Open Journal of Social Sciences, 2024, 12, 288-306
https://www.scirp.org/journal/jss
ISSN Online: 2327-5960
ISSN Print: 2327-5952

Cash Transfer Financing Strategic Alliance and Value Creation in Agency Banking Projects in Kenya

Isiye Clement Muyabila[1], Charles M. Rambo[1], Raphael O. Nyonje[2]

[1]Faculty of Business and Management Sciences, University of Nairobi, Nairobi, Kenya
[2]Faculty of Educational Management Policy and Curriculum Studies, University of Nairobi, Nairobi, Kenya
Email: isiyeclement@yahoo.com, crambo@Uonbi.ac.ke, Nyonje-raphael@Uonbi.ac.ke

How to cite this paper: Muyabila, I. C., Rambo, C. M., & Nyonje, R. O. (2024). Cash Transfer Financing Strategic Alliance and Value Creation in Agency Banking Projects in Kenya. *Open Journal of Social Sciences, 12,* 288-306.
https://doi.org/10.4236/jss.2024.124020

Received: September 21, 2023
Accepted: April 22, 2024
Published: April 25, 2024

Abstract

To remain competitive in the face of quickly developing technologies, the majority of banking institutions are creating non-equity financing strategic collaborations. The widespread use of mobile financial services has put traditional financial banking institutions under pressure. The study aimed to determine the influence of cash transfer financing strategic alliances on agency banking project value creation. The study embraced descriptive and inferential statistics in a pragmatic paradigm philosophy. The target population consisted of 400 employees of strategic alliances working on agency banking projects in Kenyan counties. Simple random and purposeful sampling was used to arrive at a total sample of 200 people consisting of 50 agency bank supervisors and 150 agency staff. Data was collected using an open-ended and closed-ended questionnaire and an interviewing guide. Mean, composite mean, standard deviation, composite standard deviation, Pearson correlation, simple regression, and multiple regression models were applied to analyse data. The research revealed that cash transfer financing strategic partnerships influenced agency banking programs with a positive mean, standard deviation, and *P*-value equal to 0.0000. The study rejected the null hypothesis by 0.05. Future research should explore the effects of company capital and corporate tax evasion on value creation for agency banking projects.

Keywords

Cash Transfer Financing Strategic Alliances, Value Creation in Agency Banking Projects

1. Introduction

A non-equity financing strategic alliance involves two or more organizations collaborating through contractual agreements to fund a company without equity sharing. The involved companies are recognized as distinct legal entities, and the alliance aims to ensure everyone benefits while maintaining independence and separation. This study explores the collaboration between cash transfer finance service providers and commercial bank agency projects. Focusing on Netherlands, Duong, Voordeckers, Huybrechts and Lambrechts (2022) highlight the importance of external knowledge sources and technical capabilities in innovation strategies. He states that Huawei Technologies, Tata, and Haier archived much through strategic partnerships with Western multinationals. Vattikoti & Razak (2018) and Chepkwony (2009) found that strategic partnerships provide knowledge and competitive advantage for multinational corporations. In Nigeria, network structures offered benefits and immediate gains.

Kenya has been limited knowledge about non-equity financing strategic alliances, in the banking sectors. According to Mbugua and Njoroge (2017) notes that most significant coalitions break up, despite strategic alliances being crucial for corporate success, to avoid failure, strong alliance rules and procedures have been developed. Retail banking organizations have developed unique tactics like non-equity financing strategic partnerships to compete successfully. Cash transfer financing strategic alliances can be used to acquire value in the banking sector, particularly in Kenya's agency banking projects.

Agency banking involves providing specific banking services through a third-party agent hired by an authorized bank to market products to customers, networks of independent stores to carry out financial transactions on behalf of customers. Agent outlets perform tasks like cash withdrawals, bill payments, transfers, account balance inquiries, and customer deposits and create income through service fees. According to Nelechurai (2019) agency locations are found in retail establishments like shops, supermarkets, post offices, and pharmacies. This study aims to determine the measures for value creation in non-equity financed strategic alliances through cash transfer financing in agency banking projectss. It will quantify this by measuring capital efficiency, profitability, share price growth, economic value added, and market share size (Mwamuhye & Ragui, 2021). As stated by Cheboi et al. (2022) are the factors that are fundamentally unclearly explained, the study is necessary as the factors influencing the value creation of strategic alliances are still unknown, making cash transfer financing indicators crucial for these initiatives.

1.1. Value Creation in Agency Banking Projects

Agency banking refers to the practice of a third party, referred to as a retail banking agency project, offering financial services to clients on the bank's behalf. Contracts for services including cash withdrawals, bill payments, transfers, account balance inquiries, and government money receipts are part of these programs. By charging the agents service fees, the bank reps make money.

1.2. Cash Transfer Financing. Strategic Alliances

Cash transfer finance has been developed over time for a variety of strategic purposes. Apps are frequently used for things like mobile banking, remote access to personal bank accounts, cash withdrawals, and paying utility bills. Banks require strategic partnerships with mobile phone providers like Safaricom, Airtel, Yu, or Orange to receive non-equity financing. Customers can pay online agents who work for banks to use Internet banking to get bank services from any location. Kepha (2010) cites Money Gram and Western Union as two instances of cash transmittal services that let users receive or send money to or from their accounts anywhere in the world in a short period. The researcher investigates cash transfer financing strategic alliances for value creation in agency banking initiatives to examine the services that enable electronic currency transfers.

1.3. Objective of the Study

The following objective of the study was achieved.

To establish the extent to which cash transfer financing strategic alliances influence value creation in agency banking projects in Kenya.

1.4. Research Hypothesis

The study sought to test the following research hypothesis:

Ho: There is no significant relationship between cash transfer financing strategic alliances and value creation in agency banking projects in Kenya.

1.5. Theoretical Framework

The financial intermediation theory of banking underpins cash transfer financing strategic alliances on value creation for agency banking projects. It is the theory selected for this investigation. Within the confines of crucial limiting assumptions, this theory was developed to explain, forecast, and comprehend phenomena as well as to challenge and extend current knowledge. Werner (2016) cites Von Mises (1912) as the original proponent of the financial intermediation theory of banking in the International Review of Financial Analysis Vol. 46.

The goal of the model is to choose the location of cash management centres, the number and routes, and the policies of cash inventory management to minimize the amount of cash that is lent to deficit units, that attracts or incorporates strategic, tactical, and operational decisions for a bank's cash transfer management system.

1.6. Conceptual Framework

This study is guided by the following conceptual framework.

The Conceptual Model presents the conceived as formulated for testing. The conceptual model shows the various relationships among the variables in the

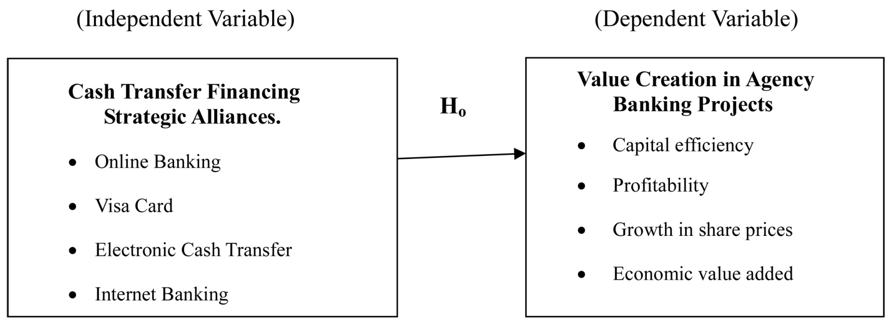

Figure 1. Conceptual framework model. Source: Researcher own source 2023.

cash transfer financing strategic alliances and value creation in agency banking projects. According to the model (see **Figure 1**), value creation in agency banking projects is the dependent variable. Variable is presented by cash transfer financing strategic alliances and the indicators.

2. Literature Review

The predicted current value of all anticipated revenues that will go to the owners, is one of the criteria that determines the value in agency banking.

2.1. Value Creation in Agency Banking Projects

According to Mwamuhye and Ragui (2021), studies on value creation share the viewpoint, that capital efficiency entails understanding the output about the amount of capital input necessary to maintain the operation. Once a little profit is realized as a result of this forward trend, accounting for capital efficiency can still help follow the profits as they gradually rise.

Sautma, Julio and Soehono (2020) explain the impact of economic value added and profitability on generated shareholder value in enterprises. The results of the investigation showed that shareholder value is significantly influenced by profitability. A Regression data analysis with a 162-person target population was used by Hornuf, Klus, Lohwasser and Schwienbacher (2019). His findings demonstrate how coalitions are now crucial building blocks for a company's development of a competitive edge. According to Wood (2009) explains how financial value creation is quantified in terms of money using words like return on investment (ROI), which is the calculation of profit margins and investment proceeds (Amici, Fiordelisi, Masala, Rizi, & Sist, 2013).

According to Jongwe, Moroz, Gordon and Anderson (2020), there have only been a small number of scholars studying value creation in retail banking. Many companies are forming unions and partnerships with other supply chain network participants to strengthen or add value to their clients' non-equity strategic networks. Ogolla (2013) notes in a case study that Motor Companies are conscious of the importance of forging close relationships with its service providers, to achieve supplier satisfaction via subcontracting with them to help raise quality, save costs, and quickly expand new product lines (Nyaribo, Ogoro, & Osiemo, 2017; Seurey, 2015).

Economic value added, according to Wairugi (2017), is an estimation of the economic profit made by a company after taxes divided by the total cost of all of its sources of capital (Rofig & Santoso, 2020). As a result, more experts are looking at what makes an alliance successful and developing different methods to gauge how much value the firms are creating (Kimani, 2014; Li, 2019; Khan, Lin, & Ma, 2021).

A challenge in researching alliance value creation is how difficult it is to measure value creation objectively given the diverse aims of different entities. Additionally, it is challenging to the researcher to collect the data necessary to evaluate value creation through an acceptable method due to logistical difficulties (Khan et al., 2021; Klus et al., 2018; Zikri, 2020).

2.2. Cash Transfer Financing Strategic Alliances and Value Creation in Agency Banking Projects

Cash transfer financing strategic alliance is a process of describing banking services that permits transaction of electronic money via electronic gadgets like mobile phones, also called mobile money facility, mobile pouch-wallet, or mobile remittance (Ogega, 2010). According to this research study, cash transfer financing strategic alliance is described as the process which involves various monetary transactions accomplished through mobile gadgets like cell phones in agency banking projects Mobile banking involves the engagement of a cell phone to check for bank details from a remote location, basically to check for account balances and to make bill payments, transfer of money, through using a mobile gadget to post cash also called Mobile commerce.

Writing on globalization strategies and financial performance of equity bank strategic alliances in the case of Kenya, Kolnyin (2018), found that recent improvements in handset functionality had improved the performance of cell phone solutions. The data was gathered using an interview guide and analysed using a content analysis technique. According to USAID, employees in remote locations, payments in remote locations are still only made in cash by USAID and the global international development community.

In his article, on "Internet Banking: Benefits and Challenges in an Emerging Economy," Kulshrestha and Dave (2016) researcher provides a quick overview of how technology in the banking industry has transformed the global banking landscape. On the benefits and drawbacks of online banking services, Nedumaran and Kaleeswaran (2017) Asserts that in India's banking industry, online banking services were growing daily. Data for this study was gathered from primary and secondary sources, including website visitors, banking customers, and other sources. It was determined that good regulation allowed users to use online banking services at their convenience, around the clock.

When describing a Visa Card Review, Catalano (2021) pointed out that Visa credit cards offer ease and security to cardholders and may be used at shops and automated teller machines (ATMs) all over the world, bringing with it a host of incentives, such as cash-back rewards and exclusive benefits for using a certain retailer.

Nanwani (2015) reports as part of this commitment and the more comprehensive reforms known as USAID Forward, USAID is requesting that Missions create initiatives to aid in the growth of mobile money ecosystems in their particular countries. In his descriptive study on digitizing wage payments in Bangladesh's garment production sector, Zahidullah (2017) found that switching from cash to electronic payments of wages can save time, cut costs, increase and give employees more financial power. Therefore, electronic transactions can benefit employees' lives and assist businesses in addressing their main problems (Swinkels, 2017).

Using data from 43 evaluations and reports on humanitarian programs published since 2006, Gros and Bailey (2017) examined how strategically using cash transfers affects food consumption in humanitarian selling. The study was conducted for the Canadian Food Grain Bank. Excellent access to mobile devices that are also very reasonably priced represents a significant opportunity to provide effective services to those without bank accounts or who are underbanked.

According to Dinapoli (2021), the GSMA and Western Union's cooperative mobile money transfer program enabled the appropriation of mobile transfer applications. According to estimates, 40 out of 100 mobile users in the nation are participating in the initiative for a strong customer base. Offering mobile cash services has three benefits: reaching an untapped market, increasing wallet share, and delivering cost savings.

Fall, Orozco, & Akim (2020) commented that lower-paid workers are likely going to use mobile cash services because major financial institutions are not providing them with satisfactory service. Given that they provide a decent and economical service for customers with little consumption, prepaid recharges and top-ups are significant revenue generators for a sizable number of carriers. The reloading process for prepaid cards is currently caused by current frameworks. This study investigates cash transfer strategic alliances and value creation in agency banking projects.

3. Research Methodology

This study utilized a pragmatic paradigm, combining quantitative and qualitative methodologies. A sample of 200 individuals was selected from a target population of 400 supervisory and support workers for agency projects Sampling allowed the researchers to ask participants detailed questions and to gather richer data than does approaching everyone in a population. Data collection techniques included closed-ended, and open-ended questionnaires designed by the researcher to elicit responses. A pilot study was conducted at the Kenya National Bank, with pre- and post-test results used to assess the comprehensibility of the questionnaire. The content validity of the questionnaire was evaluated using a content scaling framework, with a content validity index greater than 0.75 considered acceptable. The study's hypotheses were tested using correlation and multi-regression analysis at 0.05 significant levels. Descriptive and correlation statistics, along with observational methodologies, were used. The study combined qualitative data with content and narrative analysis to make statements about value creation in outsourcing and agency banking projects. Correlation coefficients were employed to test the hypotheses, with the following regression models employed: Ho. Value creation in agency banking projects and strategic alliance outsourced financing are not significantly correlated. The study's findings provide valuable insights into the relationship between value creation in outsourcing and agency banking projects.

4. Results and Discussions

Out of the 200 sampled respondents, 180 were able to access and complete the research questionnaires. The interviews with all the 50 of the respondents who were purposefully sampled based on the research questions were conducted. As a result, 90% of the responses were returned. For the research, the return rate was regarded as satisfactory. According to Mugenda and Mugenda (2013), a response must be at least 50% to be practical and therefore acceptable.

4.1. Demographic Characteristics of the Respondents

There was need to ascertain the distribution of respondents based on specific background and demographic factors. This would ensure adequate representation of views of various stakeholders in the study project. As such, demographic information was captured and analyzed that included; distribution of respondents by demographic characteristics, role of respondents in the project, duration worked in the participating organization, level of academic qualification, age and gender of the respondents. The results are presented in **Table 1**.

In **Table 1**, it is shown that, in terms of participating organizations, participants were equitably distributed across the 4 organizations with KCB 67 (37.2%), Equity 39 (21.6%), Cooperative bank 36 (20%) and ABSA 38 (21.1%) were almost equally represented. Thus, it was possible to obtain representative views from the participating organization to enable drawing of conclusions similarly the study found that the agency employees 160 (88.8%), Supervisors 20 (11.2%) were adequately represented in the study. Thus, information obtained was representative of stakeholders in the agency banking projects allowing reliable deductions and generalization on the study variables. In terms of duration worked in their respective organizations, the results depict hat although most of the respondents 68 (37.7%) reporting having been serving at those particular establishments for only between 1 and 2 years, a cumulative majority 118 (65.4%) had worked for at least 4 years in these organizations. Specifically, 50 (27.7%) had been in their organization for between 3 and 4 years, 30 (16.6%) for between 5 and 6 years, 20 (11.1%) for between 7 and 8 years while 12 (6.6%) had worked

Table 1. Respondents' distribution by demographic characteristics.

Participating Organizations	Frequency	CF	%
KCB Agency Banking Projects	67	67	37.20%
Equity Agency Banking Projects	39	106	21.60%
Cooperative Agency Banking Projects	36	142	20%
ABSA Agency Banking Projects	38	180	21.10%
Total	180	180	100%
Role of Respondents	**Frequency**	**CF**	**%**
Agency Staff	160	160	88.80%
Agency Manager	20	180	11.20%
Total	180	180	100%
Duration worked in organization	**Frequency**	**CF**	**%**
1 - 2 years	68	68	37%
3 - 4 years	50	118	27.70%
5 - 6 years	30	148	16.60%
7 - 8 year	20	168	11.10%
Above 9 years	12	180	6.60%
Total	180	180	180.00%
Academic Qualification	**Frequency**	**CF**	**%**
Certificate	92	92	51.10%
Diploma	68	160	37.70%
Graduate	16	176	8.80%
Post Graduate	4	180	2.20%
Total	180	**180**	100%
Age	**Frequency**	**CF**	**%**
18 - 25 years	40	40	22.20%
26 - 35 years	52	92	29%
36 - 45 years	38	130	21.10%
45 - 55 years	26	156	14.40%
Above 55 years	24	180	13.30%
Total	180	180	**100%**
Gender	**Frequency**	**CF**	**%**
Male	100	100	55.50%
Female	80	180	44.50%
Total	**180**	**180**	**100%**

Source: Researcher own source.

for more than 9 years. The results show participants were able to understand their operations that would give reliable information for the study.

On academic qualification, the study respondents had adequate academic qualification to be able to take part in the implementation of the agency banking project. A large proportion of study participants 68 (37.7%) were literates with diplomas with another 92 (51.11%) with at least a certificate, and 4 (2.2%) had Masters Degrees. Therefore, execution of agency banking services is expected to be successful given the educational background of the respondents.

4.2. Tests for Statistical Assumptions of Regression and Likert Scale

There were 180 responses (n = 180), according to the response return rate. Since n > 30 and the population sample distribution were both normal, it permitted parametric analysis. The research's data were put through a correlation analysis to see if they had a normal distribution. There was no need to worry about linearity because the residuals are normally distributed and homoscedastic, making it possible to apply statistical techniques like correlation, regression, t-tests, and ANOVA.

4.3. Value Creation in Agency Banking Projects

The variable of focus in this investigation was value creation in agency banking projects. The dependent variable was measured using a 10-item using the 5 - point Likert scale. On measures of Likert scale of 1 - 5 responses were scored and the corresponding frequency with their representative percentage determined Mean for each item was computed with the standard deviations also determined. Results were presented in **Table 2**.

On **Table 2** regarding claim 1, which was made by 180 study participants, the item mean (Mean = 2.96) being less than the composite mean (Mean = 3.358) suggests that the line item does not affect value creation in agency banking projects. This is contrary to the respondents' differing opinions, as shown by the item SD = 1.33, which was higher than the composite SD = 0.366.

Statement 2 demonstrated that among the 180 participants, the average score (Mean = 3.48) was higher than the average score for agency banking projects (Mean = 3.338), demonstrating an increase in capital efficiency with a line-item standard deviation (SD) of 1.37 compared to a composite SD of 0.36 show that the respondents had different points of view.

According to the line-item mean (Mean = 3.65) for statement 3 out of 180 respondents, which was higher than the composite mean (Mean = 3.338), the project produced value for agency banking programs. According to Almumani (2014), who defines the factor determining share value creation as the current cost of all future benefits owed to asset owners, line-item SD = 1.34 being greater than the composite SD = 0.366 suggested that there was a difference in opinion among respondents. These findings are consistent with Kolnyin (2018) explanation. To support this, Almumani (2014) examines capital efficiency, profitability

Table 2. Value creation in agency banking projects.

Statement	SD	D	N	A	SA	Mean	SD
1) Cost of capital increased In the last two years	30 (16.2%)	36 (20%)	52 (28.80%)	30 (17%)	32 (18%)	2.96	1.33
2) Capital efficiency increased In the last two years	15 (8.30%)	38 (21.40%)	29 (16.20%)	40 (21.90%)	58 (32.20%)	3.48	1.37
3) Profit margin increased in the last 2 years	16 (8.90%)	28 (16%)	20 (11.10%)	54 (30%)	62 (34%)	3.65	1.34
4) Market share increased In the last two years	23 (13%)	26 (14.40%)	15 (8.30%)	52 (28.80%)	64 (35.50%)	3.6	1.41
5) Cash value added	19 (10.50%)	26 (14.40%)	29 (16.10%)	54 (30%)	52 (29%)	3.52	1.32
6) Profitability ratio improved in the last two years	26 (15%)	10 (5%)	36 (20%)	53 (29.50%)	55 (30.50%)	3.86	1.35
7) Return on capital improved members welfare	12 (6.6%)	15 (8.30%)	18 (10%)	115 (64%)	20 (11.10%)	3.66	1.34
8) Market prospect ratio improved in the last 2 years	21 (11.60%)	30 (16.60%)	39 (21.60%)	42 (23.20%)	48 (27%)	3.36	1.34
9) During work there is no potential insecurity issues that are not addressed	58 (32.40%)	46 (25.50%)	20 (11.10%)	32 (17.70%)	24 (13.30%)	2.54	1.43
10) Cash value added to death Benefits in the last	28 (15.50%)	37 (20.50%)	48 (26.60%)	32 (16%)	35 (19.40%)	3.05	1.33
Composite Mean and Standard Deviation						**3.358**	**0.366**

Source: Researchers own source.

and growth in share capital.

The results for statement 4 indicated that the line item influences the value generation of agency banking initiatives when the line item mean (Mean = 3.6) is greater than the composite mean (3.358). Given that the composite SD 0.366 is bigger than the line-item SD of 1.41 suggested that there was a difference in opinion among respondents.

Results for statement 5 indicated that the agency banking project created a large amount of value, with a line-item mean (Mean = 3.52) line-item SD = 1.32 indicates greater than the composite mean (Mean = 3.35) Divergent opinions among respondents over composite SD = 0.366. It is consistent with the findings of Mwamuhye and Ragui (2021), who discovered that a growth in share value results in a future benefit from shares.

Regarding statement 6, the scenario of value creation for the project was accomplished as the profit margin improved among the 180 participants, as evidenced by the significant difference between the composite mean's (Mean =

3.358) and the line-item mean's (Mean = 3.561) means. Divergent opinions were also evident in the line SD, which was 1.353 larger than the composite SD. also showed divergent opinion among respondents. This finding is in line with Sinnadurai, Subramaniam and Devi (2021) theory that the realization of such income and anticipated profits occurs through dividend pay-outs and additions in share value.

Regarding item number 7, findings indicated that agency banking initiatives created a lot of value, with line-item means (Mean = 3.644) higher than composite means (Mean = 3.33). The line-item SD of 1.34 was higher than the composite SD of 0.366, indicating that respondents' opinions varied. Regarding claim 8, the findings demonstrated that agency banking projects created high levels of value, with a line-item mean (Mean = 3.66) that was higher than the composite mean (Mean = 3.33). However, the fact that the line SD was 1.34 greater than the composite mean SD of 0.366 indicates that there were different participant perspectives.

Regarding assertion 9, the composite mean (Mean = 3.358) was lower (Mean = 2.544). For projects involving agency banking, line item has no bearing on value creation. The line-item SD, nevertheless, with respect to statement number 10, The item mean of the statement that death benefits increased due to cash value addition had (Mean = 3.05), was less than the composite mean for value creation for agency banking projects (Mean = 3.358), This implies that the line item does not influence value creation agency banking projects. The line SD of 1.33 being greater than the composite SD of 0.366 indicates divergent opinion among the participants.

4.4. Cash Transfer Financing Strategic Alliances and Value Creation in Agency Banking Projects

Research objective established the influence of cash transfer financing strategic alliances and value creation for agency banking projects and consequently data to measure cash transfer financing strategic alliances was obtained and modeled to ascertain the association using regression and correlation statistical analysis.

Cash Transfer Financing strategic alliances was evaluated basing on a 5-item five level scale 1 - 5 namely: 1 = SD (Strongly disagree) 2 = D (Disagree), 3 = N (Neutral), 4 = A (Agree) and 5 = SA (Strongly agree). Thus, the emerging data was summarized and aggregated in terms of response frequency and corresponding percentage with reference to each item. Further, for each item, the mean value and deviations about the mean (SD) were determined. Results are presented in **Table 3**.

In accordance with **Table 3**, result 1, the line item mean (Mean = 4.211), which is higher than the composite mean (Mean = 3.45), demonstrates that online banking cash transfers allowed users to access bank accounts online. There were different points of view among the participants, as indicated by the greater line SD of 1.169 than composite SD of 0.379.

Table 3. Cash transfer financing strategic alliances and value creation in agency banking projects.

Statement	SD	D	N	A	SA	Mean	SD
1) Online banking cash transfers enabled customers to access bank accounts online.	12 6.60%	8 4.40%	12 6.60%	46 25.50%	102 56.90%	4.211	1.169
2) Visa cards enabled access by Customers to bank accounts online.	14 7.70%	30 16.60%	40 22.20%	52 28.80%	44 24.70%	3.455	1.239
3) Electronic cash transfers allowed customers to receive and send money in minutes.	24 13%	30 16.6%	36 20.5%	42 23.3%	48 26.6%	3.333	1.892
4) Mobile banking allowed customers to access cash in banks.	8 4.4%	36 20%	40 22.2%	52 28.8%	44 24.6%	3.488	1.206
5) Use of mobile phones allowed customers to send money.	25 13.8%	26 14.4%	20 11%	47 26.4%	62 34.4%	3.527	1.435
6) Mobile cash transfers allowed customers to receive money.	12 6.6%	20 11%	20 11%	60 33.4%	68 38%	3.844	1.229
7) Visa cards enabled agent banks to access increased market share.	26 14.4%	28 15.6%	52 28.9%	54 30%	20 11.1%	3.022	1.329
8) Online banking cash transfers enabled agency banks access increased market share.	15 8.3%	19 10.6%	48 26.7%	46 25.5%	52 28.9%	3.56	1.286
9) Electronic cash transfers enabled agency banks capital efficiency.	26 14.4%	40 22%	43 23.8%	52 28.8%	19 11%	2.988	1.229
10) Use of mobile phones enabled agency banks capital efficiency.	25 14%	27 15%	60 33.3%	42 23.3%	26 14.4%	3.07	1.227
Composite Mean and Standard Deviation						**3.45**	**0.379**

Source: Researchers own source.

Kulshrestha and Dave (2016), who outlines how technology in the banking industry has changed the financial environment around value, supports the viewpoint. As seen by the item line mean (Mean = 3.455), which is greater than the composite mean (Mean = 3.45), and the larger line SD of the statement 2 data, Visa cards allowed agent banks to access an enhanced market share of the project. This view was also shared by Managers who participated in the study, in this case one of the managers said that:

"*If you lose your card, Visa can stop your account, send you a replacement card, and give you some cash Visa cards offer special discounts, versatile possibilities, interest-free periods, and secure transactions*".

[*Interview*: *Manager* 2, 2 *November* 2021].

According to the item line mean (Mean = 3.333), which is lower than the composite mean (Mean = 3.45), the results for statement 3 demonstrated that electronic currency transfers had no discernible impact on the value generation of agency banking projects. The larger line SD of 1.89 over the composite SD of 0.378 denotes participant disagreement.

As seen by the item line mean (Mean = 3.488), which is higher than the composite mean (Mean = 3.45), results for statement 4 demonstrated that consumers' ability to access funds in the bank increased the total value generation for agency banking programs. There may have been different points of view among some of the participants as indicated by the line-item mean SD = 1.206 being larger than the composite mean SD = 0.379.

Results for assertion 5 are shown by the item line mean (Mean = 3.527). Higher above the composite mean (Mean = 3.45), which suggests that customers' use of mobile phones to send money considerably increased value creation The fact that the line-item mean SD = 1.435 was greater than the composite mean SD = 0.379 suggests that some of the participants held non-divergent opinions. "Mobile money service allows users to store, send, and receive money using mobile phones, and they can purchase items in stores or online, pay bills, or pay school fees," one of the managers who was interviewed said. [Manager 1 interview: October 15, 2021]

Results for statement 6 revealed that: Given that the composite mean for value creation for the agency banking initiative (Mean = 3.45) was lower than the item mean of the assertion that clients might receive money via mobile cash transfers (Mean = 3.844), Participants in the study were sufficiently satisfied that customers could receive money through mobile cash transfers. However, the fact that the line-item mean SD = 1.229 was more than the composite mean SD = 0.379 suggests that individuals held varying opinions. According to the findings for statement 7, the line item mean (Mean = 3.022) was less than the composite mean (Mean = 3.45). The project participants were not sufficiently satisfied with the gain in market share that Visa cards provided for agent banking projects. This suggests that the value creation in agency banking projects is unaffected by Visa cards. However, the line-item mean SD = 1.329 higher than composite mean SD = 0.379 implies that there was divergent views among some of the participants.

According to the findings for statement 8, the line item mean (Mean = 3.56) was higher than the composite mean for value generation for projects including agency banking (Mean = 3.45). Participants in the project overwhelmingly agreed that online banking cash transfers gave agent banks access to more market share. Line item mean SD = 1.286 greater than composite mean SD = 0.379 suggests that some individuals had different points of view. According to managers surveyed,

"The global online banking market size was estimated to be about $11.43 billion in 2019 and was expected to reach $31.81 billion by 2017 with a CAGR of 13.6%". {Manager 2 interview, November 2021}.

According to the findings for statement 9, the growth in share prices for agency banks that were able to accept electronic cash transfers (Mean = 2.988) was lower than the project's composite mean (Mean = 3.450). This suggested that study participants were sufficiently convinced that agency banks were unable to forecast increases in share values due to electronic cash transfers. This has a detrimental effect on the agency banking initiatives' ability to create value. The fact that the line-item mean SD = 1.2029 is greater than the composite mean SD = 0.379 suggests that some participants held different opinions.

According to data from the statement 10, the line-item mean (Mean = 3.19) was lower than the composite mean for value creation in agency banking initiatives (Mean = 3.45). Participants in the project disagreed that using mobile phones helped agency bank projects generate capital efficiency. There may have been different points of view among some of the participants, as indicated by the line-item mean SD = 1.27 being greater than the composite mean SD = 0.379. According to one of the managers who were interviewed, "improving Internet banking and liquidity among commercial agency banking, projects improve their efficiency [Interview: Manager 4, 21 December 2021]."

4.5. Correlation Analysis between Cash Transfer Financing Strategic Alliances and Value Creation in Agency Banking Projects

To determine the relationship between cash transfer financing strategic alliances and value creation in agent Banking projects, the Pearson correlation coefficient was used. Table 4 shows the correlational results.

Output Table 4 depicts a moderate correlation R = 0.42031 the two variables which were statistically significant at (*P*-value = 0.05) indicating that there is a significant relationship between cash transfer financing strategic alliances and value creation in agency banking projects, leading to the rejection of the null hypothesis Ho: therefore the research finding concluded that there was a significant relationship between strategic cash transfer financing and value creation in agency banking projects.

Table 4. Correlation analysis between cash transfer financing strategic alliances and value creation in agency banking projects.

Variables		Cash transfer financing alliances	Value creation in Agency banking projects
Cash Transfer	Pearson Correlation	1	
Financing	Sig. (2-tailed)		
	n	180	
Value Creation	Pearson Correlation	0.4203	1
for Agency B P	Sig. (2-tailed)	0	
	n	180	180

Source: Own source 2018. **Values are significant at 0.01 levels (2-tailed).

4.6. Regression Analysis of Cash Transfer Financing Strategic Alliances Value Creation for Agency Banking Projects

To determine how cash transfer financing strategic alliances influence value creation for agency banking projects the two variables were modelled through regression. Results were analysed and presented in **Table 5**.

The Model summary sought to establish how cash transfer financing strategic alliances significantly or significantly predicted value creation in agency banking projects The According to the model summary in **Table 5**, there was a positive association, R = 0.4203, between value creation in agency banking projects and cash transfer funding strategic alliances. Additionally, strategic cash transfer financing explained 17.89% of the difference in value creation in agency and banking projects.

According to the ANOVA results in **Table 5**, the F-statistics (1, 179) = 10.13 is significant at a *P*-Value of 0.0025 ≤ 0.05, indicating that the predictor coefficient is at least not equal to zero. As a result, the regression model produces a significantly better prediction of value creation in agency banking projects following the use of strategic cash transfer financing strategic alliances.

Table 5. Regression analysis of cash transfer financing strategic alliances and value creation for agency banking projects.

Model Summary				
Model	R	R Square	Adjusted R Square	Std Error of the Est.
1	0.4203	0.1789	0.177	0.241

ANOVAa					
Model	Sum of Squares	df	Mean Square	F	Sig
1 Regression	2923.84	1	29.23	10.13	0.254
b Residual	13842.15	178	288.37		
Total	16,766	179	317.6		

Coefficients						
Model	Unstandardized coefficients		Standardized coefficients			
	B	Std Error	Beta	t	Sig.	*P* value
(Constant)	20.86	5.32		1.6	0.000	0.00028
Cash transfer financing	0.4203	0.132	0.28	2.019	0.4176	0.0025

Source: Own source 2018. a. Dependent Variable: Value creation in agency banking project. b. Predictors: (Constant), Strategic cash transfer financing.

Regression coefficient was used to determine whether cash transfer funding strategic alliances had an impact on value creation in agency banking projects. In Table 5, the findings indicate that there may have been a relationship between cash transfer financing strategic relationships and value development. Both the cash transfer financing (B1 = 0.4203; $P = 0.05$) and the coefficient of the constant term (Bo = 20.86, $P = 0.05$) were statistically significant.

The value generation in agency banking projects was minimally altered by 0.4203 units for every unit of cash transfer financing according to the regression model for strategic cash transfer financing, Y = 20.86 + 0.4203X. Therefore, it can be said that agency banking initiatives and cash transfer financing strategic alliances were favorably and linearly associated.

5. Conclusion

The findings of this study provide valuable information regarding the potential benefits of strategic alliances with cash financing on value creation in agency banking projects. Strategic partnerships for cash financing and value development in agency banking projects were substantially associated. These findings are consistent with past research on the impact of strategic partnerships for cash financing on value creation in production projects, which raises the possibility that these practices could be an efficient method for encouraging value creation in agency banking activities.

Given the fierce competition and stress in the banking industry, these findings have important implications for non-equity strategic financing services in banking projects and for private investment. It's important to be aware of this study's limitations. One flaw is the sample size's relatively modest size, which may restrict the generalizability of the results. Future research using larger samples could expand on these findings. Overall, this study's findings add to the expanding body of research on the benefits of cash financing for strategic alliances in agency banking projects.

6. Recommendations

6.1. Outlined Are the Recommendations for Policy

The Project Managers in agency banking projects should come together at the initial stages to ensure that the project contract scope is defined and approved to facilitate compliance and speedy execution of the overall project. Similarly, the dispute resolution channel should be clearly defined to address emerging disputes between the stakeholders to avoid protracted court cases which delay project execution timelines.

6.2. Outlined Are the Recommendations for Banking Industry Practice

1) Integrate as many banks as is possible so that it becomes convenient to transfer money from person to person.

2) Educate bankcustomers on the security advantages of digital payments.

7. Suggestion for Further Research

Future studies should be conducted on the influence of corporate social responsibility on value creation for agency banking projects.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

References

Almumani, M. A. (2014). Determinants of Equity Share Prices of Listed Banks in Omman Stock Exchange. *Journal of International Business and Social Science, 5*.

Amici, A., Fiordelisi, F., Masala, F., Rizi, O., & Sist, F. (2013). Value Creation in Banking through Strategic Alliances and Joint Ventures. *Journal of Banking and Finance, 37,* 1386-1396. https://doi.org/10.1016/j.jbankfin.2012.03.028

Catalano, D. J. (2021). Upgrade Review. *Business Weekly*. https://www.investopedia.com/

Cheboi, D. J., Mulili, B., & Nyiva, M. (2022). Strategic Alliances and Firm Competitiveness. *Journal of Strategic Management, 6,* 11-24. https://doi.org/10.53819/81018102t2046

Chepkwony, F. K. (2009). *A Survey of Strategic Alliances in Kenya Banking Industry*. http://erepository.uonbi.ac.ke

Dinapoli, R. J. (2021). *Cash Management Technology*. https://lnkd.in/e5j4s49g

Duong, P.-A. N., Voordeckers, W., Huybrechts, J., & Lambrechts, F. (2022). External Knowledge Sources and Innovation Performance: Family versus Non-Family Firms. *Technovation, 114,* Article 102448. https://doi.org/10.1016/j.technovation.2021.102448

Fall, F. S., Orozco, L., & Akim, A.-M. (2020). Adoption and Use of Mobile Banking by Low-Income Individuals in Senegal. *Review of Development Economics, 24,* 569-588. https://doi.org/10.1111/rode.12658

Gros, C., & Bailey, M. (2017). Household-Level Effects of Providing Forecast Cash in Anticipation of Extreme Weather Conditions. *International Journal of Disaster Risk Reduction, 41*, 1-11.

Hornuf, L., Klus, M. F., Lohwasser, T. S., & Schwienbacher, A. (2019). How Do Banks Interact with Finance Technology Startups? *Small Business Economics, 57,* 1505-1520. https://doi.org/10.1007/s11187-020-00359-3

Jongwe, A. I., Moroz, P. W., Gordon, M., & Anderson, R. B. (2020). Strategic Alliances in Firm-Centric and Collective Contexts: Implications for Indigenous Entrepreneurship. *Economies, 8,* Article 31. https://doi.org/10.3390/economies8020031

Kepha, G. N. (2010). *The Value of Electronic Money Transfer System in Business*. Thesis, University of Nairobi.

Khan, U., Lin, Y. V., & Ma, Z. (2021). Strategic Alliances and Lending Relationships. https://ssrn.com/abstract=3861452 https://doi.org/10.2139/ssrn.3861452

Kimani, M. E. (2014). *Effects of Strategic Alliances on Competitiveness UoN Digital Repository*. Theses, University of Nairobi.

Klus, M. F., Hornuf, L., Todor, S., & Schwienbacher, A. (2018). *How Banks Interact with Fin Techs: Forms of Strategic Alliances*. CESifo Working Paper No7170 Category 14: Economic Digitization.

Kolnyin, V. K. A. (2018). *Globalization Strategies and Financial Performance of Equity Bank Strategic Alliances in The Case of Kenya*. Thesis, University of Nairobi. https://erepository.uonbi.ac.ke/

Kulshrestha, S., & Dave, R. K. (2016). Internet Banking—Benefits and Challenges in an Emerging Economy. *UGCJ, 7,* 212-219.

Li, S. X. (2019). Inertia and Evaluation Mechanisms in Inter Organizational Partner Selection: Syndicate Formation among US Investment Banks. *Academy of Management Journal, 45,* 1104-1119. https://doi.org/10.2307/3069427

Mbugua, D., & Njoroge, D. (2017). Effects of Strategic Alliances on Financial Projects. *International Journal of Projects and Dissertations, 5,* 27-42.

Mugenda, A. G., & Mugenda, O. M. (2013). *Research Methods, Quantitative and Qualitative Approaches Act Nairobi*. Text Book Centre. http://ir-library.ku.a.ke/handle/124356789/8329

Mwamuhye, J. D., & Ragui, M. (2021). Strategic Alliances and the Financial Performance of Commercial Banks in Nairobi City County, Kenya. *Journal of Business and Strategic Management, 6,* 32-45. https://doi.org/10.47941/jbsm.735

Nanwani, S. (2015). The New Development Bank and Strategic Partnerships. Global Policy.

Nedumaran, G., & Kaleeswaran, B. (2017). *Impact of Online Banking Services*. Alagappa University.

Nelechurai, N. C. (2019). Effects of Strategic Alliances on the Competitive of Commerce Banks North Rift Region. *European Journal in management Sciences, 7,* 60-71.

Nyaribo, N. F., Ogoro, O. T., & Osiemo, K. E. (2017). Relationship between TBL and Strategic Sourcing Decisors among Commercial Banks in Kenya. *European Journal of Business Management, 4,* 2222-1905.

Ogega, L. A. (2010). *Strategic Alliance between Safaricom and Equity Bank in the Money Transfer Service*. University of Nairobi.

Ogolla, N. O. (2013). *Operations Strategy*. erepository. Unbi.ac.ke pdf

Rofig, A., & Santoso, D. (2020). The Influence of Entrepreneurial Orientation on Strategic Alliance Decision between Rural and Financial Technology. *International Journal of Research in Business and Social Science, 11,* 67-75. https://doi.org/10.20525/ijrbs.v11i5.1891

Sautma, R. B., Julio, R., & Soehomo, C. (2020). Economic Value Added and Profitability on Created Shareholders Value in Manufacturing Sectors. *SHS Web of Conferences, 76,* Article No. 01051. https://doi.org/10.1051/shsconf/20207601051

Seurey, T. T. (2015). Effects of Strategic Procurement on Competitiveness of Commercial Banks. *Journal of Business and Management Journal, 17,* 77-89.

Sinnadurai, P., Subramaniam, R., & Devi, S. (2021). The Influence of Government Shareholding on Dividend Policy in Malaysia. *International Journal of Financial Studies, 9,* Article 49. https://doi.org/10.3390/ijfs9030049

Susan, K. (2018). Automated Money Transfer Services Pdf:Thesis Ir. Library.Ku.Ac.

Swinkels, C. (2017). *Implementation of Cash Transfer and Cash Based Approaches: Literature Review*. INCLUDE Secretariat.

Vattikoti, K., & Razak, A. (2018). An Empirical Study of Strategic Alliances of Multinational companies in the Modern Global Era—Case study. *Academy of Strategic Management Journal, 77,* 1-13.

Von Mises, L. (1912). Scholarly Articles for Mises 1912 Financial Intermediation-Theory/scholar.google.comoll. liberty fund.org(title)Mises Liberty Fund library.

Wairugi, M. W. (2017). *Strategic Responses and Competitive Advantages of Commercial Banks in Kenya*. Thesis. Kenyatta University. https://ir-library.ku.ac.ke/

Werner, R. A. (2016). The Financial Intermediation Theory of Banking. *International Review of Finance Journal, 46,* 361-379. https://doi.org/10.1016/j.irfa.2015.08.014

Wood, V. R. (2009). Successful Strategic Alliances with International Partners. *International Journal of Business Innovation and Research, 3,* 232-251. https://doi.org/10.1504/IJBIR.2009.024177

Zahidullah, M. (2017). Digitizing Wage Payments in Bangladesh's Government https://www.betterthancash.org/

Zikri, R. (2020). Effect of Strategic Alliance on the Growth of Market Share of Banks. *Journal of Journal of Strategic Management, 4,* 56-70.