Kansanga Branch is located on plot 2577 along Ggaba Road, Block 244, in Kansanga Kampala, Bank of Baroda Kansanga Branch is located on plot 70-378 along Ggaba Road, in Kansanga Kampala, Barclays bank Kansanga Branch is located on plot 529 along Ggaba Road, in Kansanga Kampala, Tropical Bank Kansanga Branch is located on plot 5277 along Ggaba road in Kansanga Kampala, Centenary Bank Kansanga branch is on Block 245 located at plot 551, kiwulizi opposite Kabalagala police station, Ggaba road

In the banking sector in our world today, mobile banking is a fast growing issue. This has come to improve the level of banking system and can be described as the provision of banking or financial services with the aid of mobile telecommunication devices. M-banking has come to stay, providing its customers with an expedient way of banking. This is not however without challenges, but they are minimal and can be handled without much stress. (Padachi 2006)

1.2 Problem Statement

Mobile banking has been one of the fastest growing markets in Uganda and is still growing at a period at a rapid pace following the addition of few telecommunication players who have attracted dynamic number of subscribers. Mobile banking has transformed the way people in the developing world transfer money and now it is poised to offer more sophisticated banking services which could make a real difference to people lives. Mobile banking has also helped in payments (utility bills), deposits, withdrawals, transfers, purchases airtime, and request bank statements (New Vision may 2012). Despite the above, the contribution of mobile banking as far as financial performance of commercial bank is uncertain. Therefore the purpose of this research was to establish the relationship between mobile banking and financial performance of commercial banks

1.3 Purpose of the study

The main purpose of the study was to establish relationship between mobile banking and financial performance of commercial bank.

1.4 Objectives of the study

- i. To find out m-banking technology used in banks in Kansanga along Ggaba road.
- ii. To examine the factors influencing the adoption of mobile banking services in banks in Kansanga along Ggaba road.
- iii. To establish the relationship between m-banking and financial performance of banks in Kansanga along Ggaba road.

1.5 Research Questions

- i. What is the m-banking technology used in commercial banks in Kansanga along Ggaba road?
- ii. what are the factors influencing the adoption of mobile banking services in commercial banks in Kansanga along Ggaba road
- iii. What is the relationship between m-banking and financial performance in commercial banks in Kansanga along Ggaba road

1.6 Hypothesis testing

H_0 : There is no significant relationship between m-banking and financial performance

H_1 : There is significant relationship between m-banking and financial performance

1.7.0 Scope of the study

1.7.1 Content Scope

The study focused on how the use of m-banking influences the financial performance among commercial banks in Kansanga-Kampala along Ggaba road and also providing answers to the research questions that are set in order to find out the level of m-banking, level of financial performance and relationship between the use of m-banking and financial performance among commercial banks in Kansanga-Kampala along Ggaba road

1.7.2 Geographical scope

This research was conducted from Kansanga a suburb in Kampala city which is along Ggaba road, its bordered by Kabalagala and Kisugu in the North, Muyenga to the North East, Kiwafu to the East, Bbunga to the South West, Kibuye to the West and Nsambya to the North west.

1.7.3 Time scope

This study took a period of eight months (January-August, 2015). It is within this period that the researcher hopes to obtain the relevant and latest content about the research variables which will be relevant in answering the research questions.

1.8 Significance / justification of the study

The findings of the research/study assisted the respondents in the banks to know which m-banking service is urgent and need strategic observation.

The study improved not only researcher's scope of understanding m-banking but also entire public hence gain exposure to the m-banking technology.

The dissertation was used as reference material by future researchers interested in further research on m-banking and its effects on financial performance of commercial bank. It's also a requirement for award of bachelor's of Business Administration at Bishop Stuart University.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

In this chapter related literature was viewed as provided by different authors in various aspects of m-banking technology used in commercial banks using a case study commercial banks in Kansanga Kampala, to examine the factors influencing the adoption of mobile banking services using a case study commercial banks in Kansanga Kampala and to establish the relationship between m-banking and financial performance among commercial banks in Kansanga Kampala.

2.2 Conceptual review

This is the graphical depiction of the relationship between the independent and dependent variables in this research. This maps how the relationship between mobile banking and financial performance among commercial banks in Kansanga-Kampala along Ggaba road. The figure below shows the relationship between mobile banking and financial performance among commercial banks in Kansanga-Kampala along Ggaba road

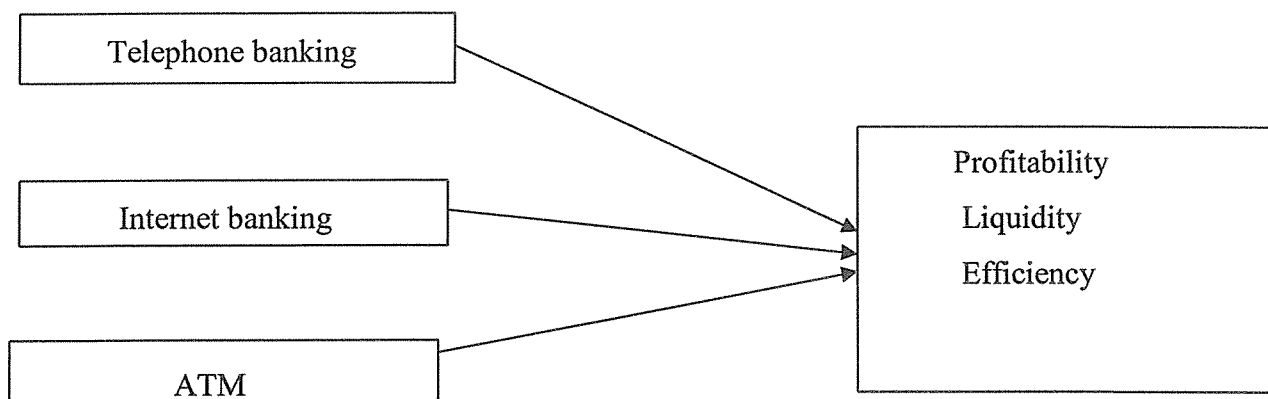
Figure 1: Conceptual frame work

Independent Variable

Dependent variable

Mobile Banking technology

financial performance



Source: Researcher devised 2015

The conceptual frame work indicates that the independent variable conceptualised as use of m-banking has influence on the financial performance. M-banking in this regard is measuring how best m-banking has done to improve on the financial performance of the bank in accordance to the variables given above that's Capital adequacy, asset quality, liquidity and earnings

2.3 Related Literature

2.3.1 Mobile Banking Technology

Mobile banking is an application of m-commerce which enables customers to access bank accounts through mobile devices to conduct and complete bank-related transactions such as balancing cheques, checking account statuses, transferring money and selling stocks (Kim *et al.* 2009). Luo et.al (2010), defined mobile banking as an innovative method for accessing banking services via a channel whereby the customer interacts with a bank using a mobile device.

Internet banking, this is also one of the new tools used in mobile payments, it has been widely been used by different business organizations like banking institutions. They drastically use this mechanism payment which has led to increased levels of profitability hence improving the flexibility of the organization and Telephone billing systems, this is a new approach used by banks; here telephone transactions allow the customer to purchase an item or service and have the amount billed to his or her telephone. This is mainly used on items such as down loads; time measured for charitable donation, online for example the use of phones for banking and saving like MTN mobile money (Telecommunication guidelines Network Guidelines, 12th Feb.2008)

Telephone Banking: "Telephone Banking (Tele banking) can be considered as a form of remote or virtual banking, which is essentially the delivery of branch financial services via telecommunication devices where the bank customers can perform retail banking transactions by dialing a touch-tone telephone or mobile communication unit, which is connected to an automated system of the bank by utilizing Automated Voice Response (AVR) technology" (Balachandher et al, 2001).

According to Leow (1999), tele banking has numerous benefits for both customers and banks. As far as the customers are concerned, it provides increased convenience, expanded access

and significant time saving. On the other hand, from the banks' perspective, the costs of delivering telephone-based services are substantially lower than those of branch based services. It has almost all the impact on productivity of ATMs, except that it lacks the productivity generated from cash dispensing by the ATMs. For, as a delivery conduit that provides retail banking services even after banking hours (24 hours a day) it accrues continual productivity for the bank. It offers retail banking services to customers at their offices/homes as an alternative to going to the bank branch/ATM. This saves customers time, and gives more convenience for higher productivity.

ATM, this offers several services that consumers may find practical: Automated Teller Machines or 24-hour Tellers: are mobile terminals that let you bank almost any time. To withdraw cash, make deposits, or transfer funds between accounts, you generally insert an ATM card and enter your PIN. Some financial institutions and ATM owners charge a fee, particularly to consumers who don't have accounts with them or on transactions at remote location. Generally, ATMs must tell you they charge a fee and its amount on or at the terminal screen before you complete the transaction. Check the rules of your institution and ATMs you use to find out when or whether a fee is charged.(Murty 2000)

2.3.2 Financial performance

The Researcher agrees with Matovu and Ritva's statements above because financial performance can be measured on the funds that are allocated to a business firm. However, the Researcher defines financial performance as a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues.

Profitability, According Chariri and Imam (2001:302), profit is the difference in realized income, transactions that occurred during the period with the costs associated with those revenues. Meanwhile, according Harahap (2001:267), profit is the difference between actual incomes derived from corporate transactions in a given period less the expenses incurred to earn that income. From the definition of income above it can be concluded that the profit is the difference between the incomes (revenue), which is realized arising from transactions in the period the related expenses incurred during the period. While in this study, is profit before tax. Investors are one of the main external users of corporate reports that use financial statements to assess how profitable a company in relation to an investment in the company.

According to Dwiatmini (2001) and Khajar (2005) assessment of the level of return on investment by investors based upon the financial performance of the company can be seen from the change in profits from year to year, the investors in assessing the company not only see profits generated in one period but continue to monitor the changes in income from year to year.

Harnanto (1991) and Khajar (2005) said that profitability as a means of projecting a company's earnings, because profitability is able to describe the correlation or relationship between income with capital used to generate income so that managers can analyze and plan for profit in varying degrees of change were planted. Profitability ratios can indicate the health condition of the company which will determine the credibility of a company that eventually a significant effect on earnings growth to be achieved.

According to Horne (2002), measuring performance of a firm is better obtained from analysis and interpretation of various ratios. Maes et al (2000), adds that profitability reflects financial performance in the narrow sense, in particular the ability of a company to yield return on investment.

The Researcher agrees with Chariri and Imam's statements above because profit is the difference in realized income, transactions that occurred during the period with the costs associated with those revenues. Thus the Research defines profit as a company's ability to generate an adequate return on invested capital.

Liquidity, this is a measure of financial performance. According to Maes *et al* (2000), liquidity relates to the settlement of short term debts. A company will face financial problems if the funds are not available to pay off these debts. In case of private schools struggling to survive, liquidity is a very important indicator of the state of financial health.

Williams (2004) defines liquidity as the degree to which debt obligations coming due in the 12 months can be paid from cash and assets that will be turned into cash. It can be measured by current ratio by dividing current assets by current liabilities.

According to Slamet (2003:33), current ratio used to measure a company's ability to meet its short-term debt using the assets smooth. In some of the literature shows that the current ratio of normal companies, this condition means that one part of the debt will be secured by the

Munawir (2002), a very high current ratio indicates excess cash or other current assets compared to the required current or lower levels of liquidity than the current assets and vice versa.

Efficiency, Narasimhan & Murty, (2001) stress on the need for many industries to improve their return on capital employed (ROCE) by focusing on some critical areas such as cost containment, reducing investment in working capital and improving working capital efficiency.

The existence of efficient working capital management practices can make a substantial difference between the success and failure of an enterprise and it is of particular importance to the managers of small scale enterprises, because it is them who strive for finances and the opportunity cost of finances, (Kwame, 2007). As established by Padachi (2006), efficient management of working capital is vital for the success and survival of the educational sector which needs to be embraced to enhance performance and contribution to economic growth.

Kakuru (1998) argues that cash collections should be speeded up while cash disbursements are tightly controlled. Wilson, (1996) reports a strong relationship between efficiencies in managing the cash cycle and profitability. Generally poor debtor management erodes profits and can lead to bad debts, which results in poor performance of a firm likewise if there is large investment in stock which leads to tying up of the company's funds will cause liquidity problems and possible loss of profit. Generally, debtor days should be shorter than creditor days (Brookson, 1998).

2.3.3 Relationship between mobile banking and financial performances

The service industries are mostly customer driven and the banking sector is one of the competitive industries with continuous upgrading of skills, products and technology all in the interest of retaining and winning customers. Given the nature of competition, survival and profitability is highly dependent on quality of service and efficiency Mols (1998). Mobile banking service has provided numerous benefits for both banks and customers. The first benefits for the banks offering electronic banking service is better branding and better responsiveness to the market. Those banks that would offer such services would be perceived as leaders in technology implementation. Therefore, they would enjoy a better brand image.

The other benefits are possible to measure in monetary terms. The main goal of every company is to maximize profits for its owners and banks are not any exception.

Several arguments have been expanded in favour of Mobile banking having the ability to sweep away the old laborious and non-effective means of banking. According to views expressed by Mols (1998) it was indicated that the Internet is a revolution that will sweep away the old order holds much sway. The internet revolution in Mobile banking transaction is much cheaper than branch or even phone transactions. This could spur yesterday's competitive advantage - a large branch network, into a comparative disadvantage, allowing mobile banks to undercut bricks-and-mortar banks.

Jen and Michael (2006) indicate that mobile banking has created unprecedented opportunities for banks and businesses globally, in the ways they organize financial product development, delivery, and marketing via the Internet. While it offers new opportunities to banks, it also poses many challenges such as the innovation of IT applications, the blurring of market boundaries, the breaching of industrial barriers, the entrance of new competitors, and the emergence of new business models (Liao and Cheung 2003).

Studies by Rikya (2007) and Han (2008) on the introduction of internet banking and prospects for Bangladeshi concludes that the advent of technologies have really brought information revolution in the society and that Internet Technology is rightly regarded as the third wave of revolution after the agricultural and industrial revolutions. The advent and adoption of the internet by industries has removed the constraint of time, distance and communication making the globe truly a small village. Rikta (2007) mentioned that in Bangladesh, Small Medium Enterprise (SMEs) owners had to visit their lender an average of 15 times for a single loan. Han (2008) also found the favourable impact of the application of informational technology on SME finance. He mentioned that online SME businesses are more profitable and produce higher revenues, than SMEs that use only traditional channel. Using Mobile banking reduces the required visits a client has to make to a bank for transaction.

According to Rotchana kitumnuai and Speece (2003) electronic banking offers numerous benefits to both banks, investors and individual bank clients ; can check account balances, transfer money, pay bills, collect receivables and ultimately reduce transaction costs and

establish greater control over bank accounts. Customers need not visit banks for banking transactions, providing round the clock services (Cheng et al., 2006). Customers can apply for loans and do other banking services online (Smith and Rupp, 2003).

Mobile banking plays a major role in the economy by enabling sellers and buyers to create economic value through the exchange of information, goods/services, and payments by avoiding physical contacts (Bakos, 1998). Also, Mobile banking enables banks to attract mobile customers and this offers tremendous profit potential by providing mobile financial services. As indicated by Wind (2001) many banks are motivated to implement Mobile banking by forces relating to the maximization of their earnings through increased market scope and improved customer relationship due to product delivery convenience and service customization.

The growth in credit card usage is attributable to Mobile banking. Now a customer can shop worldwide without any need of carrying paper money with him. Banks are available 24 hours a day, seven days a week and they are only a mouse click away. The Cedar group consulting firm (2004) survey reported that the Internet could play a major role in transforming the workplace to enhance productivity by reducing operational cost and improving employee relationships through improved service delivery. The investigators noted that as the transformation progressed in the workplace the level of sophisticated services also increased.

Generally, the concept of efficiency can be regarded as the relationship between outputs of a system and the corresponding inputs used in their production. Within the financial efficiency literature, efficiency is treated as a relative measure which reflects the deviations from maximum attainable output for a given level of input (English M. and Warng, 1992). Mobile banking (payment) plays an important role in e-commerce because it closes the e-commerce loop. In developing countries, the underdeveloped electronic banking [payments] methods are a serious impediment to the growth of e-commerce. In these countries, entrepreneurs are not able to accept credit card payments over the Internet due to legal and business concerns. The primary issue is transaction security. (Tiwari, 2006).

Financial transaction cards have made great gains in the United States as a means to attract financial accounts to financial institutions and, in the case of credit cards, as a medium to create small loans and generate interest income for financial institutions. Maintains customer

contact, the business can maintain customer contact information for follow up sales and marketing purposes, this is where by there will be improved relations interns of strategies for the organization hence profitability (Gray,1994).Improved sourcing, Electronic banking (payment) leads to improvement in sourcing for example cards are easy to be sourced by the buying organization and this gives the organization an extensive base and assists in the selection of customers than would be done in manual payment exercise (Saunders, 1997).

Reduced duplication, due to use of cards and cheques when paying creates an offer to customers to obtain alternative credit cards, this helps in branding of products that are used in banking institutions. Easy distribution, operating a business using mobile or Electronic payment has drastically led to improvement in distribution of goods (Leader, 1997) says that this improves the flow of information, accuracy and proper movement of goods due to increased use of computers to computer online payment along the supply line. Transparency, according to Dobbler and Burt (1996) lament that the visibility of total costs, customers can see the impact of factors such as e-exercise insurance and carriage on the costs of goods being purchased, discount points and conditions applied are also clear. Consequently an e-payment system enables buying to make better decisions leading to increased profitability to financial institutions.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter presents the research design, research population, and sample size, sampling methodology, research instruments, validity and reliability of the instruments, data analysis, ethical considerations and limitations of the study.

3.1 Research Design

The methodological approach in this research is Quantitative. The research will adopt the descriptive research design specifically the descriptive correlation strategy. This research as a descriptive study is a non-experimental investigation that also describes the characteristics of the respondents. It deals with the relationship between variables: Gay (1996) pointed out that correlation research attempts to determine to what extent a relationship exists between two variables.

3.2 Sampling Procedure

The methodological sampling approach to be used under this study is probabilistic. The simple random sampling technique will be used to select the respondents of the study. This technique is adopted because all the respondents have same and equal chances of being included in the sample and specifically it will help obtain a representative sample for the entire population of the employees that are in the commercial banks in Kansanga along Ggaba road.

3.3 Research Population

3.3.1 Target Population

The target population encompasses a total of 100 respondents who are limited to employees who work in the commercial banks in Kansanga along Ggaba road. The population is chosen because it is relatively large enough to produce findings that may be used to make generalizations about the study.

3.3.2 Sample Size

The sample size of the study has been computed using sloven's formula as shown below;

$$\left(n = \frac{N}{1 + N\alpha^2} \right)$$

Where: n = Sample size

N = Target population

$$\alpha = 0.05$$

3.4 Research Instruments

The data collection instruments to be used in this study include the face sheet and questionnaire. The face sheet will be used to gather data on the respondent's demographic profiles in terms of gender, age, religion, Occupation, Level of education type of services offered to the Bank. A self-administered questionnaire will be developed to measure the impact of m-banking and financial performance among commercial banks in Kansanga Ggaba road.

The purposive method of sampling was also used for the study. This was dedicated by the nature of the study which aimed at getting specific information from specific persons or individuals.

According to the *American statistical Association (1999)* purposive sampling is used to select only those respondents considered to be key and resourceful in providing required data. The purposive method of sampling was used to get members of staff from selected departments for interview. The convenience method of sampling was also used for talking to staff that were readily available.

3.5 Validity and Reliability of the Instruments

To ensure validity of the instruments to be used, the researcher with the assistance of the supervisor computed the Content Validity Index (CVI) ; a scale developed by computing or rating the relevant items in the instrument or questionnaire by checking their clarity, their meaningfulness in line with all objectives stated dividing by the total number of items. This can be stated as;

$$CVI = \frac{\text{Number of valid and relevant items}}{\text{Total number of items}}$$

Internal consistency and reliability of the instruments will be tested using the Cronbach's Alpha coefficient using SPSS data analysis scale development tool.

3.6 Data Collection Procedure

The researcher himself distributed the questionnaires to various respondents during the study and he (researcher) made analysis during the interviews and collected all questionnaires.

3.7 Data Analysis

Data entry, coding and documentation were done using EpiData and then analyzed using SPSS. To identify the demographic characteristics of respondents, frequencies and percentage distributions will be applied. Descriptive statistics will be computed in terms of means and standard deviations to determine the level of technological use and employee performance. An item analysis will illustrate the strength and weaknesses based on the indicators in terms of means and ranks from which the recommendations will be made. Pearson's linear correlation and regression analysis of coefficients was used to determine the magnitude and direction of the relationship between dependent variable and the independent variable (i.e. mobile banking and financial performance respectively). The *t – test* was also used to test hypothesis developed in the study.

3.8 Ethical Consideration

The following strategies will be adapted to ensure the moral justification of the investigation and research.

Authorization: This will involve getting a clearance letter from the ethical body/ethics committee and consent of the respondents.

Informed consent: The researcher will seek authorization from potential respondents.

Integrity: The researcher will act honestly, fairly and respectfully to all other stakeholders that will be involved in this study.

3.9 Limitation of the Study

Confidentiality of information, the selected respondents were selective with their answers due to fear of realizing important information to competitors.

Most of the respondent used a lot of technical terminologies language which was a bit hard for the researcher to understand, thus the researcher required additional time to study and understand the language.

The researcher faced a problem of scarce resource especially finance in terms of transport and printing cost.

Time; the respondent were busy with routine work so they could not answer the questionnaires in the required time. The research was also carried out during the study period hence the time was against the researcher.

Bureaucracy of the administration in the banks made it hard for the researcher to reach the sample target in time.

Some of the questionnaires distributed by researcher were not returned in time which delayed the process of the research.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

The following chapter reports on the findings of the study that was carried out to examine the m-banking technology used among commercial banks in Kansanga; to examine the factors influencing financial performance among commercial banks in Kansanga and to establish the relationship between m-banking and financial performance of commercial banks in Kansanga (Uganda)

The study was carried out in commercial banks branches in Kansanga as was deemed the giant financial institutions in Uganda sharing a wide coverage and perhaps largely preferred various organizations and individuals as regards transacting businesses.

The chapter also presents the biographic characteristics of respondents.

4.1. Bio Data Information Summary

This study was composed of mainly staff of the commercial banks in Kansanga-Uganda from the information technology department, Accounts department and few from other departments of the banks. The researcher focuses on gender of respondent, age Bracket (in years), marital Status, level of education attained, department and work experience of the respondent.

4.1.1 Gender

In order to establish the gender which frequently uses Mobile banking services, the respondents were asked to state their sex. The results are as presented in table 2 below.

Figure A pie Chart Showing the Sex/Gender of the Respondent

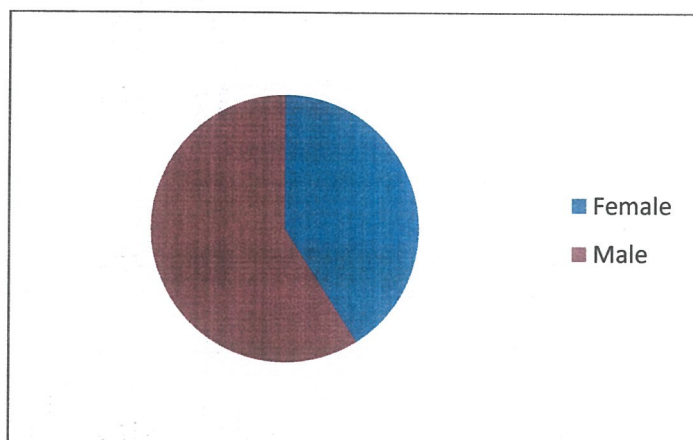


Table 1: The Table Below shows the Sex/Gender of the Respondent.

	Frequency	Percent
Female	25	41.0
Male	36	59.0
Total	61	100.0

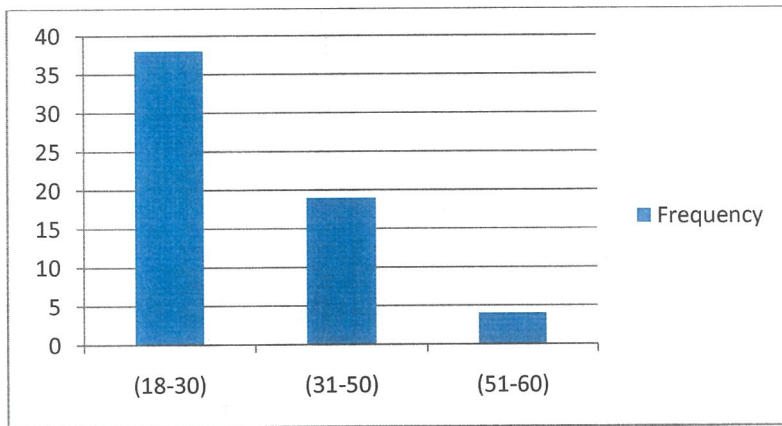
Source: Primary Data (2015)

The above table 2 shows that 59.0% of the respondents were male while the female respondents were 41.0%. This shows that there is no gender discrimination on the employees of the bank.

4.1.2 Age Bracket of the Respondents.

The age of the respondents was relevant to establish the age bracket, which used the mobile banking in most banking halls. The results are as in the table below

Figure 3 Shows Age Bracket of the Respondents



Source: Primary Data (2015)

Table 2: Shows Age Bracket of the Respondents

	Frequency	Percent
(18-30)	38	62.3
(31-50)	19	31.1
(51-60)	4	6.6
Total	61	100.0

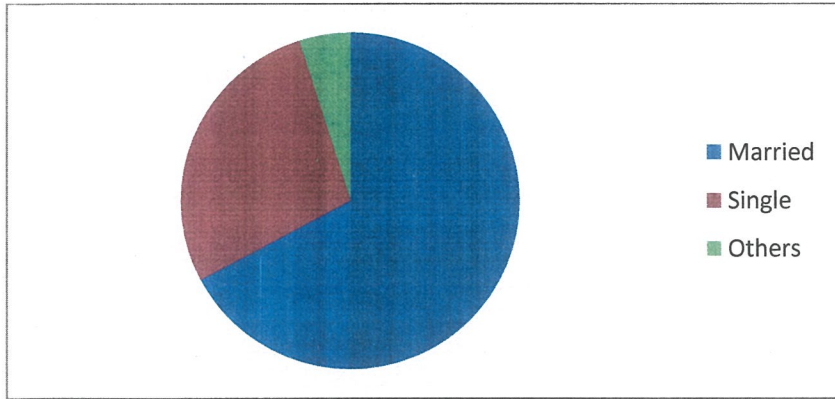
Source: Primary Data (2015)

The findings indicate that majority of the respondents which is 62.3% were in the age bracket of 18-30years, 31.1% were aged between 31-50years old, only 6.6% of the respondent in the bracket of 51-60 years old and none were above 60 years of age. This means that employees of the bank are still productive (young and skilled) to handle the changing technology of M-banking.

4.1.3 Marital Status of the Respondents.

In order to know the marital status, the respondents (employees) were asked to state their status in correspondence with the questionnaire

Figure 4: Marital Status of the Respondents on a graph



Source: Primary Data (2015)

Table 3: Shows the Marital status of the Respondents.

	Frequenc y	Percent
Married	41	67.2
Single	17	27.9
Others	3	4.9
Total	61	100.0

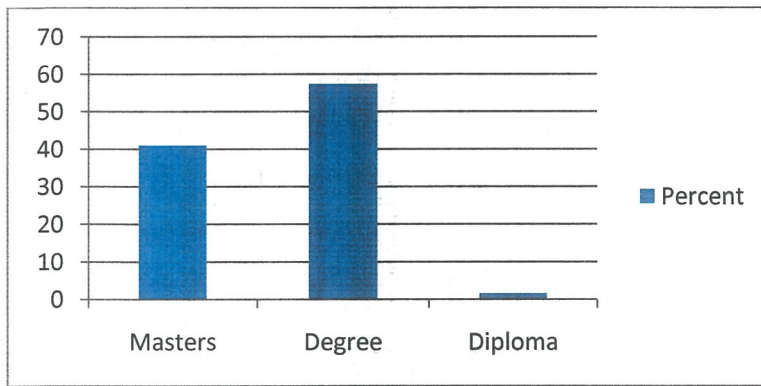
Source: Primary Data (2015)

Majority of the respondent or employee working with the bank were married 50%, the single were 37% while others which may include divorced or separated were 13%. Married people sometime tend to have a lot of responsibility and some difficulties to balance work and family while the single employee may have more commitments.

4.1.4 Education Level of the Respondents.

In order to find out the knowledge respondents may have about these services, they were asked to state their education level. The results are as below

Figure 5 Shows Education Level of the Respondents



Source: Primary Data (2015)

Table 4: Table Showing the Level of Education attained by Respondents

	Frequency	Percent
Masters	25	41.0
Degree	35	57.4
Diploma	1	1.6
Total	61	100.0

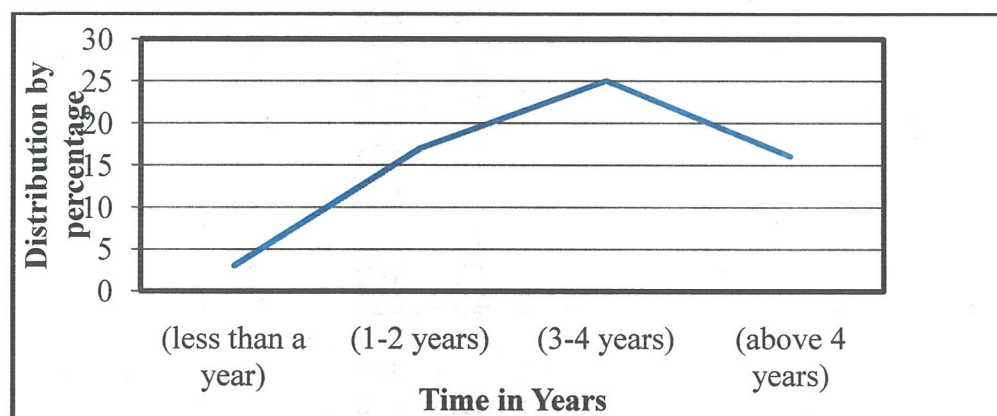
Source: Primary Data (2015)

From the table above, the finding indicate out of a total of 61 respondents the majority 35 (57.4%) were degree holders followed by masters 25 (41.0%) and only 1(1.6%) was a diploma holder no certificate holder work with the bank. This means that employees of the bank are skilled or can be easy be trained to handle the changing technology of M-banking.

4.1.5 Period worked of the Respondents.

In order to know the experience of the employees, the period they have worked in the bank was asked and the following results were observed.

Figure 6: Shows Period worked of the Respondents



Source: Primary Data (2015)

Table 5: Time Period worked by Employees in the Bank (Experience)

	Frequency	Percent
(less than a year)	3	4.9
(1-2 years)	17	27.9
(3-4 years)	25	41.0
(above 4 years)	16	26.2
Total	61	100.0

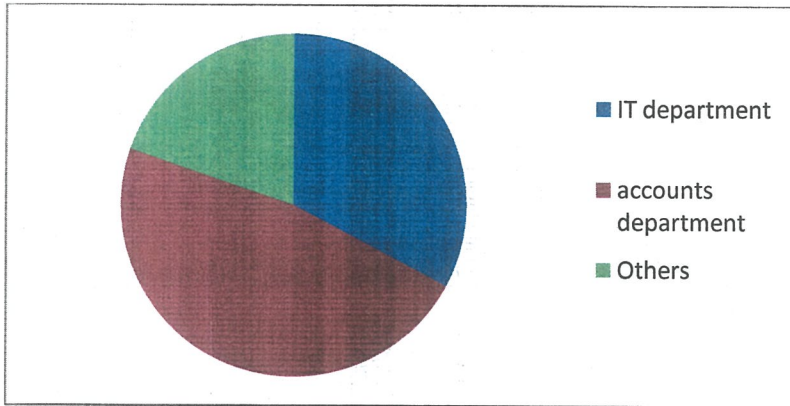
Source: Primary Data (2015)

From the table above out of a total of 61 respondents few employees 3 (4.9%) have worked for less than 1 year, 27.9% for a period of 1-2 years, 41.0% worked for a period of 3-4 years and 26.2% for more than 4 years. This means that the bank has a capability of retaining majority of its employees who are skilled and with experience to deal with m-banking or employees are comfortable with the bank technology.

4.1.6 Department of the Respondents.

The departments of the respondents were divided into three; IT department, accounts department and other departments which the results are as follows

Figure 7: A Graph showing the Department of Respondents



Source: Primary Data (2015)

Table 6: A Table showing Department of the Respondents

	Frequency	Percent
IT department	20	32.8
accounts department	29	47.5
Others	12	19.7
Total	61	100.0

Source: Primary Data (2015)

Respondents from different IT department, accounts department and other department were 32.8%, 47.5% and 19.7% respectively. This shows that the study response is dominated by accountants who monitor the financial performance of the bank as the table and pie chart above reveals.

Level of Mobile Banking

The independent variable in this study was the mobile banking among commercial banks in Kansanga along Ggaba road, for which the researcher wanted to determine its level. The level of mobile banking in commercial banks in Kansanga was broken into three categories (ATM with 4 questions, telephone banking with four questions and internet banking with 5 questions). Each of these questions was based on the four Likert scale, where 1= strongly agree, 2= agree, 3= disagree and 4= strongly disagree. Respondents were asked to rate the level of mobile banking by indicating the extent to which they agree or disagree with each question and their responses were analysed using SPSS and summarized using means as indicated in tables 9A, 9B and 9C below;

The interpretation will be in the ranges as indicated below

Mean range	Response range	Interpretation
3.26 - 4.00	strongly agree	Very high
2.51 - 3.25	Agree	High
1.76 - 2.50	Disagree	Low
1.00 - 1.75	strongly disagree	Very low

Table 7: Level of m-banking in selected Commercial Banks in Kansanga-Kampala along Ggaba Road

Table 7A: ATM (Automated Teller Machine)

ATM	Mean	SD	t-statistic	Rank	Interpretation
Withdrawing cash with ATM is quick	3.65	0.553	51.197	1	Very high
Checking for mini and loan statements is accessible with ATM machines	3.24	0.452	56.644	4	High
Immediate payment services (IMPS) using the ATM	3.36	0.659	39.823	3	Very high
Depositing money using ATM at any time any where	3.62	0.553	51.197	2	Very high
Average	3.48				Very high

Source: primary Data (2015)

Results in table 7A indicate that the highest rated item under ATM was Withdrawing cash with ATM with mean=3.65 and SD = 0.553 which was rated very high, This shows a less deviation meaning that respondents had similar belief about the item hence confirming that ATMs are quickly used for Withdrawing cash. The second rated item under this construct was Depositing money using ATM at any time anywhere with mean 3.62 and SD=0.553 which was rated very high, the third rated item was Immediate payment services (IMPS)

using the ATM with mean 3.36 and SD=0.659 which was rated very high, whereas the last item was Checking for mini and loan statements (mean=3.24), and its standard deviation was (SD = 0.452) and rated high, indicating that Checking for mini and loan statements still lags behind. The overall mean for ATM use was 3.48 which was rated Very high, indicating that ATM are highly used.

Table 7B: Telephone Banking

Telephone banking	Mean	SD	t-statistic	Rank	Interpretation
Funds transfer using phones anywhere At anytime	3.25	0.505	50.184	4	High
Cheque book transfer	3.34	0.546	47.457	3	Very high
Banking over SMS	3.48	0.566	47.968	1	Very high
Enquiry services (balance enquiry)	3.39	0.556	47.657	2	Very high
Average mean	3.37				Very high

Source: primary Data (2015)

From the results in table 7B indicate that the highest rated item under this category was using telephone Banking over SMS (mean=3.48) which was rated very high, confirming that banks use mostly telephone Banking over SMS. Its standard deviation was (SD =0.566). The second rated item under this construct was Enquiry services (balance enquiry) with mean 3.39 and SD 0.556 and rated Very high, the third rated item under telephone banking cheque book transfer with mean 3.34 and SD of 0.546 and rated very high, the lowest rated item under this construct was about using phones in funds transfer using phones anywhere at any time with (mean=3.25), this item was rated high and had (SD = 0.505).

The average mean of Telephone Banking was 3.37 and rated Very high.

Table 7C: Internet Banking

Internet banking	mean	Std dev.	t-statistic	Rank	Interpretation
Request services (e.g. loans)	3.16	0.916	26.973	4	High
Account summaries	3.24	0.503	50.184	3	High
Requesting for Debt or credit statements	3.44	0.671	40.045	1	Very high
Payment of utility bills (e.g. electricity)	3.25	0.505	50.184	2	High
Average	3.28				Very high

Source: primary Data (2015)

For internet banking as one of the constructs of mobile banking, results in table 7C indicate that the highest rated item under this category was using internet banking to Request for Debt or credit statements (mean=3.44) which was rated very high, confirming that banks use mostly internet banking for Requesting for Debt or credit statements. Its standard deviation was (SD =3.44). The second rated item under this construct was Payment of utility bills (e.g. electricity) with mean 3.25 and SD 0.505 and rated High, the third rated item under Internet banking was Account summaries with mean 3.24 and SD of 0.503 and rated High. The lowest rated item under this construct was about using internet for request services (e.g. loans) with (mean=3.16), this item had an (SD = 0.916) which was still rated high. The average mean under this construct was 3.28 and was also rated very high.

The level of m-banking among commercial banks had the overall average in terms of ATM, telephone banking and internet banking (mean=3.38). The item rated highest Withdrawing cash with ATM is quick with mean 3.65 and the lowest being Request services (e.g. loans) with mean of 3.16

Level of Financial Performance

The third objective of the study was to determine the level of financial performance in terms of profitability and liquidity and efficiency of among commercial banks. The level of financial performance of selected commercial banks was broken into three categories (profitability with 4 questions, liquidity with 4 questions and efficiency with 4 questions). Each of these questions was based on the four Likert scale, where 1= strongly agree, 2=

agree, 3= disagree and 4= strongly disagree. Respondents were asked to rate the level of financial performance by indicating the extent to which they agree or disagree with each question and their responses were analyzed using SPSS and summarized using means as indicated in tables 8A, 8B, and 8C below;

Table 8 shows the Level of Financial Performance in Terms of Profitability and Liquidity and Efficiency of among commercial banks

Table 8 A: Profitability

Profitability	Mean	SD	t-statistic	Rank	Interpretation
The banks net profits have been increasing	3.36	0.659	39.823	3	Very high
The bank often meets its financial annual objectives	3.48	0.566	47.968	1	Very high
The bank meets its profit margin earned on sales	3.19	0.546	46.557	4	high
The bank regularly registers expenses as they are incurred	3.39	0.556	47.657	2	Very high
Average	3.36				Very high

Source: Primary Data (2015)

Results in table 8A indicate that the highest rated item under this category was the bank often meets its financial annual objectives with (mean=3.48), this item had a standard deviation of (SD = 0.566). Since the standard deviation is even less than one, then this can be justified by little deviation from the mean. The second rated item was the bank regularly registers expenses as they are incurred with mean 3.39 and SD of 0.556 and rated very high, the third rated item was; the banks net profits have been increasing it had mean of 3.36 and SD of 0.659 and rated Very high and the lowest rated item under this construct was: the bank meets its profit margin earned on sales; (mean = 3.19), it was rated high and its Standard deviation was (SD = 0.546), which shows less deviation from the mean.

Generally Profitability was rated very high on average (mean=3.36)

Table 8B: Liquidity

Liquidity	Mean	Std. dev	t-statistic	Rank	Interpretation
There is a stable core deposits	3.21	0.609	41.229	4	high
Bank meets costs of operation	3.62	0.553	51.197	1	Very high
Ready access to money and capital assets	3.59	0.668	41.991	2	Very high
Bank has cash at hand to spend	3.39	0.556	47.657	3	Very high
Average	3.45				Very high

Source: Primary Data (2015)

The second construct under the level of financial performance was liquidity. The item that was rated the highest was; the Bank meets costs of operation (mean = 3.62). This means the bank meets its costs of operation. The standard deviation for this item was (SD = 0.553) and the item was rated very high under liquidity. This means that the respondents agree with in the same extents. The second rated item was; Ready access to money and capital assets with mean 3.59 and SD of 0.668 and rated very high, the third rated item was Bank has cash at hand to spend with mean 3.39 and SD of 0.556 and rated very high. The item rated the lowest was “about there is a stable core deposits (mean = 3.21) rated high, indicating that banks sometimes face the challenge of accessing money and capital assets in their daily operations. Its standard deviation was (SD = 0.609).

Table 8C: Efficiency

Efficiency	Mean	Std. dev	t-statistic	Rank	Interpretation
Bank assets are put into their better use	3.59	0.688	41.991	2	Very high
Increased revenue with a more efficient cost structure	3.39	0.556	47.657	4	Very high
Bank regularly delivers more relevant solutions and higher value to customers	3.49	0.668	41.891	3	Very high
Bank continuously reviews, evaluates and improves processes in a quest for optimization	3.62	0.553	51.197	1	Very high
Average	3.52				Very high

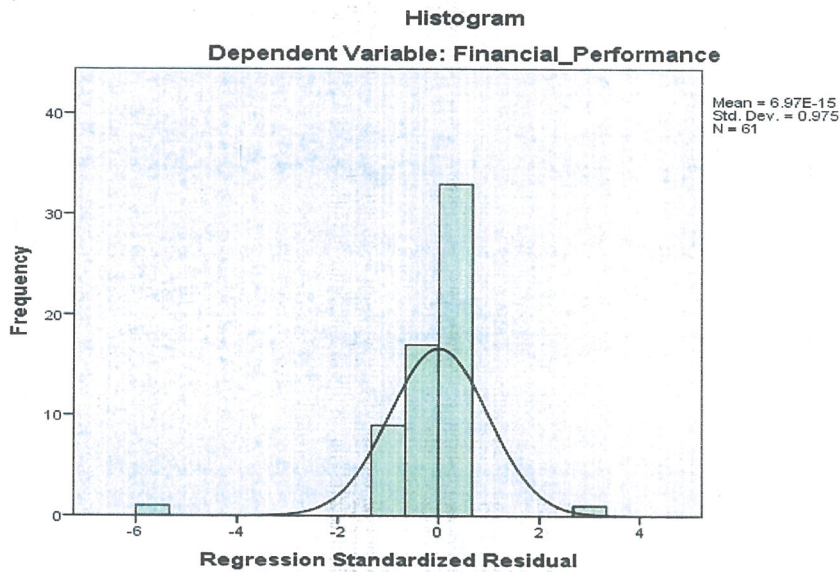
Source: Primary Data (2015)

The last category in the determining of the level of financial performance was efficiency. The highest item was the bank continuously reviews, evaluates and improves processes in a quest for optimization its mean = 3.62, its standard deviations was 0.553. The second rated item was; Bank assets are put into their better use mean 3.59 and SD of 0.688 and rated very high, the third rated item was; Bank regularly delivers more relevant solutions and higher value to customers with mean 3.49 and SD of 0.668 and rated very high. The item that was rated the lowest was about Increased revenue with a more efficient cost structure however rated very high with (mean =3.39). Its standard deviation was SD = 0.556. Efficiency was rated very high as shown in the table 8C above, with mean = 3.52

The overall average of the level of financial performance in terms of profitability and liquidity and efficiency of the commercial banks in Kansanga-Kampala was 3.44 rated very high. This means that commercial banks in Kansanga perform well in their finances. The item rated the highest was; Bank continuously reviews, evaluates and improves processes in a quest for optimization (mean = 3.62). The item rated the lowest was; the bank meets its profit margin earned on sales (mean = 3.19)

Relationship between Mobile Banking and Financial Performance among Commercial Banks in Kansanga-Kampala along Ggaba road

Figure 8: Normality Test for m-banking and financial performance among banks



Source: Primary Data (2015)

The above diagram (figure 8) indicates that the data is normally distributed

The last objective in this study was to establish whether there is a relationship between Mobile banking and Financial Performance among commercial banks in Kansanga-Kampala along Ggaba road. For this, the researcher stated a null hypothesis that there is no relationship between Mobile banking and Financial Performance among commercial banks in Kansanga-Kampala along Ggaba road. Therefore to achieve this objective and to test this null hypothesis, the researcher correlated the means of Mobile banking and Financial Performance among commercial banks in Kansanga-Kampala along Ggaba road using the Pearson's Linear Correlation Coefficient, as indicated in table 9;

Table 9: Relationship between Mobile banking and Financial Performance among commercial banks in Kansanga-Kampala along Ggaba road

Variables Correlated	r – value	Significance	Interpretation	Decision on H_0
Mobile banking VS Financial Performance	0.622	0.000	Significant relationship	Reject H_0

Source: Primary Data (2015)

Results in Table 9 indicated a positive relationship between the level of Mobile banking and Financial Performance among commercial banks in Kansanga-Kampala along Ggaba road with $r=0.622$, Since the sig. value (0.000) was less than 0.05, which is the maximum level of significance required to declare a relationship. This implies that as mobile banking improves financial performance also improves. Therefore basing on these results the stated null hypothesis was rejected and a conclusion is made that improved mobile banking improves financial performance.

Table 10: Regression Model for Financial performance on Automated Teller machine (ATM), phone banking (PB) and internet banking (IB)

Model		Un standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.202	.850		.237	.813
	ATM	2.834	.214	.909	13.238	.000
	Telephone	-.451	.231	-.143	-1.950	.001
	Internet	.616	.081	.258	7.629	.000
a. Dependent Variable: Financial Performance						

$$y = \alpha + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3$$

y is the financial performance

α is the y intercept

β_1 is the rate of change financial performance with the change in Automated Teller machine (ATM)

β_2 is the rate of change financial performance with the change in phone banking (PB)

β_3 is the rate of change financial performance with change in internet banking (IB)

Therefore the regression equation becomes

$$y = 0.202 + 2.834 \text{ ATM} - 0.451 \text{ PB} + 0.616 \text{ IB}$$

From the equation above, it shows that the rate of financial performance that is not affected by Automated Teller machine (ATM), phone banking (PB) and internet banking (IB) is 0.202 which is positive. The results from regression further show that a unit change in Automated Teller machine (ATM) affects financial performance by 2.834, that a unit change in phone banking (PB) affects financial performance by -0.451. On the other hand, a unit change in internet banking (IB) affects financial performance by 0.616. Since the significance values of Automated Teller machine (ATM), phone banking (PB) and internet banking (IB) are all less than 0.05 (sig. < 0.05), the conclusion can be made that there is a significant relationship between financial performance and Automated Teller machine (ATM), phone banking (PB) and internet banking (IB)

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.0 Introduction

This chapter presents; The summary of findings under bio data information, each objective, Conclusion and recommendations relevant to m-banking and attempt to analyze whether the introduction of M-banking has improved on the banks financial position and area of further study. Conclusions are the researcher's opinions depending on the outcome from the data analyzed as per the objectives of the study. Recommendations are the way forward resulting from conclusions and are very vital for policy making. Objectives were to determine;

- i) the level of Mobile banking;
- ii) the level of financial performance;
- iii) The relationship between Mobile banking and financial performance among commercial banks in Kansanga-Kampala along Ggaba road.

5.1 Bio data Information (Findings)

The researcher focuses on gender of respondent, age bracket (in years), marital Status, education level attained, department and work experience of the respondent

5.1.1 Gender of Respondent

The findings shows that 59% of the respondents were male while the female respondents 41%. This reveals that there is no gender discrimination on the employees of the bank.

5.1.2 Age bracket of Respondent

Majority of the respondents 62.3% were in the age bracket of 18-30years, 31.1% were aged between 31-50years old, only 6.6% of the respondent in the bracket of 51-60 years old and none were above 60 years of age. This means that employees of the bank are still productive (young and skilled) to handle the changing technology of M-banking.

5.1.3 Marital Status of Respondent

Majority of the respondent or employee working with the bank were married 67.2%, the single were 27.9% while others which may include divorced or separated were 4.9%. Married

people sometime tend to have a lot of responsibility and some difficulties to balance work and family while the single employee may have more commitments at work leading to high output.

5.1.4 Education level of Respondent

Out of a total of 61 respondents the majority (57.4%) were degree holders followed by masters 23.3% and only 1(1.6) diploma holder and no certificate holder works with the bank. This means that employees of the bank are skilled or can be easily trained to handle the changing technology of M-banking.

5.1.5 Period worked with the Bank by Respondent

From table 6, out of a total of 61 respondents few employees 4.9% have worked for less than 1 year, 27.9% for a period of 1-2 years, 41.0% worked for a period of 3-4 years and 26.2% for more than 4 years.. This means that the bank has a capability of retaining majority of its employees who are skilled and with experience to deal with m-banking or employees are comfortable with the bank technology.

5.1.6 Department of Respondent

Respondents from different IT department, accounts department and other department were 32.8%, 47.5% and 19.7% respectively. This shows that the study response is dominated by accountants who monitor the financial performance of the bank as the table and pie chart above reveals

5.2.1 Level of Mobile Banking

The level of m-banking among commercial banks had the overall average in terms of ATM, telephone banking and internet banking (mean=3.38). The item rated highest Withdrawing cash with ATM is quick with mean 3.65 and the lowest being Request services (e.g. loans) with mean of 3.16

5.2.2 Level of Financial performance

The level of financial performance among commercial banks had the overall average of the level of financial performance in terms of profitability, liquidity and efficiency of the commercial banks in Kansanga was (mean = 3.44). This means that commercial banks in

Kansanga performed well in their finances. The item rated highest was; the bank continuously reviews, evaluates and improves processes in a quest for optimization (mean = 3.62). The item rated the lowest was; the bank meets its profit margin earned on sales (mean = 3.19)

5.2.3 Relationship between M-Banking and Financial Performance

Finally, the findings indicated a positive relationship between Mobile banking and financial performance among commercial banks in Kansanga-Kampala along Ggaba road. This is shown by the fact that the sig. value was less than the maximum sig. value of 0.05 considered in social sciences. This finding agrees with Gill *et al* (2010) and Dang *et al* (2010).

5.3 Overall Conclusion

From the findings of the study; it can be inferred that the introduction of m-banking has contributed positively to the financial performances of banks in the industry.

The service of m-banking of banks in Kansanga (ATM, internet banking and phone banking) among others which has made things simple for its customers hence they are convenience and this has increased the level of transactions and customer loyalty to the bank. To access m-banking service one need to register with the bank at any nearest branch

5.4 Recommendations

Basing on the study finding, the following recommendations are forwarded; As the level of literacy increase over the years, more people will find it difficult to ignore the services offered by banks through this delivery channels. Management of banks should ensure and continue to encourage the idea of computerizing Uganda and Ugandans

Free training and refreshing training should be provided to staff of the bank and if possible to customers to equip them with skills in the ever changing technology. The bank should provide toll free line to enable customers who want to use the system and also in case of any problem that deserve attention of the bank.

The banking industry with the Ministry of planning and development should capitalize on this findings to eliminate customers' misconception through sensitizing the community that mobile baking was not a preserve for the few who have it.

This finding should be used by banks to popularize mobile banking as some people are not aware of it or think that it is only meant for the privileged few.

Central bank of Uganda in conjunction with Ministry of Finance should use this finding and launch a campaign to sensitize people on mobile banking security measures put in place to protect them from fraudulent activities and also to make mobile banking popular to all.

Central bank of Uganda and banking industry as a whole through this finding should see a need for a comprehensive ICT policy that covers mobile banking.

The bank should come up with the mechanisms of preventing bank frauds especially through technology

Lastly, as customer is the essence of any business being, the development of these new Mobile banking services (MBS) should be customer-centric (Customers' needs should be the watchword right from idea conception, development and use of the services).

5.5 Area of further Study

Further study should be done on the growth of m-banking in the dynamic financial sector in Uganda. This will help to find out the growth of m-banking into the banking sector in Uganda

M-banking and local population in the changing financial sector in Uganda, this will help establish how the local population or users of financial services have reacted toward the introduction of m-banking into the banking sector in Uganda.

How money transfer and mobile banking for the telecom companies like MTN mobile money, Airtel-money and others have affected commercial banks in Uganda

Retail banks which refer to convention banks that offer services to individual from the public and their contribution to customer satisfaction and the performance of the commercial banks.

Research should also be carried out on how m-banking improve customer satisfaction. As banks have carried out innovation on m-banking in order to achieve competitive advantage, control costs, attract new customers, meeting the convenience of customers, little is known about the influence of m-banking on the level of customer satisfaction.

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QUESTIONNAIRE

Dear Participants

I am *Ngomiranze Richard* a student of Kampala International University carrying out a research on “mobile banking and financial performance of commercial banks using a case study of commercial banks in Kansanga”. The individual responses will be treated with utmost confidentiality and will be for academic purpose only in fulfillment of my research project. I humbly request to take some of your time to fill this questionnaire. Your assistance will be of great value in the success of this research study. Thank you in advance.

SECTION A

Background information (*Please use a tick in the space ☒ provided*)

1. Gender/Sex

(a) Female ☐ (b) Male ☐

2. Age Bracket (in years)

(a) 18-30 ☐ (b) 31-50 ☐
(c) 51-60 ☐ (d) Above 60 ☐

3 Marital status

(a) Married ☐ (b) Single ☐
(c) Others

4. Level of Education you have attained

(a) Masters ☐ (b) Degree ☐
(c) Diploma ☐ (d) Certificate ☐

5 For how long have you been working in this bank?

(a) (Less than 1 year ☐ (b) 1-2 years ☐
(c) 3-4 year ☐ (d) More than 4 years ☐

6 Position Held (department).....

SECTION B: EXAMINING M-BANKING

Please indicate the level with which you agree with the following statements in regard to mobile banking using the given scale.

(Please use a tick in the space ☐ provided)

item	Measurement variable	Strongly agree	agree	disagree	Strongly disagree
ATM	Cash withdraw				
	Checking mini and loan statements				
	Immediate payment services (IMPS)				
	Depositing money				
Telephone banking	Funds transfer				
	Cheque book request				
	Banking over SMS				
	Enquiry services (balance enquiry)				
Internet banking	Request services (e.g. loans)				
	Account summary				
	Debt or credit card statement				
	Payment of utility bills (e.g. electricity)				

SECTION C: TO EXAMINE THE FINANCIAL PERFORMANCE

Please indicate the level of financial performance using a tick



Item	Measurement variable	Strongly agree	agree	disagree	Strongly disagree
Profitability	Net profits have been increasing				
	Bank often meets its financial annual objectives				
	Bank meets its profit margin earned on sales				
	Bank regularly registers expenses as they are incurred				
Liquidity	There is a stable core deposits				
	Bank meets costs of operation				
	Ready access to money and capital assets				
	Bank has cash at hand to spend				
Efficiency	Bank assets are put into their better use				
	Increased revenue with a more efficient cost structure				
	Bank regularly delivers more relevant solutions and higher value to customers				
	Bank continuously reviews, evaluates and improves processes in a quest for optimization				



CURRICULUM VITAE

BIO DATA

NAME: NGOMIRANZE RICHARD
AGE: 24YRS
DATE OF BIRTH: JUNE 9TH 1991
NATIONALITY: UGANDAN
ADDRESS: KANSANGA, KLA
MARITAL STATUS: MARRIED
EMAIL: richngora@gmail.com
TEL: 0783309616

EDUCATIONAL BACKGROUND

YEAR	INSTITUTION	AWARD
2012-2015	KIU	DEGREE
2010-2011	MANDELA S.S HOIMA	UACE
2006-2009	KAGADI ACADEMY SS	UCE
1998-2005	KAGADI TOWN P/S	PLE

EMPLOYMENT RECORD

POSITION	INSTITUTION	PERIOD
PRIME MINISTER	KIU	2013-2014
CORDINATER (BSTAT)	KIU	2013-2014
VICE PRESIDENT	KYASA	2014-2015
ENTERTAINMENT MINISTER	KYASA	2011-2013
COMITTE MEMBER (CATHOLIC)	MANDELA S.S	2010-2011
SUPERVISOR (CENCUS)	UBOS	2014

INTERESTS

- Reading
- Researching
- Playing soccer
- Associating

KNOWLEDGE AND SKILLS

- Computer applications in ms word, ms excel, ms power point
- Use of SPSS, STATA, EpiData
- Presentation skills
- Communication skills
- Human relations skills

EXPERIENCE

WORK EXPERIENCE AND SKILLS GAINED

Position	Organisation	Period/Year	Responsibilities
Data entrant/ Volunteer	Kibaale District Local Government	2013 June- 2013 July	<ul style="list-style-type: none">• Monitoring birth registration of infants during family health days and ensuring the activity is administered as planned• Preparing reports of the activities like immunization and birth registration of the sub counties after implementation• Collection of birth registration forms from the sub counties after implementation• Entry of data into the birth registration software availed by UNICEF• Printing of birth certificates
Parish supervisor	Uganda Bureau of	2014 August- September	<ul style="list-style-type: none">• Mobilise local council 1 members at assist as guides

	Statistics (UBOS)		<ul style="list-style-type: none"> • Mobilise the parish community for the census • Technical and administrative supervision of the parish • Spot-check on enumerators and checking the Enumeration Areas summary sheets for any inconsistencies • Edit of field instruments and filled-in questionnaires in the area of jurisdiction • Mobilising village leaders to participate in the community focus group discussion to complete the community questionnaire • Recommending enumerators for payment after completing work
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REFEREES

Mr. Mwebesa Edson

Lecturer Kampala International University

0782275512

Mr. Kawiso Martin

General Secretary USS

Tel. 0772510494

Mr. Tusabomu G.Willy

District planner Kibaale district

Tel. 0772536504

Mr. Tumwesige Ponsiano

University of Rwanda

Tel. 0772544006 or +250784577295