

history within a facility utilizing radio frequency identification technology. Journal Computing in Civil Engineering 21(1) (2007) 11–20.

(11) Jones, P., & Taylor, L. (2019). Intelligent Security Systems for Vehicles. Journal of Automotive Technologies, 28(4), 85-99.

Arduino IDE Documentation: <https://www.arduino.cc/en/Guide>

GPS Module Data: <https://gps-data.org/gps-module-application/>

BOOK; this explain the fundamental theories behind the technologies, like sensors, embedded systems, or security systems

(12) Smith, J. (2020) . Fundamentals of Security Systems: An Introduction to Motion Detection. Tech Press.
Journal Article: Include peer-reviewed articles that discuss security systems, motion detection, or the components used in the project development.

(13) Data-sheets: Technical data-sheets for components used in designing the system.

STMicroelectronics , HC-SR501 PIR Sensor Datasheet, 2019. [Online]. Available: <https://www.st.com/en/motion-sensors/hc-sr501>.

SIM800L GSM Module Datasheet: <https://simcom.ee/modules/gsm-gprs/sim800l/>

(14) <https://wa.me/c/256705540268> catalogue where the componets used where bought

(15) Press: ugandaa police warns bodaboda riders on target attacks. [http://upf.go.ug/police-warnsbodaboda-riders-on-target-attacks-robberies/\[online\]](http://upf.go.ug/police-warnsbodaboda-riders-on-target-attacks-robberies/[online])

(16) Motorcycle Security System using GSM and RFID S.k Ssenyonga, JP felix , ght Olum publisher slau graduation 3rd edition 2024 (65-80)

ELECTRONIC-FUNDS TRANSFER AND THE FINANCIAL PERFORMANCE OF POST BANK UGANDA LIMITED.

¹Kamuntu.M.R ,²Dr. Ssendagi. M³Nyanzi.A

IMBA student, St.Lawrence University

2 Senior Lecturer, St. Lawrence University

3 Lecturer St.Lawrence University

ABSTRACT

The study examined the relationship between e-funds transfer and the financial performance of commercial banks in Uganda with Post Bank Uganda Limited as a case study. A case study research design was used. The study predominantly employed a quantitative approach but also used a qualitative approach. The study population consisted of 74 participants. A sample size of 64 respondents was selected using simple and purposive sampling techniques. Quantitative data analysis mainly consisted of descriptive statistics (means and standard deviations) and inferential statistics (Spearman correlation, coefficient of determination and regression). Content analysis was used to analyze qualitative data. Findings revealed that E-funds transfer banking had a positive influence (68.6%) on financial performance. Thus, it was recommended that for purposes of promoting e-funds towards finance performance, trust building among the customers should be a major concern for PBUL while improving the usefulness of electronic banking. In courtesy to achieve more with telephone banking on financial performance.

Introduction

Before the introduction of Electronic Banking, banking transactions were done manually which slowed down the settlement of transactions (Kahinga, 2014). This involved posting of one transaction from one ledger to another by human beings. The evolution of technology has enabled financial institutions offer Electronic Banking (Kakuru, 2013). This is done by new technologies such as Personal computer banking (PC-Banking), Automated Teller Machines (ATM), Electronic funds transfer, internet banking, Mobile banking, account to account transfer, paying bills online, getting online statements, credit cards, among others, are now replacing the traditional service delivery methods (Mwaura, 2013).

While the first Automated Teller Machine (ATM) in the world was introduced by Barclays Bank (UK) in 1967, International Business Machines Corporation (IBM) also introduced the magnetic stripe plastic cards in 1969. These innovations together marked the birth of electronic banking. These systems were initially aimed to use the computational power of transaction-processing capabilities to provide regular reports and analyses of business activity. In this way, Management Information Systems (MIS) offered managers of banks the possibility to increase the scope for monitoring, controlling and planning of operational procedures (Batiz-Lazo & Wood, 2001). According to Franklin, James & Philip (2008), e-banking has great potential to improve the quality and scope of financial services and expand opportunities for covering trading risks and can widen access to financial services for a much greater set of retail and commercial clients by offering more cost-effective services.

In Uganda, the introduction of electronic banking started in 1993 when Bank of Uganda designed a website intended to disseminate banking information (Kasita, 2004). In 1997, Standard Chartered Bank introduced the first ATMs in Uganda and other banks followed (Standard Chartered Bank Profile, 2004). By 2001, there was continued progress being made in Uganda in the use of ATMs in Kampala City due to ATM establishments. It was hoped that the risk of money transfer from location to location would be reduced. There was growing optimism in the banking industry that VISA credit cards would also be introduced to ease clients' access to cash from their accounts .

Theoretical Framework

The study was guided by the theory of social construction of technology. This theory was advanced by Collins (1975); Pinch (1977, 1986); and Pickering (1984). This theory was based on four main assumptions. First, the theory assumes that any technological innovation must have an interpretive flexibility if customer satisfaction is to be achieved. Pickering (1984) postulates that technology design is an open process that can produce different outcomes depending on the social circumstances of development. Therefore, he argues that there is a need for technologies to be rooted from intergroup

negotiations over the interpretation of observations if future customer satisfaction is to be enhanced (Pinch 1996). The second assumption is that the any new technological innovation must be relevant to the targeted social group. This is because targeted or relevant social groups are the embodiments of particular interpretations, thus, multiple groups may have different definitions of a working technology, so, introduction of new technological development requires to be implemented until when all groups come to a consensus that their common artifact works (Bijker 1995).

The third assumption of theory is related to closure and stabilization. Pinch and Bijker (1987) agitates that multiple groups of people must be involved in the continued design of the new technology to avoid conflicting images and this should continue until when all conflicts are resolved and the artifact no longer poses a problem to any relevant social group. The last assumption under which this theory is built is wider context. According to Pinch and Bijker (1987), the new technological advancement must be welcomed and fully integrated in the wider sociocultural and political milieu in which artifact development takes place. This will completely make it a success and its goals will be realized widely.

This theory has three main strengths. The first one lies in assuming interpretative flexibility. This means that each technological artifact has different meanings and interpretations for various groups (Bijker and Pinch, 1987). This means that the adoption of electronic banking can be enhanced if clients flexibly interpret the technology as ease to use. The second strength lies in involving relevant social groups. The theory agitates that the most basic relevant groups are the *users* and the *producers* of the technological artifact, but most often many subgroups can be delineated-users with different socioeconomic status, competing producers, etc. Sometimes there are relevant groups who are neither users, nor producers of the technology, for example, journalists, politicians, and civil organizations should be included in promotion of the technology and in this case electronic banking technology if customer satisfaction is to be met (Trevor, 2009). The third strengths is with design flexibility. Just as technologies have different meanings in different social groups, there are always multiple ways of constructing technologies. A design is only a single point in the large field of technical possibilities, reflecting the interpretations of certain relevant groups. Therefore, understanding the design by users can always have a significant impact on their satisfaction.

Despite the strengths of the theory in explaining the role of technology in improving customer satisfaction, it has some limitations or weaknesses in social constructivism. The theory explains how technologies arise, but ignores the consequences of the technologies after the fact. This results in a sociology that says nothing about how such technologies matter in the broader context (Trevor, 2009). Secondly, the theory examines social groups and interests that contribute to the construction of technology, but ignores those who have no voice in the process, yet are affected by it. Likewise, when documenting technological contingencies and choices, it fails to account for those options that never made it to the table. According to Winner (2007), this results in conservative and elitist mentalities that affect the usage of any new technology. Third, the theory is superficial in that it focuses on how the immediate needs, interests, problems and solutions of chosen social groups influence technological choice, but disregards any possible deeper cultural, intellectual or economic origins of social choices concerning technology that may affect satisfaction of the user community. The last weakness of this theory lies in actively avoiding taking any kind of moral stance or passing judgment on the relative merits of the alternative interpretations of a technology. This indifference makes it unhelpful in addressing important debates about the place of technology in human affairs.

In this study therefore, this theory presupposes that if electronic banking is to be adopted in commercial banks, there is a need to ensure that all customers have the same interpretive flexibility, relevant to all of them, all people targeted or customers are involved in designing the design and fully welcomed by the entire community, if customer satisfaction is to be achieved. This thus form the research assumption that e-funds money transfer, telephone banking and internet banking can have an effect on customer satisfaction if customers have the same interpretive flexibility, relevant to all of them, involved in designing the design and fully welcomed by the entire community. Therefore, this study intended to assess the relationship between electronic banking and financial performance of commercial banks in Uganda using PBUL.

Problem Statement

Uganda's financial industry has witnessed many changes since the introduction of E-banking. Currently, customers of Commercial Banks, SACCOs, and MDIs have efficient, fast and convenient banking services. In the effort of providing quality and acceptable services, most financial institutions in Uganda have resorted to investing huge funds in electronic banking which uses the financial technology (FinTech) tools. Whereas the rapid growth of FinTech has made banking services more efficient and cost effective, investments in various technological infrastructures are taking a larger share of the financial institutions income (Abor, 2004). Apart from staff costs and other operational costs, technology is usually the item in the budget with the highest cost in rural financial institutions, especially in Kampala District, and the fastest growing item; yet we do not know about its impact on banks' performance.

Electronic Banking can potentially heighten operational vulnerabilities, arising from failure of systems, internal controls and human error, threatening the provision of financial services and/or stability of the providers. Also, the increased use and integration of information systems and digital access may worsen vulnerability to cyber-attacks, risking customer data confidentiality (Bank of Uganda, 2019). Furthermore, as the provision of electronic banking is increasingly dependent on third-parties, such as telecommunication companies, cloud-computing entities, and data providers. A disruption of key third-parties' systems could pose far-reaching systemic disruption to the financial system and further increase the cost of transactions.

According to Police Crimes Report (2014), between the months of August and November 2014 only, mobile money frauds caused a loss of over 207 million UGX (80,000 USD) to the users. In Kampala District, customers have reported such cases as well, though most of the cases are undocumented. Some financial institutions in Kampala District have suffered ATM fraud and system network interruptions which may have had a negative impact on their operations. If these benefits and risks are not clearly established, the continuing use of e-banking may negatively affect the performance of financial institutions but no researched literature is available about e-banking in financial institutions in general and the performance of these financial institutions which this research seeks to discover.

General Objective

To investigate the impact of e-banking on performance of financial institutions in Uganda using Kampala District as a case study.

Specific Objectives

- i. To find out the forms of e-banking used in financial institutions in Kampala district.
- ii. To determine the relationship between e-banking and the performance of financial institutions in Kampala district.
- iii. To examine impact of e-banking on performance of financial institutions in Kampala district.

Purpose of the study

The study aimed at establishing the relationship between e-funds transfer and the financial performance of commercial banks in Uganda with Post Bank Uganda Limited as a case study

Literature review

Funds transfer and financial performance

ATMs have extended banking services to the remote areas depositing and withdrawal of funds can be carried out in rural areas in Ghana (Morris-Cotterill, 2002). This has enabled loading and unloading of cash in small communities or in widespread communities where people gather, however real cash ATMs for general use and deposit would require more servicing and more security (Morris-Cotterill, 2002).

Cracknell (2004), opined that Malawi Central Bank established a smart card infrastructure with biometric enabled ATMs with an aim of reducing insecurity within the banking industry, with the use of such developments on the ATMs, withdrawal and depositing of cash is now done safely thus yielding positive results. According to the Glossary of Terms used in Payment Settlement Systems as reported by Anguelovet. Al., (2004), e-funds transfer is defined as the movement of money or credits from one account to another through an electronic medium. According to a Survey of Consumer finances (2001) as reported by Anguelov (2004) e-funds transfer has features such as direct deposit, an ATM or debit card among the rest. In this study e-funds transfer technology means the availability, accessibility and usage of ATM cards, debit cards, credit cards and e-cheques with reference to cash deposit, cash withdrawal and account balance inquiry.

Several researchers indicate that the use of e-funds transfers technologies such as ATMs and echeques have shown positive response. For example (Wucker, 2004), explained that in Latin America, migrant workers use ATMs to send money home in which members of their families can easily withdraw funds. This therefore makes it easier for the migrant workers to send cash easily to their families at cheaper costs through the use of banking services. In this way customers are able to withdraw and deposit cash easily as compared to the former days when the use of such services wasn't available.

Gourlay and Pentecost (2005) explain that funds are transferred electronically using ATMs to provide retail banking services allowing 24, hours a day cash withdrawal, balance verification and bill payment at branches and remote locations away from branches. ATMs in the UK are seen as a substitute capital for labor particularly in routine human teller operations. Transaction costs associated with need to withdraw cash unexpectedly are lowered, (Ingham and Thompson, 1993; Humphrey, 1994; Haynes and

Thompson, 2000 as reported by (Gourlay and Pentecost, 2005).ATMs are widely used in transfer of cash. They are mainly located at shopping stations to help customers in carrying out shopping easily (Organization for Economic Corporation and Development, 2003) [62]. For example in Japan, ItoYokado Stores is planned to provide banking services through its stores. It is worth noting that electronic transactions can be carried out using e-cheques and e-cash for large amounts of money. There are positive results noted in the use of efunds transfer with increased use of ATMs and e-cards. According to the Australian Bankers Association (2002) as reported by Arch and Burmeister (2003), in Australia emphasis is placed on e-banking technologies.

It was also noted that Australians with visual impairment were introduced to audio-enabled ATMs, through an initiative jointly supported by the National Australian Bank’s ATM supplier (Diebold) and Blind Citizens Australia. The first of these was installed at the Royal Victorian Institute for the Blind premises. This implies that use of e-funds transfer technology in Australia Technological Progress and its relationship on the Banking Industry in the US. It was noted that IT-based delivery systems like ATMs led to improvements in the bank performance and consolidation of the industry during the deployment of technologies (Berger, 2002).

Berger further posited that, to establish links between technological progress and the productivity growth of the banking industry and industry structure multivariate analysis should be used. Despite the contribution of the above study, the influence of ICT on users in the banking industry in Kampala can be established by an empirical approach that the study seeks to use. In Uganda, while

ATMs are found to have some setbacks such as limited amount of functionality, queuing and shutting down when they are empty, they have caused an aggressive competition among banks, which has been claimed to have strengthened the banking culture in Uganda (Batanda, 2001).

Methodology

This study used a case study research design with a target population of 74 and sample size was 64 respondents from Post Bank, Both qualitative and quantitative approaches were employed. Uganda. The main instrument of data collection was a self administered questionnaire. The study used stratified random sampling technique to select respondents in the bank. This technique was chosen because the category of these bank officials involved different strata and these needed to be represented in the study. At the end of the study, all strata were fairly represented accordingly.

Findings

Adoption of E-fund transfer services

In an effort to find out whether PBUL had adopted e-funds transfer services, respondents were asked to react on different preconceived statements and table 4.7 below has more details.

Table 1 : descriptive statistics on E-fund transfer

Items	Minimum	Maximum	Mean	Std. Deviation
Cases of bank fraud have reduced as				

a result of ATM	1	5	4.1	.70
PBUL has e-cheque services	1	5	4.1	.70
Our security at PBUL is not comprised by E-funds transfer	1	5	4.2	.69
PBUL has credit card system for its clients	1	5	4.3	.63
Cashless banking is part of the arrangements in PBUL	1	5	4.4	.62
PBUL has enough ATMs that can serve all clients	1	5	4.4	.58
Our ATMs are always working 24hrs	1	5	4.5	.46
PBUL has an arrangement of swapping money from one account to the other	1	5	4.6	.45
PBUL has debit cards for its clients	1	5	4.7	.30

Source: primary data (2024)

The results in table 4.7 above revealed that the means for all items were above 3.5 and standard deviation less than one. Based on the scale of 1-strongly disagree to 5-strongly agree, any data mean of above 3.5 and standard deviations below one indicates existence of the variables understudy. This thus, statistically means that PBUL has E-Funds transfer services. The items that confirmed the above statistical claim included;

PBUL has debit cards for its clients (4.77). Since the mean is above 3.5 and the standard deviation is below 1, this therefore meant there is no much variation in the mean score obtained from different respondents. This implied that PBUL has adopted debit cards in its daily business operations which are too essential in easy international business transaction. Since the mean was above 3.5, this indicates that

PBUL had in place debit cards for its clients. And since the standard deviation was small as (0.309), this critically means that there is no much variations in the mean obtained and hence, the statement can be taken as passed the criterion.

PBUL has an arrangement of swapping money from one account to the other (M=4.61) and (SD=.456). Since the mean is above 3.5 and the standard deviation is below 1, this therefore meant there is no much variation in the mean score obtained from different respondents. This thus means that PBUL can easily allow easy switch of money from one bank to the other which makes it convenient to clients to do business & cost effective to PBUL.

Our ATMs are always working 24hrs (M=4.50) and (SD=.465). Since the mean is above 3.5 and the standard deviation is below 1, this therefore meant there is no much variation in the mean score obtained from different respondents. This therefore meant that there is easy access to money at all times whenever the clients need so. This depicts the convenience and timesaving in PBUL.

PBUL has enough ATMs that can serve all clients (M=4.45) and (SD=.586). Since the mean is above 3.5 and the standard deviation is below 1, this therefore meant there is no much variation in the mean score obtained from different respondents. This implied that PBUL can easily be accessed by a big number of people and access services as quickly as possible. This elements opens room for clients to keep withdrawing at all times which is a positive score for PBUL. This study finding is in agreement with Morris-Cotterill (2002) which had indicated that ATMs have extended banking services to the remote areas depositing and withdrawal of funds can be carried out in rural areas.

Cashless banking is part of the arrangements in PBUL (M=4.41) and (SD=.626). Since the mean is above 3.5 and the standard deviation is below 1, this therefore meant there is no much variation in the mean score obtained from different respondents. This was also agreed on by most of the respondents and it meant that PBUL allows mobile transfer of money in any locality. This is also an issue of convenience.

PBUL has credit card system for its clients (M=4.38) and (SD=.637). Since the mean is above 3.5 and the standard deviation is below 1, this therefore meant there is no much variation in the mean score obtained from different respondents. The credit card system makes it easy for clients to buy goods without using hard cash. This makes it simpler for clients to access their accounts at any time without getting worried. This has enabled loading and unloading of cash in small communities or in widespread communities where people gather, however real cash ATMs for general use and deposit would require more servicing and more security (Morris-Cotterill, 2002).

Our security at PBUL is not comprised by E-funds transfer (M=4.22) and (SD=.695). Since the mean is above 3.5 and the standard deviation is below 1, this therefore meant there is no much variation in the mean score obtained from different respondents. This tells us that the bank has done a lot to away with phishing and cyber-crimes that are involved in electronic money transfer. This makes the system attractive to a big number of people. This study finding is in agreement with Morris-Cotterill (2002) which had indicated that ATMs have extended banking services to the remote areas depositing and withdrawal of funds can be carried out in rural areas.

Other statements that were agreed on included; PBUL has e-cheque services (M=4.19) and (SD=.703); Cases of bank fraud have reduced as a result of ATM (M=4.14) and (SD=.704). Since the means are above 3.5 and the standard deviations were below 1, this therefore meant there is no much variation in

the mean score obtained from different respondents. These meant that customers can easily use their money even if they are at home or out of the country. These are the basis for increased financial performance in the bank

The above statements implied that PBUL has widely adopted e-fund money transfer in its banking arrangements. These results tallied with what was informed in interviews where 100% of respondents who agreed that e-fund transfer services were prevalent in PBUL. From the above findings, it is imperative that PBUL extends ATMs banking services to the remote areas depositing and withdrawal of funds can be carried out in rural areas as indicated by (Morris-Cotterill, 2002). This has enabled loading and unloading of cash in small communities or in widespread communities where people gather, however real cash ATMs for general use and deposit would require more servicing and more security (Morris-Cotterill, 2002).

Perceived financial Performance of PBUL

To understand the perceived financial performance of PBUL, respondents were asked to react on different preconceived statements and table 2 below has more details.

Table 2: Perceived financial Performance of PBUL

	Minimum	Maximum	Mean	Std. Deviation
Our bank has enough cash to meet its obligations effectively (as and when they fall due)	1	5	3.59	.998
All our loans are paid in time	1	5	3.69	.865
The Default level in our bank has reduced for the past three years	1	5	4.02	.875
Our Return on Equity has increased for the past three years	1	5	4.02	.796
Every year increases shareholder's equity	1	5	4.12	.783
Our net income supersedes our operating costs for the last 3years	1	5	4.16	.665
All bank loans are dully corrected	1	5	4.29	.640
The bank 's asset base has greatly increased over time	1	5	4.48	.598
The bank's income increases every year				

	1	5	4.54	.550
The percentage of non-performing loans in our bank has been reducing consistently	1	5	4.58	.472

The results in table 2 above reveal that the performance of PBUL was a bit convincing. Basing on the scale of 1-strongly disagree to 5-strongly agree, any data mean of above 3.5 and standard deviation below 1 indicates existence of the variables understudy. This thus, statistically means that the financial performance of PBUL was promising. Among the items that had means above 3.5 and smaller standard deviations included;

The percentage of non-performing loans in our bank has been reducing consistently (4.58) and (SD=.472). This was agreed with by most of the respondents. Since the mean is above 3.5 and the standard deviation is below 1, this therefore meant there is no much variation in the mean score obtained from different respondents. This means that the bank is making fewer losses in loans which make it stable for people to open accounts and work with it.

The bank's income increases every year (4.54) and (SD=.550). This was agreed with by most of the respondents. Since the mean is above 3.5 and the standard deviation is below 1, this therefore meant there is no much variation in the mean score obtained from different respondents. This therefore means that since the bank is performing white well income wise, there is a possibility that even its clients are benefiting.

The bank's asset base has greatly increased over time (4.48) and (SD=.598). This was agreed with by most of the respondents. Since the mean is above 3.5 and the standard deviation is below 1, this therefore meant there is no much variation in the mean score obtained from different respondents. This implies that since bank assets are growing, there is stability in the bank which acts as security for clients in case there are any malfeasances.

All bank loans are dully corrected (4.29) and (SD=.640). Since the mean is above 3.5 and the standard deviation is below 1, this therefore meant there is no much variation in the mean score obtained from different respondents. This was agreed with by most of the respondents. This means that the bank is making fewer losses in loans which make it stable for people to open accounts and work with it. This is in line with what Ahmed et al (2006) had earlier indicated that making fewer losses is as a result of telephone banking.

Our net income supersedes our operating costs for the last 3years (4.16) and (SD=.665). This was agreed with by most of the respondents. Since the mean is above 3.5 and the standard deviation is below 1, this therefore meant there is no much variation in the mean score obtained from different respondents. This therefore means that since the bank is performing white well income wise, there is a possibility that even its clients are benefiting.

Every year increases shareholder's equity (4.12) and (SD=.783). Since the mean is above 3.5 and the standard deviation is below 1, this therefore meant there is no much variation in the mean score obtained from different respondents. This was agreed with by most of the respondents. This is an indicator of

safety in bank services. Thus, this implies that since bank assets are growing, there is stability in the bank which acts as security for clients in case there are any malfeasances.

Our Return on Equity has increased for the past three years (4.02) and (SD=.796). Further, this was agreed with by most of the respondents. Since the mean is above 3.5 and the standard deviation is below 1, this therefore meant there is no much variation in the mean score obtained from different respondents. This is an indicator of safety in bank services. Thus, this implies that since bank assets are growing, there is stability in the bank which acts as security for clients in case there are any malfeasances.

The Default level in our bank has reduced for the past three years (4.02) and (SD=.875); this was agreed with by most of the respondents. Since the mean is above 3.5 and the standard deviation is below 1, this therefore meant there is no much variation in the mean score obtained from different respondents. This therefore means that since the bank is performing white well income wise, there is a possibility that even its clients are benefiting.

All our loans are paid in time (3.69) and (SD=.865); our bank has enough cash to meet its obligations effectively (as and when they fall due) (3.59) and (SD=.998). Since the mean is above 3.5 and the standard deviation is below 1, this therefore meant there is no much variation in the mean score obtained from different respondents. These thus mean that Stanbic bank Uganda has enough liquidity, low nonperforming loans, increased on its assets and profitability is perceived as increasing. These are indicators of prevailing good financial performance in PBUL. These are in line with what Bohmet al (2000) had earlier indicated that some banks have always accepted instructions by telephone from trusted customers well known to them, as part of their ordinary branch banking service. **Bivariate Analysis**

Correlations statistics were used in bivariate analyses. Correlation statistics is a method of assessing the relationship between variables/factors. To be precise, it measures the extent of association between the ordering of two random variables although; a significant correlation does not necessarily indicate causality but rather a *common linkage* in a sequence of events. Thus, the study analyzed the relationships that are inherent among the independent and dependent variables as well as among the independent variables/ factors.

The relationship between e-funds transfer and financial performance of PBUL

To test if there was a relationship between e-funds transfer and financial performance of PBUL, a spearman rho correlation coefficient was done by the study and the results are shown in Table 3 below.

To verify this hypothesis, a null hypothesis was derived that *“E-funds transfer banking has a positive relationship on financial performance of PBUL.”*

Table 3: Correlation results between e-funds transfer and financial performance

			E-funds transfer banking	Financial performance
Spearman's rho		Correlation Coefficient	1.000	.669 **
		Sig. (2-tailed)	.	

E-funds transfer banking	N	86	.022
	Correlation Coefficient	.669 **	86
	Sig. (2-tailed)	.022	1.000
Financial performance	N	86	.
			86

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

Findings show that there was a significant positive correlation ($\rho = .669$) between E-funds transfer services and financial performance. These findings were subjected to a test of significance (p) and it is shown that the significance of the correlation ($p = .022$) is less than the recommended critical significance at 0.05. Thus, the relationship was significant. Because of this, the hypothesis “*E-funds transfer banking has a positive relationship with financial performance of PBUL.*” was accepted.

This study finding is in agreement with Morris-Cotterill (2002) which had indicated that ATMs have extended banking services to the remote areas depositing and withdrawal of funds can be carried out in rural areas. This has enabled loading and unloading of cash in small communities or in widespread communities where people gather, however real cash ATMs for general use and deposit would require more servicing and more security (Morris-Cotterill, 2002). Cracknell (2004) in further support, opined that Malawi Central Bank established a smart card infrastructure with biometric enabled ATMs with an aim of reducing insecurity with in the banking industry, with the use of such developments on the ATMs, withdrawal and depositing of cash is now done safely thus yielding positive results. According to the Glossary of Terms Used in Payment Settlement Systems as reported by Anguelovet. Al. (2004) e-funds transfer is defined as the movement of money or credits from one account to another through an electronic medium. According to a Survey of Consumer finances (2001) as reported by Anguelov (2004) still confirms that e-funds transfer has features such as direct deposit, an ATM or debit card among the rest. In this study efunds transfer technology means the availability, accessibility and usage of ATM cards, debit cards, credit cards and e-cheques with reference to cash deposit, cash withdrawal and account balance inquiry.

Gourlay and Pentecost (2005) in support of the findings still, explain that funds are transferred electronically using ATMs to provide retail banking services allowing 24, hours a day cash withdrawal, balance verification and bill payment at branches and remote locations away from branches. ATMs in the UK are seen as a substitute capital for labor particularly in routine human teller operations. Transaction costs associated with need to withdraw cash unexpectedly are lowered, (Ingham and Thompson, 1993; Humphrey, 1994; Haynes and Thompson, 2000 as reported by (Gourlay and Pentecost, 2005). ATMs are widely used in transfer of cash. They are mainly located at shopping stations to help customers in carrying out shopping easily (Organization for Economic Corporation and Development, 2003). There are positive results noted in the use of e-funds transfer with increased use of ATMs and ecards.

Recommendations

The relationship between E-funds transfer banking and the financial performance of

PBUL

Basing on the study findings, trust building in ICT infrastructures with clients need to be put on a primary concern by most of commercial banks that want their performance to improve under mobile banking. This can be done by ensuring that the system installed can ably provide updated information frequently to both the bank and the customers. PBUL managers should develop a system that provides up to date and relevant financial information with good user interface consistency in order to enhance trust

REFERENCES

- Alexandre B., and Gisela, D. (2014). Global Panorama on Postal Financial Inclusion: *Business* Amin E. M. (2005). *Social Science Research, Conception, Methodology and Analysis*, Makerere University Press. Kampala.
- Barriers and Driver. Available at SSRN 2058202
- Bultum, A. G. (2012). Adoption of Electronic Banking System in Ethiopian Banking Industry: Businesses in Tanzania. *Implications for Practice*, 1-29.
- Cho, D.Y., Kwon, H.J. and Lee, H.Y. (2007), “Analysis of trust in internet and mobile commerce adoption”, Proceedings of the 40th Hawaii International Conference on System Science, USA.
- Cohen L, Manion L, and Morrison, K. (2008). *Research methods in education* (5th ed.),
- Denscombe, M. (1998). *The Good Research Guide (3rd ed)*, McGraw-Hill, Open University
- Federal Deposit Insurance Corporation (FDIC), *2013 FDIC National Survey of Unbanked and* Harvard Kennedy School
- Jayawardhena, C. and Foley, P. (2000), “Changes in the banking sector – the case of internet banking in the UK”, *Internet Research*, 10 (1),19-31.
- Jenkins, B. (2008). *Developing Mobile Money Ecosystems*. Washington DC. IFC and the
- Kombo, D. (2006). *Proposal and Thesis writing: An Introduction*, Pauline’s Publications,
- Kothari, C. (2004). *Research methodology: Methods and Techniques*, New Age International
- Lennart, B., and Bjorn S. (2010). *Mobile Money Transfers and Usage among Micro and Small*
- Lennart, S. (2008) mobile banking –financial services for the unbanked? *Models and Key Issues*, p. 63.
- Ndiwalana, A, Morawczynski, O. and Popov, O (2011). *Mobile money use in Uganda: A Preliminary study*, Kampala, Makerere University
- Rogers, E. M. (1983). *Diffusion of innovations* (3rd ed.). New York: Free Press. Routledge Falmer, London

Sathye, M. (2009), "Adoption of internet banking by Australian consumers: an empirical investigation", International Journal of Bank Marketing,7(7),324-34.

SECTION B:
ENTREPRENEURSHIP AND INNOVATIVE BUSSINESS ,
BOARD SIZE AND FINANCIAL PERFORMANCE OF HOUSING FINANCE BANK, UGANDA

¹Roland J. M, ²Dr. Ssendagi.m, ³Nyanzi.A

1MBA student, St.Lawrence University

2Senior Lecturer, St. Lawrence University

3Lecturer St.Lawrence University

Abstract

The study was carried out to establish the relationship between board size and financial performance of commercial banks in Uganda, with Housing finance bank as a case study. The study was cross-sectional combined with analytical survey design as well as descriptive methods to interpret the findings. Besides, both qualitative and quantitative methods were also adopted. A sample of 59 staff of Housing finance bank were selected. Both census and simple random sampling methods were used to select the respondents for the study because of their involvement in corporate governance issues within the bank. Semi-structured self-administered questionnaires and interview guides were employed to collect data. The regression result showed that about 36% of the variations in financial performance of Housing finance bank is explained