The Responsiveness of Afrasia Kingdom Zimbabwe Limited’s Stakeholders to The Change From Paper Slips to A Paperless and Cardless Withdrawal System

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Abstract: This study sought to assess the responsiveness of Afrasia Kingdom Zimbabwe Limited’s stakeholders to the change from paper slips to a paperless and cardless withdrawal system. A case study involving 81 respondents: 3 tactical managers, 7 bank tellers and 69 account holders was conducted using questionnaires, interviews and participant observation. The major findings indicated a diversity of responses depending on demographic characteristics such as age and gender. More transactions were being conducted elsewhere using AKZL’s CellCard service points than AKZL Mutare’s banking hall. The study recommended intensive awareness campaign programs in order to increase the responsiveness to paperless and cardless withdrawal system.

Key Words: Change Implementation, Paperless Office, Paperless/ Electronic Banking

INTRODUCTION
Paperless banking, also known as electronic banking refers to the use of computers to carry out banking transactions such as withdrawals through cash dispensers or transfer of funds at point of sale. It could also refer to the form of banking where funds are transferred through an exchange of electronic signals between financial institutions, rather than an exchange of cash, cheques, or other negotiable instruments intended to speed operations, reduce costs. The unprecedented development and diffusion of electronic computers and related technology created opportunities for organisations to trade in “bits” rather than “atoms”.¹ Technological changes triggered transformational processes various industries and organisation in way that innovators are continually launching new products and services, in order to satisfy and retain their customers. The influence of the internet resulted in organisations becoming leaner, meaner, and more profitable. Banks were not spared from the revolutionary processes triggered by the development and diffusion of electronic computers and related information and communication technologies (ICTs). They have to constantly innovate and update their
systems in order to retain their increasingly demanding and discerning customers and provide convenient, reliable and expedient services in a very competitive environment.

RESEARCH PROBLEM
Banking has always been a highly information intensive activity that relies heavily on information technology (IT) to acquire, process and deliver the information to all relevant users. Kotter and Barker highlight that most of the transformation efforts undertaken in firms end up failing and resultantly, produce disappointment, frustration, scared employees and a waste of resources even though a significant amount of the waste and failures could be avoided. AKZL has been using the paper slip cash withdrawal system since its inception as a merchant bank in 1997. With the rapid diffusion of the internet and the continuously changing innovations in technology, AKZL adopted electronic/paperless banking as a channel for the provision of banking services and products from 2010. However, little is known about the response of the various stakeholders (i.e. AKZL management, bank tellers and customers) to the paperless/cardless system.

LITERATURE REVIEW
White observed that commercial bank business has changed dramatically over the past 25 years due to technological changes, to a greater extent. Mzumara concurs with White by indicating that technology helps banks to operate efficiently thus reducing costs. He indicated that a leader in technology may attract many customers and be able to meet their expectations, and this provision of innovative products can then be passed along to consumers in terms of lower rates. The term electronic or paperless banking can be described in simple as the provision of information or services by a bank to its customers via computer, television, telephone or mobile phone. According to Burr, paperless banking depends on an electronic connection between a bank and a customer. This connection is made in order to prepare, manage and control financial transactions. Electronic banking has existed for decades, starting with automatic teller machines (ATM) in the late 1960s.

However, more and more concerns associated with electronic banking were raised as the industry branched out to phone and on line banking. According to Dube the first visible form of electronic innovation in Zimbabwe was in the early 1990s when the Central Africa Building Society (CABS) and Standard Chartered Bank installed Automated Teller Machines (ATMs). From then on various forms of electronic innovation such as Electronic Funds Transfer Systems (EFT), Telephone banking, Personal Computer (PC) banking and recently internet banking have found their way into Zimbabwean banking. This could be attributed to the fact that paperless banking has according to Katz, Chang and Sullivan and Wang released banks from the constraints of time and geographical location as well as allowed banks to cut costs on transactions, improve their service delivery, and respond better to the demands of the market.
Karjaluoto and collaborators suggested that the main delivery channel in banking is the internet, accessed via personal computer. Conversely, as Wah pointed out, electronic banking does not necessarily have to be on a computer screen, but can also be on the tiny screen of a mobile phone or any other wireless device. This could be attributed to the fact that telephone banking, TV based banking and managed network no longer play as big a role today because the delivery channel has somewhat shifted from wired internet connections to wireless mobile technologies. Daniel posits that there are four main channels for electronic banking and these are PC (personal computer) banking, Internet banking, managed network and TV based banking.

Table 1: Paperless banking channels

<table>
<thead>
<tr>
<th>Type of service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PC banking (private dial up)</strong></td>
<td>Proprietary software, distributed by the bank, is installed by the customer on their PC. Access to the bank is via a modem linked directly to the bank.</td>
</tr>
<tr>
<td><strong>Internet banking</strong></td>
<td>Customers access their bank via the Internet</td>
</tr>
<tr>
<td><strong>Managed network</strong></td>
<td>The bank makes use of an online service provided by another party.</td>
</tr>
<tr>
<td><strong>TV based banking</strong></td>
<td>The use of satellite or cable network to deliver account information to the TV screens of customers. (Also internet based.)</td>
</tr>
<tr>
<td><strong>Telephone banking</strong></td>
<td>Customers access their bank via telephone. (Own personal ID and password required)</td>
</tr>
<tr>
<td><strong>Mobile phone banking (SMS, WAP, 3rd generation)</strong></td>
<td>Access via text message (SMS), internet connection (WAP), or high speed 3rd generation mobile connection (also internet based.)</td>
</tr>
</tbody>
</table>

Daniel argued that customer accessibility, customer reluctance to change, cost/price factors, security concerns, perceived ease of use, and customer awareness have a direct impact on the adoption of paperless/electronic banking. Cooper identifies ``the level of risk'' as an important characteristic from a consumer's perspective in the adoption of innovation. Banks have been an attractive target to fraudsters since the beginning of modern financial
management. The success of ecommerce and electronic banking has raised new security issues that were not known in traditional banking business. Booz and collaborators have revealed that security concerns among customers were the top ranking obstacle for non-adoption of Electronic banking in Latin America. According to the United States Federal Trade Commission, theft and the misuse of the data was at the centre of 40% of all frauds reported in the United States from 2002 to 2004. 46% of these cases were related to bank accounts, credit cards and other financial transfers.

Cooper and Daniel identified “ease of use” as an important characteristic from customers’ perspective for adoption of innovative service. Katz and Aspden, Wallis and Mols suggested that it is crucial for the internet to be easy to use to increase the adoption rate for Electronic banking. The Wallis Report identifies that technological innovation “must be easy to use” to ensure customer take up or acceptance. In developing countries such as Zimbabwe, one of the major factors that influence the adoption of innovation by consumers in Zimbabwe is the cost. Gupta also identified “price” as a major factor in brand switching. The same view so corroborated by The Wallis Report. According to this report for “consumers to use new technologies, the technologies must be reasonably priced relative to alternatives”.

According to Rogers and Shoemaker when a new product or service is made available in the market consumers go through “a series of process in knowledge, conviction, decision and confirmation” before they are ready to adopt a new product or service. Daniel pointed to the fact that there is a high level of customer inertia in changing their established banking arrangements. Sathye emphasized that customers, particularly the senior citizens, prefer personal interaction and that they have technology phobia. Hence, for adoption of electronic banking in Zimbabwe, it is necessary that the commercial banks offering this service make the customers aware about the availability of such a product and explain how it adds value relative to other products of its own or that of the competitors.

Awareness and cost alone do not determine whether customers adopt a new product or not. One of the major factors for adopting paperless banking is the availability of access to computers/Internet. The Wallis Report states that as the Internet becomes more widely accessible households will conduct their financial transactions over the Internet meaning that, the more widespread the access to computer/Internet the greater the possibility of paperless banking adoption. O’Connell states that lack of access to computers as one of the reasons for slow adoption of Internet banking. This has somewhat also been a hindrance in the adoption of AKZL’s paperless withdrawal system by some of AKZL’s account holders. 43.5% of AKZL Mutare’s account holders had not adopted the paperless and cardless withdrawal system because they had no access to the internet.

Furthermore, adoption of new technologies often comes across a certain amount of resistance to change from present ways of operating. This means that unless such a need is fulfilled by
the commercial banks, customers may not be prepared to change from present ways of operating. This reluctance has been explained from different theoretical perspectives. According to Rogers, the explanation focuses on the impact of group dynamics on consumer readiness to switch to online banking.\textsuperscript{37} Kotler and collaborators posit that the majority of clients refrain from online banking until they are aware that the new service has been in use by opinion leaders in their community.\textsuperscript{38} Over and above this it postulates that slow adoption might be due to five product-related factors which are as follows:

i. Clients may perceive little or no advantage of online banking over traditional banking.

ii. Online banking may be less attractive to customers because of its low compatibility with values, lifestyle and daily routines.

iii. The new form of banking may be more complex.

iv. Having no internet connection at home, may force many customers to try online banking on a limited basis.

v. Online banking has low communicability suggesting that users have difficulty in describing their experiences with the new service.
Figure 1: Factors influencing paperless banking

RESEARCH METHODOLOGY
RESEARCH DESIGN
The research design was a case study. It combined various primary and secondary data sources and it allowed as an intensive analysis of an individual unit (e.g., a person, group, or event) stressing developmental factors in relation to context according to Baxter and Jack (2008)'s definition of a case study.
DATA COLLECTION METHODS
Data collection involved analysing documents available from the bank, structured and unstructured interviews and participant observation of various stakeholders in both formal and informal setups.

SAMPLING PROCEDURES
The sample chosen for the purposes of this research consists of 81 of AKZL Mutare’s stakeholders which included 3 tactical managers, 7 bank tellers and 69 account holders was conducted using questionnaires, interviews and participant observation. A combination of the convenience, stratified and systematic random sampling techniques was used. However its main drawback is the lack of sampling accuracy. Because the probability of inclusion in the sample is unknown for each respondent, none of the reliability or sampling precision statistics can be calculated. In order to overcome the aforementioned drawback, the systematic random sampling technique was used in conjunction with the convenience sampling method. The prospective respondents available in the bank at the time of data collection were selected using the systematic random sampling method so as to allow every member in the targeted sample an equal chance of being selected.

RESEARCH INSTRUMENTS
The research instruments used for this study included structured questionnaires, unstructured face to face and telephone interviews and participant observation.

DATA ANALYSIS PROCEDURES
“Statistical techniques are used in analyzing quantitative research data, in order to determine whether there is any relation between the variables”40. The data was analysed through descriptive and inferential statistics. Descriptive statistics entail the use of tables, graphs and summary measures, such as the average or mean to describe and analyze the data, while inferential statistics consists of methods that use sample results to make decisions or predictions about a population. These will give the readers a visual image of the findings and as result enable them to better understand and interpret the data.

FINDINGS AND DISCUSSION
Table 2: Awareness of the new ATM cardless withdrawal facility provided by AKZL?

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Yes</td>
<td>39</td>
<td>56.5</td>
<td>56.5</td>
</tr>
<tr>
<td>No</td>
<td>30</td>
<td>43.5</td>
<td>43.5</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>69</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
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</tbody>
</table>
Table 2 shows the responses given when asked whether the respondents were aware of the new ATM cardless withdrawal facility provided by AKZL. Of the 69 questionnaires returned, 56.5% responded yes and the remaining 43.5% responded no. There was a follow up question however, asking those who responded no to briefly give a reason as to why they were unaware of the facility. Out of these 60% claimed that the reason was that they just had never heard about the facility. The remaining 40% was distributed evenly between those who claimed ignorance and those who were unaware because they do not visit the bank often.

Table 3: Facilities used to withdraw cash

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper withdrawal slip</td>
<td>16</td>
<td>23.2</td>
<td>23.2</td>
</tr>
<tr>
<td>ATM card</td>
<td>27</td>
<td>39.1</td>
<td>39.1</td>
</tr>
<tr>
<td>Kingdom Cell Card</td>
<td>22</td>
<td>31.9</td>
<td>31.9</td>
</tr>
<tr>
<td>Cardless withdrawal</td>
<td>4</td>
<td>5.8</td>
<td>5.8</td>
</tr>
<tr>
<td>Total</td>
<td>69</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 3 shows the responses given when asked which facilities one used to withdraw cash from their account. Of the 69 questionnaires returned, 23.2% used the paper withdrawal slip, 39.1% used the ATM card, 31.9% used the kingdom Cell Card and 5.8% used the cardless withdrawal facility. It should however be noted that, included in the above percentages were respondents who used more than one facility to withdraw cash. Some used both the paper withdrawal slip and the ATM card while others used the last three options and so on.

Table 4: Perception of the convenience of the paperless service

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Yes</td>
<td>59</td>
<td>85.5</td>
<td>85.5</td>
</tr>
<tr>
<td>No</td>
<td>10</td>
<td>14.5</td>
<td>14.5</td>
</tr>
<tr>
<td>Total</td>
<td>69</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

From table 4 it can be argued that the majority of the respondents (85%) claimed that the new paperless and cardless withdrawal facility provided by AKZL was convenient. The minority (15%) were of the idea that the services’ convenience may be compromised by the various security threats that generally affect electronic banking.
From table 5 it can be argued that the majority of the respondents (78.3%) claimed that they were aware of AKZL’s internet and mobile banking facilities. The minority (21.7%) claimed that they were unaware of the aforementioned facilities because of various reasons. Some of which include respondents have no access to internet services, general ignorance and AKZL did not run enough awareness campaigns among others.

**CONCLUSION**

The majority of the respondents below the age of 40 years had a positive response towards the implementation of the paperless and cardless systems. This positive response was attributed to the fact that this age group is knowledgeable of the convenience gained from the usage of paperless banking. The study revealed that those above 40 years are still inclined towards the use of the paper slip withdrawal system. This concurs with Brown and Starkey who posit that the primary reason for resistance is that change requires people to alter their existing individual and organizational identities. This is likely to be more difficult for those above the age of 40 years to adapt to new changes. The study also revealed that more of the male respondents were conversant of AKZL’s paperless banking facilities as compared to the female respondents. Some of the respondents regardless of the age group were not familiar with AKZL’s paperless banking facilities. This could be attributed to lack of awareness. Rogers and Shoemaker support this position when they say consumers go through a series of process in knowledge, conviction, decision and confirmation before they are ready to adopt a new product or service. Hence without knowledge of AKZL’s paperless banking facilities there was no way respondents could have adopted the new system. AKZL strategically introduced a price discrimination mechanism so as to entice account holders to adapt to the paperless withdrawal system by charging an extra $5.00 to those account holders who were using the paper slip withdrawal system. This approach is supported by Lewin (1958), who says that no change will occur unless there is motivation within the organization to do so. If there is no motivation it must be induced. Given the comparative between the CellCard and Globus accounts, the findings revealed that AKZL Mutare’s account holders were more comfortable using the CellCard facility and conducting their banking transactions elsewhere other than AKZL Mutare’s banking hall. The study revealed that AKZL Mutare’s bank tellers were in favour of the paperless and cardless systems. Overall the findings revealed that AKZL Mutare has improved its efficiency and effectiveness given the positive responses from the stakeholders regarding the paperless and cardless withdrawal systems.
paperless and cardless withdrawal systems met AKZL Mutare’s account holders’ expectations. This was achieved through: (1) Conducting their banking transactions from anywhere provided there is a mobile network, internet connection or a Kingdom service point and (2) conducting their banking transactions at any time rather than being restricted to conducting banking transactions during traditional banking hours only (i.e. between 0800 hours and 1500 hours).

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