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Commercial Banks and Implementation of Cashless and Cash-Swap Policies in South East Geopolitical Zone of Nigeria, 2017-2023

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Abstract

Policies are tools aimed at solving societal problems. Following the implementation of some public (fiscal) policies of government like cashless policy and cash swap policy in Nigeria, it was observed that these policies created many problems instead of solving the intended problems. The objective of the study is to investigate the factors that impeded the effort of commercial banks in the implementation of cashless and cash-swap policies that led to the failure of the policies. In order to achieve the objectives of the study, Structural functional theory was used as a framework of analysis. Quantitative methods of research were adopted. It involved the administration of questionnaire, and interviews hence survey research method was used. Data were analyzed with mean and percentage. Result showed that cashless and cash swap policies were affected negatively by organizational politics of commercial banks, the technology deployed by commercial banks and the policy goal and time of policy implementation. The study concluded that the failure of cashless and cash-swap policies is as a result of commercial banks in ability to carry out its function of policy implementation. Recommendations include, Reorientation of commercial bank's personnel and Point Of Sale(POS) operators, Improvement on technology and

strategies deployed by commercial banks, Improvement on policy formulation and implementation amongst others.

Keywords: Commercial banks, policy implementation, cashless policy, cash-swap policy, organizational politics, organizational environment, technology and policy goal.

Introduction

The aim of policy formulation and implementation is to solve societal problems. In lieu of this, federal government formulated and implemented cashless and cash swap policies to address some societal problems. The thrust of the policies is in two poles: The desire to achieve full liquidity of the money supply (M1) in circulation, and on the need to check vote buying behavior which is considered very inherent in the political space of Nigeria. CBN Update (2022) opined that the currency redesign would help to effectively manage and mop up the currency in circulation, curb racketeering and counterfeiting, as well as hamper ransom payment to terrorists and kidnappers. Going by the above premise, the President of Nigeria – Muhammadu Buhari, GCFR through the CBN on November 23rd, 2022 announced the birth of the policy, reeled out the aim, and unveiled it while encouraging the populace to embrace the policies wholeheartedly for the common good of all (Otitoju, et al, 2023).

The CBN on its own assured the citizens that enough currencies would be printed, and the old and new currencies (N200, N500 and N1000) would be used concurrently until the deadline of 31st January 2023 before the old currencies would cease to be used as legal tender. With these assurances, and the launching of the policy by President Muhammadu Buhari, GCFR on 23rd November 2022, Nigerians started depositing their old currencies with the hope of getting the new currency. The new notes as expected went into circulation on 15th December, 2022 but instead of achieving the numerous aims that led to the formulation of the policies, the policies plunge people into untold hardship and even led to the death of many Nigerians. According to Otitoju,et al (2023: 51), the policy appeared very apt and promising but many citizens though some predicted, never knew that within the short run, naira would be used to purchase naira. The implementation of the cashless policy and naira redesign in 2023 was hell for Nigerians. The commercial banks in South East geopolitical zone received the worst hit of it as crowd management became a situation beyond control leading to crowd tragedies and many challenges caused by the policy implementation. It is against this backdrop that this study is set to investigate the factors responsible for the failure of cashless and cash-swap policy

implementation in South East Geopolitical zone, 2017-2023.

Objectives of the Study

The broad objective of this study this is to investigate the factors responsible for the failure of cashless and cash-swap policy implementation in South East Geopolitical Zone, 2017-2023. Specific objectives are, to:

1. Examine how organizational politics of commercial banks affect the implementation of cashless and cash-swap policies in the selected commercial banks.
2. Ascertain how the technology deployed by commercial banks to implement the policies affect the implementation of cashless and cash-swap policies in the selected commercial banks.
3. Ascertain how external organizational environment of commercial banks affect the implementation of cashless and cash-swap policies in the selected commercial banks.

Research Questions

In order to achieve the objectives of this study, the researcher poses and seeks to find answers to the following questions:

1. In what ways has the organizational politics of commercial banks affect the implementation of cashless and cash-swap policies in the selected commercial banks?
2. In what ways has the technology deployed by commercial banks to implement the policies affect the implementation of cashless and cash-swap policies in the selected commercial banks?
3. How does the external organizational environment of commercial banks affect the implementation of cashless and cash-swap policies by the selected commercial banks?

Literature Review

The Concept of Commercial Banks

Commercial banks are financial institutions which legally accept idle money from the general public for safe keeping and in turn advance loans to their customers by creating credit and as well perform agency functions. They function as joint-stock companies and are also called joint stock banks. They are profit oriented. Banks can be instituted by group of private individuals or government. Examples of commercial banks are: United banks for Africa (UBA) Plc, Diamond Bank Plc, First City Monument Bank Plc, Fidelity Bank Plc, Access Bank Plc, Union Bank amongst others (Nwosu, 2013). According to David, et al (2000:379) commercial banks are financial intermediaries with a government license

to make loans and issue deposits, including deposit against which cheques can be written. According to Teriba (1985:147) commercial banks are banks that do most of the ordinary banking business of a country. In lieu of this, commercial banks took part in the deposit of the old currency and dispensation of the new currency. They equally implemented the cashless policy by issuing regulated cash to the customers amongst other strategies deployed.

Policy and Policy Implementation

A policy is a conscious plan of action and the action itself, initiated to solve a specific problem (Nwafor-orizu et al, 2018). According to (Lennon, 2009), it is a plan or course of action by a government, political party or business designed to influence and determine decisions, actions and other matters. Saidi cited in Jili'ow (2017) posited that policy is normally described as a theory or rule to guide decisions and achieve rational outcomes. According to Ubah (2021; 60), a policy is a set of guidelines or rules that determine a cause of action. In view of Amaechi (2016), a policy is a statement of intent and is implemented as a procedure in organization. a policy is a blueprint or deliberate system of guidelines which guides the decisions of government so as to achieve a goal or a set of goals which are of national interest (Nwankwo et al, 2022; 264). Policy is a plan on how to achieve a set goal. On the other hand Policy implementation in the views of Simon (2010) is the application of the policy by government administrative machinery in order to achieve the goals. It is the process of the interactions between setting goals and the actions directed towards achieving them (Pressman & Wildavsky, 1973). Specifically, policy implementation encompasses those actions by public and private individuals that are directed at the achievement of objectives set forth in prior policy decisions (Meter & Horn, 1975). According to Khan (2016:7), the performance of policy implementation can be categorized in to three dimensions such as; (1) output, outcome and ultimate outcome policy; (2) impact of policy and(3) measurement whether the policy leads to the development of country or society as a whole. Brinkerhoff and Crosby (2002) assert that successful policy outcome depend not only upon designing good policies but upon managing their implementation. In lieu of this the success or failure of policies like cashless and cash- swap policy not only depend on the formulation but largely on the implementation.

Cashless Policy

Cash-less banking is that banking system which aims at reducing, but not eliminating, the volume of physical cash circulating in the economy whilst encouraging more electronic based transactions. In other words, it is a combination of e-banking and cash-based system (Osazevbaru & Yomere 2015:2). Essentially, a mobile payment system allow users to make payment through GSM phones with or without internet facilities (Odior & Banuso,

2012, Akhalumeh & Ohiokha, 2012). According to Woleola (2017:4), the most outstanding cashless banking channels world over are mobile banking, internet banking, telephone banking, electronic card, implants, Point of Sale terminals (POS) and Automated Teller Machine (ATM). In 2011, it was estimated that 99% of over 215 million customer transactions in Nigeria banks were through ATM and over-the-counter, and this was valued at about N2.1 trillion. It is estimated that an average Nigerian transacts about N65 in cash out of N100 income earned (Princewell & Anuforo, 2013). According to Meseigha and Ogbodo (2013: 10), cashless policy is a system that makes payment for goods and services possible and offered through the Internet or any type of electronic fund transfer system. These opinions stress the fact that a cashless economy/policy is intended to ease transaction processes without the hassle of getting to hold money physically. However, this does not necessarily mean that physical cash would completely be out of reach. In this vein, Akhalume and Ohiokha (2012) are of the view that contrary to what is suggestive of the term, the cashless economy does not refer to an outright absence of cash transactions in the economy in question, but when the amount of cash-related transactions are reduced to a very large extent as possible. In such economies, transactions of any nature are predominantly carried out through electronic means: Automated Teller Machines (ATM) transfers, online banking and mobile applications, and other means like the use of cheques, direct bank transfers, mobile money transfer operations amongst others.

Issues in Cash-Swap Policy

Currency is a medium of exchange for goods and services (Asuke & Ede, 2024). In industrialized nations, currency primarily consists of bank notes and government-issued paper money and coins. In less-developed societies, currency can be other exchange media, such as livestock, tobacco and animal pelts (Okechukwu & Onyemah, 2023). According to Iwuoha (2023:7), currency is the denomination of countries money; examples include N5, N10, N20 andN50 as obtainable in Nigeria. On the other hand, the word swap means an exchange of something for another which could be an object with another object or service (Asuke & Ede, 2024). George (2021) defined Swap as the exchange of two objects that are worth the same in value, weight or monetary value. He further stated that Swap means the exchange of two things and its values are of the same in quality and quantity. Agwu and Emeti (2014) defined currency Swap as the exchange of money of the same value either with the same currency or different of the same value. According to Asuke & Ede (2024:2), currency swap is a transaction in which two parties exchange an equivalent amount of money with each other but in different currencies. They further assert that when currency is swapped, it means that a country's currency has been exchanged with another either within an economy or with those outside the same economy.

Many things can lead to currency or cash-swap. Thus, government can formulate and implement cash-swap policy to curtail the money in circulation, checkmate counterfeit, kidnapping, vote-buying amongst others. According to Agwu and Emeti (2014: 4), the loss of value of currency led to the introduction of currency swaps popularly called naira redesign. John (2022) asserts that currency swap as a method or an approach a nation adopts in managing the circulation of her money or currency. Hence from 2011, Nigerian government (central bank) formulated and started the implementation of cashless policy. By 2022/2023 they formulated and implemented cash-swap policy in line with cashless policy. Iwuoha (2023) opined that the Nigeria Currency Swap Policy of 2023 is a money fiscal policy that allows money holders to deposit money to banks for new notes of ₦1000, ₦500 and ₦200 which are of the same value as the old. During the implementation of the cash-swap policy, Nigerians suffered due to poor implementation of the policy.

The Implementation of Cashless and Cash-Swap Policies in Nigeria

Cashless policy, started in Nigeria as far back as 2011 during the tenure of the then CBN Governor, Sanusi Lamido Sanusi (Ovat, 2012:4). cashless policy in Nigeria took effect from April 1, 2012 in Lagos as a pilot project which pegs daily cash transactions over the counter for individuals and corporate bodies at one hundred and fifty thousand naira (₦150,000) and one million naira (₦1,000,000) respectively. Nonetheless, the limits were later upwardly reviewed to five hundred thousand naira (₦500,000) and three million (₦3,000,000) for individuals and corporate organizations respectively. Otherwise, an amount over these set limits attracts a charge. This was meant to discourage the withdrawals of large sums. Ever since, the policy has been in operation and implemented to a very large extent, there has been pockets of adjustments and amendments here and there. In south east geopolitical zone, cashless policy implementation became visible in 2022/2023 when it was implemented in line with cash swap across the whole country simultaneously. Thus, cash became scarce and the outlets meant for cashless policy implementation was marred by network glitch to the extent that the implementation led to beehive of crowd in commercial banks. Woleola (2017) asserts that the most outstanding cashless banking channels world over are mobile banking, internet banking, electronic card, implants, Purchase on Service (POS) and Automated Teller Machine (ATM). During the implementation of cashless policy in south east geopolitical zone, crowding by customers was very high to the extent that the effect of mobile banking, internet banking, electronic card, implants, Purchase on Service (POS) and Automated Teller Machine (ATM) meant for implementation of cashless policy and crowd prevention were not felt. On the other hand Cash swap programs is not new in Nigeria. Thus, Nigeria has redesigned its currency at different times before the one of 2022/2023 that caused unprecedented crowding in the bank's commercial banks. According to Ige (2023:3), the first time naira redesigned took place was when Nigeria became a republic in 1963.he further stated that

in 1968 the decision to change the naira yet again surfaced, but the decision was no longer on the need to reflect that Nigeria has become a Federal Republic, but as a result of the abuse of the currency during the Civil war. It was an opportunity to use it as a strategic tool to fight the opposing civilians during the war. In 1973, there was another change in the currency which was launched under Shehu Shagari administration and this time around, it was about the decimalization of the country's monetary system thereby introducing naira/kobo, which was then used to replace the Nigerian pound having used British Pound Sterling in the past.

In telling the history of Nigerian currency, it was observed that on 11th February 1977, new bank notes with the value of twenty naira was issued, 1984 redesign by Buhari-Idiagbon led administration to address issues of corruption and currency trafficking prevalent in the country, 2007 when twenty-naira note was printed in polymer substrate, while the fifty, ten and five naira notes including the coins were also redesigned, 2009 when the newly redesigned currencies (fifty, ten and five naira) were converted to polymer substrate just like the twenty naira and the change of design of both hundred naira and fifty naira note in 2010 and 2014 to reflect the commemoration of the country's 100 years of existence (CBN, 2022).

All these activities were carried out by the CBN as the Apex Bank in Nigeria with the mandate CBN Act of 2007. It is pursuant to this mandate that the CBN made a move in October 2022 to redesign the currency of Nigeria. The thrust of the policy is in two poles: The desire to achieve full liquidity of the money supply (M1) in circulation, and on the need to check vote buying behavior which is considered very inherent in the political space of Nigeria. According to CBN Update, (2022), the Apex Bank also adduced that the currency redesign would help to effectively manage and mop up the currency in circulation, curb racketeering and counterfeiting, as well as hamper ransom payment to terrorists and kidnappers. Going by the above premise, the President of Nigeria – Muhammadu Buhari, GCFR through the CBN on November 23rd, 2022 announced the birth of the policy, reeled out the aim, and unveiled it while encouraging the populace to embrace the policy wholeheartedly for the common good of all. Going by the close timeliness of the implementation phase, many Nigerians already predicated a failure of the policy ahead considering the fact that it was also an electioneering period (Otitoju et al, 2023). Considering the numerous questions and rationale of the policy in relation to the timelines and electioneering period which the citizens greeted with political games - a purported attempt to arm-twist selected citizens in the country particular politicians, many citizens were not convinced that the policy was going to be hitch-free (Ige, 2023).

CBN assured the citizens that enough currencies would be printed, and the old and new currencies (N200, N500 and N1000) would be used concurrently until the deadline of 31st January 2023 before the old currencies would cease to be used as legal tender. With these assurances, and the launching of the policy by President Muhammadu Buhari, GCFR on

23rd November 2022, paved way for the new currency as it was declared legal tender to be used as a means of exchange for goods and services like every other currency in the country with the guarantee that the initiative will help "strengthen the economy, reduce expenditure on cash management, promote financial inclusion, and enhance the CB's visibility of money supply." (CBN-FAQ, 2022). After the launch, the new notes then went into circulation on 15th December, 2022. The policy appeared very apt and promising but many citizens though some predicted, never knew that within the short run, naira would be used to purchase naira (Otitoju, et al, 2023). The implementation of the cashless policy and naira redesign in 2023 was hell for Nigerians. The commercial banks in south east geopolitical zone received the worst hit of it as crowd management became a situation beyond control, leading to many crowd tragedies and violence.

According to Otitoju, et al (2023: 51) in as much as the policy was conceived with good intentions, the short period of implementation which was barely three months, was ill-conceived as most citizens were short of the new cash to spend. Whereas the CBN claimed to have printed enough to meet the needs of citizens, it wasn't evident as the cash was not available to spend. Some citizens accused the CBN of not printing enough, while others blamed the Commercial Banks for hoarding the money and giving them out to politicians and preferred customers. During the implementation phase, there were several cases where the new currency was exchanged at high prices. For instance, five thousand naira (N5,000) was bought for six thousand naira (6,000) in some locations in Nigeria. In some other places, it was way higher. These cash were said to have been those hoarded by commercial banks and secretly sold to POS Agents who in turn resell to citizens (Sanusi, 2023).

Considering the high number of the unbanked population particularly amongst entrepreneurs and retailers, it was evident that sales declined to a very large extent. Many retailers particularly those selling agricultural commodities that are perishable in nature complained about slow sales as a result of low availability of cash in circulation and the fact that they didn't have online banking platforms to receive monies from customers (Otitoju, et al 2023). The views of Ige (2023;6) also suggest that during the implementation, Nigerians suffered more hardship as they could not access the new notes while their old bank notes were withdrawn from them and that indeed, some Nigerians slumped and died as they queued in bank for cash, some had themselves unclothed in the banking hall to protest their inability to access the cash they already deposited at the banks but which on demand, could not be cashed; some lost their loved ones in hospitals over inability to access cash to pay for services amongst others.

According to Nwaeze (2023:172), Banks, POS operators and other financial agents hoarded the Naira, especially the redesigned notes, and sold them on black market conditions; these dealers charged abnormal and high prices to release just a small amount. In south east geopolitical zone, POS agents collected what they called "fifty-fifty" charges. This was particularly in February and March, 2023. Under this condition, a customer

withdrawing N1000 had to pay N500 charge. It was a sorry situation where one shared his hard-earned money into two and went home with half of it. Eromosele (2023: 5) assert that "the amount of queuing Nigerians have been subjected to on the couple of weeks is unprecedented, it is equally unbecoming". He added that, on many occasions, fights had broken out in banks due to unending queues at commercial banks and unmanageable crowds around banks and ATMs which was an eyesore. In south east geopolitical zone, as early as 3am, people were already in their various banks to be given numbers whose series could get to thousands. Disappointedly, these numbers might be jettisoned and new ones issued even on the following day. According to Eromosele (2023: 5), the cycle continued hopelessly and, at the end, little or no money was dispensed from the ATM or released at the counters of these banks. He further asserts that on several occasions, transfers were the next and better options, but network used to a hindrance. Another problem was the inability of many to do transfer due to ignorance, type of phone or sales rate. In his report, Olokor (2023: 7) observed that even political parties, preparing for the 2023 general elections, could not also access their founds from the banks.

To ameliorate the challenges of the bank, particularly in depositing old currency to swap for the new notes, and the outcry that trailed the non-availability of the new banknotes coupled with the lack of public awareness across the country, the CBN had assured Nigerians that they were in partnership with Agents from Commercial banks (Ameh, 2023:4). According to Bella and Oguntuase, (2023: 8) the launch of the cash-swap programme gained little or no success. The way the cash swap programme was implemented in south east geopolitical zone indicated that the cash swap programme didn't achieve the expected results within the timeline as there were virtually no similar cash swap arrangements in the urban centers to facilitate the exchange of the old notes with the new banknotes. Some of the bank customers who managed to deposit their old notes within the specified timeline didn't stop lamentation over their failure to gain access to the newly printed currency from the bank or via their platforms.

Problem of failed online transactions was much and increased the number of people seen in the commercial banks. Otitoju, et al (2023: 53) assert that another key challenge experienced was the series of failed online transactions. All through the period, many customers were faced with this challenge as a result of the upsurge in the use of online banking platforms as against cash transactions. It was again very difficult to have the issues resolve within a short period of time as banks were over crowded. Hence, many transactions were pending for a long time without the banks being able to resolve these issues. Respite only came when the Supreme Court of Nigeria ruled that the old notes be brought back to circulation till 31st December, 2023 following the case instituted by three seating Governors (Kaduna, Zamfara and Kogi) against the Federal Government of Nigeria (FGN). Hence, on the 8th of February, 2023, the Supreme Court granted an interim injunction restraining the FGN and CBN from implementing the deadline of February 10,

2023. There are several other evidences to show that the policy timeline was grossly inadequate. This is evident from the series of events that transpired during the period. For instance, the Apex Bank had to extend the deadline dates from 31st January as previously directed, to 10th February, 2023 which wasn't still sufficient enough to have the money circulated across the country. More so, President Mohammadu Buhari, on February 16, 2023 during a national broadcast, extended the legal tender status of the old two hundred naira (N200) from the initial deadline of 10th February, to 10th April, 2023, hence directed the CBN to circulate the old notes alongside the other new notes. This last-minute change only showed that the period of implementation was short (Otitoju, et al, 2023: 54).

Theoretical Framework

This work adopted structural functional theory as the framework of analysis. The theory was developed by Gabriel Almond in 1953. Historically, the theory originate from system theory which was propounded by Ludwing Von Bartalanffy in the 1940's and popularized by David Eastern in 1950s. Structural functional framework of analysis is an aspect of general system theory (Dike, 2019). It is employed in the study of organization, public administration, social sciences and other relevant social phenomenon. Basically, this theory as a framework of analysis focuses attention on two primary issues, namely, "structure" and "functions" to be performed by the structure.

This work is anchored on structural functional theory because the study centered on how commercial banks performed its functions of cashless policy and cash-swap policy implementation. Thus, the success or failure of the cashless policy and cash-swap policy depends on the extent to which commercial banks effectively perform its functions on fiscal policy implementation. Hence, organization like commercial banks were established as the basic structures to perform functions as it concerns implementation of fiscal policies which cashless and cash-swap policies are good example.

Methodology

The study adopted a survey research design. This implies that Quantitative methods of research which involves the administration of questionnaire, and interviews were adopted. Thus, a questionnaire titled commercial banks and the implementation of cashless and cash-swap policies in south east geopolitical zone, structured in a Likert format was administered to customers and staff of the selected banks in south east geopolitical zone: they are First bank, located in Water works road Abakaliki, Ebonyi State, Zenith bank located in okigwe, Imo state and Access bank located in Library Avenue Umuahia, Abia State. Data collection was complemented with interviews. Thus, data from Desk of Head of Operations of the Selected Banks gave the total population of staff and their registered customers as7, 850. Out of the total population of the three selected commercial banks which is 7850, a sample size of 381 was taken with the use of Taro Yamani formular. This

implies that 381 questionnaires were randomly shared for data collection, 363 where returned and used for analysis while 18 was not returned. The data was collected and analyzed using frequency counts, percentages and mean. The decision rule for interpretation of the results of the data analysis was a mean score of 2.50 and above. Thus, scores above 2.50 were accepted while below 2.50 were rejected. Below is the detail of how questionnaires were administered and returned.

Table 1: showing how questionnaires were distributed and retrieved in the 3 selected commercial banks located in south east geopolitical zone.

S/NO	Banks	Total No. Of Questionnaires Administered	No. Of Questionnaires Administered to the Staff	No. Of Questionnaires Administered to customers	No. Of Questionnaires returned by the staff/customers	No. Of Questionnaires not returned by the staff/customers
1.	First Bank	127	31(36.9%)	96(32.3%)	119(93.7%)	8(6.3%)
2.	Zenith Bank	127	28(33.3%)	99(33.3%)	123(96.8%)	4(3.2%)
3.	Access Bank	127	25(29.8%)	102(34.3%)	121(95.2%)	6(4.8%)
Total	**Three(3)**	**381**	**84(100%)**	**297(100%)**	**363(95.3%)**	**18(4.7%)**

Source: Survey Data, 2024

Table 1 above shows that three hundred and eighty one (381) copies of questionnaires were administered. The breakdown of the targeted population showed that one hundred and twenty seven (127) respondents were randomly selected from each of the three selected banks respectively. However, three hundred and sixty three (363) copies were returned representing (95.3%) while, eighteen (18) copies were not returned representing (4.7%).The implication is that the three (3) selected commercial banks in South East Geopolitical zone are adequately represented in the sample size returned. It therefore follows that the data generated from the randomly selected respondents in each bank are adequately represented to give each respondent in the banks equal chance of being selected.

Results

Research Question 1: In what ways has organizational politics of commercial banks affect the implementation of cashless and cash-swap policies in your bank?

Table 2: Mean Response on organizational politics of commercial banks and cashless/cash-swap policy implementation. **N =363**

S/N	ITEMS	SA	A	D	SD	FX	MEAN	DECISION
1.	Hoarding of the new note by bankers	130(35.2%) 520	110(30%) 330	85(23.4%) 170	38(10.5%) 38	1058	2.91	Accepted
2.	Selling of the new note to customers by bankers	140(38.6%) 560	105(28.9%) 315	83(22.9%) 166	35(9.6%) 35	1076	2.96	Accepted
3.	Favouritism in dispensing the new note to customers by bankers	141(38.8%) 564	104(28.9%) 312	80(22%) 160	38(10.5%) 38	1074	2.96	Accepted

S/N	ITEMS	SA	A	D	SD	FX	MEAN	DECISION
4.	Late-opening and Early-closure of commercial banks	121(33%) 484	112(30.9%) 336	90(24.8%) 180	40(11.2%) 40	1040	2.89	Accepted
5	Enough cash was not printed during cash swap	31(8.54%) 124	99(27.3%) 297	113(31%) 226	120(33.6%) 120	767	2.11	Rejected
	Grand Mean						**2.77**	Accepted

Source: Survey Data, 2024.

Table 2 showed that the respondents accepted that items 1, 2, 3 and 5 with mean scores above 2.50 are organizational politics of commercial banks that affected the implementation of cashless and cash-swap policies. The table equally revealed that respondents rejected item 4 with mean score below 2.50. Meanwhile, the grand mean for research question 1 is 2.77 which showed that organizational politics of the selected commercial banks located in South East Geopolitical Zone had negative effect on the implementation of cashless and cash-swap policies.

Research Question 2: In what ways has the technology deployed by commercial banks to implement the policies affect the implementation of cashless and cash-swap policies in your commercial banks?

Table 3: Mean Response on the technology deployed to implement cashless policy in Nigeria. **N = 363**

S/N	ITEMS	SA	A	D	SD	FX	MEAN	DECISION
6	Network glitch	115(31.7%) 460	105(28.9%) 315	99(27.3%) 198	44(12%) 44	1017	2.80	Accepted
7.	High charge on point of sale(POS) service	119(32.8%) 476	100(27.6%) 300	95(26.2%) 190	49(14%) 49	1015	2.80	Accepted
8.	Insufficient Automated machines in the banks	135(37.2%) 540	101(27.8%) 303	86(23.7%) 172	41(11%) 41	1056	2.91	Accepted
9.	Fear of making use of the technology because of internet fraud	110(30.3%) 440	120(33%) 360	94(25.9%) 188	39(10%) 39	1,027	2.83	Accepted
10	Lack of knowledge on the use of phone, internet, automated machines and other technology used for online banking	139(38.3%) 556	106(29.2%) 318	81(22.3%) 162	37(10%) 37	1073	2.96	Accepted
	Grand Mean						**2.86**	Accepted

Source: Survey Data, 2024.

Table 3 showed that the respondents accepted that items 6, 7, 8, 9 and 10 with mean scores above 2.50 constitute the ways in which the technology deployed by commercial banks

affected the implementation of cashless and cash-swap policies. Meanwhile, the grand mean for research question 2 is 2.86 which showed that the technology deployed by the selected commercial banks located in South East Geopolitical Zone had negative effect on the implementation of cashless and cash-swap policies.

Research Question 3: How does the external organization environment of commercial banks affect the implementation of cashless and cash-swap policies in your bank?

Table 4: Mean Response on external organization environment of commercial banks and the implementation of cashless and cash-swap policies in Nigeria**.** **N = 363**

S/N	ITEMS	SA	A	D	SD	FX	MEAN	DECISION
11	Ambiguous policy goal	119(32.8%) 476	100(27.6%) 300	95(26.2%) 190	49(13.5%) 49	1015	2.80	Accepted
12.	Period of policy implementation (election /festive period)	120(33.6%) 480	113(31.%) 339	91(25 %) 182	39(10.7%) 39	1040	2.87	Accepted
13	Inadequate time for policy implementation(short period)	132(36.4%) 528	104(28.7%) 312	86(23.7%) 172	41(11.3%) 56	1053	2.90	Accepted
14.	Non compliance by customers (customers behavior)	145(39.9%) 580	92(25.3%) 276	84(23.1%) 168	42(11.6%) 42	1066	2.93	Accepted
15	Hoarding of the new notes by politicians	125(34.4%) 500	112(30.9%) 336	62(17.7%) 124	64(17.6%) 64	1024	2.82	Accepted
	Grand Mean						**2.86**	Accepted

Source: Survey Data, 2024.

Table 4 showed that the respondents accepted that items 11, 12, 13, 14 and 15 with mean scores above 2.50 constitute the external organization environmental factors of the selected commercial banks that affected the implementation of cashless and cash-swap policies. Meanwhile, the grand mean for research question 3 is 2.86 which showed that external organization environment of the selected commercial banks located in south east geopolitical zone had negative effect on the implementation of cashless and cash-swap policies.

Discussion of Findings

The analysis of question one revealed that organizational politics of commercial banks had negative effect on the implementation of cashless and cash-swap policies in south east geopolitical zone. Such organizational politics of commercial banks that affected the implementation of cashless and cash-swap policies include, Hoarding of the new note by bankers, selling of the new note to customers by bankers, Favouritism in dispensing the new note to customers by bankers, and late-opening and early-closing of commercial

banks. This finding is in consonant with Nwaeze (2023:172) who submitted that Banks, POS operators and other financial agents hoarded the Naira, especially the redesigned notes, and sold them on black market conditions; these dealers charged abnormal and high prices to release just a small amount. Supporting this, some bank customers in an interview assert that, the problem is not that the new notes were not enough but the cash is been hoarded and sold to politicians who are preparing for elections to the detriment of the poor masses. Moreso, Otitoju, et al (2023: 51) submitted that during the implementation phase, there were several cases where the new currency was exchanged at high prices. For instance, five thousand naira (N5,000) was bought for six thousand naira (6,000) in some locations in Nigeria. In some other places, it was way higher. These cash were said to have been those hoarded by commercial banks and secretly sold to POS Agents who in turn resell to citizens (Sanusi, 2023).

The analysis of question two revealed that the technology deployed by the selected commercial banks had negative effect on the implementation of cashless and cash-swap policies in south east geopolitical zone. This took the form of, network glitch, high charge on point of sale (POS) service, insufficient automated machines in the banks, fear of making use of the technology because of internet fraud, Lack of knowledge on the use of phone, internet, automated machines and other technology used for online banking. This finding is in line with the submission of Otitoju, et al (2023: 53) who assert that another key challenge experienced was the series of failed online transactions. All through the period, many customers were faced with this challenge as a result of the upsurge in the use of online banking platforms as against cash transactions. It was again very difficult to have the issues resolve within a short period of time as banks were over crowded. Hence, many transactions were pending for a long time without the banks being able to resolve these issues. According to Eromosele (2023: 5), the cycle continued hopelessly and, at the end, little or no money was dispensed from the ATM or released at the counters of these banks. He further asserts that on several occasions, transfers were the next and better options, but network used to be a hindrance. Respite only came when the Supreme Court of Nigeria ruled that the old notes be brought back to circulation till 31st December, 2023 following the case instituted by three seating Governors (Kaduna, Zamfara and Kogi) against the Federal Government of Nigeria (FGN).

The analysis of question three revealed that external organization environment of the selected commercial banks had negative effect on the implementation of cashless and cash-swap policies in south east geopolitical zone. Such external organization environment of commercial banks that affected the implementation of cashless and cash-swap policies include, Ambiguous policy goal, Period of policy implementation (election and festive period), Inadequate time for policy implementation (short period), non compliance by customers (customers behavior) and hoarding of the new notes by politicians. The thrust of the 2022 cash-swap policy is in two poles: The desire to achieve

full liquidity of the money supply (M1) in circulation, and on the need to check vote buying behavior which is considered very inherent in the political space of Nigeria (CBN, 2022). The Apex Bank also adduced that the currency redesign would help to effectively manage and mop up the currency in circulation, curb racketeering and counterfeiting, as well as hamper ransom payment to terrorists and kidnappers. This shows that the findings of this study are accurate. Thus, the policy goal was ambiguous as it tends to achieve many things.

Moreso, this finding is in consonant with the submission of Otitoju, et al (2023: 51) who assert that in as much as the policy was conceived with good intentions, the short period of implementation which was barely three months, was ill-conceived as most citizens were short of the new cash to spend. According to Ige (2023:3), considering the numerous questions and rationale of the policy in relation to the timelines and electioneering period which the citizens greeted with political games - a purported attempt to arm-twist selected citizens in the country particular politicians, many citizens were not convinced that the policy was going to be hitch-free. From the foregoing external organization environment of the selected commercial banks had negative effect on the implementation of cashless and cash-swap policies in south east geopolitical zone.

Conclusion

Cashless and cash-swap policy implementation between 2017-2023 by commercial banks is rooted in the culture of Nigerian policy formulation and implementation. Thus, Nigeria is good in policy formulation and very poor in policy implementation. Nigerian policy domain is characterized by corrupt practices, ineffective use of tools and wrong choice of strategies and sometimes wrong time of policy implementation. Hence the failure of cashless and cash-swap policies is as a result of commercial bank's organizational politics that had negative effect on the implementation of cashless and cash-swap policies. Such organizational politics of commercial banks that affected the implementation of cashless and cash-swap policies include, Hoarding of the new note by bankers, selling of the new note to customers by bankers, Favouritism in dispensing the new note to customers by bankers, and late-opening and early-closing of commercial banks. Moresore the technology deployed by the selected commercial banks had negative effect on the implementation of cashless and cash-swap policies. This took the form of, network glitch, high charge on point of sale (POS) service, insufficient automated machines in the banks, fear of making use of the technology because of internet fraud, Lack of knowledge on the use of phone, internet, automated machines and other technology used for online banking. The failure of cashless and cash-swap policies is as a result of commercial banks in ability to carry out its function of policy implementation effectively by allowing its organizational politics to affect the policy implementation, deploying technology that impeded the

implementation and agreeing to implement the policy despite the ambiguous goal and wrong timing of the policies.

Recommendations

Based on the findings of the study, the following recommendations were made.

1. Reorientation of commercial bank's personnel and Point of Sale (POS) operators: there is need for the commercial banks to reorient bank personnel and POS operators to avoid the organizational politics (hoarding of cash, late opening, early closure of banks) witnessed during the implementation of cashless policy and cash-swap policy of the government. This will help them to improve their work ethics and avoid corrupt practices.
2. Improvement on technology and strategies deployed by commercial banks: Banks should extend working hours whenever there is long holiday, deploy more policemen whenever there is beehive of crowd, install more automated teller machine (ATM), reduce point of sale (POS) charge and improve their network to help reduce network glitch and encourage the use of internet, online and mobilize banking by customers.
3. Improvement on policy formulation and implementation: There is need for government to improve on policy formulation and implementation in the following aspect; policy goal, time frame of policy implementation and selection of areas to implement policies. The implementation of cashless policy was done with change of currency (cash-swap) in the whole country at the same time which was short and during election, leading to shortage of cash and crowding by customers in the commercial banks. In subsequent implementation of government policy that will affect commercial banks, policy goals should not be many, enough time should be give and implementation should be beat by beat and not across the whole country as it were during cashless policy implementation.

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