DIGITAL TRANSFORMATION IN LESOTHO POSTBANK: A CASE FOR E-COMMERCE, MOBILE APPLICATION AND ATMs.

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A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management in the field of Digital Business

Johannesburg 2024

ABSTRACT

Lesotho Postbank's endeavours to adopt Digital Transformation have resulted in limited advancements in offering online services, interactive websites, and other associated activities. This study examined the incorporation of e-commerce and other digital technologies, and the essential managerial skills required to implement digital transformation successfully. Specifically, it assessed the necessary digital skills and examined how emerging technologies and the characteristics of the digital environment influence these skills.

The responses were obtained directly from senior managers involved in the organisation's day-to-day decision-making process. The results suggest a general agreement that digital skills are necessary for Digital Transformation. It also highlights the need for continuous training among employees. Furthermore, the findings show a discrepancy between the understanding of digital transformation and the awareness of how the digital environment influences digital skills development. The findings also highlighted the necessity for implementing suitable strategies to address the rising risks associated with digital technology.

The investigation revealed deficiencies in the bank's comprehension of digital transformation. The organisation still needs to adopt e-commerce. This disconnection is evident in the implementation of the strategy and leads to the formation of isolated groups in the execution process. Additionally, it was discovered that the digital transformation strategy requires the backing of proficient staff, a facilitating culture, a robust operating model, and an integrated governance and assurance framework.

The study identified several obstacles to the research objectives. Four recommendations were proposed to tackle the rising difficulties. These recommendations include providing a precise definition of digital transformation, addressing cyber threats, promoting digital literacy, and fostering collaboration with Fintech businesses.

KEYWORDS

Digital transformation, Digital technologies, E-Commerce, Mobile Applications, ATMs, Diffusion of Innovation Theory.

DECLARATION

I, Tsepo Ramokhoa, declare that this research report is my work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in the field of Digital Business at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Name: Tsepo Ramokhoa

Signature: 

On the 15th of February 2024

ACKNOWLEDGEMENTS

First, I would like to thank the Lord Almighty.

I thank my father, Bromett Ramokhoa, and my mother, Matsepo Ramokhoa, for providing unwavering support throughout this endeavour. I am grateful for your presence and actions.

Gratitude is extended to my sister, Ntsoaki Ramokhoa. The consistent affirmation and encouragement bestowed upon me is duly acknowledged.

I want to thank Lydia Seutloali, Teboho Khufu, Katleho Tlalinyane, Lerato Lesenyeho, Puleng Mabula and my other friends for their encouragement.

I am grateful for the systematic guidance and dedicated commitment shown by my supervisor, Dr. Tebogo Sethibe. Thank you, sir!

Finally, I thank Lesotho Postbank and its personnel for their dedication and insightful contributions to the study.

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LIST OF ACRONYMS

Abbreviation	Description
AML	Anti-Money Laundering
ATM	Automated Teller Machine
BI	Behavioural intent
CBL	Central Bank of Lesotho
CDO	Chief Digital Officer
CEO	Chief Executive Officer
CI	Consumer Innovation
DX	Digital Transformation
ICT	Information and Communication Technology
IS	Information Systems
IT	Information Technology
IOT	Internet on Things
LPB	Lesotho Postbank
RPA	Robotics Process Automation
USSDG	United States Sustainable Development Goals

CHAPTER 1: INTRODUCTION

1.1 Purpose of the Study

This qualitative study sought to assess the viability and efficacy of Lesotho Postbank's (LPB) implementation of Digital Transformation (DX) in the banking industry, namely in e-commerce, mobile applications, and Automated Teller Machines (ATMs). The ability of Lesotho Postbank (LPB) management to accelerate the adoption of digital transformation services at Lesotho Postbank (LPB) has the potential to significantly impact society by improving financial inclusion and mitigating risks and inconveniences for individuals who lack access to banking services. The study's findings offer valuable insights to bank management, allowing them to improve their comprehension of the adoption of digital transformation and accelerate its implementation in banking services at Lesotho Postbank (LPB), ultimately resulting in its expansion.

1.2 Context of the Study

Adopting advanced technology and innovative business techniques is a significant emerging trend that profoundly transforms the banking industry (Desky, 2022). Banks can enhance their market presence by simultaneously improving operational efficiency, cultivating existing customer connections, acquiring new customers, and enhancing customer experience by adopting digital technologies (Desky, 2022). Lesotho is a developing country trying to integrate digital technology into several businesses (Galazova et al., 2019). An increasing number of developing countries are becoming increasingly aware of the rapid pace of technological advancement. The objective of this study is to analyse the present condition of the LPB and assess the feasibility of implementing digital transformation at Lesotho Postbank.

The Lesotho government owns the Lesotho Postbank (LPB), which caters to the banking needs of underbanked and unbanked Basotho in both urban and rural areas. Furthermore, after obtaining its license from the Central Bank of Lesotho, the bank has grown its operations by establishing 15 branches and ATMs. It commenced its activities in 2005 (LPB, 2023). Subsequ ently, debit cards and other products tailored to retail and business sectors were developed. The bank's principal banking system had a significant overhaul in May 2017, which included the integration of digital channels such as mobile banking, internet banking, mobile wallets, and agency banking (LPB, 2023). In addition, Lesotho's banking system consists of the Central Bank of Lesotho (CBL) and commercial banks. The CBL is responsible for management of the country's foreign exchange reserves, administration of exchange controls, and regulation of financial institutions. The banking system is dominated by three South African banks (First National Bank, Nedbank, and Standard Lesotho Bank).

Banks must promptly initiate their digitisation efforts to keep up with the rapid market transformation, considering the evolving customer behaviour and the emerging competitive landscape (Cuesta et al., 2015). A bank must undergo three sequential steps to transition into a digital institution and the first phase of establishing a solid presence in the digital realm involves creating new channels and products (Cuesta et al., 2015). The second phase consists of adjusting the technological infrastructure. Lastly, it involves implementing significant organisational changes (Cuesta et al., 2015).

Galazova et al. (2019) stated that digital transformation involves utilising digital technology to improve business models and boost their effectiveness. Continuing to utilise advanced technology is necessary for this process, leading to a complete digital transformation of the economy. Using digital technology has enhanced engagement among banks, the government, and potential clients (Galazova et al., 2019).

Lesotho needs to catch up in digital technology due to pricing constraints, the absence of a well-defined national digital policy, and a scarcity of internet-enabled gadgets. Consequently, digitalisation is causing changes in social and economic activity (Gbologe, 2021). Based on the Rapid E-Trade Readiness Assessment, there is a need to effectively utilise its resources to assist approximately two million Basotho individuals in alleviating poverty. South Africa, Mauritius, and Seychelles are the leading African countries regarding internet usage and preparedness for B2C e-commerce (Gbologe, 2021).

The digital platform ecosystem in Lesotho needs coherence. To benefit from the digital economy, Lesotho should prioritise affordable internet connectivity, investment in local technology, and effective regulation (Gbologe, 2021). Adherence to reliable infrastructure standards, legal and regulatory frameworks for payments and financial goods, and the ability to meet the demands of digital reductions are essential for the smooth functioning of Lesotho's digital ecosystem. Public awareness is also crucial for its successful operation. Banks are highly motivated to provide Internet banking services to customers due to their significantly cheaper cost. The perception of online banking services and their performance ultimately relies on evaluating prospective clients with bank accounts (Chandio, 2011).

1.3 Research Problem

This study addresses the need for Lesotho Postbank to assess the feasibility of the transformation of digital banking. This evaluation covers how e-commerce, mobile apps, and ATMs affect the bank's operating efficiency. The digitalisation of banking has raised client expectations for seamless interactions but also offers complex problems. These difficulties include broadband network reliability, ICT literacy, ethics, change resistance, and online banking security concerns (Luke & Frank, 2012).

To evaluate the viability, benefits, and consequences of these technological advances in Lesotho Postbank's unique context, it is crucial to address the bank's digital transformation adoption and assimilation challenges, opportunities, and strategic considerations. This includes client preferences, regulatory frameworks, and the dynamic banking industry competitive landscape (Galazova et al., 2019). This research seeks to understand how digital change affects Lesotho Postbank's operational efficiency and sustainability, mainly through e-commerce, mobile apps, and ATMs.

Recognising that user perception, behaviour, and attitudes drive digital transformation adoption, especially in mobile banking services, highlights the need for solutions allowing Lesotho Postbank to embrace digital transformation solutions fully. In today's fast-changing financial environment, the bank must successfully manage these solutions to save money and increase its return on investment (Desky, 2022). This requires understanding the elements that affect and may hinder Lesotho Postbank's adoption of digital transformation solutions.

This qualitative research study intends to shed light on influencing Postbank's adoption of the banking industry's digital transformation and what Postbank should do to ensure its workers welcome the change.

1.4 RESEARCH OBJECTIVES

The main goal is to investigate the implementation of Digital transformation in Lesotho Postbank, focusing on e-commerce, mobile applications, and automated teller machines (ATMs).

The sub-objectives are:

1. Examine the most critical tactics and measures to implement to facilitate the adoption of digital transformation at Lesotho Postbank.
2. To comprehensively evaluate the benefits and drawbacks of introducing e-commerce in the banking sector, specifically to Lesotho Postbank.
3. To investigate and comprehend the value of utilising digital technologies in the banking sector.

1.5 Significance of the Study

Firstly, South Africa's banking industry has led digital transformation with cutting-edge technologies and tactics. This context can help Lesotho Postbank benchmark its digital endeavours (Gbologe, 2021). Lesotho Postbank can avoid costly mistakes by examining South African banks' achievements and failures when adopting similar technologies and methods. The tech-savvy customers of Southern Africa, especially Lesotho, have high expectations for digital banking services; therefore, aligning with South African advances is crucial. South African banks have improved their digital products to meet these needs due to their proximity and comparable client demographics. Lesotho Postbank can learn from South African banks to meet customer expectations better (Gbologe, 2021).

This experience taught South African banks about regulatory compliance. Lesotho Postbank can modify its methods to comply with South African banks' regulatory hurdles and innovate. South African banks have partnered with technology suppliers, fintech startups, and other institutions to boost digital transformation. Lesotho Postbank may consider partnerships with South African companies to accelerate its digital transformation to obtain technology and expertise (Gbologe, 2021).

Lesotho Postbank can position itself by aligning with South Africa's digital achievements in a competitive region. It can improve its competitiveness and meet client needs by adopting similar technologies and customer-centric techniques. Finally, knowledge transfer can be aided through South African bank collaboration, knowledge exchange, and training (Desky, 2022). The robust South African digital banking environment offers Lesotho Postbank workers training and skill development that undergo digital transformation to compete with competitors, increase earnings, provide better services, and satisfy customers, and this is motivated by the economic goal of growing market share and surviving competition, as rivals may share similar visions and desires (Shanti et al., 2022).

1.6 Delimitations of the Study

1. It specifically targeted Lesotho Postbank as the subject of investigation.
2. It does not include other banks or financial institutions in Lesotho.
3. The study exclusively focused on Lesotho as the specific geographic region of interest. The analysis excludes other countries or regions.

1.7 DEFINITIONS OF TERMS

Table 1 Definition of Terms

Term	Definition
Digital Transformation	A shift brought on by technology impacts an organisation at different levels (Shanti et al., 2022).
E-commerce	transferring money or data, or exchanging products and services across an electronic network, primarily the internet (Azeem et al., 2015).
Mobile Applications	Instead of desktop computers or laptops, a software program is designed for small, wireless devices like smartphones and gives specialised services (Hussain et al., 2014).
ATMs	ATMs are electronic devices that can be found in public areas and within banks. They are designed to perform basic financial functions such depositing and withdrawing

	money, printing bills or account statements, and transferring money (Kebir and Tarik, 2022)

1.8 Assumptions

1. Lesotho's internet connectivity and infrastructure are suitable for supporting digital banking services.
2. The respondents are presumed to provide realistic insights into their experiences as business leaders in an organisation undergoing a digital transformation.
3. Postbank has the resources and abilities to conduct digital transformation programs successfully.
4. Lesotho Postbank consumers are ready for digital banking.
5. Strong security mechanisms protect digital banking transactions and client data.
6. Digital banking solutions can fit Lesotho Postbank's IT infrastructure. Lesotho has a sizeable digital banking market.
7. Lesotho Postbank can teach its personnel and customers.
8. Digital banking customers can get strong support from Lesotho Postbank
9. Lesotho Postbank can establish collaborations and partnerships to leverage South Africa's advancements in digital banking.
10. Lesotho Postbank protects customer data using data privacy laws.

1.9 PROPOSED STUDY OUTLINE

Chapter Outline

Chapter 1: The purpose, context, research problem, research objectives, research questions, and significance of the study are all outlined in this Chapter.

Chapter 2: The study's literature review is found in the Chapter, which also provides detailed definitions of digital transformation in banking with a focus on e-commerce, mobile apps, and ATMs based on the literature that is currently available. In addition, this chapter summarised earlier research on the digital transformation of banking.

Chapter 3: This chapter provides a comprehensive overview of the methodology employed in the study, encompassing the research design, research technique, population and sampling, validity and reliability, data collecting, limits, and ethical considerations.

Chapter 4 describes the empirical results obtained from the research—chapter 5 consists of a comprehensive analysis and discussion of these findings.

Lastly, chapter 6 provides a definitive overview that discusses the research aims and suggests recommendations for future studies.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

The essential sections of the literature pertinent to this investigation are reviewed in this section. In the first section, a high-level overview of digital transformation is provided. The benefits and drawbacks of e-commerce are why banks must adopt digital technologies. This literature review provides a context for the subject by analysing previous research on digital transformation and technology implementation within the banking sector. The analytical portion explores the Diffusion of Innovation Theory.

2.2 BACKGROUND OF THE STUDY

The goal of the "ICT Technologies for the Digital Transformation of Industry" is to encourage the creation of innovative methods and tools that will accelerate the digital transformation of business, make significant improvements to present processes, and develop new kinds of procedures, technologies and systems, that outperform existing ones in terms of advantages (Luke & Frank, 2012).

Most financial institutions have been providing Internet banking services since the end of the 1990s, allowing customers to access some of their product offerings. Along with updating these platforms, recent work has concentrated on creating new access points and channels for distribution through mobile devices (Cuesta et al., 2015). Thus, new apps for smartphones or tablets have emerged with appealing user interfaces and straightforward text, influenced by the user experience provided by social networks, where any function is just one click away, and immediate gratification is of particular importance (Cuesta et al., 2015).

The widespread adoption of information technology in both domestic and commercial settings has led to a significant shift towards the electronic completion of many tasks and responsibilities. Lesotho is progressively transitioning towards electronic banking. The utilisation of the Internet and ATM services is experiencing a significant increase in popularity. The Central Bank of Lesotho also provides a regulatory structure for electronic payments (World Group, 2020).

2.2.1 Digital transformation

The bank's digital transformation is characterised by the rapid creation and widespread use of digital services, the speed of change, and groundbreaking innovations that modify traditional banking practices. This transition can be seen as a precursor to the technological revolution. Digital transformation, as defined by (Warn & Warger, 2019) is using emerging digital technologies, including mobile, artificial intelligence, cloud, blockchain, and IoT, to achieve significant economic advantages. Possible enhancements may include streamlining processes, improving customer assistance, or devising innovative business strategies. This description closely resembles the one provided by (Fitzgerald, 2013) It is described as the application of new technologies, such as networking sites, mobile, analytics, or integrated gadgets, to enable substantial company benefits, such as enhancing interpersonal relationships and refining processes.

2.3 RO1: The adoption of Digital transformation

Larsen et al. (2018) emphasise that by offering methods based on solid facts and specifically adapted to the needs and difficulties banks face in this case. The Lesotho Postbank study case intends to close the gaps in banks' digital transformation strategies. It also looks at how the digital transition affects operational effectiveness, focusing on how e-commerce, mobile apps, and ATMs may improve effectiveness. It also looks at aspects that affect users' acceptance of digital technology, concentrating on the distinctive user demographic and cultural setting of Lesotho Postbank. Furthermore, it advances knowledge of how leadership influences digital transformation in banks by emphasising the significance of leadership traits, tactics, and difficulties in navigating the intricacies of digital transformation (Larsen et al., 2018)

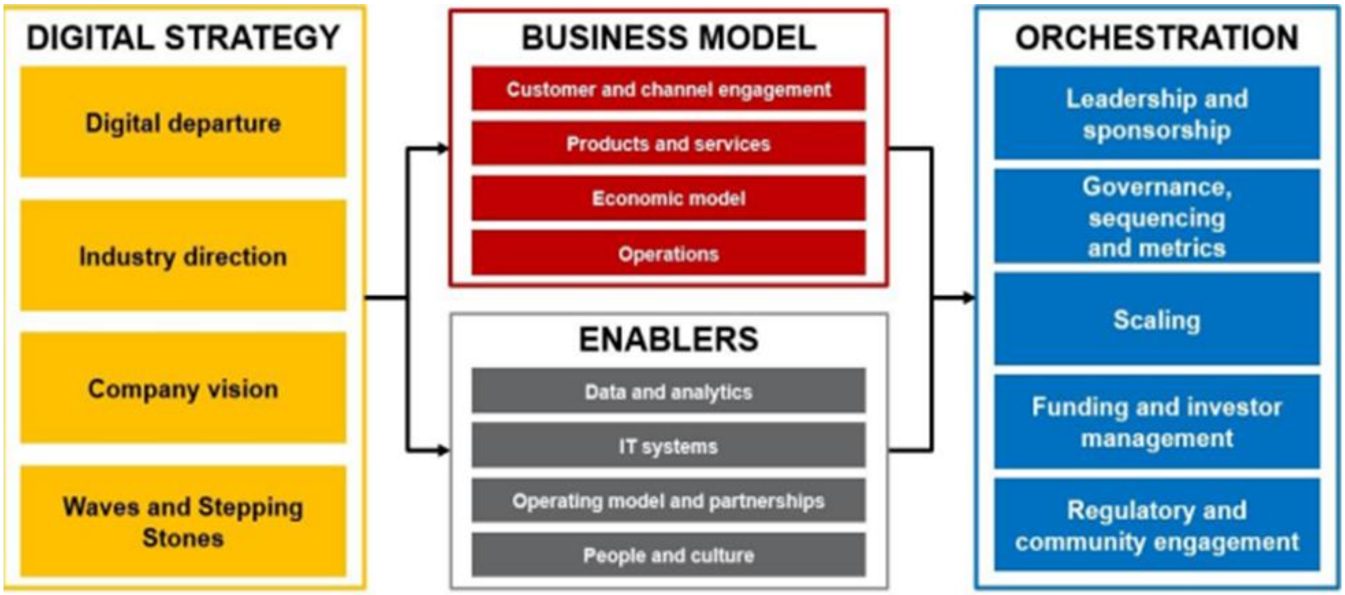

Figure 1 (Larsen et al., 2018)

The framework's four building components stand for the following four stages (Larsen *et* al., 2018): (1) Where should the organisation expand? (2) How does this relate to the workplace behaviour of the company? (3) What do employees require, and where are they going? (4) How will one deal with change to achieve where they want to go? Each building block contains certain materials or components required for each construction block's phases of concentration. Figure 1 depicts the connection between the four building blocks.

Technology, organisational and strategic changes, and adopting new business models and technology are all components of digital transformation (Larsen et al., 2018). Changes in company models, customer demands, and technological improvements fuel it. By reducing its borders and broadening its scope, digital transformation enhances current business models, generates new revenues, and opens up value-adding options (Armstrong & Lee, 2021). It has the potential to upend the financial sector, reduce consumer and commercial friction points, and strengthen the overall viability and sustainability of the company (Armstrong & Lee, 2021). The economic system's overall stability may benefit from using sustainable financial technologies.

Significant changes in organisational structure, labour relations, staff competencies, consumer interactions, and communications are brought about by disruptive technology

(Simsek, 2019). Technology utilised to increase performance or market reach, affecting society through new Internet-based technologies, is called digital transformation. No matter the industry, size, maturity, or market, information technology is linked to business activities and impacts every part of an organisation.

Effective risk management, including diversification, is considered one factor contributing to the growth of sustainable banks in the global economy. Adopting technology, digitising resources, changing leadership, and accepting innovation are all aspects of the complicated subject known as "digital transformation." It is frequently misinterpreted as simply implementing the most recent information and communication technology. The digital revolution is anticipated to have a lasting and profoundly disruptive or transformative effect on interconnected organisational results pertaining to technical skills and behaviours (Larsen et al., 2018).

Larsen et al. (2018) stated that to accomplish the objectives of digital transformation, banks plan to integrate new technical standards such as regulatory technology (RegTech). RegTech leverages digital and informational advancements to facilitate a bank's governing organisation process. Integrating RegTech into a management function such as treasury aligns commercial and prudential objectives. Digital transformation plays a crucial role in facilitating the achievement and formation of novel social collectives. Nevertheless, a growing dependence on digital tools and services may challenge individuals and companies. Corporate sustainability is essential for digital transformation and reorganising banks to address their limitations.

Transformational leadership helps leaders inspire and encourage their employees toward a shared future. Change Management Theory, like Kotter's 8-Step Model, organises digital transformation strategy and execution. Servant Leadership focuses on team members' needs, increasing acceptance and involvement, while Situational Leadership adjusts to digital change, team readiness, and difficulties. Lesotho Postbank needs digital leadership, which involves digital literacy, data-driven decision-making, and developing technology awareness. Innovation Leadership celebrates innovation, whereas Agile Leadership adapts to change. Ethics are essential in the digital age (Chanias, 2019).

2.3.1 2.4 Prior Studies on Digital Transformation

Shanti et al. (2022) examined many perspectives on the definition of digital transformation within the rapidly growing banking business. Banking digital transformation entails leveraging cutting-edge technology to enhance customer experience, optimise operational efficiency, and foster novel business models by introducing groundbreaking ideas that revolutionise conventional banking processes. (Shanti et al., 2022) Implementing banking digital transformation is motivated by various tangible financial objectives, such as improving client satisfaction, competitiveness, efficiency, and profitability.

The investigation by Kitsios et al. (2021) on the adoption rate of technological change in the banking industry and examines the attitudes of bank employees towards modern technologies. Offers banking executives a convenient tool for developing tailored training programs to support their workforce's transition to the emerging digital world. (Seetharaman, 2022) added that retail banks should be kept in formulating a comprehensive strategy for digital transformation. This is necessary due to the influence of multiple elements, including consumer demands, technological advancements, regulatory requirements, company operations, and the acquisition of essential skills and capabilities.

Doan Do et al. (2022) investigated the influence of digital transformation on the presentation of Vietnamese commercial banks of different scales. They also provided policy recommendations for enhancing banking performance through digital transformation. The study suggests that digital revolution offers a competitive advantage in improving the performance of commercial banks. Furthermore, it revealed that this advantage becomes more pronounced as banks increase.

Krasonikolakis et al. (2020) examined the progression, implementation, and utilisation of digital technology in retail banking to discover and establish support for comprehending digital change. The poll also found that the digital revolution journey entails potential hazards and feasible choices. Lastly, managers encounter common challenges when completing projects and practices of transformational leadership styles through leaders that have a notable and beneficial effect on employee engagement.

Nguyen-Thi-Huong et al. (2023) gained a comprehensive understanding of the dynamics of digital disruption in the banking sector. Analysing the return on assets and equity determined that technological revolution negatively affects a bank's performance. The analysis also revealed an unusual scenario in which the COVID-19 pandemic boosted bank profits. Consequently, stimulating digital transformation and bank performance debates are now possible.

Galazova and Magomaeva (2019) analysed the implications of the digitalisation of the economy on banking activity and explored the significant discoveries about the advancement of financial technology in the banking sector. Their objective was to promote the digitisation of conventional banking services.

2.3.2 Digital Transformation Barrier

Akuffo-Twum and Emmanuel (2011) examined the impact of Internet banking on the banking industry in Ghana, specifically focusing on several banks as case studies. The findings indicated that online banking in Ghana has promising potential but is hindered by difficulties such as internet access issues, high implementation costs, consumer security concerns, and perceived user readiness.

Diener and Pacek (2011) Investigated and evaluated the notable challenges of digitization in the private and commercial banking sectors from a managerial perspective. The report emphasises the significant impact of strategy and management, technology and legal considerations, customers, and personnel in the process of digital transformation.

Loonam et al. (2022) researched the steps in digitally transforming organisations. They identified four key themes - strategic, operational, internal, and external - that traditional organisations should focus on when implementing digital transformation initiatives.

Based on the study conducted by Kriebel and Debener (2021) regarding the association between technological advancement and bank performance, it may take up to five years for initiatives to reach their greatest effectiveness. Difficulties encountered during digital transformation indicated the ongoing decreases in efficiency and profitability, with IT infrastructure issues as a significant obstacle to bank performance.

Kitsios et al. (2021) examined the implementation of digital disruption in Greek banks. The poll results provided insights into the sentiments of bank personnel towards innovative technology. This document offers Greek financial organisation executives a valuable resource for creating focused educational initiatives to support their employees' adaptation to the emerging digital world. Executives were concerned with the employees' willingness and ability to embrace and integrate technology into their daily work processes. Thus, executives can resolve these challenges by employing the Technology Acceptance Model.

2.3.3 Proposition 1

Digital transformation entails more than simply deploying digital technology to allow a traditional firm; it necessitates a complete rethinking of the business model and how the organisation operates.

Suppose the banking sector is to implement digital transformation successfully. In that case, it must address challenges with its technological infrastructure, regulatory environment, organisational culture, change management strategies, consumer education, and stakeholder involvement (Shanti et al., 2022). The adoption of digital technology can be facilitated and accelerated by businesses like Lesotho Postbank focusing on these criteria.

2.4 RO2: E-commerce's benefits and drawbacks and what has to be improved for a convenient banking experience.

In line with Vinoth et al. (2021) e-commerce pertains to digital business transactions encompassing the buying and selling products. It employs digital data processing and electronic communication to generate value and facilitate interactions among enterprises, organisations, and individuals. This includes online marketing, inventory management software, mobile commerce, and electronic money transfers.

According to Azeem et al. (2015) e-commerce refers to exchanging commodities, services, and information over a computer network, including the Internet. Computer networks, phone networks, and other electronic means are necessary to deliver information, services, payments, and products. Business-to-business, business-to-customer, and customer-to-customer e-commerce are the three types. The Internet, digital communications, and IT applications supporting purchasing and selling are all integrated into e-commerce business models. In models

2.4.1 Prior Studies on Electronic Commerce

Chaabna and Hu Wang (2015) emphasised analysing the up-to-date situation of e-commerce in Algeria, identifying the specific constraints that hinder the nation's anticipated development, and propositioning solutions constructed on Porter's diamond model of national dominance. Considering cross-industry institutions and networks is crucial in defining a country's competitive edge. According to Porter's model, Algeria has enhanced its technical e-commerce infrastructure but still needs a comprehensive legal framework, firmly formed auxiliary institutions, and strong social networks. Despite Algeria's e-commerce is relatively underdeveloped associated to other growing states, there is considerable potential for substantial and enduring growth in the future.

Zaman et al. (2022) examined the conceptual framework encompassing the fundamental components of digital technology adoption in Pakistan's e-commerce industry, specifically focusing on its impact on the reliable service supply chain. The findings indicated that the variables of "performance expectancy," "e-cost effectiveness," and "Trust" are the three most significant factors that motivate individuals. The results provided professionals and policymakers with valuable knowledge on how the digitalisation of the banking sector might assist in developing resilient supply chains for the e-commerce industry.

A framework for implementing electronic commerce services in underdeveloped nations like Bangladesh is provided by (Laisuzzaman et al., 2010). Marketing, product identification, payment, and delivery of products and services are all part of e-commerce. Despite government initiatives to alleviate problems, e-commerce slightly changes socioeconomic life. The proposed approach intends to expand and integrate Bangladesh's e-commerce capabilities into international trade.

E-commerce can change banking and financial systems, as demonstrated by (Heng, 2017). First, banks and financial institutions can sell their products to clients using the technology and business model of e-commerce. Second, e-commerce allows banks to expand their product and service offerings to meet e-commerce's demands. Thirdly, the new business climate brought about by e-commerce offers room for institutional advancements in banking and finance, which can aid in building a more stable base for the global financial system.

Hen (2017) demonstrates that downsides telecommunications network is necessary for expanding e-commerce, with local and high-speed internet connections crucial worldwide. Infrastructure like phone density, mobile phones, and wireless communication are essential to emerging nations like Bangladesh, Lesotho, and others. While infrastructure is being constructed, access to technology can be provided by setting up cyber cafés, kiosks, and call centres. E-commerce success is contingent upon strict compliance with legal norms and standards about contract enforcement, consumer protection, liability assignment, privacy protection, and intellectual property rights. Developing nations' business rules and regulations are antiquated, but new laws have been passed or are being considered.

Krupka et al. (2021) examine how banks' competitiveness has been impacted by economic digitalisation, the explosive growth of e-commerce and electronic payments, and cutting-edge technologies designed to deliver digital services. They came across findings that firmly establish that digital transformation is a driving force behind the rising competitiveness of local banks, particularly those concentrated on providing services to private consumers.

2.4.2 Proposition

E-commerce improves the banking sector's ease of use, convenience, cost efficiency, and customer variety. However, it may encounter security, privacy, technology, and reluctance to change issues.

To optimise their business frameworks, banks must implement enhancements in customer engagement strategies, intermediate and administrative operations management, competitive maintenance, and anticipation of forthcoming issues (Sahin, 2016).

2.4.3 Mobile Apps

Customers who conduct financial transactions through mobile applications benefit from greater convenience. Mobile app-based banking refers to using advanced tools to simplify the communication between banks and consumers using mobile devices such as smartphones, mobile phones, and personal digital assistants (Noh & Lee, 2015). Consumers can use banking applications to facilitate money transfers, engage in credit card transactions, and make cash withdrawals conveniently and from anywhere. A mobile banking application is still a form of mobile commerce that enables users to do financial transactions whenever convenient, no matter where they are. One of the most beneficial mobile services and applications available is m-banking, which has received praise (Hussain et al., 2014).

However, because Postbank mobile apps do not smoothly interface with other channels like online banking systems, physical branches, call centres, or ATMs, they do not provide clients with an omnichannel experience. Because of this, consumers who started a process on one channel must finish it in person at the bank.

2.4.4 ATMs

Kebir and Tarik (2022) stated that ATMs emerged as one of the initial forms of automated banking during the primitive phases of banking's evolution. Users of the various banking services ATMs provide manage their financial transactions by utilising a personal identification number day and night. ATMs are electronic devices located inside or outside banks and in public places; they allow for executing basic financial operations such as money transfers, withdrawals, deposits, and printing of bills or account statements. ATMs enable users to withdraw cash whenever they want, without the assistance of any staff. All you need to use is a banking card, and you may find them in big box stores, post offices, and banks. However, because of technological advancements, ATMs may now provide various services, such as bill payment, money transfers between two or more accounts, and depositing funds. ATMs are the most often used type of Internet banking in that nation because most banks have several scattered across the country.

A few of the services that ATMs may now provide because of technical improvements include the capacity to make deposits, move money between accounts, and pay bills. Many banks have numerous ATM facilities nationwide, making them the most popular online banking option. Postbank still needs some services (Kebir & Tarik, 2022).

2.5 RO3: Digital technologies in the banking sector

Moşteanu et al. (2020) stated that digital technologies are the primary driver of world development at the current stage of civilisation development. AI, smart contracts, big data technology, blockchain, the IoT, digital technology platforms, and other concepts that are used in many different areas of life have all emerged because of the rapid development of digital technologies; utilising innovations increases opportunities, frees up labour resources, automates numerous procedures, and makes some operations wholly automated so that no human input is needed.

Moşteanu et al. (2020) Since the populace and businesses most need digital technologies in the banking industry, this development is of scientific interest. In a competitive environment where banks are compelled to meet consumer demands, innovations used in credit and monetary relations are quickly developing. Individuals and legal entities continuously take out loans, keep money on deposit, create insurance contracts, and use other banking services.

Moşteanu et al. (2020) further stated that digital technologies are also linked to fraud protection since they are necessary to conserve the money people properly and legal entities entrust to banks. All industries have benefited from the development of technological advancement. Credit cards, debit cards, and connected POS and ATMs were initially made possible via the banking system; however, all payment methods are moving to tablets, PCs, and mobile apps. Banks have begun to provide services other than lending and saving. The business practices of the banking sector are already starting to alter because of digital technology; Customers can easily compete in this digital market. However, several banks face challenges in achieving this goal, primarily because of the exorbitant expenses associated with creating digital platforms and the potential loss of a crucial competitive edge - a robust local identity.

2.5.1 Prior Studies on Technologies Implementation

Kirillova et al. (2021) aimed to analyse the level of client demand for digital banking services, propose criteria for evaluating the degree of bank digitalisation, and reveal the relationship between the introduction of innovations and the reformation of the financial sector.

A study was undertaken to analyse the precise details of how banking activity was affected by the digitalisation of the economy (Galazova & Magomaeva, 2019). The concept of "digital financial innovations" arises from the combination of the concepts of "financial technologies" and "financial innovations," which is driven by the widespread adoption of digital technologies in various aspects of our lives and the rapid development and active employment of financial technologies in the banking sector of the economy. The study's findings delineated the primary avenues for advancing financial technology in the banking industry, intending to enhance and modernise conventional banking services through digital technologies.

Diener et al. (2021) conducted a research investigation, and the primary aim of this exploratory qualitative study was to identify and analyse the key perceived barriers to the adoption of digital technologies in financial institutions, specifically from a management standpoint. The research revealed that digital transformation emphasises strategy and management, technology and regulation, customers, and people. The three more notable challenges encompass comprehending the market and its offerings, engaging customers, and personnel, and delivering public benefits. Every major obstacle to the digitalisation of banks is followed by multiple minor barriers, each of which is thoroughly addressed.

In addition, Choi (2019) observed the potential impact of automation on the expansion of traditional banks in different nations within the area. The findings illustrated how using digital technology might result in growth in beneficial and inclusive job opportunities. To reach this outcome, it is necessary to rapidly upgrade the digital infrastructure and provide support for analogue assets such as labour skills, transportation infrastructure, and the overall business environment. Providing accessible and affordable internet to everyone is anticipated to facilitate advancing, spreading, and adopting worker-enhancing digital technologies that favour both skilled and low-skilled workers. This is especially relevant in the low-productivity agriculture and service industries.

To emphasise the benefits of integrating AI (Radenkovic et al., 2023) conducted a study on the banking industry's digital transformation. Their discoveries include predictive analytics, cybersecurity, chatbot customer service, robot assistance, credit rating, and direct lending. The results illustrate the utilisation of general intelligence and machine learning in training machines to recognise patterns for implementing digital banking, with potential applications in automating tasks such as credit scoring.

Ismail et al. (2017) conducted a complete analysis and synthesis of existing research on business-level DT. Their findings indicated that both internal and external influences influence the process of organisational change. This includes regionalised utilisation, internal consolidation, reconfiguration of corporate processes and networks, redefinition of company scope, and digital commerce. Adopting digital technologies necessitates significantly transforming the organisation's strategy and culture.

2.5.2 Proposition

An organisation must assess its present skill set, spot gaps, train employees, collaborate with technology partners, and foster a culture of continual learning to incorporate digital technologies successfully.

The degree of advancement in the banking system and its products directly influences the characteristics and effectiveness of digital technology within the banking industry.

2.6 ANALYTICAL FRAMEWORK

2.6.1 Diffusion of Innovation Theory

The Diffusion of Innovation Theory provides a valuable framework for understanding how senior managers might adopt and champion digital transformation initiatives within Lesotho Postbank. By applying innovation attributes, this study explored how senior management perceives digital transformation strategies' relative advantage, compatibility, complexity, trialability, and observability.

Employees at Lesotho Postbank are embracing a variety of digital talents as the company transitions to the digital age. The diffusion of innovation theory can be used to analyse this occurrence (Rogers, 2003).

Elements Affecting Diffusion: Invention, communication channels, time, and the social system are the four main elements that affect the diffusion process (Rogers, 2003). Innovation involves introducing new digital procedures and technologies; convincing people to use them requires excellent communication.

Effective communication: Channels are essential for bringing new digital techniques and abilities to Lesotho Postbank's attention. The platforms for internal communication, training sessions, and knowledge-sharing networks are a few examples of these channels (Rogers, 2003).

Social Systems: Employees collaborate to accomplish shared objectives in the workplace, which serves as a social system. Successful adoption of digital technologies and skills depends on how well they mesh with the organisational culture (Rogers, 2003).

Time: New digital abilities take time for employees to learn and feel comfortable using them. The interval between learning about a digital skill and successfully applying it to daily work is included in the innovation-decision process (Rogers, 2003).

Rate of Adoption: The adoption rate represents the speed at which new digital capabilities are disseminated among staff members. Influential organisational leaders can make a big difference by encouraging the early adoption of these talents, which is essential for their widespread acceptability (Rogers, 2003).

The five phases of adoption are awareness, persuasion, choice, implementation, and confirmation, according to (Sirk, 2020). When acquiring new digital technologies and skills, Lesotho Postbank personnel must go through these stages, representing the cognitive and behavioural processes.

2.6.2 Attributes of Innovation

Innovations in digital technologies and kills have some features that influence how quickly Lesotho Postbank can adopts them. Complexity, flexibility, compatibility, trialability, and observability are a few of these. Easy-to-understand and test innovations typically propagate more quickly among staff members (Rogers, 2003).

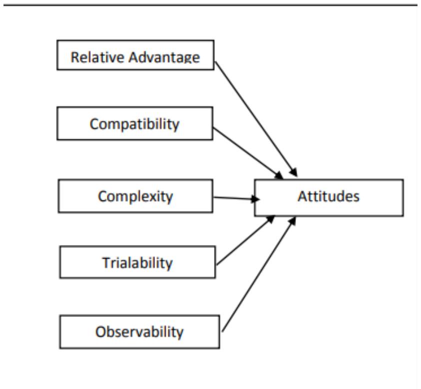

Figure 2 Source Roger (2003)

- **Relative Advantage**

The apparent superiority of innovation over its forerunner is referred to as relative advantage. Cost and social status incentives are also factors. Preventive and incremental (non-preventive) sorts of innovations can be distinguished. While incremental improvements offer immediate advantages, preventive innovations seek to lessen the risk of undesirable consequences. Banks should provide beneficial experiences for them and their clients to use technology efficiently. Adoption rates can rise because of financial incentives, improving the effectiveness of relative advantage. The dissemination process also involves compatibility traits**.**

- **Compatibility**

The level of conformity between innovation and potential users' requirements, values, and experiences is known as compatibility. A lack of compatibility may negatively impact a person's use of it. The name of an innovation is essential for compatibility since it should be understandable and meaningful to the potential adopter, adding to its complexity attribute. In the Lesotho Postbank, the bank context should ensure that these technologies align with customers' banking habits and values.

- **Complexity**

"compatibility" refers to how well an innovation complies with potential customers' needs, beliefs, and experiences. A lack of interoperability could hurt how someone uses it. The name of innovation is crucial for compatibility since it should have meaning for the potential adopter and contribute to its complexity.

- **Trialability**

Trialability, which is a measure of how much innovation has been tested, is a factor that influences how widely it is adopted. Faster adoption results from more trials. Increased adoption may occur from reinvention during a trial. Later adopters need the vicarious trial, whereas earlier adopters value trialability more. Lesotho Postbank can offer trial periods, demos, or workshops to familiarise employees and customers with the new technologies.

- **Observability**

An innovation's observability makes its effects appear to others, which affects acceptability and diffusion. It has a positive link with the rate at which innovations are adopted, like relative advantage, compatibility, and trialability.

2.6.3 Proposition 1

The effectiveness of digital transformation technology depends on organisational capability, communication channels, and adopter characteristics.

2.5 Conclusion of Literature Review

Several scholars discussed the factors influencing adoptions before evaluating the literature on earlier studies examining banks' adoption of digital disruption. It looked at all the different obstacles to the mainstream adoption of technologies in the banking and financial services sectors. Many organisations need help implementing it due to internal structural, cultural, or technological complexity.

These changes are driven by various factors, including introducing new IT/IS-based products, changes in consumer behaviour, industry-wide digital advancements, and the competitive landscape. The main catalysts for organisational DX are cost reduction, enhanced operational efficiency, streamlined information management, and gaining a competitive edge. DX is not merely about adopting new technology; it requires a comprehensive organisational shift in strategy and culture. DX implementation frequently encounters difficulties at the strategic and cultural levels. To ensure the success of DX, it is imperative to have a comprehensive digital strategy that effectively combines IT and IS within the organisation.

Furthermore, it has been ascertained that the transmission of Innovation is influenced by four primary factors: communication routes, the innovation itself, time, and societal structure. Organisations that need to be more developed in their DX use technology to address specific business problems rather than all-encompassing business challenges. Innovation Diffusion Theory will be embraced more quickly than other breakthroughs because it offers comparative advantages, compatibility, simplicity, trialability, and observability. "Getting a new idea adopted, even when it has obvious advantages, is difficult" Therefore, having all these innovation-related variables available speeds up the process of innovation-diffusion, and each of these elements affects how likely companies are to incorporate new technology into their instruction (Rogers, 2003).

2.5.1 Proposition 1

DX entails more than simply enabling traditional businesses to use digital technologies; it necessitates a complete rethinking of the organisation's operational structure and whole business model.

2.5.2 Proposition 2

In the banking industry, E-commerce and digital technology can spur innovation and give financial organisations a competitive edge.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 INTRODUCTION

The approach employed in this chapter is described to address the research issue of the study. This chapter provides comprehensive information regarding the demographic characteristics and sample composition of the research participants, as well as the research design and data sources. Furthermore, this chapter provides a detailed description of a data collection method, tool, and approach. This study is empirical due to the design's capacity to offer comprehensive information on the research problem. The study adopted a qualitative survey to gather responses from a selected sample of individuals, allowing for a complete comprehension of Lesotho Postbank personnel's viewpoints, experiences, and opinions. This offered fundamental insights into their sentiments towards digital transformation.

3.2 RESEARCH APPROACH

Semi-structured interviews were employed as a qualitative data collection method in this study. This approach was chosen because the study examined the phenomenon of digital transformation as it is understood by leadership within the bank. Thematic analysis is the primary technique for analysing qualitative data. The fundamental idea behind the qualitative approach makes it possible to gain an understanding of people's experiences (Leech & Onwuegbuzie, 2007). Additionally, qualitative data frequently have a fundamental depth with a solid potential to reveal complexity (Leech & Onwuegbuzie, 2007).

According to Leech and Onwuegbuzie (2007), there are several benefits to using qualitative data.

1. They offer data that helps research projects better understand phenomena.

2. They are frequently gathered through direct observation or in-person interviews while the specific subject of the research is still being studied. Thus, the context from which the insights were derived can be kept in mind and considered by researchers.

3. They can frequently reveal complexity because of the depth and richness of information they contain.

3.3 RESEARCH DESIGN

It makes an effort to evaluate the potential and viability of implementing digital transformation at Lesotho Postbank using a practical approach (Carcary, 2009). Research studies can use a qualitative research methodology. Instead of using measurements or statistics to examine meaning, the qualitative research approach uses words, descriptions, and quotes. To gain a more thorough knowledge of the occurrences, the researcher employed the empirical qualitative technique for this study (Williams, 2007).

3.4 POPULATION AND SAMPLING

3.4.1 POPULATION

A population can be defined as the set or group of all the units to which research findings are applied (Shukla, 2020). The population of this study refers to the group of senior executive employees from various departments working at Lesotho Postbank which consists of 12 senior executive employees within the organisation.

3.4.2 SAMPLING

The survey included a sample of 12 respondents. This study encompasses senior executives such as the chief digital officer, network engineers, technology managers, and IT managers. It also includes marketing managers, customer service managers, regulatory compliance officers, legal counsel, risk managers, and project managers. The proposed methodologies include convenient sampling, where the researcher gathered recommendations from first responders and purposive sampling.

3.5 DATA COLLECTION METHODS AND PRODUCERS

This study used semi-structured interviews to gather data from Lesotho Postbank personnel's perspectives on digital transformation. The researcher used a notepad and recorder to conduct in-depth discussions, allowing participants to express themselves and provide rich insights. This approach helped Lesotho Postbank personnel understand their complex viewpoints, experiences, and attitudes, enhancing their understanding of the subject (Hughes, 2009).

The process will be as follows.

(i) The sample was selected according to job function, length of service, and level of seniority within the company.

(ii) The identified persons were contacted for a meeting at the Lesotho Postbank headquarters in Maseru offices. The objective was to elucidate the purpose of the study and request their involvement. The participant information sheet was enclosed in the emails (Participant Consent form).

(iii) The researcher, after that, arranged interviews with participants who consented to participate in the study.

(iv) The interview questions were mailed to the participants in advance to ensure their familiarity and ease in responding to them and the duration of the interviews ranged from 45 to 60 minutes.

(vi) A portion of the interviews were conducted in a boardroom to facilitate noise-free recording. The recordings were made using a cell phone in aeroplane mode to prevent disruptions.

(vii) The data were transcribed once all the interviews had been completed.

3.7 DATA ANALYSIS

According to Neuman (1997) data analysis is the search for patterns in data. If found, those patterns are "interpreted in terms of a social theory or the setting in which they occurred. To protect identity and confidentiality, the obtained data was transcribed verbatim for this study (Barun & Clarke, 2006). The researchers used thematic analysis to uncover recurrent themes and patterns in the data. The data is classified, categorised, and grouped into relevant topics to make conclusions about the viability and potential of digital transformation for Lesotho Postbank. This approach aimed to discover patterns and themes in qualitative data (Barun & Clarke, 2006).

The following was followed to obtain data:

The procedure is broken down into six steps, which are as follows:

Step 1	Familiarise with the data- The interviews were transcribed using Otter.ai, a software tool, and punctuation and annotations were added for more straightforward analysis. Sensitive participant information was removed, and qualitative data impressions were captured based on research objectives after transcription.
Step 2	Initial code development - NVivo software was used to create initial qualitative data codes, analyse data in an inductive manner to identify themes and patterns, and group duplicates for alignment.
Step 3	Identifying the theme - The codes were initially categorised based on the research objectives, but sorting occurred based on observed themes and patterns.
Step 4	Theme review - The themes were refined and renamed to reflect coded data, with software and manual mind-maps aiding in connecting main and sub-themes.
Step 5	topic Definition - The data within each theme was analysed, and emerging themes were reviewed for their validity and refinement, allowing for the creation of a storyline.
Step 6	involved the task of preparing a research report

3.8 TRANSFERABILITY, DEPENDABILITY, CONFIRMABILITY

3.8.1 Transferability

According to Bitsch (2005) stated that "transferability" alludes to the extent to which the findings of a qualitative study can be applied to multiple contexts and settings with diverse individuals.

Comparable and consistent data from all study participants was collected by interviews using an identical investigation instrument (questions). This approach improved the study's ability to be applied to different contexts or situations (Tobin & Begley, 2004).

3.8.2 Dependability

Dependability is the validity metric used to determine if the data collected by the research instrument is true or false—the consistency of the results across time matters (Bitsch, 2005).

Dependability is the term used to describe the outcomes' consistency and long-term stability. Thematic analysis was used to analyse the data to provide initial codes, initial themes, and final themes (Bhattacherjee, 2012).

3.8.3 Credibility

Sound ethical practices were used to inform the research's credibility and guarantee the study's genuine, trustworthy validity. The findings were credible and tenable, and the interpretive analysis was convincing (Macnee & MaCabe, 2008).

A qualitative study is credible when it accurately interprets the participants' viewpoints and experiences and when they accept the descriptions' content as a truthful representation of their responses to the research questions (Baxter & Eyles, 1997).

3.8 POSSIBLE LIMITATIONS AND CHALLENGES OF THE STUDY

The research may face some limitations, such as

- The potential for bias in the participants' responses.
- The potential for limited applicability arising from the amount of data collected.
- Additionally, time and resource constraints might limit the scope and depth of the study.

3.9 Ethical considerations

The entire research procedure, including data gathering, was performed with the utmost ethical attention. The Wits Business School ethics committee issued an ethics clearance certificate. The remaining steps are listed below (Maree, 2012).

This study focused on the following aspects:

(i) The researcher communicated the study's objective to all participants and requested them to provide their signature on a document indicating their informed permission.

(ii) The researcher refrained from using identifiable or recognisable naming conventions when referring to respondents. Instead, respondents allocated a numerical identifier.
(iii) The University's requirements carried out the Study Permission Request Process.
(iv) The researcher signed a plagiarism declaration form declaring they acknowledged other researchers as needed

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3.10 ANTICIPATED CONTRIBUTION OF THE STUDY

- **Theoretical contributions:**

Enhance the body of knowledge (BoK) by integrating the following areas of study:

a) Digital Transformation.
b) E-commerce, Mobile applications, ATMs
c) Digital Technologies.

- **Practical contributions**

a) Informed strategies to facilitate the adoption of digital transformation.
b) Practical implications include optimising operational processes through e-commerce, mobile apps, and ATMs to improve efficiency.

3.11 Chapter Summary

Table 2 Study methodological considerations

Methodological Consideration	This Study
Research design and method	Empirical qualitative technique
Population and sampling	Convenient, purposive,
Data Collection	Interview guide
Data Analysis	Thematic-analysis process
Transferability and dependability	interview questions

CHAPTER 4. PRESENTATION OF FINDINGS

4.1 Introduction

This chapter presents an analysis of the findings obtained from the qualitative study. The chapter begins by providing the background of the case bank study, subsequently called Lesotho Postbank, and an overview of the participant information offered in this section, which represents the developing patterns derived from the perspectives shared by the participants. The analysis was performed with the qualitative approach theme outlined in section 3.7 of this report. The results are given per this analytical approach concerning the hypotheses stated in Chapter 2.

4.2 Background of Lesotho Postbank

Lesotho Postbank is a state-owned retail banking institution in Lesotho that provides financial services to unbanked and underbanked urban and rural populations, and it is undergoing digital transformation. Lesotho Postbank's head offices are situated in Maseru, Lesotho. Lesotho Postbank is a comprehensive banking institution, particularly emphasising digital transformation for this study. An argument favouring implementing e-commerce, mobile applications, and ATMs in banking institutions. This division has been selected due to its ability to cater to the broad consumer market, where customers frequently engage with the products and services offered.

The Bank's organisational structure is illustrated in a comprehensive manner below,

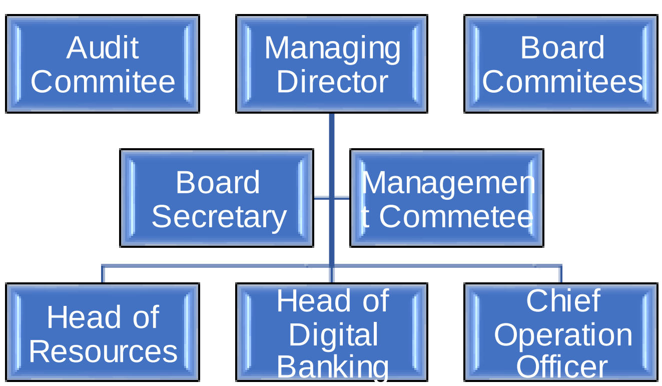

Figure 3 Lesotho Postbank Organisational Structure (LPB, 2023).

4.2.1 Background on the Participants

This section provides contextual information regarding the individuals involved and the company under examination. The interviews took place exclusively at the headquarters of Lesotho Postbank. To maintain secrecy, the participants' identities are denoted as P1, P2, P3, etc., according to the agreed-upon confidentiality of the participants and the organisation involved in the case. The collected background information of the participants encompasses their gender and age range. The data collected from the organisation includes the participant's role and length of service (in years).

Table 3 Contextual details regarding the individuals involved and the institution.

P1	Gender	Age	Position	Tenure (Years)
1	Male	35-45	Senior and Branding Marketing Officer	9
2	Male	35-45	Head of Compliance	10
3	Male	35-45	Chief Risk Management Officer	14
4	Male	35-45	Head, Digital Client Experience	6
5	Male	45-55	Chief Operation Officer	15

6	Male	35-45	Chief Information Officer, IT Infrastructure	9
7	Male	25-35	Head of Business Banking	5
8	Female	35-45	Head of Customer Service	18
9	Male	35-45	Head of Strategy	3
10	Female	25-35	Head of Retail	1
11	Female	35-45	Head of Human Resource	6
12	Female	25-35	Legal and Governance Manager	5

The biographical information on the participants shows the following: (i) the total number of participants in the study is 12; (ii) the age range is 25–55 years. The roles are as follows: Senior and Branding Marketing officer, Head of Compliance, Chief Risk Management Officer, Head of Digital Client Experience, Chief Operation Officer, Chief Information Officer, IT Infrastructure, Head of Business Banking, Head of Customer Service, Head of Strategy, Head of Retail, Head of Human Resource and lastly, Legal and Governance Manager.

4.3 RESTATING RESEARCH OBJECTIVES

1. Examine the most critical tactics and measures to implement to facilitate the adoption of digital transformation at Lesotho Postbank.
2. To comprehensively evaluate the benefits and drawbacks of introducing e-commerce in the banking sector, specifically to Lesotho Postbank.
3. To investigate and comprehend the value of utilising digital technologies in the banking sector.

4.4 ANALYSIS OF DATA USING THE THEMATIC-ANALYSIS PROCESS

The study employed the thematic analysis process Barun and Clark (2006) outlined. This approach aims to discern patterns and themes throughout the study of qualitative data (Barun & Clarke, 2006).

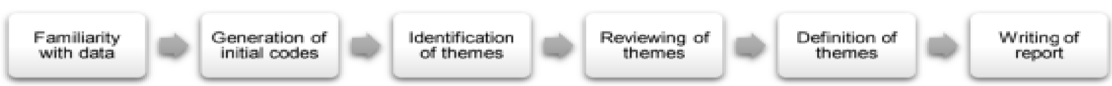

Figure 4 Diagrammatic representation of the thematic analysis process.

Adapted from Braun and Clarke (2006)

4.4.1 Familiarity with the data and generation of initial codes

The data was formatted as text to facilitate the analytical process. These impressions are summarised below after forming initial perceptions about the data derived from the study objectives.

1. Initial Impressions: Examine the most critical tactics and measures to implement to facilitate the adoption of digital transformation at Lesotho Postbank.

The participants shared insightful information on the strategies needed for digital adoption, the assurance of financial inclusion for unbanked and underbanked populations or customers, and the bank's transition from being a break-and-mortar bank to a digital operation. This includes the customer-centric approach, continual innovation, continuous improvement, and strategies for customers in rural areas with no smartphones through the USSD, showcasing a commitment to inclusivity.

2. **Initial Impressions:** To comprehensively evaluate the benefits and drawbacks of introducing e-commerce in the banking sector, specifically to Lesotho Postbank.

The interviewed seniors demonstrated a comprehensive understanding of the e-commerce concept. Although the bank has yet to adopt e-commerce fully, the participants shared examples of what they considered e-commerce within the banking business based on their personal experiences. Several participants mentioned that e-commerce is a nascent concept in their bank, although it has existed. Initially, it started in financial transactions involving the exchange of products and services. However, in the context of banking, it pertains to the process of incorporating internet platforms.

3. **Initial Impression:** To investigate and comprehend the value of utilising digital technologies in the banking sector.

Participants provided examples of digital technologies, such as Khetsi, tsutsuma, mobile apps, ATMs, and structured technologies like USSD, which were seen as significant instruments for improving customer experiences in the banking industry. They also emphasised the imperativeness of solid infrastructure and promoting a culture of innovation, which includes consumer education or training initiatives and financial literacy programs to enhance DT with the Lesotho Postbank.

4.4.2 Generation of initial codes

The initial codes were produced as a framework based on the study questions. The open coding technique was utilised, indicating the absence of pre-established codes. The codes were generated by systematically analysing the transcripts to identify the emerging themes. The method was conducted with the specific study aims, employing a theoretical approach. The codes related to proposition one has been consolidated into a single table to facilitate examination. Figure 5 displays the initial codes that were produced. Initially, these were categorised based on research questions to uncover essential insights before developing them.

RESEARCH OBJECTIVE 1			
Digital Transformation Stages	**Framework of Risk Management**	**Culture**	**Operating model**
Bridging Gap Between Traditional and Digital Methods	Cyber Risk Management Policies and Processes	Determines success of strategy	Modifying the operational framework of the banking industry
Mitigation Strategies for Risks Associated with Technologies	Incident Management Protocols for Digital Risk Management	Fail forward	Stratified tiers Enhanced expediency in decision-making
Emphasis on Building Solutions from Scratch Unlike Competitors Based in South Africa	Enterprise Management Framework	It is transforming	Digitally changed businesses possess a unified digital strategy.
Potential Impact on Workforce Structure	**Inclusion Digital Transition**	Needs to be influenced by leadership	Comparison - Digital CIOs vs Business CIOs
Improved Business Efficiency through Automation	Easy-to-Understand Products	New ways of work	Diverse customer encounters
Market Responses and Innovations	Aligned with Evolving Needs	Non digital hinders competitiveness	Fosters a sense of responsibility and accountability
Challenges	**Role of leadership**	Not making tough decisions	Encourages a culture focused on immediate results and outcomes.
Cybersecurity, Data Privacy, Strategy Alignment	Communicate plan	Old mindset inhibiting new thinking	Developing or progressing over time.
Focus on Appearing as a Basotho Bank	Enablement	Ownership - being invested	Emerging work methodologies
Technological advancement and competitiveness	Executive sponsorship	Quick decision making - fattened structure	Business framework
Customer Needs and Industry Trends	Guide the implementation of strategy Remove blockages	Reset of policies required	Reinforces divisions
Research and Development	Reset Culture	Speed of execution	Dependence on traditional brick-and-mortar locations
Communication Strategies	Speed of decision making		**Opportunities**
Education Programs			Competitiveness in data-driven industries
Government Collaboration			

RESEARCH OBJECTIVE 2		Research Objective 3	
Financial Inclusion strategies	**Security and Privacy Measures**	**Cutting edge convenience**	**Regulatory Compliance**
Both Banked and Unbanked	Acquisition of New Knowledge in Technology	Easy-to-Understand Products	Implementation of Legal Statutes
USSD solution for Customers without Smartphones	Awareness of Cyber Laws and Regulations	**Security and privacy Measures** Education and Training for Personnel	Awareness Campaigns on Social Media Platforms
Customer Service through Forums and Campaigns	**Custodian of the plan**	Compliance with POPIA Act	Continuous Improvement:
E-Commerce integration	All business heads	Security Monitors and Regular Inspections	Risk Management Framework:
Current Lack of E-commerce Implementation	Central forum to guide	**Inclusive Digital Transition**	Enterprise Management: Utilization of frameworks and
Use of "KHETSI" for E-commerce Transactions	Customer value management	Digital Platforms, Visa Card Integration, Ecommerce, Forex services	policies for mitigating digital risks.
Potential Benefits of E-commerce Implementation	Digital enablement function (VC)	Mobile Banking, Swiping, Self-Service Options	Skills for Risk Management:
Digital Skills Development	Everyone	**Technology integration and Digital Channel Expansion**	Interventions
Employee Upskilling programs	No clear custodian	WhatsApp-based chatbot	Develop, Verify, and Replace
Acquiring knowledge of new technologies	Who should drive digital agenda	Integration with Customer Service Center for Instant Answers	Important choices regarding infrastructure
Developing digital competencies	**Focus area**	Implemented ATMs and Mobile Wallets/Apps	MVP
External resources	Automating Backend Process	USSD for Both Banked and Unbanked	Collaborations

Figure 5 Initial Codes

During the coding procedure, 145 open codes were identified, some repeated or similar. Multiple initial codes were created, and numerous duplications were present. As a result, the codes were categorised into primary and secondary codes. The codes that were identified were classified into 22 distinct categories, namely, (1)Digital Transformation Stages, (2) Challenges, (3) Technological advancement and competitiveness, (4) Communication Strategies, (5) Framework of Risk Management, (6) Role of leadership, (7) Culture, (8) Operating models, (9) Inclusion Digital Transition, (10) E-Commerce integration, (11) Financial inclusion strategies, (12) Digital Skills Development, (13) Security and Privacy Measures, (14) Customer Centric Approach, (15) Custodian of the plan, (16) Focus areas, (17) Technology integration, (18) Digital Channel Expansion, (19) Inclusive Digital Transition, (20) Cutting edge convenience, (21) Security and privacy Measures, (22) Regulatory Compliance. These categories are depicted in Figure 6 below.

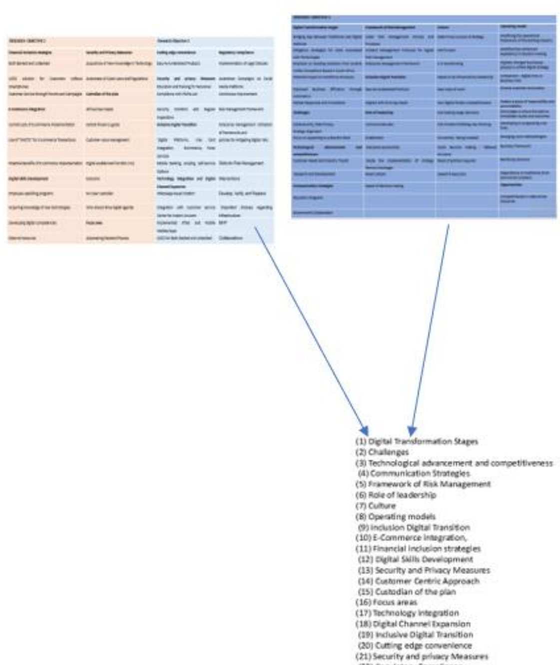

Figure 6: Initial Codes to Categories

4.4.3 Identification of Themes

Theme identification following the identification and creation of the first codes, codes that shared similarities were organised into categories and, in some instances, sub-categories, depending on emergent trends. The selected themes were associated with the three primary research objectives of the study. Colours have been employed to enhance visualisation to emphasise the newly detected themes in the codes. These colour-coded themes may be observed in Figures 7 and 8. It is worth mentioning that several codes were reclassified into preexisting categories due to their redundancy in certain aspects.

Custodian of the plan All business heads. Central forum to guide. Customer value management Digital enablement function (VC) Everyone No clear custodian Who should drive the digital agenda?	Operating Model	**Positions and Accountabilities** Align with Performance Metrics Role clarity Adapting Restart your workflow. Potential Impact on Workforce Structure	Operating Models
Inclusion Digital Transition Easy-to-Understand Products Aligned with Evolving Needs	Operating Model	**Digital Transformation Stages** Bridging the Gap Between Traditional and Digital Methods Emphasis on Building Solutions Improved Business Efficiency through Automation Market Responses and Innovations	Digital Strategy
Operating model		**Technological advancement and competitiveness**	

Modifying the operational framework of the banking industry Stratified tiers Enhanced expediency in decision-making. Digitally changed businesses possess a unified digital strategy. Comparison - Digital CIOs vs Business CIOs Diverse customer encounters Fosters a sense of responsibility and accountability. Encourages a culture focused on immediate results and outcomes. Developing or progressing over time. Emerging work methodologies Business Framework Reinforces divisions. Dependence on traditional brick-and-mortar locations	Operating Models	Customer Needs and Industry Trends Research and Development New Technologies, Locally and Internationally Education **Financial Inclusion strategies** Both Banked and Unbanked USSD solution Customer Service through Forums and Campaigns **Focus area.** Automating Backend Process **Inclusive Digital Transition** Digital Platforms, Visa Card Integration, E-commerce, Forex services Mobile Banking, Swiping, Self-Service Options **Technology integration and Digital Channel Expansion** WhatsApp-based chatbot Integration with Customer Service Center for Instant Answers Implemented ATMs and Mobile Wallets/Apps **E-Commerce integration** Current Lack of E-commerce Implementation E-commerce Transactions	Digital strategy

Digital Skills Development Employee Upskilling programs Acquiring knowledge of new technologies Developing digital competencies External resources	Skills	**Customer Centric Approach** Customer Service through Forums and Campaigns Omni channel serving Customer enablement	Customer experience

Figure 7 Emerging Themes A (Proposition 1)

Culture Determines success of strategy Fail forward. It is transforming. It needs to be influenced by leadership. New ways of work Non-digital hinders competitiveness. Not making tough decisions. Old mindset inhibiting new thinking Ownership. - being invested in Quick decision-making - fattened structure A reset of policies is required. Speed of execution	**Culture**
Culture Communication Strategies Education Programs Government Collaboration Communicate plan. Enablement Executive sponsorship Guide the implementation of the strategy. Remove blockages. Reset culture	**Culture**
Interventions Develop, Verify, and Replace Important choices regarding infrastructure MVP Collaborations	**Architecture**
Security and Privacy Measures Acquisition of New Knowledge in Technology Awareness of Cyber Laws and Regulations Education and Training for Personnel Compliance with POPIA Act Security Monitors and Regular Inspections	**Integrated Governance and Assurance Framework**
Regulatory Compliance Implementation of Legal Statutes Awareness Campaigns on Social Media Platforms Continuous Improvement Risk Management Framework Enterprise Management Utilisation of frameworks and policies for mitigating digital risks Skills for Risk Management	**Integrated Governance and Assurance Framework**

Figure 8 Emerging Themes B (Prepositions 2)

4.4.4 Review and finalisation of themes

The themes were evaluated following the research objectives, and the 22 categories were categorised into six themes. In conjunction with the categories, the original codes were utilised to discern patterns within the data. Figure 8 illustrates the ultimate them.

1. Culture
Needs to be influenced by leadership
New ways of work
Communication
Organisational change
2. Digital Strategy
Technological enhancement and Competitiveness Financial Inclusion strategies
Focus area
Technology integration and Digital Channel Expansion Customer experience
3. Skills
Digital, IT & Change skills
Digital Skills Development
Employee Upskilling programs
4. Operating Models
Custodian of the plan
Inclusion Digital Transition
Role of Leadership
Role and responsibilities
5. E-Commerce and Digital technologies integration
Current Lack of E-commerce Implementation
E-commerce Transactions

Potential Benefits of E-commerce Implementation
Innovative and seamless services
Integration with customer services centre
6. Integrated governance and Assurance framework
Security and privacy
Measures Regulatory compliance

Figure 9 Final themes (Proposition 1&2)

The final themes were determined by considering the prevalence of each theme. The ultimate themes that were identified are (1) Culture, (2) Digital Strategy, (3) Operating Model, (4) Skills, (5) E-Commerce integration and digital technologies, and (6) Integrated governance and assurance Framework. Figure 10 displays a thematic map illustrating the connections between the identified themes.

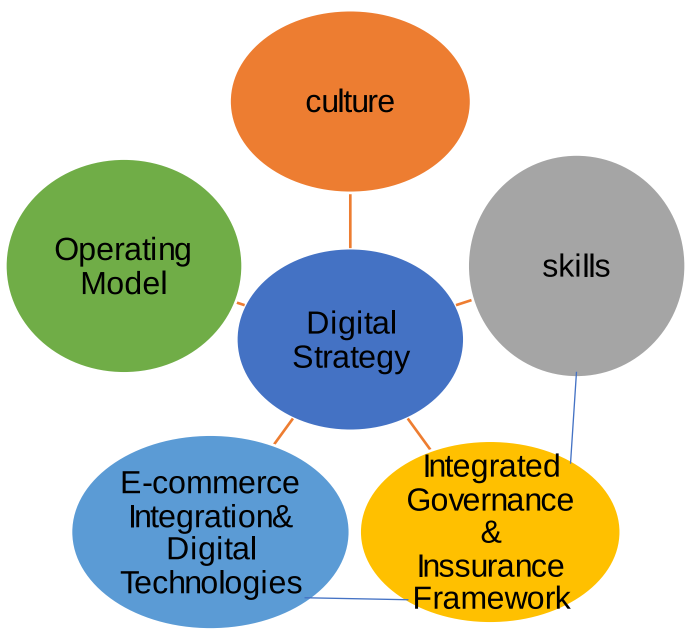

Figure 10 Thematic Map

4.5 Results of Proposition 1

Digital transformation encompasses more than just facilitating digital technologies by traditional organisations; it requires a comprehensive reconsideration of the organisation's operational framework and overall business model.

The results obtained from the interviews were subjected to the thematic analysis method to examine this hypothesis. The research instrument presented in Chapter 3 was utilised to investigate digital strategy development and execution in a conventional retail bank. The primary data was gathered through face-to-face semi-structured interviews with senior leadership from several departments, who constituted the target audience.

4.5.1 Digital strategy

The research instrument did not directly assess the definition of digital transformation, but the comprehension of the phenomena surfaced in the responses to the questions. These sub-themes emerged prominently during the exploration of the subject of digital strategy. Different opinions regarding the definition of "digital" were observed within the bank.

Overall, the participants demonstrated a strong comprehension of digital transformation. Although the bank does not have the complete capacity to adopt it, the participants shared examples of what they believed to be present within the banking industry while answering the question based on their personal views.

"*This is mostly focused on innovation and the implementation of new technology to enhance customer experience and improve operational efficiency. The transition from manual operations to digital platforms allows for remote transactions, eliminating the need for clients to visit physical branches."* – P2.

"*It is about capturing new markets and coming up with cutting the edge technologies that will be convenient for customers and products that will meet customers' needs and also making so they are not complicated but rather easy for our customers and potential clients to understand them"* -P5.

"We have been working on introducing the new technologies, which is a continuous process that we cannot wait to finish, and some of our strategies include investing in a strong infrastructure, encouraging a culture of innovation, offering thorough training, and

guaranteeing strong leadership support throughout the transition by ensuring that our employees take updated courses for me that is what digital transformation is-convergence” -P9.

However, some participants indicated that the organisation has been prioritising various areas and combining multiple digital strategies and tactics to demonstrate a complete plan for embracing digital transformation. The statements below are direct quotes from the participants,

“So financial inclusion is our main priority as the bank, so we ensure that everyone is included as we tap into digital transformation through the use of technologies; we make sure our clients in rural regions with no smartphones still be part of these transitions hence there is still USSD for such customers with logging in internet banking or on the mobile apps since they do not have access to the.” -P1.

“The implementation of comprehensive consumer education initiatives, financial literacy programs at the national level, and the government's efforts to promote a cashless society are crucial steps in facilitating the digitisation of certain government payment services.” -P4.

“It is a WhatsApp chatbot. So, we have a customer service centre, where you can use a toll-free number, so any question that one has, they can use it to get assistance from our call centre. So, we created an IA chat board so anything that the client asks, they will get the answers immediately, and if not, it can also assist a client in being assistant by an agent if one asks for information that is not within the given scope of AI chat board” –P 7.

From the responses received, the emerging definitions relating to digital can be summarised as:

- Emphasising digital leadership.
- Implementing a strategy that prioritises mobile devices.
- Streamlining operations through digitisation to improve efficiency.
- Adoption of a new business model to align with the digital era.

- customer-centric approach.
- financial inclusion.
- continual innovation and improvement.
- digital evolution and transition.
- Implementation of chatbot.

Due to the need for a universally accepted definition within the bank, the current employees determine the meanings individually, leading to discrepancies. Establishing alignment inside the bank regarding the fundamental ideas and purpose of the bank's digital strategy is crucial to guarantee that the execution is in line with the strategic objectives.

Although there were varying opinions on the specific areas of emphasis for the digital transformation agenda, all respondents agree that digital technology facilitates the plan. Historically, the organisation's digital strategy was primarily driven by technology. However, there has been a transition, and technology now serves as a facilitator for the plan. Therefore, the IT strategy aligns with the organisation's objective to undergo digital transformation.

The use of new technology, such as mobile banking and digital platforms, and a focus on convenient solutions that cater to client needs align with their goal to remain competitive and pertinent in the swiftly changing banking industry. The following are verbatim quotes from the participants**.**

"*And then we have been from transitioning until now when we are working on a project were going to introduce Visa cards, we have been working on that for three years now, we will autopilot internally, and possibly next year we will roll it out. So, the visa platform will open many doors. you will not transact wherever you are; we will also introduce e-commerce that would differentiate Postbank from its competitors and do Forex."* P1.

"This is mostly focused on innovation and the implementation of new technology to enhance customer experience and improve operational efficiency. The transition from manual operations to digital platforms allows for remote transactions, eliminating the need

for clients to visit physical branches. This convenience enables customers to conduct transactions at any time and location, resulting in time savings and increased convenience. Another aspect to consider is using smartphones, which facilitates the accessibility of mobile applications for customers." -P2.

"*Lesotho Postbank recently launched a new platform called "Tsutsuma," our WhatsApp chatbot. This kind of technology will be very competitive in the banking industry because, as stated earlier, we are the bank that caters to everyone. However, people in remote areas far from the branches frequently struggle and cannot ask questions or fail to do so. When they try to call the toll-free number, it is always busy because everyone is calling, but with "Tsutsuma" sign on to WhatsApp and ask any inquiry anytime; clients will receive prompt responses"* -P 7.

4.5.2 Operating model

Lesotho Postbank embraces a federated business model where individuals set their digital strategy in response to the corporate Framework. A framework is developed at the group level, which outlines the organisation's strategic intent as the roadmap and overall direction. This collaborative Digital Transformation Operating Model leads to a centralised strategic framework providing the foundation for the entire organisation. The model accommodates digital technologies' transitioning and evolving landscape over time and market demands. Two contrary views emerged regarding the operating model. However, the commonality between both is that the operational model is developing autonomy and adaptability, fostering a dynamic environment for digital transformation while aligning with the corporate strategy.

"I think capacity building—many times. You have beautiful strategies, tactics, and things you want to do. However, are these people knowledgeable? Capacity building. Or the national capacity building. We do not have that privilege. So, it. He says we need a platform to prepare our people for when we bring those products or services in an unfamiliar manner. They do not find us strange and think we have lost it. So, it is education and financial inclusion through financial literacy. Those are important aspects of ensuring you stay in touch, are informed, and align with the operating model" –P11.

Participants discussed methods and initiatives aimed at addressing the issues of financial inclusion, providing financial education to clients, and assuring the inclusion of all parts of the population. Their focus was on initiatives such as enhancing customer service interaction, emphasising financial inclusion for individuals with and without bank accounts, and facilitating access for rural consumers who do not own smartphones using USSD. These initiatives have the potential to enhance financial inclusion and accessibility indirectly,

"The implementation of USSD technology enables customers without smartphones to engage in transactions as well." -P2.

"*And a lot of rural people do not use Smartphones. This is why Lesotho Postbank has an option for such people using USSD since it focuses on banked and unbanked populations."* -P6.

Leadership is crucial in guiding the development and implementation of the strategy. The prevailing opinion is that the plan must be spearheaded by upper management. Business leaders are responsible for ensuring that the strategic execution is aligned correctly. The responders mentioned the delayering process, which enables leadership to be closer to execution and facilitates swift decision-making. It is crucial to convey the vision to all employees effectively; nevertheless, there is a prevailing belief that this is already happening. There are gaps in this area regarding the clarity of tasks and responsibilities at different levels. The immaturity of the operational model directly affects the clarification. The leaders are responsible for guiding the implementation, including defining the roles and duties of all those involved.

"*Strong leadership is essential for organisations to envision the future, stay current with global trends, and provide direction. Leaders must understand the impact of artificial intelligence, use data to provide solutions and apply Michael Porter's five forces model. Integrating thinking and reporting, eliminating silos, and moving harmoniously in the same direction are crucial. Leaders must be digitally savvy and understand the challenges of technology, such as cyber threats. Empowering employees and guiding them towards the company's vision is essential, as well as understanding its focus"* – P 11.

Participant 8 acknowledged that barriers such as restricted educational and informational resources, resistance to change, and the complex nature of digital services could hinder the seamless implementation of digital transformation technology. If employees need to understand their roles and responsibilities during digital transformation, this can impede its success.

"Insufficient knowledge and inadequate communication both inside the company and with customers necessitate extensive training in various departments; this assists employees in knowing what they are responsible for and how certain tasks must be carried out" -P8.

4.5.3 Skills

Participants also expressed a strong theme regarding the kind of abilities needed to manage the risk that digitisation introduces. Most participants agreed that managing risk presented by digital means requires analytical and technical skills like IT and the ability for employees to adapt to rapid change. An ideal employee would possess a combination of business and technology skills. The study identifies change management and IT skills as crucial for successfully implementing digital transformation. A bridge is needed between traditional organisational skills and digital transformation capabilities. Participants often perceive inadequate or non-existent skills in their organisations.

"*Digitization may impact workforce structure, potentially shifting roles and creating new positions requiring digital skills. It can improve business efficiency by automating routine tasks and enhancing productivity and decision-making. It can also provide a competitive advantage by enabling quicker market responses, personalised customer experiences, and innovative technologies. However, challenges include upskilling employees, robust cybersecurity measures, managing data privacy, and aligning digital transformation with business strategy.***"**-P5.

"*Because of technology, we need to ensure we align with these new technologies and acquire new knowledge to analyse this risk associated with digital transformation. Also, we need to look and check how far our country is in terms of cyber. Is the country aware of this? There need to be laws and regulations to be made because if they are known, laws mean both the government and companies Will be attacked if there are no laws protecting them."* – P3.

Participants emphasised the importance of ongoing training and endless improvement within the Lesotho Postbank and how these skills will lead to the success of digitisation.

“*These digital technologies are crucial for customers as they provide convenience and flexibility in conducting transactions anywhere. However, it is essential to acknowledge the associated skills and take short courses or training. By prioritising continuous improvement and education so that it is easier to educate the clients”* -P6.

“*Technical proficiency, flexibility, problem-solving abilities, and a customer-focused mentality are all essential for successful digitalisation. Other essentials include teamwork and readiness to learn new skills and adjust to new technologies.”* – P9.

Participant 12 also emphasised that not only IT employees or departments should know about technical issues when the organisation is tapping into digital transformation, but every employee should ensure that they understand what drives the implementation of digital technologies and its pros and cons. A deficiency in talent is seen inside the organisation. This is a function of the previous operating model. Specific competencies for driving Change Management and implementing projects were outsourced, leading to bank agility gaps.

“*We need to make sure we familiarise ourselves with all the technical issues in the digital space to ensure everything is in line with the contract. We also provide risk assessment, contract negotiation, compliance frameworks, and the intricacies of the legalities around digital breakthrough, ensure everyone is safe, and abide by all applicable laws and guidelines- P12.*

4.5.4 Culture

To close the gap caused by digital transformation, some mechanisms are in place to educate employees, albeit in pockets of the organisation. Some of the interventions are channel-specific, where employees are given information about the services available on digital channels and how to assist customers in adopting these. There are attempts to digitise the ways of working internally, which is one of the ways to change the ways of working in the bank.

"Instead of being stuck in your paper-based and manual ways of doing things, we have good platforms like our chatbot, an advanced communications platform, building that hype around new ways of working, new ways of doing things." – P10.

Each participant contributed elements that align with different aspects of the cultural shift needed for the Lesotho Postbank to transition smoothly to digital technologies, reflecting the importance of customer-centric approaches, staying updated with trends, and fulfilling social responsibilities; below is the breakdown of how different participants contributed to highlighting the cultural shifts for a smooth transition to digital technologies at Lesotho Postbank,

"Need for review of regulations governing digital platforms by the Central Bank of Lesotho, fully flashed digital migration department which will drive more education while ensuring financial inclusion since our population is still a cash-based society. Moreover, a lot of rural people do not use Smartphones. This is why Lesotho Postbank has the option for such people using USSD since it focuses on banked and unbanked populations." -P5.

Every participant discussed different facets of communication strategies, highlighting the significance of efficient communication, educational initiatives, and cooperation with governmental efforts to effectively communicate the advantages and transformations of DT to employees and customers. The statements below are directly from the participants. It is also essential for leadership to share the plan to have a common understanding of the organisation's vision. Leadership needs to align the policies for agility and problem-solving.

Participants	**Communication Strategies for Digital Transformation Benefits**
1	Using on-ground activations and demonstrations for simplicity.
2	Emphasising compliance, educating both customers and consumers through consultants.

3	Engaging with local influencers' ongoing education to drive digitalisation.
4	Aligning improvements with Basotho values, ensuring ease of use.
5	Holds village gathering training for risk emergence and mitigation.
6	Focus on data security and training and aligning with business strategy through the agents deployed in communities.
7	Business owner's annual meetings for annual anti-money laundering training for employees and customers.
8	Involving local authorities, continuing education, and promoting digitisation
9	Experimental learning. (Piloting & Demonstration).
10	Pay attention to training: data security and business strategy alignment.
11	Education on AML, training, and new technologies.
12	Agents go to villages offering training.

Table 4 Communication Strategies

The importance of culture supersedes that of a clear strategy to some extent. It is believed that an organisation can still thrive based on an enabling culture even without a clear strategic direction. A culture that allows empowerment and problem-solving is essential for the transformation journey.

"Lesotho Postbank's mandate focuses on serving the unbanked and underbanked in the country. However, the passion and loyalty of the middle class have led to a shift in the bank's focus to accommodate this audience. As a government entity, the bank is 100% owned by Central Lesotho Bank (CLB), which ensures compliance with regulations. As a

result, the bank has seen numerous customers interested in its local bank, aiming to expand its services to cater to these customers"-P11.

The respondents perceive a culture characterised by enablement and conducive to learning is necessary. Acquiring knowledge involves making errors and experiencing setbacks, and society must possess a capacity for accepting and accommodating such occurrences. An essential aspect of achieving digital transformation is creating an environment where established entities can quickly experience failure and gain insights from the errors committed. It is crucial to foster a culture that encourages learning from failures in an educational setting.

"Cultural changes are essential, such as encouraging flexibility and a readiness to accept change. The shift can be made easier by promoting open communication, developing a growth mentality, and outlining the advantages of digital technologies. Fostering a culture of innovation, letting employees fail, encouraging them to have crazy ideas, the organisation must have innovation hubs with readily available resources" -P9.

4.5.5 Conclusion on Proposition 1

I have a well-defined digital strategy that outlines the organisation's vision and strategic goals. However, there is a growing necessity to determine the specific meaning of digital transformation for the organisation. An effective digital transformation requires the presence of a supportive culture and operational style.

The proficiency of the workforce is a crucial factor in implementing change, as it requires skilled personnel to drive the process. The organisation's operating model must be adapted to the digital era and facilitate the execution of the digital transformation strategy. Establishing the ownership of the digital transformation plan and clearly defining everyone's responsibilities in driving the change is crucial. Meanwhile, digital transformation encompasses more than simply technology. And proper communication channels for employees and customers for a better adoption of digital technologies.

Results of Proposition 2

In the banking industry, E-commerce and digital technology can spur innovation and give financial organisations a competitive edge.

The interviews' results were analysed using thematic analysis to test the second proposition. As done with Proposition 1, the research instrument was used to address the emerging themes of E-commerce integration and digital technologies.

4.6.1 E-commerce integration and digital technologies

Overall, the participants demonstrated a strong comprehension of the idea of e-commerce. Although the bank has yet to adopt e-commerce fully, the participants shared examples of what they considered e-commerce within the banking business based on their judgments and experiences. Several participants expressed that e-commerce is a comparatively novel concept within their bank, but it has existed for a considerable time. Initially, it originated as commercial transactions encompassing the exchange of commodities and services, but within the banking sector, it pertains to the assimilation of digital platforms.

Participants	Very well understood/described	Good understanding/described
1	X	
2		X
3		X
4	X	
5		X
6	X	
7	X	
8		X
9	X	
10		X
11	X	
12		X

Table 5 Level of Understanding of Term E-commerce

The participants discussed the potential benefits of implementing e-commerce as the organisation has yet to embrace it or is being implemented. The organisation is considering leveraging various advantages, such as improved accessibility, greater client convenience, and extended service offerings, to distinguish itself in the e-commerce sector of the banking industry and align with the customer base and their preferences for banking services.

***"**Yes, but not like other banks where their E-commerce works with their cards or bank accounts with Lesotho Postbank, customers will also have access to E-commerce using a service called " KHETSI" the client can access the services. Moreover, that would be a distinct check introduced over and above your traditional e-commerce platform. So you can both use it. Moreover, remember, I said you do not need an account to have "KHETSI" **(a Lesotho Postbank wallet that can be used on any mobile network. The wallet is available on both USSD and Google Play Store App Store).** This invention can be used by anyone regardless of being our cardholder or not" – P1.*

"The innovative remedy known as "Khetsi" combines the capabilities that allow the customer to access the services. Additionally, that would introduce a unique check above and above the typical e-commerce platform. So that you can both benefit and keep in mind that I mentioned you do not need an account to utilise "KHETSI," so anyone can use it whether or not they have one of our cards" -P8.

Participants recognised that obstacles such as limited access to education and information, reluctance to embrace change, and the intricate nature of digital services could impede the smooth integration of E-commerce and digital transformation technology.

"*This means my department has so much work to do to make sure everyone understands how these innovations work because, as Lesotho Postbank, we need to make sure not only young people understand and know what E-commerce is but also have sure that our grandparents are included, We can just make a practical example of this service called "KHETSI" people where are still facing challenges using it, but my team is making sure everyone gets educated on how the services work".* – P1.

"Our mission is to assist both underbanked and unbanked customers. Since most customers still do not trust cashless transactions, we educate our customers and hold demonstrations in various villages using social media, television, and radio to help

promote the advantages of digital transformation and inform our people of how the banks are currently operating.” -P12.

Participants provided examples of digital technologies, such as Khetsi, tsutsuma, mobile apps, ATMs, and structured technologies like USSD, which were seen as significant instruments for improving customer experiences in the banking industry.

“*In 2019, we introduced khetsi, Another technological innovation technology. You do not need an account; it is like your mobile money service or wallet. Moreover, remember, I said you do not need an account to have “KHETSI” This invention can be used by anyone regardless of being our cardholder or not.” -P1.*

“*The implementation of USSD technology enables customers without smartphones to engage in transactions as well. ATMs enable us to do transfers and deposits, albeit limited to local transactions rather than international ones. Nevertheless, this contributes to the digital transformation process.”* – P2.

“*The only bank with what we call a "khetsi wallet" is us, which facilitates the inter-transfer of funds between different wallets. Examples include Mpesa, EcoCash, and CPay, which enable you to transfer funds from one wallet to another. These services have made life easier by enabling you to transfer large sums of money between your wallet and your Lesotho Postbank account. Thus, from your point of view, banking has become incredibly simple. In terms of ATMs, we now have smart ATMs. We have ensured that the ATMs by the border gates only withdraw South African cash, which is helpful for those heading there, while the ATMs in town use the Lesotho currency. Moreover, now that our ATMs can process deposits, we can only ensure additional ATMs are available in various places.***”** **-**P7.

The use of new technology, such as mobile banking and digital platforms, and a focus on convenient solutions that cater to client needs align with their goal to remain competitive and pertinent in the swiftly changing banking industry.

“*And then we have been from transitioning until now when we are working on a project were going to introduce Visa cards, we have been working on that for three years now, we will autopilot internally, and possibly next year we will roll it out. So, the visa platform* *will open many doors. You will not transact wherever you are; we will also introduce e-commerce that would differentiate Postbank from its competitors and do Forex." -P1*.

"*Lesotho Postbank recently launched a new platform called "Tsutsuma," our WhatsApp chatbot. This kind of technology will be very competitive in the banking industry because, as stated earlier, we are the bank that caters to everyone. However, people in remote areas far from the branches frequently struggle and cannot ask questions or fail to do so. When they try to call the toll-free number, it is always busy because everyone is calling, but with "Tsutsuma" sign on to WhatsApp and ask any inquiry anytime; clients will receive prompt responses" – P4.*

4.6.2 Integrated governance and Assurance framework

The response from each participant provides insights into many aspects of security and Privacy. This aspect is also driving trust between the bank and the customers. Suppose customers need to be given or trained more about security and Privacy regarding the use of new technologies that come with them, which hinders their use and successful implementation. This showcased various techniques to address digital hazards inside their different departments.

"By consistently enhancing our processes, educating our consumers, implementing effective marketing strategies, and prioritising compliance with the POPIa act, we ensure that our personnel receive appropriate training to easily identify and prevent malicious occurrences, such as ransom attacks. In addition, the nation has established legal statutes overseen by the Central Bank of Lesotho, as mandated by the government." -P2.

"Our organisation employs security monitors to conduct regular inspections to ensure safety. Furthermore, we implement monthly monitoring procedures to ensure that comprehensive reports are generated. These monitors possess the capability to detect any instances of misconduct or malicious activities. If these monitors are not currently operational, it raises the question of why this is the case."-P3.

"The most important thing is customer education, and we run campaigns awareness on different social media platforms regarding the risk that comes with digital technologies

and how they can be mitigated or be avoided by the public and steps that can be taken if one finds themselves in such situations."-P5.

"Strong measures, including encryption, adherence to data protection laws, frequent security audits, staff training on cybersecurity best practices, and ongoing system monitoring for potential threats are all necessary to address security and privacy concerns. Lesotho Postbank would probably put in place stringent procedures, make investments in safe technology, carry out frequent security audits, and teach staff members and clients about safe practices to reduce the risks connected with online financial transactions."-P9.

***"**Robust safeguards, including encryption, adherence to data protection regulations, frequent security audits, employee training, and ongoing vigilance against potential threats, are necessary to address security and privacy concerns in digital financial transactions. Employee and consumer resistance can be lessened by addressing concerns, providing thorough training, maintaining open lines of communication, and emphasising the advantages of digital transformation. Concerns can also be reduced by including stakeholders in the decision-making process."-P10.*

While specific individuals emphasised the need for enterprise management frameworks, others emphasised the significance of cyber risk management policies and incident management protocols to ensure that governance, risk management, and compliance are seamlessly integrated, providing a structured approach to navigate the complexities associated with technological advancement. Innovation is accompanied by robust governance and security measures, fostering trust, and giving financial organisations a competitive edge.

" And I believe that we will be exposed to Cyber risk; we need to ensure no one has access to confidential information because of the attacker demanding ransom. So, we will always work with our policy that says there are no loops for attackers to gain access to banks' stakeholders, ensuring the banks' systems are watertight and should not be exposed or attacked easily. Moreover, from the customers' point of view, the bank will ensure that it continuously enhances customers' education by emphasising the risks that come with e-commerce and how they can be avoided."-P1.

"We use enterprise management framework, cyber risk management policies, and process and reference, incidents management process they and many more so this are relevant to manage digital risk." – P4.

"We must massively invest in our technological space and understand that we must build an army to help us win the war against any enemy. Look at what happened to CBL regarding cyberattacks. (Now we all are suffering. How many? We are in two weeks now. Because of cyber). Empower your people; train them. Please give them the right resources and make sure that level of compliance as well, as far as the regulator. Moreover, ensure we follow the rules regarding the AML (Anti-Money Laundering) issue and any other compliance you must implement. We are as compliant as possible, but train your people, gather the right stuff in place, and provide them with the right resources. Moreover, let the music play." -P11.

4.6.3 Conclusion on Proposition 2

The discussions showed ongoing obstacles in the implementation of e-commerce and reluctance from stakeholders towards adopting changes. The adoption process was slowed by barriers related to education and information, emphasising the necessity for comprehensive educational initiatives and efficient change management strategies. The primary objective was to enhance client experiences using KHETSI, mobile applications, ATMs, and USSD to promote financial inclusion. Effective execution necessitates proficient professionals possessing commercial acumen, technology experience, data protection acumen, and leadership prowess. Efficient communication and instructional programs are essential for successful execution.

4.7 Summary of the Findings

Proposition 1

DX entails more than simply enabling traditional businesses to use digital technologies; it necessitates a complete rethinking of the organisation's operational structure and whole business model.

Proposition 2

In the banking industry, e-commerce and digital technology can spur innovation and give financial organisations a competitive edge.

The primary conclusions suggest that DX extends beyond technology alone, but technology plays a pivotal role in the transformation process. The organisational work culture substantially impacts the effective execution of the DX strategy. It is essential for the organisation to clearly define the elements of the digital transformation process and the necessary skills that contribute to its success.

Culture plays a crucial role in the change process, and it is highly dependent on effective leadership to foster a supportive culture that facilitates the achievement of strategic goals. This must be considered within the organisation's level of digital advancement. The strategy depends on the skills and competencies to implement the plans effectively. Furthermore, the operational framework of the organisation is essential for achieving successful implementation.

The digital transformation in Lesotho Postbank is essential in critical areas such as sales, marketing, risk management, compliance, research, innovation, and supply chain management. Strategies encompass the prioritisation of consumer requirements, the promotion of financial access, the cultivation of innovation, and the emphasis on education. Effective communication relies on cultural adaptations and comprehensive communication tactics. Participants recognised the presence of e-commerce in the banking industry. However, they cited obstacles such as inadequate implementation and a lack of desire among stakeholders to accept and adapt to change. Effective execution necessitates proficient professionals possessing commercial acumen, technology experience, data protection acumen, and leadership prowess. Effective communication and comprehensive instructional programs are crucial for the successful execution of a plan.

CHAPTER 5. DISCUSSION OF THE FINDINGS

5.1 Introduction

This chapter comprehensively examines the study findings reported in Chapter 4. Based on the completed analysis, table 3 below presents the themes formulated with the study objectives and propositions.

Table 6 Research Objective, propositions, and final themes

<table>
<tr><th>Research Objectives</th><th>Proposition</th><th>Themes</th></tr>
<tr><td>Examine the most critical tactics and measures to implement to facilitate the adoption of digital transformation at Lesotho Postbank.</td><td>Digital transformation entails more than simply enabling traditional businesses to use digital technologies; it necessitates a complete rethinking of the organisation's operational structure and whole business model.</td><td>(1) Digital Strategy
(2) Operating Model
(3) Culture
(4) Skills</td></tr>
<tr><td>To comprehensively evaluate the benefits and drawbacks of introducing e-commerce in the banking sector, specifically to Lesotho Postbank</td><td rowspan="2">In the banking industry, E-commerce and digital technology can spur innovation and give financial organisations a competitive edge.</td><td rowspan="2">(5) E-commerce integration and digital technologies
(6) Integrated Governance and Assurance framework</td></tr>
<tr><td>To investigate and comprehend the value of</td></tr>
</table>

utilising digital technologies in the banking sector		

The technique emphasises the key discoveries from Chapter 2 and overlays the results of empirical investigation, presenting the concept that meets the study objectives.

5.2 Discussion about Proposition 1

Digital transformation entails more than simply enabling traditional businesses to use digital technologies; it necessitates a complete rethinking of the organisation's operational structure and whole business model.

5.2.1 Digital strategy

One notable finding from the empirical data is the company's limited comprehension or precise definition of digital transformation. Research indicates that organisations frequently lack comprehension of phenomena (Ismail et al., 2017). This occurs due to organisations' tendency to prioritise technology utilisation while neglecting broader strategic considerations (Kane et al., 2015).

The data collected suggests that the term "digital" is commonly used to refer to the act of digitising the technology infrastructure by updating current systems or enabling customers through digital self-service channels, such as mobile apps, online banking, chatbots, and other digital technologies. The terms "digitally led" and "mobile-first" are occasionally employed interchangeably with the term "digital." Furthermore, there is a restricted sign of mutual understanding across the organisation of the phenomenon.

Shanti et al. (2022) examined various perspectives on how the rapidly growing banking sector defines digital transformationBanking DX refers to the utilisation of emerging digital technology to achieve substantial advantages in enhancing client satisfaction, optimising processes, or establishing novel business models by introducing innovative advancements that fundamentally reshape traditional banking procedures. (Shanti *et* al., 2022) Increasing client satisfaction, competitiveness, efficiency, and profitability are tangible financial motivations for implementing digital banking transformation in banking.

According to the data collected in the organisation that embraces a comprehensive definition of DX, which includes the transition from manual processes to digital ones using digital technologies, it is observed that these technologies help to enhance digital inclusion for customers living in urban and rural areas. This report comprehensively covers the whole corporate value chain and explores the substantial impact of digital technology on the organisation's operations.

The customers' needs are constantly evolving due to the introduction of new technology, which makes their lives easier and more convenient. This necessitates a change in how brick-and-mortar organisations operate. This necessitates modifications in the business processes, services, products, and organisational structures within the banking sector or sectors. Businesses must incorporate digital technology into their operations and revamp their business models to compete successfully.

The digital initiatives of Lesotho Postbank encompass the evaluation of existing procedures, how services and goods are provided, and communication between personnel and clients. Additionally, there is a focus on digitising the infrastructure. RPA is used to re-engineer business processes. The primary areas of emphasis encompass enhancing operational effectiveness, increasing flexibility, and enhancing customer satisfaction or personalisation and digital payments. A frequently used term to characterise the bank's transformation path is 'developing' and 'transitioning,' recognising that the digital transformation is ongoing.

The survey also revealed that the journey towards digital transformation entails potential hazards and viable alternatives—lastly, managers' common challenges when completing ongoing initiatives. Leaders who utilise transformational leadership approaches create an environment that positively and significantly influences employee engagement.

5.2.2 Operating model

Who holds the responsibility for spearheading the DX plan inside an organisation? As per the literature, for an extended duration. The Chief Information Officer (CIO) generally fulfils this job. The Chief Digital officer (CDO) at specific organisations has the unique responsibility of leading initiatives related to digital transformation. The CDO is primarily responsible for formulating and implementing the organisation's digital strategy and supervising the implementation of digital projects. They collaborate closely with other top-level executives, such as the CEO and CIO, to synchronise DX objectives with business goals.

The predominance of the CDO position may differ, but it can play an imperative position in spearheading DX in organisations that prioritise digitalisation as a fundamental business strategy. The CDO possesses specialised knowledge in digital technology, customer experience, and innovation, enabling them to lead and implement significant changes effectively.

The results suggest that the Lesotho Postbank should employ a distinct strategy for digital transformation, which people in managerial positions and the CLB primarily drive. This transformation is facilitated not just by the CDO or CIO but also by technical teams. The main challenge is that the current infrastructure necessitates intentional IT interventions for the solution, which, if adequately addressed, can have a detrimental effect on DX efforts. It is crucial to simultaneously focus on improving digital capabilities within the departments.

The question regarding the leadership role of digital strategy has a definitive solution, which suggests that strong leadership is essential for driving digital transformation. Strong leaders are responsible for crafting the vision for change and motivating the workforce to adopt DX. Regrettably, the process of achieving digital transformation is seldom without difficulties. Hence, leaders must foresee any obstacles hindering advancement and comprehend how to overcome them.

Various obstacles may arise throughout the digital transformation, including opposition to change, limited resources, and unforeseen technology difficulties. Therefore, it is essential to adequately prepare for any unexpected risks that may jeopardise the digital transformation.

Preventative methods may encompass creating comprehensive change management plans, obtaining support from influential stakeholders, or assuring the availability of supplementary resources, if necessary. By taking proactive measures to overcome potential obstacles, the organisation will be better prepared to ensure the smooth progress of its digital transformation activities, enhancing the chances of achieving a successful conclusion.

The study was conducted by (Kitsios et al., 2021) and examined banks' implementation of DX. The poll results provide insights into the sentiments of bank personnel towards innovative technology. Additionally, it offers financial organisation executives a valuable resource for creating specific educational initiatives to assist their employees in adapting to the emerging digital landscape. Executives are concerned with the employees' willingness and ability to adopt and integrate technology into their daily work processes. Hence, executives can resolve these concerns using the Diffusion of Innovation Theory or the Technology Acceptance Model (Loonam et al., 2018).

5.2.3 Skills

Certain firms prioritise enhancing and acquiring new skills in response to this issue. However, the learning and development process needs to undergo a significant shift. Asserts that learning and development are fundamental to DX (Echegaray & Martin, 2019). Conventional training techniques should be revamped, utilising technology to deliver training at the right moment and offer vital insights. This novel strategy yields advantages for the company and its staff, speeding up the transition to digital methods and fostering professional advancement (Kane et al., 2015).

The study findings indicate that a skills gap is one of the competencies significantly affecting the organisation's ability to carry out tasks effectively. The organisation has identified a need for vital capabilities such as IT and cybersecurity skills and frameworks. These instances of skills gaps expose the bank to significant risks. Historically, the company relied on external resources to implement large-scale initiatives, resulting in internal capability deficiencies.

Establishing an internal skills capacity is essential for effectively implementing the institution's digital transformation strategy. Equally important is the role of 'modern technology' within the company. This position entails translating business needs and technical terminology for specialists accountable for duties. A gap occurs when there is a deficiency or nonexistence of something.

When it comes to enhancing the workers' skills, it has been recognised that this only happens in certain areas, and there needs to be a comprehensive company-wide initiative to improve the skills of the entire staff.

5.2.4 Culture

DX is crucial for companies but challenging due to people and culture issues. To succeed, four strategies are essential: aligning the top team, building a good transformation objective, choosing a suitable digital governance model, and scaling digital initiatives. Entire team alignment is crucial, as weak leadership, short-term pressures, and misaligned incentives can lead to dissent and friction (Seetharaman, 2022); leaders should create a safe space for open discussion and uncover underlying assumptions. They should also understand why they are transforming, what they are investing in, and how to execute it (Nguyen-Thi-Huong et al., 2023). Building a good transformation objective requires precise, realistic, inclusive, succinct, and measurable goals. The choice of a digital governance model depends on the firm's digital maturity. Companies can drive transformation through existing leadership teams, appoint a dedicated digital transformation leader, create a new business unit, or build or buy digital operations with a separate P&L and brand (Galazova & Magomaeva, 2019).

The research findings validate that culture plays a significant role in determining the efficacy of the DX strategy. Implementing innovative work practices within the bank is a purposeful effort to alter the bank's organisational culture. The significance of cultivating a supportive and empowering culture has been given a higher rating than the actual strategy. More cultural practices are needed to ensure the successful implementation of a strong plan.

The existing literature revealed that the role of digital culture is pivotal in facilitating or impeding DX, with technology serving as a prominent catalyst. Organisational culture has a dual role in digital transformation, both as a facilitator and an obstacle (Hartl & Hess, 2017). It can be modified by approaches including aligning the digital transformation with the current culture, harmonising with the new norms, or altogether overhauling the culture (Workurka, 2018). Nevertheless, altering culture is a challenging, protracted, and resource-intensive endeavour that impacts the selection of the change management strategy.

The gathered findings from the participants indicated that quantifying and delineating digital culture is essential for assessing the current state, responding to shifts, and establishing priorities. Adhocracy and clan cultures, characterised by great flexibility and minimal control, facilitate the digital transition, although they have distinct orientations. The process of evaluating and defining digital culture includes analysing the organisation's culture at various phases, with a particular emphasis on adaptability and a balanced focus on internal and external aspects.

Existing literature emphasises the significance of cultural values and the need for collaboration across different functions. These mechanisms affect all elements of digital transformation, including strategic vision, strategic alignment, technology assets, knowledge and intellectual property, digital capacity, and culture of innovation (Workurka, 2018).

5.3 Discussion of Proposition 2

In the banking industry, E-commerce and digital technology can spur innovation and give financial organisations a competitive edge.

5.3.1 E-commerce integration and digital technologies

An emerging finding from the empirical data is a need for a widespread understanding of the meaning of e-commerce within the banking industry. (Ganeshan & Umthandu, 2022). Internet banking, sometimes known as e-banking, is an electronic commerce program that enables customers of banking services to complete various financial transactions online securely. E-banking refers to the provision of banking goods and services using the Internet. The e-banking function encompasses the domains of Banking, Finance, Securities, and Insurance (BFSI). Banking encompasses services to users, while financial services encompass stock broking, mutual funds, payment gateways, and more.

The participants' findings highlighted that while the bank has yet to embrace e-commerce fully, they provided examples of what they perceived as e-commerce in the banking industry based on their assessments and experiences. Many participants stated that e-commerce is a relatively new notion in their bank, yet it has existed for a significant period. Initially, it began as business transactions involving the trading of goods and services, but within the banking industry, it refers to the integration of digital platforms.

Consumer preferences have significantly changed during the past decade. Customers desire the ability to retrieve account information, acquire data for utilisation with personal finance software, execute fund transfers between accounts, and make online bill payments (Bhat et al., 2022). Indeed, apart from offering these services, banks must possess the capability to ensure the privacy and confidentiality that consumers need, a challenging endeavour. Consumer expectations often revolve around the desire for more robust and complex connections between customers and financial institutions (Bhat et al., 2022).

Customers desire to engage in banking activities at their convenience, regardless of the time or day of the week (Bhat et al., 2022). Bankers want to cultivate more robust and enduring client relationships, prioritising enhanced security and long-term commitment.

The findings support this assertion: Online banking offers various benefits, including time efficiency, convenience, 24/7 availability, environmentally friendly processes, easy accessibility, and expedited banking. Lesotho Postbank ensures customer alignment by naming its products in the Sesotho language, allowing customers to understand the services better. This approach promotes financial savings as well. It facilitates remote transactions, eliminating the need for in-person visits and queuing. The bank caters to unbanked and underbanked customers, most of whom reside in rural areas. Online payment options allow for prompt settlement of phone and utility bills, avoiding potential payment delays. Furthermore, online banking offers economic benefits by enabling various company procedures to be carried out remotely, decreasing costs associated with deploying personnel for banking functions.

5.3.2 Integrated Governance and Assurance Framework

Existing literature has demonstrated the significance of digital transformation governance and assurance in ensuring that an organisation's digital transformation projects align with its business goals and objectives and are executed effectively and efficiently (Horlacher et al., 2016). The framework offers a systematic decision-making and risk mitigation approach while defining explicit roles and responsibilities for digital transformation initiatives. It further shows that efficient governance ensures proper allocation of resources, identification and resolution of hazards, and realisation of benefits (Vejseli et al. 2019). Additionally, it aids in guaranteeing adherence to norms and standards while facilitating efficient communication and collaboration within the business. Ultimately, implementing DX governance and assurance is crucial in ensuring the triumph of digital transformation efforts and their overall impact on the organisation's success (Warner & Wäger 2019). The provision of governance and assurance encompasses the following areas (Warner & Wäger 2019):

- Data Governance
- Security and Privacy
- Regulatory Compliance
- Risk Management
- Internal controls
- Ethical Considerations
- Audit and Assurance Processes
- Stakeholders Communication
- Continuous Monitoring and Improvement
- Collaboration and coordination

The findings revealed that the Governance and assurance process is essential for a digital transformation journey, primarily focusing on managing digital strategy, agile enterprise architecture, big data, cybersecurity, and agile portfolio. The digital strategy encompasses more than just IT strategic initiatives; it integrates IT and business strategies. Agile enterprise architecture management is crucial for translating the strategy into architecture, while agile business process management is required to synchronise critical processes. Efficient administration of large volumes of data is essential for enterprise digital analytics to detect consumer behaviours and trends across digital competitors, enabling prompt decision-making.

The findings further emphasised that effective cybersecurity management is crucial for safeguarding data and ensuring proper governance while implementing these digital technologies. The ambidexterity strategy necessitates a deliberate equilibrium between proactive measures and reactive actions, all while effectively handling conflicts and changes. Agile portfolio management prioritises and allocates resources among projects, ensuring flexibility through continuous learning and cycles. The digital transformation vision is driven by the digital strategy and enterprise architecture, which impact strategic alignment, assets realisation, and knowledge generation. This ultimately leads to developing digital capabilities and an innovative culture: agile project management methodologies, systems development, and the management of digital outsourcing influence digital transformation.

5.4 Conclusion

Living, working, and conducting business in the digital age have all been significantly impacted by emerging digital technology in the labour market. This has led to a shift in the skills required, necessitating the identification of competencies across several industries, a rise in digital literacy, and workforce requalification or training for applying digital methods. Strong transformation governance is also crucial in significant organisational contexts. Five factors must be considered when developing governance for agile delivery: clearly defining project management, reflecting agile concepts, involving partners, senior management, and IT teams, selecting performance indicators, and stressing behaviours. Experience is a need for effective transition management.

Additionally, Customers can access businesses worldwide through e-commerce, a crucial economic endeavour. It improves information communication, trade, negotiation, payment, financial instruments, and transport management systems. Since traditional branch-based banking is in decline and is now available in remote locations, electronic commerce can help banks overcome limitations on their reach and range of services. The Internet has produced significant savings, and other revenue streams are proliferating.

CHAPTER 6. CONCLUSIONS & RECOMMENDATIONS

6.1 Introduction

This chapter provides the final findings and outcomes derived from the study objectives introduced in Chapter 1. Recommendations have been proposed, encompassing ideas for future investigation. The aim was to explore the adoption of digital transformation in Lesotho Postbank based on e-commerce, mobile apps, and ATMs, explicitly focusing on elements such as e-commerce, mobile apps, and ATMs. The study analysed the impact of these elements on various facets of banking operations and customer experiences.

The literature revealed that DX encompasses more than just digitising the bank. It also considers other factors that disrupt the entire ecosystem and business model. As banking services become increasingly digitised, banks must adapt by digitally transforming their products, processes, and services. Failure to do so may result in potential disintermediation shortly, jeopardising their future sustainability. These audacious actions within the industry require leaders of a higher grade with broader skills.

The advent of digital technology has revolutionised the banking industry. Customers are currently the focal point of product offers and can conduct financial transactions through a bank. 24/7, utilising diverse channels. Examples include e-commerce and mobile banking applications. Nevertheless, the advancement of technology has had substantial consequences for risk management. The banking sector is currently experiencing the emergence of digital risk as one of its major threats.

6.2 Conclusions Regarding Research Objectives

6.2.1 Examine the most critical tactics and measures to implement to facilitate the adoption of digital transformation at Lesotho Postbank.

The organisation has incorporated digital strategy into its corporate strategy, fostering an innovative culture. Lesotho Postbank achieves this by recruiting young, recently graduated individuals with novel ideas, emphasising the significance of staying ahead in the digital landscape and being knowledgeable about emerging trends to remain competitive. Excessive investment in a robust infrastructure can facilitate and sustain continued innovation and technological progress. The study revealed that investing in infrastructure and developing digital skills establish an adequately prepared environment to navigate and actively participate in digital transformation.

Lesotho Postbank caters to unbanked and underbanked customers, necessitating the inclusion of everyone and ensuring accessibility to services not only in lower regions but also in remote areas. To prioritise financial inclusion, Lesotho Postbank needed to ensure that its digital efforts focus on providing USSD solutions for customers without internet access or smartphones, as these factors hinder the adoption of mobile applications.

With the advancement of technology, the demand for specific skill sets changes. In the case of digitisation, a blend of technical and interpersonal abilities is necessary. Lesotho is a country with a need for more skilled workers. However, for the Lesotho Postbank to be relevant and competitive, a strategy is required to either bring in skilled workers from outside or enhance the abilities of existing personnel. As the bank has used digital technology to improve efficiency and customer service, it is necessary to address the associated risks in a distinct manner, which demands various skill sets.

Additionally, the survey unveiled that education and awareness are essential factors in facilitating the digital transformation process for both employees and customers. Lesotho Postbank routinely dispatches marketing specialists to outlying regions to carry out comprehensive consumer education and awareness initiatives. These efforts seek to educate customers about the benefits of digital banking services and how to employ them efficiently. In addition, the bank uses many channels, including social media, television, radio, and community demonstrations, to reach a broad audience effectively.

Ultimately, the research concluded that implementing government policies that require digital payment methods for public services would significantly enhance the widespread acceptance and utilisation of digital technology in alignment with governmental objectives.

6.2.2 To comprehensively evaluate the benefits and drawbacks of introducing e-commerce in the banking sector, specifically to Lesotho Postbank

The bank still needs to embrace digital commerce. However, the study revealed that financial institutions have a strong incentive to participate in online business activities. Companies must seize the opportunities presented by the Internet to avoid being relegated to a predominantly subordinate position as businesses gradually transition to electronic platforms. Under those circumstances, they would handle financial transactions for individuals involved in online business transactions. However, they would need more opportunities to interact directly with customers and sellers or promote their merchandise in the digital marketplace. In contrast, if banks choose to have an online presence, they can market traditional banking goods more effectively and create and offer new products that are in demand by e-commerce participants.

However, the investigation uncovered the disadvantages of implementing e-commerce. Although banks can gain advantages by engaging in e-commerce, they will also face significant and complex risks. Specific risks are strategic, meaning that banks may have challenges in effectively adjusting to the changes in the business environment brought about by e-commerce. Some systems are functional, indicating that the computers and network technology that facilitate e-commerce may experience malfunctions.

Financial institutions venturing into the digital marketplace encounter heightened operational risk stemming from technology malfunctions, which have the potential to tarnish the brand of individual banks, results in business and financial losses, and expose vulnerabilities to hackers. Delegating e-commerce systems to external suppliers can reduce this risk, but it also entails relinquishing control over security and other crucial aspects of system administration. Moreover, the extensive utilisation of outsourced systems could significantly impact banks' capacity to participate in e-commerce.

6.2.3 To investigate and comprehend the value of utilising digital technologies in the banking sector.

The study revealed that while some customers still perceive using digital technologies to interact with organisations as unfamiliar, most projects today are motivated by customer demands for convenience, consistency, and comprehensive services across all sectors. This ultimately strengthens the relationship between both parties. Strategies for enhancing customer services using digital means can encompass the following:

- Chatbots (also known as Tsutsuma at LPB) are automated help systems,
- self-service portals (Khetsi),

- Customisation interactions utilising data analytics.
- Enhancing customer involvement via social media and other digital tools.

Banks employ digital technologies to optimise their business processes and enhance consumer satisfaction. This entails establishing connections between individuals, systems, and commodities while improving services' effectiveness and efficiency. Digital technology allows organisations to integrate effortlessly client demands into the whole product development or service delivery process chain. The importance of digital technology is increasing because of intense market rivalry. The study has consistently shown a strong correlation between business growth and using digital technologies to create innovative business models. Technological progress creates innovative products, processes, and services that generate more excellent organisational value. LPB is presently developing the integration of Visa cards, enabling customers to transact within Lesotho and globally.

Finally, to remain pertinent and adjust to market dynamics, banks must be abreast of industry publications, conferences, and research. Embrace innovation by integrating novel technologies, contemporary design trends, or diverse communication channels to augment their brand image. Attentively heed the feedback of its clients to comprehend their ever-changing requirements and preferences. Reassess the brand values to ensure they align with the evolving environment. For instance, if sustainability becomes popular, include eco-friendly methods to attract eco-conscious customers. Organisations can sustain their position by remaining well-informed and attentive to client feedback to retain a competitive advantage and connect with their intended audience.

6.3 Recommendations

1. **Clear definition of digital transformation**

Organisational alignment is contingent upon a lucid elucidation of digital transformation. The linkage between strategic goals and the transformation plan should be established, creating a connection between the business model, operations, and digitisation strategy. It is crucial to comprehend the differences between digitisation, digital-led initiatives, and comprehensive business model transformation.

2. **Cyber Risks**

The financial services industry, especially banks like LPB, which are in the nascent phase of embracing digital transformation, is substantially vulnerable to cybersecurity. Hence, management must investigate more efficient approaches to risk management by implementing technology, such as leveraging big data and predictive analytics, investing in contemporary security technologies, and consistently updating systems to protect against cyber-attacks and seeking solutions that provide robust security features, such as data encryption, multi-factor authentication, and fraud detection. Ensuring compliance with legal standards, such as the General Data Protection Regulation (GDPR) and Know Your Customer (KYC)/Anti-Money Laundering (AML), is essential for data protection and maintaining confidence.

3. **Digital Literacy**

Organisational proficiency in digital transformation is crucial for adapting to swift technology advancements and maintaining competitiveness. A workforce with digital literacy can comprehend and utilise emerging technology to enhance work procedures and productivity and recognise prospects for digital transformation. It entails understanding the company context, consumer requirements, and organisational objectives. Organisations should promote a culture of technological exploration and ensure that employees are well informed about the most recent advancements and trends. Organisations can gain a competitive advantage by cultivating staff with digital literacy skills, enabling them to utilise new technology effectively, optimise processes, and improve efficiency.

4. **Collaboration with FinTech Companies**

FinTech companies provide substantial advantages to financial institutions through their innovative solutions, unique options, and improved operational effectiveness. The company offers specialised services such as peer-to-peer lending, develops solutions for broader markets, and improves traditional financial processes. LPB can obtain technology from FinTech companies, collaborate with them, or incorporate FinTech technologies into their existing services. This partnership enables rapid innovation without substantial investments.

6.4 Limitations

Due to its exploratory and qualitative nature, this study is susceptible to biases and limits regarding generalizability. Researchers might have contributed presuppositions and prejudices, and the researcher's deficiency in interviewing proficiency could influence the nature of the questions. Confidentiality was a significant concern in banking environments due to confidentiality agreements between the bank and its employees, so some of the questions still needed to be fully answered, even though the participants were supplied with the assurance of anonymity. Limiting the analysis to the Lesotho Postbank as a case study may have restricted the range of viewpoints and practices compared to a more comprehensive multi-case study methodology. Lastly, the study necessitated the inclusion of senior executives who held prominent positions inside their respective organisations, to which the researcher had only restricted access.

6.5 Suggestion for further research

1. An intriguing analysis would involve comparing Lesotho Postbank with foreign banks, specifically by finding the most effective digital transformation initiatives and their consequences.
2. Analyse how Lesotho Postbank can cultivate a culture of innovation.
3. Analyse the strategies that Lesotho Postbank can implement to proactively prevent or minimise the impact of cyberattacks.
4. Examine the change management tactics employed by the Lesotho Postbank throughout its transition to digitalisation.

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APPENDIX A

3.6 THE RESEARCH INSTRUMENT

Introductory Questions

- Could you please share how long you have worked at Lesotho Postbank and how your tenure has contributed to your understanding of the organisation's technological needs and overall operations?

1. **Examine the most critical tactics and measures to implement to facilitate the adoption of digital transformation at Lesotho Postbank**.

- What strategies or tactics are crucial for Lesotho Postbank to adopt digital transformation technologies successfully?
- Can you elaborate on any organisational changes or cultural shifts required to facilitate a smooth transition to digital technologies within Lesotho Postbank?
- How do you envision effectively communicating the benefits and changes associated with digital transformation to employees and customers?
- How do you envision effectively communicating the benefits and changes associated with digital transformation to employees and customers?
- What risk management framework is used in your organisation, and do you believe it is relevant to manage digital risk?
- How can Lesotho Postbank ensure that the digital transformation efforts align with the bank's core values and maintain the trust of its customers?

2. **To thoroughly assess the advantages and disadvantages of implementing e-commerce in the banking industry, focusing on Lesotho Postbank.**

    - What innovative features or services could be introduced through e-commerce that would differentiate Lesotho Postbank from its competitors?

- Conversely, what potential benefits or drawbacks do you anticipate when implementing e-commerce in a banking environment, and how can these challenges be mitigated?
- How do you foresee e-commerce aligning with Lesotho Postbank's customer base and their preferences for banking services?
- Can you identify potential barriers or resistance among employees or customers while adopting digital transformation technologies?
- In your view, what skills and capabilities are required to manage the risk introduced through digitisation?
- What role do Lesotho Postbank play in driving digital financial inclusion and accessibility in the local community through these technological advancements?

3. **To investigate and comprehend the value of utilising digital technologies in the banking sector.**
    - Can you discuss specific examples of digital technologies, such as mobile apps and ATMs, that have demonstrated value in enhancing customer experiences within the banking sector?
    - How do you envision integrating digital technologies contributing to the overall competitiveness and relevance of Lesotho Postbank in the rapidly evolving banking landscape?
    - What measures can be taken to ensure that the utilisation of digital technologies remains aligned with customer needs and industry trends?
    - How will Lesotho Postbank manage the potential security and privacy concerns of using digital technologies for financial transactions?

Concluding questions

- How can Lesotho Postbank ensure that the digital transformation efforts align with the bank's core values and maintain the trust of its customers?
- What role do Lesotho Postbank play in driving digital financial inclusion and accessibility in the local community through these technological advancements?

APPENDIX B

Consistency Matrix

Sub-problem	**Literature Review**	**Propositions**	**Data collection tool**	**Analysis**
Examine the most critical tactics and measures to implement to facilitate the adoption of digital transformation at Lesotho Postbank.	Loonam et al. (2018); Osmundsen et al. (2018); Reis et al. (2018); Hess et al. (2016); Chanias (2017); Ismail et al. (2017)	Digital transformation entails more than simply enabling traditional businesses to use digital technologies; it necessitates a complete rethinking of the organisation's operational structure and whole business model.	Interview Questions: 1,2,3,4,5,6,7,8, 9	Qualitative data analysis from a case
To comprehensively evaluate the benefits and drawbacks of introducing e-commerce in the banking sector, specifically to	Vinoth et al., (2021) Bhat et al., (2022) Zaman et al., (2022) Krup et al., (2022)	In the banking industry, E-commerce and digital technology can spur innovation and give financial organisations a competitive edge.	Interview Questions: 10,11, 12, 13, 14, 15,	Qualitative data analysis from a case

Lesotho Postbank.				
3. To investigate and comprehend the value of utilising digital technologies in the banking sector.	Mosteanu et al., (2020) Kirillova et al., (2021) Diener et al., (2021) Galazova & Magomeava, (2019) Choi, (2019)		Interview questions 16, 17, 18, 19, 20	Qualitative data analysis from a case

APPENDIX C

Participant Consent Form

Digital Transformation at Lesotho Postbank: cast for e-commerce, mobile applications, and ATMs.

Tsepo Ramokhoa

I………………………………………………… agree to participate in this research

project. The research has been explained to me, and I understand my participation.

Will involve.

I agree that my participation will remain anonymous YES NO (please

circle)

I agree that the researcher may use anonymous quotes.

in his research report YES NO

I agree that the interview may be audio-recorded. YES NO

I agree that the researcher may take photos of me. YES NO

(But not my face)

I agree that the information I provide may be used YES NO

anonymously by other researchers following this study.

…………………………………. (signature)

…………………………………. (name of participant)

…………………………………. (date)

APPENDIX D

Lesotho Postbank Permission Letter

LESOTHO
PostBan
Affordable Accessible Anytime

Mafike House, Kingsway Road
Private Bag A121, Maseru 100
Kingdom of Lesotho
Tel : (+266) 2231 7842
Fax: (+266) 2231 7832
Website : www.lpb.co.ls

01St August 2023

Dear Mr. Ramokhoa,

RE:PERMISS1ONTOCONDUCTYOURRESEARCHATLESOTHOPOSTBANK

This letter serves to inform you that your request to conduct research on topic: "The viability and potential of Postbank's adoption of digital transformation (e-commerce, mobile apps, and ATMs) based on Lesotho's infrastructure, internet usage, consumer trends, and legal and regulatory frame" at Lesotho PostBank has been granted with following conditions:

& The research should not interrupt any business activities.
6 The findings will be shared with the Bank.
& You will adhere to the stipulations of the signed NDA.
6 Anonymity and confidentiality will be observed.
6 Participation of employees is voluntary.

The Bank will however do everything in its powers to ensure that this exercise becomes a success. We wish you all the best in your studies.

Yours sincerely

Moiloa Moiloa (Mr.)
Chief People and Culture