



**ST. MARY'S UNIVERSITY**

**SCHOOL OF GRADUATE STUDIES**

**THE CHALLENGE AND OPPORTUNITIES OF GOVERNMENT  
UTILITY PAYMENT PRACTICE IN CASE OF COMMERCIAL BANK OF  
ETHIOPIA**

**BY: ELSABET NEGASH**

**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR THE MASTER OF  
BUSINESS ADMINISTRATION (MBA)**

**JUNE, 2022**

**ADDIS ABABA, ETHIOPIA**

**THE CHALLENGE AND OPPORTUNITIES OF GOVERNMENT  
UTILITY PAYMENT PRACTICE IN CASE OF COMMERCIAL BANK OF  
ETHIOPIA**

**BY:**

**ELSABET NEGASH**

**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR THE MASTER OF  
BUSINESS ADMINISTRATION (MBA)**

**ADVISOR: DR. BERIHUN MUCHE**

**JUNE, 2022**

**ADDIS ABABA, ETHIOPIA**

## DECLARATION

I hereby certify that this Thesis entitled: Department of MBA masters of business administration THE CHALLENGE AND OPPORTUNITIES OF GOVERNMENT UTILITY PAYMENT PRACTICE IN CASE OF COMMERCIAL BANK OF ETHIOPIA by Elsabet Negash been prepared after due consultation with me. Has to my knowledge, the potential of developing into a comprehensive Thesis Work. I also agree to supervise the above - mentioned thesis till its completion.

Declared by: Elsabet Negash

(Candidate) Signature: \_\_\_\_\_

This is to certify that the above declaration made by the author is correct to the best of my knowledge.

Advisor: Dr. Berihun Muche

Signature:



## **ENDORSEMENT**

This thesis has been submitted to St. Mary's University, school of business a studies for examination with my approval as the university advisor

Advisor: Dr. BerihunMuche

Signature:



St. Mary's university, Addis Ababa

June, 2022

**APPROVAL SHEET**  
**ST.MARY'S UNIVERSITY**  
**SCHOOL OF GRAGUATE STUDIES**

**BY: ELSABET NEGASH**

**THE CHALLENGE AND OPPORTUNITIES OF GOVERNMENT  
UTILITY PAYMENT PRACTICE IN CASE OF COMMERCIAL BANK OF  
ETHIOPIA**

Approved By Board of Examiners

_____	_____	_____
Dean, Graduate studies	Signature	Date
		
_____	_____	_____
Advisor: Dr. Berihun Muche	Signature	Date
_____	_____	_____
Internal Examiner	Signature	Date
_____	_____	_____
External Examiner	Signature	Date

## **Acknowledgment**

I would like to thank the son of virgin marry for making me strong through all the problems I have and giving me the chance to stand here.

My second appreciation goes to my advisor BERIHUN MUCHE (Dr) for his unlimited and friendly support.

Finally, I wish to acknowledge the efforts and support of those individuals and their institutions that led to the success of this study such as commercial banks employees and their officials

## ***Abstract***

*Commercial bank of Ethiopia (CBE) is a government bank and it will be responsibility to collect government utility payment and resources of a country. The total sample size was 190. Major challenges where it affects other services by creating long queues and overcrowding will create dissatisfaction for the existing customer, networking problem, Service delivery of time will decrease, creating of burden especially for BBO and it requires fast and secure networking system. the most ranked opportunities identified in this study that To get new additional customer, To maximize local currency deposit mobilization through service charge and normal saving, bring unbanked society to the bank, to promote CBE birr to the customers, opens the opportunity to CBE birr agents to collect high commission and helps the bank to become competitive with other similar financial sectors. the researcher also recommend to solve the problem of overcrowdings in each CBE branch during utility bill payment create sufficient awareness about CBE birr how customers pay bill payments using CBE birr mobile application. CBE also notify or announce if customers implement their bill payment using CBE birr mobile application online they get a discount of two birr per month and save their time as well as their energy.*

***Key words:*** *utility payment, challenge and opportunity*

# TABLE OF CONTENT

<b>Contents</b>	<b>Pages</b>
Acknowledgment .....	i
<i>Abstract</i> .....	ii
LIST OF TABLES .....	v
LIST OF ACRONYMS .....	vii
CHAPTER ONE .....	1
1.INTRODUCTION .....	1
1.1. Background of the study .....	1
1.2.Statement of the problem.....	3
1.3.Objective of the study .....	4
1.4. Research questions .....	4
1.5. Significance of the Study.....	4
1.6. Scope of the study.....	5
1.7. Limitation of the study.....	5
CHAPTER TWO .....	6
2.RELATED LITRATURE REVIEW .....	6
2.1.Introduction of the chapter .....	6
2.2. Theoretical literature .....	6
2.3. Network system in the bank industry.....	7
2.4. Electronic payment.....	8



2.5. Empirical literature .....	8
2.5.1. Opportunities related to collecting government utility payment/resources .....	8
2.6. Conceptual frameworks .....	12
CHAPTER THREE .....	13
3. RESEARCH DESIGN AND METHODOLOGY .....	13
3.1. Introduction .....	13
3.2. Research Design .....	13
3.3 Research Approach.....	13
3.4. Study Setting .....	13
3.5. Population, Sample Size and Sampling Techniques .....	14
3.6. Data source .....	15
3.7 Data collection techniques.....	15
3.7.1 Questionnaire Method .....	15
3.7.2 Interview method.....	16
3.8. Data Analysis Techniques .....	16
3.9 Reliability test .....	17
CHAPTER FOUR.....	18
4. DATA PRESENTATION, ANALYSIS AND DISCUSSION.....	18
4.1. Introduction .....	18
4.2. Demographic Information of the Respondents .....	18
4.3. Challenges of utility bill payment practice on CBE. ....	20

4.4. Analysis of interview data collected from the managers and management team. ....	24
CHAPTER FIVE .....	27
5. SUMMERY, RECOMMENDATION AND CONCLUSION .....	27
5.1 Summery of the findings.....	27
5.2. Conclusion.....	28
5.3. Recommendation .....	29
5.4. Suggestion for future research .....	30
Reference .....	31
Appendixes .....	34

## LIST OF TABLES

Table 3.1 Representation of score key .....	17
Table 3.2 Reliability test .....	17
Table 4.1 frequency analysis of respondent's demographic profile .....	18
Table 4.2 frequency analysis of respondents regarding to challenges of utility bill payment practice to CBE. ....	20
Table 4.3 Frequency analyses about opportunities of utility bill payments practice on CBE based on respondent's opinion. ....	22
Table 4.4 Respondent's opinion towards objective three; to identify CBE has more responsibility to collect government resources as a government bank.....	24

## **LIST OF ACRONYMS**

CBE: Commercial Bank of Ethiopia

SPSS: Statistical Package for Social Sciences

S: Sample Size

P: Population

BBO: Branch Business Officers

BM: Branch Manager

BOO: Business operation officers

SBOO: Senior business operational officers

SBBO: Senior branch business officers

# CHAPTER ONE

## 1. INTRODUCTION

The purpose of this chapter will provide background information on the thesis. The remaining parts of the chapter are organized as follows. The first section presents background of the thesis. While the second section sets out statement of the problem. The objective of the research is presented in the third section. The fifth and sixth sections present the scope and significance of the study.

### 1.1. Background of the study

Utility bill is the amount a household or office is expected to pay for electricity, water and telephone. Utility bills vary according to one's usage. However, many local and national governments regulate the profits of utility companies, limiting the amount they can charge customers. Government utility payments are implemented in the financial institution. Financial institutions are institutions that provide financial service for its clients or members. The most important financial service provided by financial institutions is rendering service as intermediaries to facilitate the flow of money through the economy. One of the most important financial intermediaries is banking industry. The solidity and augmentation of any economy to a great extent depend on the stability of its banking sector. In other word a well-established responsible and profitable banking sector will be able to contribute to the stability of the financial system in the country. If the banking industry does not perform well, the effect to the general economy of the country could be huge and broad due to the fact that banks are the critical part of financial system and play a pivotal role in contributing to a country's economic development (Said and Tumin, 2011).

Today, the bank performance has become a favorite subject for many stakeholders such as customers, investors, government and the general public. A stable and efficient financial system represents efficient allocation of resources and becomes the foundation of rising of financial performance of an organization which leads to achieve their ultimate objectives (Raza et al, 2011). Banks' regulatory authorities are directly liable to evaluate the performance of each banking business and they should have to sense any future challenges regarding the performance of all banks. Therefore, beside asked for specific statements highlighting the performance of

financial operation for evaluating banking industry, onsite inspection and critical studies are required to find out the accuracy and to judge on the stand of their performance (Iqbal, 2012).

Many empirical studies are performed related to banks performance in general. According to previous studies there are different determinants that determine the banks performance as well as its existence. As previous studies suggests that determinants of banks performance classified into two. These are internal and external determinants. The Internal determinants are also sometimes called microeconomic determinants or inherent performance which are specific to each bank and that, in many cases, are the direct result of managerial decisions, so such management effects will definitely affect the operating result of banks. External determinants, on the other hands, are variables that reflect economic and legal environment which are out of the control of the management of the banks (BilenKelemewerk, 2017). According the researcher title there was no previous study how the performance of the bank affected and in what way the bank tries to solve the problems related to shifting of government utility payment from Kifiya financial institution to commercial bank of Ethiopia. It is clear that CBE expand its electronic payment mechanisms year to year. Expanding of E-payment channels can easy the life of the society as well as the overcrowded of the bank operation if awareness created sufficiently and clearly to the users.

The ministry of innovation and technology(MOIT) terminate their agreement with Lehulu that has been delivering a one stop Electric billing system since 2017 for government services such as payment of Electricity, water, telecom bills and traffic fees and expected to end in July. The Amharic word “Lehulu” implies a dual meaning, “for everyone” and “for all services.” The centers are based on a “Build, Own, Operate, and Transfer” model to deliver bill payment services for five utilities water, electricity, telephone, annual TV subscription and traffic penalty – in any one of the new locations. Therefore, Commercial bank of Ethiopia plans to take over such collections. Commercial bank of Ethiopia has already secured a deal to collect the Ethiopian electric utility billing. In addition to Ethiopian electric utility billing ATO BachaGini president of commercial bank of Ethiopia and the manager of Addis Ababa water and sewerage authority also signed an agreement to collect water bills for its 550 thousand customers through any of the commercial bank of Ethiopia transaction mechanisms. Lehulu payment will not be efficient and economically enough to address an increasing number of customers where long lines that were observed. Therefore, Commercial bank of Ethiopia (CBE) is a government bank

and it will be responsibility to collect government utility payment and resources of a country. It is obvious commercial bank of Ethiopia is better than kifiya financial institution that has fewer branches to address thousands of customers compared to CBE branches and electronic payment mechanisms (TemesgenMulugtta, Fortune Staff Writer).

Even though shifting of utility payment from the Hulu to CBE has relief to the society and has an opportunity to the bank in case of increasing customer base and expanding of E-payment channels, it is better to assess related challenges due to shifting or transformation. Therefore, the researcher tries to assess consequences due to transformation on the performance of CBE and contribute an idea what the bank do for better performance. The study also enable to assess if indeed there is a positive return on expanding E-payment channels and increasing of customer base that positively impacts on CBE performance. Furthermore, the study used to understand factors determining the performance of CBE.

## **1.2. Statement of the problem**

According to Stephen, Kenneth & Brain (1999), government have a responsibility to design the delivery of government services based on the needs of citizens. Citizens want and gave a priority in government services that are easy to find and access. Government must take citizen-centered approach to service delivery. Citizens want government services that are as accessible, convenient and seamless as possible. One way of achieving this will be through single-window service delivery.

Ethiopia (CBE) needs to identify the opportunities and challenge of government utility payment practice on Commercial bank of Ethiopia (CBE) needs to identify the opportunities of government utility payment practice for its deposit mobilization and maximizing customer base and also identifying the challenges to provide sustainable quality service is important for present performance as well as for future improvement. Therefore this study will be helpful to assess the challenges of CBE when handling this service to take precautions to avoid such kind of challenge in service providing and showing the opportunity that CBE is getting by taking over this payments in profit maximization and overall growth which will make CBE to provide this service payment in more quality and productive way.

CBE for its deposit mobilization and maximizing customer base and also identifying the challenges to provide sustainable quality service will be important for present performance as well as for future improvement therefore, the purpose of this research will be to identify the challenges and opportunities associated with government utility bill payment in Commercial Bank of Ethiopia.

### **1.3. Objective of the study**

The general objective of this study is to assess the challenges and opportunities of utility payment practice on CBE. In line with this, the specific objectives are:

1. To identify the major challenges implementation of utility payment in CBE
2. To find some of the opportunities realized by CBE related to its deposit mobilization and maximizing the customer base as well as electronic payment channels.
3. To identify CBE has more responsibility to collect government resources as a government bank. Based on the above stated objectives, the following research questions were answered:

### **1.4. Research questions**

In this study the researcher tried to answer the following questions.

- 1 .What is the major challenges of implementing of government utilities payment in CBE?
2. What are the major opportunities of implementing government utility payment in CBE?
3. What driving forces that commercial bank of Ethiopia primarily to implement government utility bill payment for government resource collection other than private banks of Ethiopia?

### **1.5. Significance of the Study**

Commercial Bank of Ethiopia (CBE) as front-runner bank, to compute and to grip the current market share is highly participating in the overview of new technologies. Most of them are E payment/banking technology such as Automated Teller Machine (ATM), Internet and Mobile banking, Point of Sell (POS) terminal and different information technology service. These activities of the bank are expected to continue for foreseeable future. The introduction of CBE Birr in 2017 came with a lot of potential business opportunities. One of them helps the bank to



attract large number of customer and to mobilize government resources. However, as far as the knowledge of the researcher about shifting or transfer of government utility payment to CBE there is no research that concerns on the challenges and opportunities of utility payment practice on CBE. This study expected to contribute through informing the managers about the implementing of government utility payment in CBE may have challenges and opportunities.

Furthermore, the research will also expected to increase awareness of challenges and opportunities of implementing government utility payment in CBE and therefore, the outcomes from the study can be helpful to the bank to take remedial action for future task. The outcome of the research also serve as a benchmark for CBE to create more awareness on the society about electronic banking especially CBE birr which is the most and the best government utility payment mechanisms and resource collection methods.

### **1.6. Scope of the study**

The study focuses on the challenges and opportunities of government utility payment practice on CBE. But due to time and financial constraints it will be impossible to address and due to this the study expected to cover under this chapter are limited to 10 purposively selected East Addis branches which are expected to show the effects of all the rest untouched CBE branches.

### **1.7. Limitation of the study**

This study may have certain limitations either in its scope, source of information and also personal analysis. In addition the intent of this study will be to investigate the selected determinants of CBE branch and effectiveness such as; resource or deposit mobilization, incremental of customer base, providing quality service and expanding electronic payment Channels.

## **CHAPTER TWO**

### **2. RELATED LITRATURE REVIEW**

#### **2.1. Introduction of the chapter**

The purpose of this chapter will be to review the challenges and opportunities of government utility payment practice in case of CBE the area of CBE performance So banks in our country are pushing to compute in different E-banking service and resource mobilization in different collection mechanisms from different areas. One of the simplest and essential Electronic banking systems that CBE used to collect utility payments is CBE-birr. Better bank performance increases the reputation and image from public or Market point of view. The economic literature pays a great deal of attention to the performance of banks, expressed in terms of competition, concentration, efficiency, productivity and profitability (Tesfayekassa 2013).

#### **2.2. Theoretical literature**

Bank management is mainly profit-driven. Profitability is an indicator of the bank's competitive position in banking markets and of the quality of its management, ensuring the health of the banking system. Profitability is also considered as a bank's first line of defense against unexpected losses, as it strengthens its capital position and improves future potentials through the investment of retained earnings (ECB, 2010). Profitability is the efficiency of banks at generating earnings which will be measured by profitability ratios and banks, therefore, earn profit by acquiring funds at a cost from severs and lending those funds to borrowers by charging customers for providing various services (Hubbard, 2002).

As I explained in the objective of the study commercial bank of Ethiopia is a government bank and as a government bank it has a responsibility to collect government resources or utility payments. Starting from the year 2019, commercial bank of Ethiopia implements utility payments via different payment mechanisms. While doing such works the bank faces different challenges and opportunities on its daily operations and on the overall of its performance.

### **2.3. Network system in the bank industry**

No matter what the size of the bank is the network is the vital part of the overall business. The network is the back bone of the banks and making sure that it is working properly all of the time is very important. Recent research revealed that many data centers are still based on 20-year old technologies to the point that they are being stretched to their limits because they were never designed for today's always on multi-platform application intensive environment. Banking is an international business with information being shared across multiple borders and shared applications and platforms being stored in an environment where even a few seconds 'delay can have significant financial implications. For trading to be profitable in a highly competitive, highly computerized sector, traders rely on getting instant access to information, data and services. Ensuring security, privacy, data protection and maintaining regulatory requirements are met across different financial sectors, markets and data Centre networks firmly at the heart of their operations and commercial viability.

However, a reliance on outdated network designs and technologies is leading to problems that are increasingly coming to light in the public domain. Overly complex networks make the deployment of new applications and service updates challenging, slow and often high risk and the cost of maintaining the networks takes up a significant proportions of banks information technology budgets. Combined with infrastructure failures that can take a considerable amount of time to identify and resolve these issues are increasingly hitting customer satisfaction, creating demand for compensation and attracting the undesirable attentions of regulators (blog article sep24, 2013). Sustainable and effective networking system is very important in the bank industry to provide agile quality services. In other speaking it is very essential and plays a great role for the banking industry to facilitate their day today operation and to achieve the targeted objective. It is obvious when the bank industry introduces new applications to their staffs and the society may face some challenges in their operations. Commercial bank of Ethiopia is one of the banks in our country faces some of the challenges such as creating awareness, giving training to the employees and it take complex time to upgrade. In commercial bank of Ethiopia the networking system is overcrowded or slow during utility payment. This is draught the banks operation activities and its performance at the end of the year.

## **2.4. Electronic payment**

The innovation and expansion of inexpensive computers and the spread of the internet make it cheap to pay bills electronically. Date back to pay bills by mailing a check was a reality, but now banks provide a web site in which you just log on, make a few clicks, and thereby transmit your payment electronically. Not only do you save the cost of the stamp, but paying bills becomes (almost) a pleasure, requiring little effort. Electronic payment systems provided by banks now even spare you the step of logging on to pay the bill. Instead, recurring bills can be automatically deducted from your bank account. Electronic payments technology can not only substitute for checks, but can substitute for cash, as well, in the form of electronic money (or e-money), money that exists only in electronic form. The first form of e-money was the debit card. Debit cards, which look like credit cards, enable consumers to purchase goods and services by electronically transferring funds directly from their bank accounts to a merchant's account. Debit cards are used in many of the same places that accept credit cards and are now often becoming faster to use than cash. At most supermarkets, for example, you can swipe your debit card through the card reader at the checkout station, press a button, and the amount of your purchases is deducted from your bank account. Most banks and companies such as Visa and MasterCard issue debit cards, and your ATM card typically can function as a debit card (Mishkin, 2004).

## **2.5. Empirical literature**

### **2.5.1. Opportunities related to collecting government utility payment/resources**

As it have challenges during bill collection commercial bank of Ethiopia has also its own opportunities and challenge to the bank. As a bank commercial bank of Ethiopia identify the following opportunities when the bank takeover government utility payments to its operation.

#### **A. Maximize customer base and expanding electronic payment channels**

Since customers implement the utility payment via different products of commercial bank of Ethiopia, it is obvious commercial bank of Ethiopia maximize their customers.

The Commercial Bank of Ethiopia (CBE) has earned 9.4 billion birr profit during its half-year Performance this Ethiopian fiscal year. This was disclosed at the performance evaluation meeting held from January 25 - 26, 2019 in Addis Ababa. CBE President Bacha Gina said on the occasion, the bank has surpassed the planned target for six months. He added that the bank has

also mobilized a deposit of 29.8 billion birr in the stated period. As a result, the total deposit of the bank reached 481.7 billion birr. The number of branches has reached 1346, following the opening of 59 branches in six months. According to the president, the number of account holders has now exceeded 20 million. With respect to foreign currency earning, CBE has collected USD 3 billion from remittance, export and other sources, it was learned. President Bacha pointed out that the foreign currency earned has been allotted to national, private and government development projects. The bank is strengthening its efforts to increase the number of customers who use technology-based banking services. This, in the long run, would help create cashless society.

### **B. Maximize deposit mobilization**

Commercial bank deposits are major liabilities for commercial banks. (Kelvin, 2001) said that deposits of commercial banks account for about 75% of commercial banks liabilities. Commercial banks keep lending as long as they possess adequate deposit. Therefore, banks will be better off if they are mobilizing more deposits. However, as (N. Desinga, 1975) indicates deposit mobilization is a very difficult task. The cost of intermediation for mobilizing deposits is also very important part of overall intermediation cost of the banking system as (E.A. Shaw 1995) indicates. In spite of the difficulties, deposits play an important role not only to the banking sector but also the overall economy. All the financial performance of most of the commercial banks in one way or the other related to the deposit it managed to be mobilized. Deposits provide limits to the working capital of the bank. The higher the deposit, the higher will be the funds at the disposal of a bank to lend and earn profits (N. Desinga, 1975). Therefore, to maximize its profit the bank should increase its deposit. (Mahendra, 2005) had also mentioned deposits as a foundation up on which banks thrive and grow and deposit is unique items on a bank's balance sheet that distinguish them from other type of business organizations.

Commercial banking is a service industry with a high degree of built in profit potential (Meenakshi, 1975). Commercial banks mainly depend on the funds deposited with them by the public to lend it out to others in order to earn interest income (Davinaga, 2010). However, banks attract deposits by paying a risk free return to the savers. Interest expense is number one expense on the income statement of most commercial banks. (Hamid 2011) said that if banks lose their

deposit base they rely on non-deposit based funding that is very expensive and consequently minimizes the profit margin.

### **Importance of Deposit mobilization**

Intermediation function of banks According to (Ongore&Kusa, 2013), play a vital role in the efficient allocation of resources of countries by mobilizing resources for productive activities. They transfer funds from those who don't have productive use of it to those with productive venture. (Nwanko, Ewuim, &Asoya, 2013) States that, savings are resources which one decides to put aside for investment purposes and not for luxury. What people save, avoiding consuming all their income, is called "personal savings". These savings can remain on the bank accounts for future use or be actively invested in houses, real estate, bonds, shares and other financial instruments.

According to (Shettar&Sheshgiri, 2014) the success of the banking greatly lies on the deposit mobilization. Performances of the bank depend on deposits, as the deposits are normally considered as a cost effective source of working fund. Elser, Hannig, &Wisniwski, (1999) savings are a source of funds with low financial costs i.e., interest costs, Compared to other commercial funds. With regard to financial costs, most of the institutions apply a differentiated interest rate schedule, compensating for the higher administrative costs with no or low interest rates on small savings and increasing them according to the size of the deposit.

According to (Varman, 2005) the ability of a bank's management and staff to attract checking and saving accounts from business and individuals is an important measure of the bank's acceptance by the public. Deposits provide most of the raw materials for bank loans and thus represent the ultimate source of bank profits and growth.

Tuyishime, Memba, &Mbera, (2015) also affirmed that, Deposits are an indispensable tool commercial banks use to enhance its profitability through advancing deposits mobilized to its customers in form of loans which make in return interest to commercial banks.

According to (Ongore&Kusa, 2013), In addition to resource allocation good bank performance rewards the shareholders with sufficient return for their investment. When there is return there shall be an investment which, in turn, brings about economic growth. On the other hand, poor

banking performance has a negative repercussion on the economic growth and development. Poor performance can lead to runs, failures and crises. Banking crisis could entail financial crisis which in turn brings the economic meltdown.

Performance Measures are quantitative or qualitative ways to characterize and define performance. They provide a tool for organizations to manage progress towards achieving predetermined goals, defining key indicators of organizational performance and Customer satisfaction. Performance Measurement is the process of assessing the progress made towards achieving the predetermined performance goals. Guest *et al* (2003) defined performance as outcomes, end results and achievements (negative or positive) arising out of organizational activities. They argued that it is essential to measure strategic practices in terms of outcomes.

These outcomes vary along a continuum of categories such as: financial measures (Return on Asset, Return on Equity, turnover, Profitability). Therefore transfer of government utility payment from the Lulu payment to commercial bank of Ethiopia serve as an opportunity for CBE to maximize deposit mobilization and to achieve the financial performance.

Consult also noted that perceived ease of use refers to the ability of consumers to experiment with a new innovation and evaluate its benefits easily. In additions, Consult mentioned that the drivers of growth in electronic banking are determined by the perceived ease of use which is a combination of convenience provided to those with easier internet access, the availability of secure, high standard electronic banking functionality, and the necessity of banking services (Consult, 2002). Early in 1962, Rogers noted that understanding the technology leads to adaptation of innovative service/ product by customers is known as ease of use. Generally, perceived ease to use is how the utility bill payment collection of the bank is easy to understand, to try, to use or is it better compared to other substitute services for example that of kifiya financial technology etc. Therefore, the assessment needs to investigate whether the bank technology mobile payment is easy to use for utility bill payer customers.

## 2.6. Conceptual frameworks

The conceptual framework interlinks independent and dependent variables as depicted in the figure below:

### Independent variable dependent variable

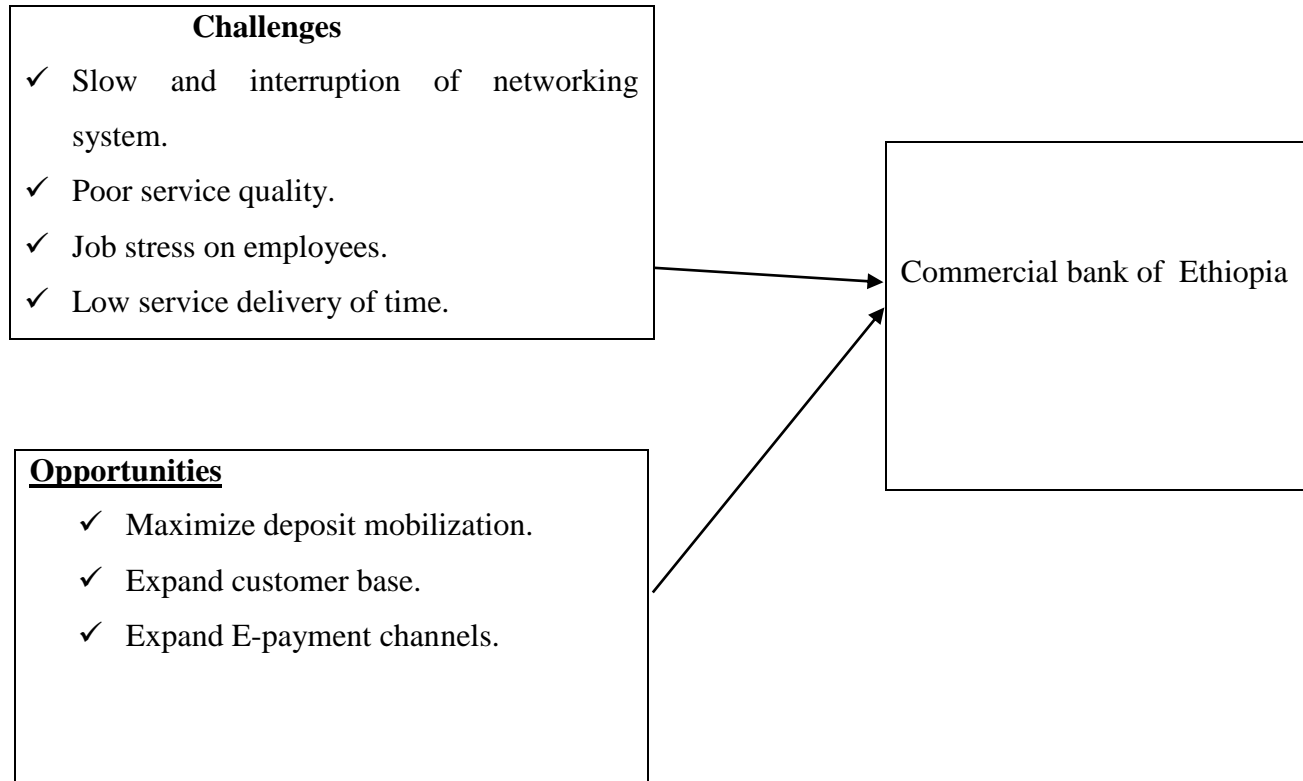


Figure 2.1 Conceptual framework from the literature review (Shettar&Sheshgiri, 2014) modify by the author



## **CHAPTER THREE**

### **3. RESEARCH DESIGN AND METHODOLOGY**

#### **3.1. Introduction**

An important part of the research activity is to develop an effective research design which shows the logical link between the data collected and the analysis and conclusions to be drawn. This will satisfy the most suitable methods of investigation, the nature of the research instruments, the sampling plan and the types of data (De Wet, 1997). This chapter elaborates different stages and phases that followed in completing the study. In this stage, most decisions about how research was going to be implemented and how data was collected, towards the completion of research. Precisely, the section covers; research design, study setting, data collection, population and sampling, and data analysis techniques.

#### **3.2. Research Design**

This study was focused on describing the current situation of the problem and answer the research questions which are in the form of “what”, and to highlight the most important factors that can negatively or positively affect CBE due to implementation of utility bill payment in the bank. Moreover, this research aims to explain the phenomenon and assess the current practice and operation activity of CBE. Therefore, Descriptive research is being used to achieve the research objectives.

#### **3.3 Research Approach**

In order to realize the objective of the study and answer the research questions, the researcher is adopting mixed research approach (qualitative and quantitative). The rationale of using a mixed approach is to gather data that could not be obtained by adopting a single method (Creswell, 2003). Hence, the basis of such approach helps to neutralize the limitations of applying a single approach in connection with the qualitative and quantitative nature of the research questions.

#### **3.4. Study Setting**

The study is conducted at Addis Ababa city commercial bank of Ethiopia since the researcher expects more government utility payment is implemented relatively than that of regional cities.

### 3.5. Population, Sample Size and Sampling Techniques

The target population for this research is the ten branches in East Addis Ababa district of commercial bank of Ethiopia. In East Addis Ababa district there are around 106 branches and 3168 staffs. Due to the difficulty cost and time of covering all the total branches and massive staffs in each branch the researcher are obliged to minimize its study area by selected 10 purposively selected branches that are expected to be used as the target population. These ten selected branches can represent the remaining east Addis branches because the system of implementing of utility bill payment is the same in the whole CBE branches. The sample size determination is based on the purposive sampling techniques. According to Saunders et al, (2009), for all non-probability sampling techniques, other than for quota samples the issue of sample size is ambiguous and, unlike probability sampling, there are no rules.

Therefore, since the objective of this study is to identify the challenges and opportunities of government utility bill payment practice in case of CBE, the researcher used 100 respondents as a sample from 190 staffs from the sampled branches. Therefore the researcher tries to categorize into their level of grades and try to assess the challenges and opportunities of the government utility payments on the daily operations on CBE.

By using sample determination formula Israel (2013)

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

**Where,** N= is population size

n= is sample size,

e= is the level of precision at 7%

$$n = \frac{190}{1 + 190(0.07)^2}$$

$$n = 100$$

### **3.6. Data source**

For the purpose of this research, and in order to attain the objectives of the study the researcher uses both primary and secondary sources of data. Secondary data will be collected from CBE websites, annual reports of the banks, journal articles and magazines. The primary data of this study will be collected from BBO, BOO of CBE and management team of CBE through interviews and questionnaire (Yeshitla Tesfaye, Jan, 2019) and modify it. For the purpose of this research,

### **3.7 Data collection techniques**

To accomplish the study objective and to answer the stated research question, explanatory, descriptive and inferential statistics methods were employed. Descriptive statistics such as frequency, percentage, mean and standard deviation is used.

In different research design, data analysis methods should be related with the type of research method chosen for the study. As mentioned in the previous section, primary data was collected in this study. To conduct the analysis exhaustively, the data analyzed with the combination of both descriptive statistics like minimum, maximum, mean and standard deviation of the variables.

#### **3.7.1 Questionnaire Method**

Cohen (1989) as quoted in Sillignakis (2002) defined a questionnaire as a self-report instrument used for gathering information about variables of interest to an investigation. For this study closed-ended questions are designed in order to call for responses, which narrow down the field of enquiry, since the respondents chooses among fixed responses. They also help the researcher to analyze easier the data since the responses can be directly compared and easily aggravated (Patton, 1990 cited in Sillignakis, 2002). Questionnaire surveys are versatile, can be employed among people of all ages and they are replicated from one subject to another and many questions can be answered in a short time (Aaker&Day, 1990). With the purpose of achieving the objectives of the study, great effort is made to carefully design the questionnaire so as to get all relevant information that are necessary for the study. The questionnaires may vary depending on the grade position of the CBE staffs that are assigned. In this regard, the questionnaire consists of two parts. The first part is intended to collect information from bank's staff that is assigned at front maker. The survey questionnaire to the front makers or the branch business officers is

structured and focuses to see the challenges, risks related to cash difference and impact of flow of overloaded customers during utility payments regarding to on their performance and providing quality and facilitated services to the customers by considering their specified service delivery of time. The survey questionnaire also tries to assess how front makers achieve their target at the end of the year at this uncomfortable situation. The second part is designed to assess the experience of operation managers and senior staffs how to handle the branch activities and their day today operation because of overloaded customers in their branches.

### **3.7.2 Interview method**

In addition to questionnaires, semi-structured interviews are conducted with commercial bank of Ethiopia managers of each sampled CBE branches, East Addis district managers and human resource managements to collect sufficient information regarding to the research problem. Interview is conducted in person using face to face method, as this helps the interviewer to ask as many questions which were not in the interview guide depending on the respondents answers (Denscombe, 2000 cited in G & R Consultancy, nd). Moreover, it helps to obtain new insights, yield rich data, explore the topic in depth, enables flexibility to the interviewer in administering interview to a particular individual and helps in clarifying questions and reasoning aspects of the response (Kumaga, 2010).

### **3.8. Data Analysis Techniques**

In order to meet the objectives of the study, the researcher organizes and analyzes the collected data based on the nature of the data. Accordingly, the data that is collected via questionnaires analyzed with descriptive statistics using Statistical Package for Social Sciences (SPSS) V.20. Moreover, the data that will be collect from the interview and reviews of documents interpreted qualitatively.

**Table 3.1 Representation of score key**

Score key	
Strongly disagree	1
Disagree	2
Neutral	3
Agree	4
Strongly agree	5
Frequency	F

### **3.9 Reliability test**

As stated by “Hair et al., (2007) reliability indicates the extents to which a variables or set of variables is consistent in what it is intended to measure” (Cited by Siddiqi; 2011:20). Reliability analysis used to measure the consistency of a questionnaire. There are different methods of reliability test, for this study Cronbach’s alpha is considered to be suitable. Cronbach’s alpha is the most common measure of reliability. In order to show the reliability test the researcher categorizes the questionnaires in to three indicators from the objective of the study perspective.

**Table 3.2 Reliability test**

<b>Indicators</b>	<b>No of items</b>	<b>Cronbach alpha</b>
Challenges(objective1)	9	0.985
Opportunities(objective2)	8	0.950
Responsibility to collect government resources (objective 3)	2	0.955

All the alpha coefficients for the scales were presented on the above table shows that more than 0.7 which is 0.985, 0.950 and 0.955. As described by Andy (2006) the values of Cronbach’s alpha more than 0.7 is good. The alpha values in this study are far from 0.7 and which are; therefore, it had very good reliability for the questionnaires.

# CHAPTER FOUR

## 4. DATA PRESENTATION, ANALYSIS AND DISCUSSION

### 4.1. Introduction

Data collected through questionnaire and interview techniques were analyzed in this chapter using Statistical Package for the Social Sciences (SPSS) software. SPSS is a computer program used for statistical analysis. In this study the researcher applied SPSS software for presenting results of descriptive statics. A total of hundred questionnaires were distributed to analyze the study. Out of a total of one hundred questionnaires distributed ninety two questionnaires were successfully done, returned and used for the study. The response rate was approximately 92 % of the total questionnaires distributed. The researcher was also conducted interviews to the manger.

### 4.2. Demographic Information of the Respondents

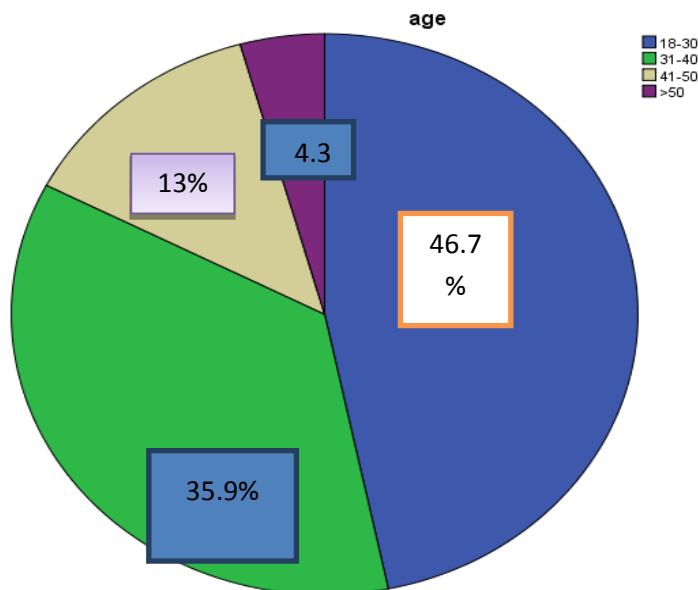
Demographic profiles of the respondents who participated in the study were analyzed using descriptive analysis with the help of SPSS. The result of the survey is shown in Table 4.1 as follows:-

**Table 4.1 frequency analysis of respondent's demographic profile**

Variable	category	frequency	Percent
Gender	Male	53	57.6
	Female	39	42.4
	Total	92	100
Educational level	Diploma	5	5.4
	Degree	63	68.5
	Masters and above	24	26.1
	Total	92	100
Job position	BM	5	5.4
	IA	14	15.2
	BBO	39	42.4
	BOO	17	18.5
	SBOO	8	8.7
	SBBO	9	9.8
	Total	92	100
Service year	1-3 year	26	28.3
	3-5 year	24	26.1
	5-7 year	23	25.0
	>7 year	19	20.7
	Total	92	100

Table 4.1 elaborates the background information of the respondents of the study. From the data analysis as shown above the study showed that male respondents are higher than as compared to female respondents. According to SPSS analysis percentage of male is 57.6% whereas percentage of female represents 42.4%. Respondents in relation to education level diploma denotes 5.4 percent, degree signifies 68.5 percent and masters and above represents 26.1 percent. We can understand from this variation of percentage most of the employees of CBE is degree holders while diploma holders are rare. With regard to job position BM denotes 5.4 percent, IA denotes 15.2 percent, BBO represents 42.4 percent, BOO represents 18.5 percent, SBOO represents 8.7 percent and SBBO represents 9.8 percent. In case of service year experience as shown above the table majority of the employees that is 28.3% the respondents have an experience of between one year and three year. This is continued by 24(26.1%) respondents who have 3-5 years of experience, 23 (25.0%) respondents who have 5-7 years of experience and 19(20.7%) respondents who have above seven years of experience.

According to the survey and the respondents most of the employees work at a job position of BBO and BOO relative to other job position. While in case of service year experience majority of the employees have an average service year experience.



**Figure 4.1 Age of the respondents**

Graph 4.1 presents the age of the respondents of the study. With regard to age of respondents, 46.7 percent of the respondents are in the range of 18–30 years, 35.9 percent of the respondents are in the range of 31-40 years, 13 percent of the respondents are in a range of 41-50 years, and 4.3% of the respondents are above the age of 50 years. As shown above on the pie chart majority of the employees are ranges in the age of 18-20 (i.e. 46.7%) and 31-40 (i.e. 35.9%) years.

### 4.3. Challenges of utility bill payment practice on CBE.

Results obtained from survey of respondent's from BBO, BOO, SBOO regarding to identify the major challenges of government utility bill payment practice on CBE. CBE analyzed as follows using SPSS descriptive analysis. As a researcher I believe that objective of a study should be in line with the analysis and discussion of the study. Therefore the following analysis related to specific objective one of the study.

**Table 4.2 frequency analysis of respondents regarding to challenges of utility bill payment practice to CBE.**

Questionnaires related to specific objective one	1 F(%)	2 F(%)	3 F(%)	4 F(%)	5 F(%)	Total	Mean	SD
Slow and interrupted networking system.	7(7.6)	6(6.5)	13(14.1)	29(31.5)	37(40.2)	92(100)	3.9022	1.2230
Provide poor quality service	9(9.8)	17(18.5)	12(13)	28(30.4)	26(28.0)	92(100)	3.4891	1.3383
Creation of strong job burden on front makers.	11(12)	15(16.3)	11(12)	32(34.8)	23(25)	92(100)	3.5543	1.1613
Unsustainable networking system specially traffic bill payment interference.	5(5.4)	17(18.5)	10(10.9)	42(45.7)	18(19)	92(100)	3.4457	1.3454
During government utility bill payment each Branch business officer's (BBO) service delivery of time is slow.	10(10.9)	20(21.7)	15(16.3)	27(29.3)	20(21.7)	92(100)	3.2935	1.3221
To serve the overcrowded customer because of bill payment branch business officers (BBO) unable to achieve another personal targets such as Mobile banking (MB),ATM card and internet banking (IB). .	22(23.9)	36(39.1)	16(17.4)	11(12)	7(7.6)	92(100)	2.4022	1.3135
Loss of business customers.	24(26.1)	31(33.7)	14(15.2)	13(14.1)	10(10.9)	92(100)	2.4022	1.1958
Increase cost of the bank	16(17.4)	19(20.7)	5(5.4)	34(37)	18(19.6)	92(100)	2.2174	1.1936
Lack of creating awareness to the customer about E-payment.	29(31.5)	36(39.1)	11(12)	10(10.9)	6(6.5)	92(100)	3.2065	1.4261



Results obtained from survey of the respondents as shown on the above table regarding to challenges can be explained each individual points in such a way:-

According to the respondent's opinion regarding on the above table 4.2 listed challenges have a common understanding with a mean of 3.90 and standard deviation of 1.22 in relation to slow and interrupted networking system which shows that it have greater challenge to CBE which shows the greater negative value. The mean result of Provide poor quality service, creation of strong job burden on front makers, unsustainable networking system specially traffic bill payment interference, service delivery of time and Lack of creating sufficient awareness to the customer about E-payment is 3.45, 3.55, 3.45, 3.29 and 3.21 respectively this means that this issues should be worked on to serve better the customers because this are also the challenges. On the other hand the mean of loss of business customers, increase cost of the bank and BBO unable to achieve its personal target because of overload work shows that 2.40, 2.22 and 2.40 respectively. Therefore, majority of the respondents have a common idea that the above listed challenges have an impact on the banks.

To generalize the above analysis in the case of Lack of creating awareness to the customer about E-payment, Loss of business customers and to achieve another personal targets such as Mobile banking (MB), ATM card and internet banking (IB) the result shows that positive which means has no influence on average on the banks operation activity. On the other hand challenges related to networking system, increasing of cost of the bank, creation of strong job burden, service delivery of time and interims of providing quality services the result shows or proofs that majority of the respondent's frequency of percentage implies that agree and strongly agree which means the issues that I mentioned early have negative influence on the banks since keeping and qualifying such issues serve as a cornerstone or an input for banks. Therefore, this needs the bank to search option to alleviate such irregularities.

**Table 4.3 Frequency analyses about opportunities of utility bill payments practice on CBE based on respondent's opinion.**

In addition to the above-mentioned challenges in implementing of utility bill payment in the banking, this project has made effort to review opportunities. So that the following table summarizes the survey result of questions related to new opportunities because of bill payment.

Questionnaires and its Responses related to objective two.	1 F (%)	2 F (%)	3 F (%)	4 F (%)	5 F (%)	Total	Mean	SD
utility bill payment to CBE Increases CBE customer base.	3(3.3)	9(9.8)	10(10.9)	30(32.6)	40(43.5)	100	4.03	1.11
Through gradually customers adopt E-payment channels and minimize large queues and overcrowded situations in each CBE branches during bill payment.	5(5.4)	15(16.3)	14(15.2)	32(34.8)	26(28.3)	100	3.64	1.21
ICT infrastructure development	18(19.6)	26(28.3)	15(16.3)	16(17.4)	17(18.5)	100	2.87	1.41
Implementations of utility bill payment in CBE enhance CBE bIRR creation for the bank.	1(1.1)	5(5.4)	6(6.5)	36(39.1)	44(47.8)	100	4.27	0.89
CBE introduce other E-payment channels side by side in addition to CBE bIRR during utility bill payment.	5(5.4)	8(8.7)	19(20.7)	37(40.2)	23(25.0)	100	3.71	1.10
Collecting of utility payment enhances CBE deposit mobilization.	6(6.5)	11(12)	5(5.4)	41(44.6)	29(31.5)	100	3.81	1.19
Growing acceptance of CBE bIRR	6(6.5)	13(14.1)	7(7.6)	30(32.6)	36(39.1)	100	3.85	1.27
Utility bill payment enables each branch of CBE to achieve CBE bIRR creation.	6(6.5)	8(8.7)	13(14.1)	37(40.2)	28(30.4)	100	3.80	1.16

As shown from the above table the majority of the respondents in relation of utility bill payment practice on CBE increases CBE customer base; through gradually customers adopt E-payment channels and minimize large queues and overcrowded situations in each CBE branches during bill payment; implementations of utility bill payment in CBE enhance CBE bIRR creation for the bank; CBE introduce other E-payment channels side by side in addition to CBE bIRR during

utility bill payment; collecting of utility payment enhances CBE deposit mobilization; and each branch of CBE to achieve CBE birr creation agreed and strongly agreed which have a greater mean value that shows that it have positive effect to CBE and the SD vale is approach to 1 which is highly concentrated to the mean value. From the above list of questionnaires majority of the respondents disagree and strongly disagree in relation to ICT infrastructure development.

As shown from the above table the mean result of the respondents almost in all listed cases is high regarding to creating an opportunity for the bank. The mean result associated utility bill payment practice increases CBE customer base is 4.03 with a standard deviation of 1.11 which is highly concentrated and greater opportunity to the bank. The mean value related to E- payment channel adopting to minimize long queues in the future is 3.64 with a standard deviation of 1.21. The mean result associated with enhancement of CBE birr creation, introducing other E-payment channels side by side, enhancement of deposit mobilization, growing acceptance of CBE birr and achievement of CBE birr creation for each branch is 4.27, 3.71, 3.81, 3.85and 3.80 respectively. Which shows that it is potentially a positive opportunity that the banks get so it should use this opportunity the mean result in relation to ICT infrastructure development is rare.

To sum-up the above analysis majority of the respondents says that agree and strongly agree in the all points except in relation to ICT infrastructure development. The results indicate that positive impact on the bank. And the above points serve as an opportunity to the CBE to meet its target. Therefore, the bank moves forward by keeping and improving such basic opportunities.

**Table 4.4 Respondent’s opinion towards objective three; to identify CBE has more responsibility to collect government resources as a government bank.**

The following table shows that questionnaires prepared based on this objective and its degree of responses by the respondents.

Questionnaires and frequency of percentage about objective three	1 F (%)	2 F(%)	3 F(%)	4 F(%)	5 F(%)	Total	Mean	SD
CBE as a government bank has a responsibility to collect government utility bill payment (resources).	4(4.3)	11(12)	20(21.7)	35(38)	22(23.9)	100	3.65	1.10
CBE provide better services payment due to skillful, knowledgeable and high man powers.	3(3.3)	10(10.9)	17(18.5)	45(48.9)	17(18.5)	100	3.68	1.00

The mean result of the respondents in regarding to CBE as a government bank has a responsibility to collect government utility bill payment (resources) is 3.65 and 3.68 in relation to providing better services. This result shows that it is mandatory this payment should be given to CBE. And since CBE is involved in providing government service to the society so this also proves that CBE has a more responsibility to collect the payment and provide better service.

As results shown above in case of collecting government utility bill payment as a government bank and interims of providing better services most of the respondents agreed relative to services.

#### **4.4. Analysis of interview data collected from the managers and management team.**

As explained in chapter three the data is collected via questionnaires and interview methods.so early we see the data analysis collected through questionnaire. Now we see the responses of the branch manager of CBE and management team data collected via interview mechanisms related

to the challenges and opportunities of implementing utility bill payment in your bank and the main driving force to begin different bill payment in your bank. Regarding to the opportunities of implementing government utility bill payment in the bank the managers of different branches of CBE say that implementing of different utility bill payment in the bank helps to:-

- To get new additional customer: - this helps to the bank as a bank to increase the customer base.
- To maximize local currency deposit mobilization through service charge and normal saving.
- To bring unbanked society to the bank.
- To promote CBE birr to the customers.
- Opens the opportunity to CBE birr agents to collect high commission.
- It helps the bank to become competitive with other similar financial sectors.

Regarding to its challenges on the banks overall operation the management view:-

- It affects other services by creating long queues and overcrowding.
- It will create dissatisfaction for the existing customers.
- Networking problem will occur.
- Service delivery of time will decrease.
- Large number of bill payers creating crowd in the bank that may create discomfort regular customers and have a negative effect on the employees performance by making them busy.
- Creating of burden especially for BBO.
- It requires fast and secure networking system.
- Less awareness about bill payment like: - how to operate the system with the bank and governed organizations or persons.
- It creates unattractive working environment.
- Over load to the CBE server.

In general the above problems that I mention these and other problems will derive out existing and potential customers.

In relation to objective three or key factors that push the bank to implement bill payment:- according to the managers explanation the major reason is resource mobilization and the a second issue it is a policy in the bank in order to create cashless society and to facilitate government utility bill payment and collections. Since CBE is by itself it is a government bank and desire to collect government income. There is a push factor from the government. CBE relative is better in technology development and to minimize overcrowded customers during bill payment time. The other push factor to implement bill payment in CBE is it has a social responsibility.

## **CHAPTER FIVE**

### **5. SUMMERY, RECOMMENDATION AND CONCLUSION**

This chapter will present summary of the findings and conclusion in section 5.1 and 5.2, respectively. Afterwards, the possible important recommendation and suggestion for further research methods will be presented in section 5.3 and 5.4, respectively.

#### **5.1 Summery of the findings**

The objective of the study was to assess the challenges and opportunities utility bill payment practice on CBE. Therefore, this part of the research summarizes the major findings of the study from the challenges and opportunities perspective respectively as follows.

Even if utility payment practice to CBE has numerous benefits in related to the bank's performance, it also has its own challenges. The challenges as discussed in the study of chapter two could be summarized as follows. In relation to providing of quality services CBE of is unable to provide good and agile services because of dilatory networking system, lack of creating sufficient awareness about CBE birr how the customers will pay bill payments via mobile CBE birr. During water bill payments, traffic charge payments and telephone bill payments branches' of CBE overcrowded and many customers kill their time. Since the networking system is very slow and interrupting especially during bill payment the service delivery of time of the front maker employees are restricted and they are under depressed and stressed in their life. Slow and interruption of networking system discomfort regular and potential customers and they may disappear in the bank. Employees of CBE especially the front makers unable to achieve their personal target such as mobile banking, visa card, internet banking cross selling and other targets in order to serve long queues of customers. This has its own impact on each employee in case of promotion. In another speaking when employees of CBE unable to achieve their personal target directly can affect CBE. The amount of expense is the other challenge during utility bill payment for printer toners and papers.

The study also revealed lists of opportunities that CBE realized from adoption and implementation of utility bill payment. Opportunities identified in this study as agreed by participants include increase the bank deposit mobilization, increase the bank customer base, and

to expand E- payment channels. Each CBE branches collects more cash during utility payment that was not collected in the previous year before the implementation of utility payment in the bank. In addition to the normal cash payment implementation of utility bill payment in the bank motivates the customer to develop the habit of saving. In relation to incremental of customer base it is obvious CBE brings unbanked society and create an account to them for the purpose of implementing different utility payment. The third and the basic opportunities of implementing utility payment for CBE are to expand E-payment channels. To achieve its vision and compete with world class bank CBE more focuses on expanding of digital payment mechanisms. Among the E-payment channels CBE birt is used for customers implementing utility bill payment online by their phone. This minimizes the customers up and downs and the time that they consumes during utility payment. Implementation of utility payment via online using the application of CBE birt minimize the overcrowded, long queues and the amount of cost or expense for photocopy machine and papers during utility payments.

## **5.2. Conclusion**

The findings of the study revealed that government utility bill payment practice to Commercial Bank of Ethiopia brings its own challenges and opportunities in the daily operation system to the bank. Therefore based on the above summary of the major findings it can be conclude that Commercial bank of Ethiopia maximize its customer base , deposit mobilization and E-payment channels due to the takeover of the government utility bill payment. Commercial bank of Ethiopia also reduces the customers up in bill payment mechanism. CBE also brings unbanked society to the bank and it helps to develop the habit saving side by side. Commercial bank of Ethiopia achieves the target CBE birt creation easily because it is one of the application and bill payment mechanism.

On the other hand government utility bill payment practice to commercial bank of Ethiopia has its own challenges on the and operation system of the bank. Some of the challenges that appeared in the bank operation activities based on the research findings are slow as well as on and off networking system, unable to create sufficient awareness about CBE birt usefulness, poor service delivery of time and this enforce the bank to provide or deliver poor quality of service to their customers. Implementation of utility payment in the bank also leads to the bank to incurred additional expense for printer toner and paper usage. In addition to the above listed



challenges CBE staffs especially front makers are very crowded and fell under depression during bill payment and unable to meet their personal target.

### **5.3. Recommendation**

Based on the above conclusions, the researcher recommends the following points:

- To solve the problem of overcrowdings in each CBE branch during utility bill payment create sufficient awareness about CBE birr how customers pay bill payments using CBE birr mobile application. CBE also notify or announce if customers implement their bill payment using CBE birr mobile application online they get a discount of two birr per month and save their time as well as their energy.
- CBE should expand other digital payment mechanisms in addition to CBE birr for utility bill payment purposes since each branches of CBE still overcrowded and long queues still shown. Therefore, to reduce such problems digital departments of CBE should do more work by looking such problems as an alarm bell.
- To reduce customer compliance and to bring the service delivery agile the logistic department of CBE should provide sufficient and durable materials that needed in the daily operation system of each branch of CBE such as photocopy machine, printers and toners.
- In order to not to miss the existing potential business customers and the new comers because of dilatory and on and off networking system CBE should upgrade its networking system throughout its branches.
- Fast and sustainable networking system helps to provide agile services to the customer and it helps to improve the time of service delivery of time (SDT). This helps to reduce the workload and stress at front makers.
- To solve connectivity failure, CBE should identify the causes of the problem; whether it is related to the incompatibility of the software and hardware, or the network provided by the network operator and then take proper action to avoid the problem.
- To eliminate the depression and stress of front makers; CBE should prepare different facilitation strategies or comfortable work environments for example rotation between front makers (BBO) and back office employees.

#### **5.4. Suggestion for future research**

This study pronounced that the challenges and opportunities government utility bill payment practice. Nevertheless, it did not consider the customer's perspective and other factors that affect CBE like Covid 19 which is currently affect the deposit mobilization of the bank industry since deposit mobilization is one of the measurement tools for banks performance. Therefore, the researcher would like to recommend further research be made on the area especially on the customers perspective and other above factors perspectives.

## Reference

- Addis fortune reports January 17, (2020) written by TemesgenMulugeta fortune staff.
- BilenKelemewerk, (2017) effects of service quality on customer satisfaction in the case of Kifiya financial technology PLC at St Mary's university.
- Booz-Allen and Hamilton (1999). Corporate internet banking: A global study of potential
- CBE Informer, (2019- CBE mail.portal)
- Corporate performance in the UK*.British Journal of Industrial Relations, United Kingdom.
- Creswell, W (2003), *Research Design: Qualitative, Quantitative and Mixed Approaches*," 2<sup>nd</sup> edition. Sage publication, California.Effects', New York, NY.
- Elser, L., Hannig, A., &Wisniwski, S. (1999). Comparative Analysis of Saving Mobilization Strategies.CGAP.
- Elser, L., Hannig, A., &Wisniwski, S. (1999). Comparative Analysis of Saving Mobilization Strategies.CGAP.
- Guest, D.E., Michie, J., Conway, N. & Sheehan, M. (2003).*Human resource management and*
- Hamid Rashid (2011). "Credit to Private Sector, Interest Spread and Volatility in Credit Flows: Do Bank Ownership and Deposits Matter? ", DESA Working Paper No. 105.
- Hubbard, R.G., (2002). Money, the Financial system, and, the Economy Pearson Education Inc., 4th ed. USA.
- Implication's for the future research. Journal of marketing,1985.
- Iqbal, A.J., (2012). Banking Sector's performance in Bangladesh- an application of selected CAMELS Ratio unpublished Master's thesis, University Of Dhaka.
- Kassahun Girma ,2016. Challenges and opportunities electronic banking in Ethiopian banking industry.

Kelvin, A. S. (2001). "The Role of Commercial Banks in Financing Growth and Economic Development in Trinidad and Tobago And The Caribbean: A Perspective From The Royal Bank of Trinidad and Tobago" Central Bank of Belize.

KetemaGetachewBogale, determinants of commercial banks deposit mobilization in Ethiopia.

LsaSathyan;DR.S John Mano Raj,(april,2015) service quality emerging needs and challenges banking sector Asian academic research journal of science and humanities, Vol.1No.issn 2278-859X

Mishikin, F. (2004). The Economics of Money, Banking, and Financial Market (7<sup>th</sup>ed.).Pearson Addison Wesley.

Mrs. Caral Lopes<sup>1</sup>, Ms. Dhara Kachalia<sup>2</sup>. Impact of Job stress on Employee Performance in Banking sector. Journal of Science Technology and Management. Vol.1 No.5 issue No.03March,2013.

Nwanko, F., Ewuim, N., &Asoya, N. P. (2013). Effects of Co-Operatives on the Savings Behaviour of Members in Oyi Local Government Area, SahooAnambrastate,Nigeria. African Research Review, 7(1), 209-227.

Raza, A., Farhan, M., and, M. Mohammed, (2011). A Comparison of Financial Performance in investment Banking Sector in Pakistan. International Journal of Business and Social Science Vol. 2 No. 9

RechardTuyishimeDr: Florence Memba and DrZenohMbera. The effect of deposit mobilization of financial performance in commercial banks in Rwanda. International Journal of Small Business and Entrepreneurship Research. Vol.3, No.6, pp.44-71, November 2015 Published by European Centre for Research Training and Development UK.

RubinaKazami, ShehlaAmjad,Delawar Khan (2008) Occupational stress and its effect on job performance.

Said, R.M and Tumin, M.H., (2011).Performance and Financial Ratios of Commercial Banks in Malaysia and China. International Review of Business Research Papers, Vol. 7.No. 2 Pp.157169

Shettar, R. M., & Sheshgiri, S. M. (2014). Deposit Mobilization in socio-Economic Impact: A case study of union bank of India. IOSR Journal of Engineering(IOSRJOEN), 04(05).

Shettar, R. M., & Sheshgiri, S. M. (2014). Deposit Mobilization in socio-Economic Impact: A case study of union bank of India. IOSR Journal of Engineering(IOSRJOEN), 04(05).

Stephen Thomsen, 2005, Encourage Public-Private Partnerships in the Utilities Sector: The Role of Development Assistance. successful? The lesson from the African Evidence. Mudaye Neway vol.5 N0.2 successful? The lesson from the African Evidence. Mudaye Neway vol.5 N0.2.

Tesfaye Kassa, 2013, determinants of commercial banks' in Ethiopia at s.t Mary's university.

Tuyishime, R., Memba, F., & Mbera, Z. (2015). The Effects of Deposits Mobilization on Financial Performance in Commercial Banks In Rwanda. A Case of Equity Bank Rwanda Limited. International Journal of Small Business and Entrepreneurship Research, 3(6), 44 .

V.A. Parasuraman, A. Zeithaml, L. Berry. A Conceptual model of service quality and its impact.

- <http://cbe.portal>
- [www.combanketh.et](http://www.combanketh.et)
- <https://www.capitalethiopia.com>
- <https://www.combanketh.et>
- CBE agenda, 2019.
- CBE News.

# Appendixes

## St. Mary's University

### School of Graduate Studies

#### Questionnaire

Dear sir/madam

This research questionnaire is prepared to collect data The Challenges and Opportunities of Government Utility Payment practice on CBE. The quality of the result of this research will be based on the accuracy of the information you provided. Eventually, I promise you, the information you will provide me is going to be reported and communicated in aggregate and utmost care will be taken for its confidentiality. I would like to thank you for your cooperation and allowing me to take a few minutes of your valuable time.

#### Section I: Demographic profile

Please indicate the following by ticking "√" on the spaces in front of the response options:

1. Gender: Male  Female
2. Age: 18- 30  31 - 40  41 - 50  above 50
3. Educational level: Diploma holder  First-degree holder  Masters or above
4. Job position:-  
Branch manager  Branch business officer (BBO)   
Internal auditor  Branch operating officer (BOO)   
Senior Branch business officer (BBO)  senior branch operating officer (SBOO)
5. Service Year  
1 - 3 years  3 - 5 years   
5 - 7 years  More than 7 years

**Questions regarding implementing of bill payment in CBE related to challenges and opportunities.**

Below are lists of questioners relating to implementation of bill payment in CBE? Please indicate whether you agree or disagree with each statement by ticking (√) on the spaces that specify your choice from the options that range from ”strongly agree“ to ”strongly disagree“.

**Key**

SA=strongly agree                      N= Neutral S

D= Strongly Disagree

A=Agree                                      D= Disagree

S.NO.	Please indicate the extent you agree or disagree of the Potential challenges implementation of bill payment in CBE on the daily operation.	SA 5	A 4	N 3	D 2	SD1
	<b>Questionnaires related to specific objective one:</b> To identify the major challenges for the implementation of utility payment in CBE through different payment mechanisms such as mobile money payment/service (CBE Birr), directly through cash payment and by ordering standing order					
1	Slow and interrupted networking system.					
2	Creation of strong job burden on front makers.					
3	Provide poor quality services to the customer.					
4	Unsustainable networking system specially traffic charge bill payment.					
5	During government utility bill payment each Branch business officer’s (BBO) service delivery of time is slow.					
6	To serve the overcrowded customer because of bill payment branch business officers (BBO) unable to achieve another personal targets such as Mobile banking (MB),ATM card and internet banking (IB)					
7	Loss of business customers.					
8	Increase cost of the bank					

9	Lack of creating awareness to the customer about E-payment. <b>Questionnaires related to specific objective two:</b> To find some of the opportunities realized by CBE related to its deposit mobilization and maximizing the customer base as well as electronic payment channels.					
10	Utility bill payment to CBE increases CBE customer base.					
11	Through gradually customers adopt E-payment channels and minimize large queues and overcrowded situations in each CBE branches during bill payment.					
12	ICT infrastructure development					
13	Implementations of utility bill payment in CBE enhance CBE birr creation for the bank.					
14	Collecting of utility bill payment enhances CBE deposit mobilization.					
15	Utility bill payment to CBE enables each branch of CBE to achieve CBE birr creation.					
16	Growing acceptance of CBE birr					
17	<b>Questionnaires related to specific objective three:</b> To identify CBE has more responsibility to collect government resources as a government bank. Based on the above stated objectives, the following research questions were answered:					
18	CBE as a government bank has a responsibility to collect government utility bill payment (resources).					
19	CBE provide better services than private banks due to skillful, knowledgeable and high man powers.					