



ELECTRONIC BANKING, CUSTOMER SATISFACTION AND ORGANISATIONAL GROWTH IN MICRO DEPOSIT TAKING INSTITUTIONS (MDIS) IN UGANDA

ABSTRACT

The study focused on electronic banking, customer satisfaction and organisational growth in Microfinance Deposit Taking Institutions (MDIs) in Uganda. The purpose of the study was to establish the relationship between electronic banking, customer satisfaction and organisational growth in Microfinance Deposit Taking Institutions (MDIs) in Uganda. The motivation of this study was the fact that Bank of Uganda performance reports had pointed out the slow growth of MDIs due to failure to adopt electronic banking and improve customer satisfaction coupled with low productivity and declining or stagnated profitability.

The study undertook a cross sectional survey design with a population of 564 respondents. A structured questionnaire was used to collect data. Measurement of the variables of the study was done and subjected to rigorous data processing and analysis using the relevant statistical computer software packages (SPSS V.19).

Findings indicated that there were both positive significant relationships between electronic banking, customer satisfaction and organisational growth. Results from regression analysis showed that electronic banking and customer satisfaction were significant predictors of organisational growth. The study recommends therefore, that since the model could only explain 29.4% in variance of organisational growth with electronic banking being most influential, the

stakeholders in the financial sector should develop strategies in line with improving and enhancing electronic banking such as employing e-banking methods that offer quick services and maintain error free records, ensuring easy electronic transfer of money, and secure e-banking services.

To study the true nature and quality of electronic banking, customer satisfaction and organisational growth, a longitudinal study is more appropriate.