Journal of Infrastructure, Policy and Development 2024, 8(13), 9060.
https://doi.org/10.24294/jipd9060

Article

Organizational learning and boundary spanners' agility in the financial inclusion in Indonesia

Haru Koesmahargyo*, **Sari Wahyuni, Dony Abdul Chalid**

Graduate School of Management, University of Indonesia, Depok 16424, Indonesia
*** Corresponding author:** Haru Koesmahargyo, haru.koesmahargyo@ui.ac.id

CITATION

Koesmahargyo H, Wahyuni S, Chalid DA. (2024). Organizational learning and boundary spanners' agility in the financial inclusion in Indonesia. Journal of Infrastructure, Policy and Development. 8(13): 9060. https://doi.org/10.24294/jipd9060

ARTICLE INFO

Received: 10 September 2024
Accepted: 9 October 2024
Available online: 7 November 2024

Abstract: This study examines the influence of organizational learning and boundary spanner agility in the bank agent business of Indonesia's financial inclusion. This study is based on quantitative studies of 325 bank agents in Indonesia. The results of this research strongly show that organizational learning has a significant impact on boundary spanners' agility to achieve both financial and non-financial performance. This study presents a novel finding that organization learning with a commitment to apply and encourage learning activities and agility with improved responsiveness and resilience boundary spanners can achieve bank agent performance. Organizational learning of bank agents needs to improve commitment to apply and encourage learning activities, always be open to new ideas, and create shared vision and knowledge transfer mechanisms. Organizational agility in bank agents need also to improve the capability to be more responsive and adaptable to culture changes in a volatile environment. This research provides valuable insights to policymakers, banking supervisors, bank top management teams, and researchers on the factors that may improve the effectiveness of the agency banking business to promote financial inclusion. Participating banks in the agent banking business need to set a clear vision, scope, and priority of strategy to encourage organizational learning and agility.

Keywords: strategic direction; organizational learning; boundary spanners agility; financial inclusion; agent banking and performance

1. Introduction

The strategic direction is in line with the company's vision. This refers to the extent to which the implemented strategy aligns with the broader strategic direction in the organization. Vision holds significant importance in the strategic planning process of an organization and is often described as forward-looking and inspiring (Noble and Mokwa, 1999). Sherehiy and Karwowski (2014) expanded this ability to respond to the changes in internal and external business environments with the agile strategy. Tallon and Pinsonneault (2011) stated that organizational agility is the ability of the organization to respond to the changes of business environments. Organizational agility is an important part of the success of organization performance. Organizational Agility is how to adapt and adjust internal processes and systems to respond to environmental changes. Responsiveness to identify the changes, capable of reacting quickly in both reactive and proactive ways, and of recovering quickly. Cultural change is described as an atmosphere in which individuals have positive conduct and are bold enough to face change at all levels in the organization, other views, new ideas, and technology (Sherehiy et al., 2007).

Boundary spanners are a dedicated group of people working in collaborative arenas, identifying the skills and competencies they possess, and reflecting on the challenges they face in their daily work (Williams, 2013), while agility refers to a human's ability to respond and adjust to change efficiently and effectively, leveraging those changes to create advantages for the organization (Sherehiy et al., 2007). Boundary spanning refers to a role or task, whereas agility is a capability. This study uses the combined term boundary spanner agility in the context in agency banking. These bank agents play the role of boundary spanners, who work in two environments, inside and outside of the organization, and connect these two environments. This study attempts to identify factors within an organization that strengthen the learning and agility of boundary spanners to achieve goals.

Agency banking has proved to be a valuable tool in enhancing financial inclusion in many countries. Financial inclusion aims to give individuals and businesses access to affordable and useful product offerings related to money management and economic assistance, such as transactions, payments, savings, credit, and insurance responsibly and sustainably (Demirguc-Kunt and Peria, 2010). While financial inclusion is a national priority, it also presents a lucrative business opportunity for participating banks, enabling them to expand their distribution networks, acquire new customers, and generate revenue. Banks operate agency banking businesses using agents or bank agents. Bank agents can be described as retail outlets or shops contracted by banks to handle customer transactions (Shem and Atieno, 2001).

The success of banks participating in the agency banking business has drawn attention to the crucial roles of the workforce or bank agents in the field. These bank agents act as intermediaries, connecting the banks they work for and the community they serve. Therefore, bank agents act as boundary spanners. Despite their significance, the learning and agility of banking agent business have not been thoroughly explored. The goal of the research is to investigate the factors by exploring the literature gap that affect the organizational learning and boundary spanners agility on performance in the financial inclusions in Indonesia.

2. Literature review and hypothesis development

2.1. Strategic direction and organization learning

Strategic direction not only mean that the company or organization has a concisely articulated strategy but also makes sure that the strategy is communicated and understood by all elements of the organization (Loch and Staffan Tapper, 2002). Strategic direction links improved synchronization and coordination in strategic execution, which results in effective strategy execution (Noble and Mokwa, 1999). Strategic direction is an indicator that influences the competitive advantage, which is also indicated by Permana (2017). Noble and Mokwa (1999) argued that the successful implementation of a plan allows the organization to interact explicitly and transparently about its priorities and goals. Beer and Eisenstat (2000) stated that one of the root causes of obstacle implementation is unclear strategy and conflicting priorities. Parnell (2010) finds that enterprises with elevated strategic rationality outperform those with moderate or insufficient strategic clarity. Clear direction allows individuals in the organization to understand later that an effectively implemented strategy is imperative to achieve goals. O'Reilly and Tushman (2008) laid a strong theoretical foundation for understanding how strategic direction influences organizational learning. A well-defined strategic vision plays a pivotal role in guiding the entire organization. The effective communication of strategic goals creates a coherent framework to align their efforts with a broader strategy to achieve goals. The strategic direction enables continuous learning, adaptation, and knowledge sharing among different parts of the organization, benefitting branch offices (Parnell, 2010). Encouraging bank agents to explore new opportunities provides valuable insights for designing strategies that foster organizational learning and continuous improvement.

Numerous scholars posit that organizational learning and expertise are the most pertinent facets of company efficiency (Toman, 2015). He stated that if an organization aims to be efficient and attain its objectives, it must formulate and actualize its vision. Achieving this requires creativity, ingenuity, and expertise that can be acquired or improved through learning. The three aspects of strategic factors that they introduced are in line with the vision, priority of the strategy, and scope of the strategy. One element of clarity and vision was studied by Toman (2015). He suggested that an organization's vision affects employees' learning and understanding through the substance of the vision, developing a vision, and executing the vision process. Toman, (2015) points out that vision can influence employee learning within a company in three ways: vision information, vision creation, and vision enforcement.

The other elements of clarity of the strategy factors used in this study are the priority and scope of the strategy. It has also been suggested that both factors influence learning. According to Versiani et al. (2018), strategic practices depend on each organizational level and play distinct roles in the learning process. They said that organizational learning was based on strategic implementation practices. Furthermore, Versiani et al. (2018), discovered a connection between strategic and learning conduct with learning loops through four sequential steps: intuiting, interpreting, integrating, and institutionalizing. Interpreting is the process by which people explain visions, expectations, and insights to themselves and others, while integrating is the process of sharing visions, expectations, and insights through some activities. As mentioned above, the clarity of the strategy path, with its qualities linked to the vision of the organization, has a strong connection with organizational learning.

Drawing insights from the strategic direction and organization learning, we postulate the following hypothesis:

H1: Strategic direction positively affects organizational learning.

2.2. Organization learning and boundary spanner agility

Versiani et al. (2018) mention that organizational learning is a method for creating new knowledge obtained through the work experience in the organization. Previous researchers introduced the dimensions of organizational learning, namely shared vision, commitment to learning, and open-mindedness (Sinkula et al., 1997), and other researchers have proposed new dimensions for distributing information to individuals in an organization, namely knowledge sharing (Calantone et al., 2002). Organizational learning is an essential variable in creating agile workers because it allows them to gain knowledge and skills from training activities (Tsourveloudis and Valavanis, 2002). Training is a part of knowledge sharing. Some researchers have studied the relationship between organizational learning and agility. Yusuf et al. (1999) observed organizational learning as one of the factors that establish workforce agility, but this was not proven empirically.

Boundary spanners are individuals crossing organizational boundaries that contribute to firm performance by supporting the transfer and integration of new knowledge. By sourcing and using external knowledge, boundary spanners' roles impact organizational performance (Haas, 2015). Boundary spanners work in areas where external and internal organizational boundaries cross and overlap. They hold unique positions in organizations because of their work-related competence and control over acquiring and disseminating knowledge. The positions of boundary spanners vary among employees, supervisors, and managers. Their unique position arises more because of their individual motivation than because of their position in the organizational hierarchy (Hoe, 2006). The context of this study is that boundary spanners are bank agents who manage the agency banking business. The agency banking business is a business line with both economic and social purposes.

Research by Alavi et al. (2014) is the first study to analyse the relationship between organizational learning and workforce agility specifically. Previous studies have discussed the relationship between organizational learning dimensions and aspects of workforce agility. Additionally, Slater and Narver (1995) found that shared vision encourages the creation of proactive workers. Yusuf et al. (1999) examined a leader's ability to create an agile vision to encourage workforce agility. Gong et al. (2009) found a relationship between the learning environment in organizations0020and workforce agility. Organizations that can create learning environments encourage individuals to be more open, innovative, and proactively develop solutions. Alavi et al. (2014) found a positive and significant correlation between organizational learning and workforce agility. Organizational learning positively and significantly affected workforce agility. The four dimensions used are shared vision, commitment to learning, and open-mindedness. Knowledge sharing is also a strong shaper of organizational learning, with the strongest dimensions being shared vision and open-mindedness.

Agility is one of the capabilities of boundary spanners that are required for workers in a dynamic business environment. Agility is the workforce capability as boundary spanners to respond and adjust to changes punctually and take advantage of them to their firm. Agility is influenced by two main factors: organizational agility (Sherehiy and Karwowski, 2014) and organizational learning (Alavi et al., 2014). Business agility cannot be accomplished without an agile workforce. Boundary spanner agility was measured in four dimensions: proactivity, adaptively, resilience, and responsiveness.

Alavi et al. (2014) indicated that the workforce is one of the most significant variables of agility in manufacturing. Agile employees can be easily reconstructed through adaptive and constructive actions responding to changing conditions. Alavi et al. (2014) defined agility based on expertise level as the ability to observe various support mechanisms that should be implemented if the company is agile. Muduli and Pandya (2018) demonstrated that agility can only be achieved in organizations with an agile workforce. According to them, agile workers are imaginative, resilient, and flexible individuals with positive behavior to continually cultivate self-improvement, problem-solving ability, adaptation, implementation of emerging technologies, development of novel ideas, and versatility in taking on new responsibilities.

Based on the descriptions of the relation between organizational agility and boundary spanner agility, we postulate the following hypothesis:

H2: Organizational learning positively affects boundary spanner agility.

2.3. Boundary spanner agility and financial performance

Bank agents play dual roles as boundary spanners, serving both banks and agents (Kitali et al., 2015). They operate in two distinct environments: within and outside the bank (Lyman et al., 2006). This unique position makes the bank agent a boundary spanner, bridging the gap between the two entities (Zhang et al., 2015). The bank agent primary responsibility is to support and assist agents, who are authorized by the bank to provide banking services to customers and generate revenue on behalf of the bank (Kazeem, 2022; Malek et al., 2017; Shem and Atieno, 2001). Market-oriented company performance is often associated with market share and sales metrics, such as sales volume and sales growth of the company's products and services (Katsikeas et al., 2016). Quantitative research by Lee et al. (2017) examined the relationship between agility and financial organization performance defined by sales growth, operating income, net profit, and Return on Investment (ROI). The result of this examination is that there are positive and strong relationships between agility and financial performance. Al-Qadi (2023) investigated the relationship between strategic agility and financial performance among commercial banks in Jordan with senior managers participating in the research. The findings indicate that strategic agility positively influences the financial performance of these banks, with specific dimensions, such as strategic sensitivity, resource fluidity, and leadership unity, showing significant effects. In this study, we use the fee earned by agents and customer acquisition as a metric for financial performance. Based on the presentation above, we can make the following hypothesis:

H3: Boundary Spanner Agility positively affects Financial Performance.

2.4. Boundary spanner agility and non-financial performance

Lee et al. (2017) examine the relationship between agility and non-financial performance, defined by market share, customer satisfaction, and employee satisfaction. The examination results a positive and strong relationship between agility and non-financial organizational performance. Bank agents, as boundary spanners, need to be close to and trusted by their consumers (Malek et al., 2017). Ferguson et al. (2005) examined the effect of boundary spanners' closeness on customer satisfaction Kitali et al. (2015). The result is that the greater the closeness of the boundary spanners to their consumers, the greater the exchange performance, proven by all coefficients between the boundary spanners' closeness, and each variable of exchange performance was positive and significant (Embaye, 2017).

Agility significantly contributes to organizational performance (Zhang and Sharifi, 2020), sharing the concept of internal and external flexibility (perceived by customers). Their research empirically proved that flexibility has a positive impact on customer satisfaction. The conclusion is that companies that consider flexibility as part of agility, from both internal and external perspectives, can better win and satisfy customers. Therefore, this study proposes using customer satisfaction and referral behavior as dimensions to measure exchange performance. Olhager and West (2002) also acknowledge the importance of flexibility or agility as a link between market conditions and customer needs. In the service industry, companies are motivated to establish close to relationships with consumers (Lyman et al., 2006). This closeness is influenced by behavioral and cognitive factors such as service quality and customer satisfaction. When consumers feel a sense of closeness to a company, they are more inclined to remain loyal to it (Barney, 1991). Based on the above explanation, we can make the following hypothesis:

H4: Boundary Spanner Agility positively affects Non-Financial Performance.

We propose four research hypotheses which can be described in the new conceptual model as follows (**Figure 1**):

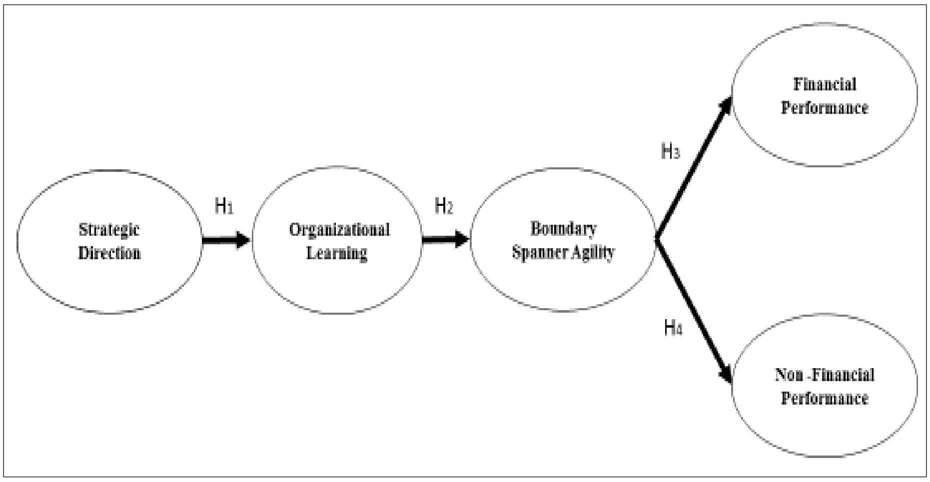

Figure 1. Conceptual model.

3. Methodology

This study aims to test the effect of bank agent agility as boundary spanners on their performance and the factors that affect their agility. Performance was measured at the individual level. This research used bank agents as respondents and became a unit of analysis to answer the questionnaires through https://www.questionpro.com/t/ATWWsZnzad. In total, 325 respondents across in Indonesia answered 76 questions on a 6 Likert Scale. The questionnaires were completed in March 2023 and obtained 235 valid respondents from 27 provinces across Indonesia with the following details (**Table 1**). LISREL was used for the statistical analysis in this study.

Table 1. Respondent's province.

No.	Province	Sub Total	% Subtotal
1	Bali	4	1.23%
2	Banten	12	3.69%
3	Bengkulu	5	1.54%
4	DKI Jakarta	9	2.77%

Table 1. (*Continued*).

No.	Province	Sub Total	% Subtotal
5	Gorontalo	5	1.54%
6	Jambi	3	0.92%
7	Jawa Barat	24	7.38%
8	Jawa Tengah	14	4.31%
9	Jawa Timur	96	29.54%
10	Kalimantan Selatan	19	5.85%
11	Kalimantan Tengah	5	1.54%
12	Kalimantan Timur	4	1.23%
13	Kalimantan Utara	1	0.31%
14	Kep Riau	2	0.62%
15	Lampung	34	10.46%
16	Maluku Utara	1	0.31%
17	NTB	3	0.92%
18	NTT	1	0,31%
19	Riau	28	8.62%
20	Sulawesi Selatan	2	0.62%
21	Sulawesi Tengah	20	6.15%
22	Sulawesi Tenggara	1	0.31%
23	Sulawesi Utara	19	5.85%
24	Sumatera Barat	2	0.62%
25	Sumatera Selatan	1	0.31%
26	Sumatera Utara	7	2.15%
27	Yogyakarta	3	0.92%
Total		325	100%

The overall structural model of this study demonstrated a good fit with the sample data. This result suggests that the model effectively represents the relationships between the variables and provides a reliable basis for interpreting the results. **Table 2** shows the goodness-of-fit of the model. The Composite Reliability (CR) values for each latent variable were greater than 0.5, indicating sufficient reliability. The CR values assessed internal consistency reliability, indicating how well the items within each latent variable measured the same underlying construct. In this case, the following latent variables demonstrate reliability: clarity of strategic direction (SD) with a CR value of 0.789, Organizational Learning (OL) with a CR value of 0.817, Boundary Spanner Agility (BSA) with a CR value of 0.929, Boundary Spanner Financial Performance (BSF) with a CR value of = 0.960, and Boundary Spanner Non-Financial Performance (BSE) with a CR value of 0.819. **Table 3** shows the validity and reliability of the scale.

Table 2. Goodness of fit model result.

Goodness of fit model	Score	Comparative fit index	Result
RMSEA	0.15	≤ 0.08	No fit
RMR	0.090	≤ 0.05	Moderate fit
GFI	0.71	≥ 0.90	Moderate fit
AGFI	0.62	≥ 0.90	Moderate fit
NFI	0.91	≥ 0.90	Fit
CFI	0.92	≥ 0.90	Fit
IFI	0.92	≥ 0.90	Fit
RFI	0.89	≥ 0.90	Moderate fit
PNFI	0.76	0.60 ≤ value ≤ 0.90	Fit

Source: Authors' analysis.

Table 3. Validity and reliability.

Indicators	SLF	Error	SLF 2	CR
SD.AL	0.670	0.450	0.449	
SD.PR	0.810	0.170	0.656	0.789
SD.SC	0.740	0.700	0.548	
Total	2.220	1.320	1.653	
OL.SV	0.550	0.490	0.303	
OL.KS	0.550	0.390	0.303	0.817
OL.CL	0.700	0.150	0.490	
OL.OM	0.570	0.230	0.325	
Total	2.370	1.260	1.420	
BSA.RV	0.580	0.210	0.336	
BSA.AD	0.510	0.051	0.260	0.929
BSA.RL	0.660	0.063	0.436	
BSA.PR	0.630	0.110	0.397	
Total	2.380	0.434	1.429	
BSF.FE	1.030	0.100	1.061	0.960
BSF.CA	1.040	0.078	1.082	
Total	2.070	0.178	2.143	
BSE.RB	0.850	0.130	0.723	0.819
BSE.CS	0.530	0.290	0.281	
Total	1.380	0.420	1.003	

Source: Authors' analysis.

The statistical analysis results for each hypothesis, including the estimated path coefficient, t-value, and p-value, are positive, and the t-statistic results are above the t-table value of 1.975.

4. Results and discussions

From the statistical results above, we summarize the hypotheses in **Table 4**.

Table 4. Hypothesis summary.

Code	Hypothesis	Result
H1	Strategic direction positively affects organizational learning	Accepted
H2	Organizational learning positively affects boundary spanner agility	Accepted
H3	Boundary spanner agility positively affects financial performance	Accepted
H4	Boundary spanner agility positively affects exchange (non-financial) performance	Accepted

4.1. Strategic direction on organizational learning

SD (Strategic Direction) has a positive and significant influence on OL (Organizational Learning). The positive and significant influence of SD on OL suggests that when there is a strategic direction, it enhances the organizational learning. A clear strategic direction provides a framework for learning and guides employees in achieving organizational goals. The research findings demonstrate that strategic direction is a crucial role in facilitating the organization of learning (Versiani et al., 2018). It positively influences factors such as commitment to learning, shared vision, knowledge sharing, and open-mindedness within an organization. These findings align with those of Noble and Mokwa (1999), Kock et al. (2015), and Wooldridge and Floyd (1989).

These studies suggest that clarity of strategy helps employees understand the organization's vision and mission, enabling them to generate creative ideas and contribute to the learning process. According to Kock et al. (2015), empirical findings demonstrate that a well-defined ideation strategy can foster creativity, leading to innovative ideas for new projects. This approach enables more accurate identification of new opportunities, ultimately enhancing the decision-making process for project initiation. Additionally, the findings highlight that a strategic direction with clear planning enables managers to absorb and manage information in a timely manner effectively. This promotes knowledge spillovers within the organization, which, in turn, influences organizational learning. The findings emphasize that strategic direction, combined with proper planning, facilitates information absorption and knowledge transfer, ultimately impacting organizational learning. Overall, this study provides empirical evidence supporting the importance of strategic direction in driving organizational learning. This underscores the role of clear strategy and planning in fostering a conducive learning environment within the organization, leading to improved knowledge sharing, creativity, and overall organizational learning capability.

Furthermore, this research supports the findings of Toman (2015), who proposed that an organization's vision impacts employees' learning and understanding. The substance, development, and execution of the vision process contribute to this influence. Clarity in vision is crucial, as it enables banks to communicate information regarding changes in their vision or strategy effectively. A clear vision facilitates easier communication and sharing among employees. The presence of shared vision is also linked to improved learning pathways and enhanced quality of learning (Sinkula et al., 1997). In addition, O'Reilly and Tushman (2008) suggested that organizational structure, as a component of strategic direction, plays a significant role in promoting organizational learning. It facilitates the integration, reconstruction, and improvement of competencies necessary for sustainable growth. This research confirms the importance of clarity in organizational vision, emphasizing the need for effective communication and sharing vision (Toman, 2015). A clear vision contributes to improved learning and understanding among employees (O'Reilly and Tushman, 2008). Moreover, this study highlights the role of organizational structure as a tool for strategic direction, enabling organizations to enhance their learning capabilities and build competencies to support long-term growth (Versiani, 2008).

4.2. Organization learning and boundary spanner agility

The structural equation model results provide strong evidence to support the hypothesis that Organizational Learning (OL) has a positive and significant impact on boundary planar agility (BSA). The *t*-statistic value, greater than the critical *t*-value (2.36 > 1.975), indicates the statistical significance of this relationship. The positive coefficient of 0.35 further confirms that an increase in OL leads to a significant enhancement in BSA. This result means that for every unit increase in OL, there is an additional 0.35 increase in the boundary planar agility. Organizational Learning (OL) positively and significantly influences BSA (Boundary Spanner Agility) (Alavi et al., 2014). The positive and significant influences of BOL on BSA suggests that organizational learning plays a crucial role in enhancing the agility of boundary spanners (Muduli and Pandya, 2018). When bank agents actively engage in learning and knowledge sharing, they improve their ability to adapt, respond, and become proactive as boundary spanners. The obtained results provide robust support for the theoretical framework of the Theory of Dynamic Capability, as introduced by (Teece et al., 1997), in a highly relevant manner. This theory underscores the crucial role of dynamic capabilities in a rapidly changing environment, emphasizing a company's ability to integrate, enhance, and restructure its internal and external skills. Central to this theory is the understanding that knowledge is a pivotal resource for establishing and maintaining competitive advantage, necessitating continual resource renewal and reconfiguration through dynamic capabilities (Helfat, 2007).

In conclusion, regarding the theoretical aspect, the findings of this study provide empirical validation for the Theory of Dynamic Capability, showcasing the critical interplay between organizational learning, agility, and performance. They further reinforce the notion that organizations' ability to adapt, learn, and strategically reconfigure their resources is fundamental for sustained success in a rapidly changing business landscape.

These findings are consistent with those of previous research conducted by Alavi et al. (2014); Hsu et al. (2007); van Meerkerk and Edelenbos (2014) and Yeganegi et al. (2012). Previous studies support the notion that shared vision, knowledge sharing, commitment to learning, and open-mindedness, which are components of organizational learning, significantly impact boundary planar agility.

Overall, this study provides valuable insights into the relationship between organizational learning and boundary spanner agility, highlighting the importance of organizational learning in enhancing the agility of boundary spanners (Muduli and Pandya, 2018). The findings emphasize the significance of fostering a shared vision, promoting knowledge sharing, cultivating commitment to learning, and encouraging open-mindedness within the organization (Slater and Narver, 1995). These factors contribute to the development of boundary spanners that are more agile, adaptable, and capable of effectively navigating and engaging with external stakeholders.

Research conducted by Yeganegi et al. (2012) support this idea by highlighting that agility contributes to organizational effectiveness. In the banking sector, the capability of bank agents to act as boundary spanners is believed to significantly influences organizational performance (Hsu et al., 2007; van Meerkerk and Edelenbos, 2014). Agility is considered a critical capability required by boundary spanners in today's dynamic business environment (Breu et al., 2002).

Bank agents are expected to possess agile capabilities and behaviors to perform better in financial and non-financial performance (Pelletier et al., 2018). The capability includes proactively finding innovative solutions to customer problems, adapting to changes in product offerings and technology, and effectively responding to evolving market dynamics.

In summary, organizational learning within an organization has a positive effect on building agile bank agents who are responsive, adaptive, resilient, and proactive. This research supports the notion that organizational learning is crucial in developing the capabilities and behaviors necessary for bank agents to thrive in a dynamic and competitive business environment (Sherehiy and Karwowski, 2014). By fostering a culture of learning and knowledge sharing, banks can enhance the agility of their workforce, enabling them to navigate challenges, seize opportunities, and drive organizational success (Alavi et al., 2014).

4.3. Boundary spanner agility and boundary spanner financial performance

This study uses a structural equation model to examine the relationship between boundary planar agility (BSA) and boundary planner financial performance (BSF). The findings from the analysis demonstrated that BSA had a positive and significant influence on BSF (Lee et al., 2017). The result was supported by a t-statistic value that exceeded the critical t-value ($6.90 > 1.975$), indicating statistical significance. The positive coefficient further indicates that an increase in BSA leads to a significant improvement in BSF (Al-Qadi, 2023). This outcome can be viewed from the perspective of the role of boundary spanners within organizations. It also supports the theory that underscores the crucial role of boundary spanners within organizations, where they are essential intermediaries who bridge the gap between an organization and its external environment, ultimately contributing to enhanced financial outcomes. BSA (Boundary Spanner Agility) positively and significantly influences BSF (Boundary Spanner Financial Performance) (Lee et al., 2017). The BSA's positive and significant influence on BSF indicates that an increase in boundary spanner agility positively affects financial performance. Agile boundary spanners are better equipped to acquire new customers, establish relationships, and achieve financial goals, contributing to overall performance (Kazeem, 2022; Malek et al., 2017).

Cull et al. (2018) indicate the demand for financial services is likely to be influenced by the level of local commercial activity. Growing local commercial activities requires banks or financial services to support them. While the need for banking or financial transactions is increasing, banks are not automatically attracted to open community outlets or branches (Kazeem, 2022; Malek et al., 2017). Among the reasons are high capital investment, high operational costs, and limited availability of personnel who understand the local business, culture, and level of financial literacy. Financial inclusion is one solution to these issues. Financial inclusion in the form of a bank agent business provides benefits (both financial and non-financial) to customers in the community, local business owners (engaged in bank agent business), and banks.

The performance of bank agents is defined by the fee earned, number, and volume of transactions. Higher transaction numbers create higher commissions/fees for both agents and banks. The performance of agent banking is influenced by: first, trust in agents, which is closely related to the number of transactions; second, the lack of access to financial services and compatibility of microfinance products with the market; third, monitoring visits, which affect the number and volume of transactions, regardless of the market profile; and fourth, agent banking, which can be an effective provider of financial services for the urban poor who do not have appropriate access to formal financial services. Agent financial performance, as a dependent variable, was determined by the fee earned and the number of acquisitions. As previously mentioned, customers pay fees for each transaction through a bank agent (Kazeem, 2022; Malek et al., 2017).

This positive relationship between agility and financial performance aligns with a previous study by Lee et al. (2017). They conducted a quantitative study to investigate the link between agility and financial performance in organizations. Financial performance is evaluated based on metrics such as sales growth, operating income, and net profit. The findings demonstrated a significant and positive relationship between agility and financial performance (Al-Qadi, 2023). Their theory is proven in this study that the ability of bank agents as boundary spanners to foster partnerships between banks and bank agents positively affects performance. This finding suggests that the ability to effectively navigate boundaries and respond to dynamic external factors is crucial for achieving better financial outcomes in their role.

This study showed that effective boundary-spanning activities conducted by boundary spanners contribute to improved organizational performance. Hutt and Stafford (2000) stress the importance of boundary spanners in building successful partnerships and establishing strong relationships with external stakeholders, which can enhance overall financial performance. In the context of banking agents, Cull et al. (2018) find that intensive monitoring, fostering, and supervision by bank agents positively influence the number and volume of cash-in and cash-out transactions, indicating the potential impact of boundary spanners on financial performance by facilitating and overseeing transactions in the agent banking system.

4.4. Boundary spanner agility and non-financial performance

The findings from the structural equation model provide strong empirical evidence supporting the positive relationship between boundary spanner agility (BSA) and boundary spanner exchange performance or boundary spanners non-financial performance (BSE). The BSA's significant and positive influence on BSE, indicated by a t-statistic value of 9.63, exceeding the critical t-value of 1.975, highlights the importance of boundary spanner agility in driving exchange performance. The positive coefficient associated with the relationship between BSA and BSE indicates that, as boundary spanner agility increases, there is a corresponding improvement in exchange performance.

Our research strongly supports previous research by Ferguson et al. (2005) and Lee et al. (2017). The research findings suggest a positive relationship between agility and non-financial organizational performance, as demonstrated by the studies conducted by Lee et al. (2017) and Ferguson et al. (2005). Lee et al. (2017) found that agility positively influences market share, customer satisfaction, and employee satisfaction. The result highlights the importance of agility in achieving favourable outcomes in this study. Ferguson et al. (2005) emphasized the significance of boundary spanners, such as bank agent, in building customer close relationships. The closer the relationship between boundary spanners and customers, the greater the exchange performance and customer satisfaction. These findings underscore the importance of fostering agility within organizations and promoting strong connections between boundary spanners and customers to drive positive non-financial organizational performance (Lee et al., 2017). Overall, the agility and closeness of boundary spanners to customers are crucial in enhancing organizational performance and customer satisfaction in the banking sector. BSA (Boundary Spanner Agility) has a positive and significant influence on BSE (Boundary Spanner Exchange Performance). The BSA's positive and significant influence on BSE suggests that boundary spanner agility enhances the exchange performance (Zhang and Sharifi, 2020). Agile boundary spanners are more effective in their interactions, referrals, and collaborations with external stakeholders, leading to improved exchange outcomes.

5. Conclusions

This study recommends that organizations should focus on providing clear and well-defined strategic directions for the bank agent. This includes effectively communicating the organization's vision, goals, and strategic plans (Sinkula et al., 1997). To ensure clarity, managers can enhance branch organizational learning by promoting a shared understanding of strategic direction, encouraging knowledge sharing, and fostering open-mindedness that facilitates learning and innovation. Organizations should also promote continuous learning among bank agents or boundary spanners (O'Reilly and Tushman, 2008; Toman, 2015). This can be achieved through training programs, knowledge-sharing platforms, and creating a supportive learning environment. By enhancing the learning capabilities of bank agents or boundary spanners, organizations can improve their agility in navigating complex relationships, meeting customer demands, and effectively managing external stakeholders.

Poverty, limited paperwork required to open bank account, education and distance from financial providers hinders the community to have business relation to banks. Building boundary spanning agility on bank agents allows two parties (banks and un-reached community) to transact. Doing banking transactions through agents creates the ability for the community to make payment and to access capital easier, more affordable and more comfortable. Those conditions are made possible by the presence of bank agents.

Finally, organizations should develop the agility of their boundary spanners. This includes providing the necessary skills, knowledge, and support to interact effectively with external stakeholders, acquire customers, and build relationships. By enhancing boundary spanner agility, organizations can improve their financial and non-financial performance.

In conclusion, this study provides valuable insights into the relationships among strategic direction, organizational learning, boundary spanner agility, and performance within the banking agency industry. The findings highlight the importance of clear strategic direction, organizational learning, and agility in driving effectiveness and success. By understanding and aligning with organizational vision, fostering a commitment to apply and encourage learning activities, and promoting resilience agility at all levels, banks can enhance their performance, adapt to market dynamics, and achieve sustainable growth.

Bank agent should invest in developing the agility of their boundary spanners. This includes providing them with the necessary skills, knowledge, and support to effectively interact with external stakeholders, acquire customers, and build relationships. Enhancing boundary spanner agility, organizations can improve their financial performance through increased customer acquisition, improved sales outcomes, and enhanced relationship management.

This research provides valuable insights to policymakers, banking supervisors, bank top management teams, and researchers on the factors that may improve the effectiveness of the agency banking business to promote financial inclusion. Clear strategic direction from the top management is necessary along with development of learning organization in team. The bank agents need to develop organization agility that shape workforce or boundary spanners' agility to achieve performance.

Another unique contribution of this research is that limited research has addressed the bank agents that reside are outside the organization of the agents are able to achieve performance of the agent. In line with this study, bank agents are the key persons that ensure that bank agents follow the rules, operate agency banking businesses properly, serve customers on behalf of the banks, and generate revenues for both the agent and the bank.

The following limitations, however, should be considered for future research:

The findings of this research may be limited to the specific sample and context in which the research was conducted. We are focusing in specific area, Bank agent industry. Replicating the study across different contexts and industries with diverse samples would enhance the generalizability of the findings, for example other regions or industries.

The research relies on self-reported data, which may introduce common method bias and subjectivity. Respondents' perceptions of variables such as strategic direction, organizational learning, boundary spanner agility, and performance might be influenced by their biases or interpretations. Future research could incorporate objective measures or multiple sources of data to enhance the validity of the findings.

Non-exhaustive variables: The research focuses on specific variables related to strategic direction, organizational learning, boundary spanner agility and performance. However, other variables that could potentially influence these relationships, such as organizational culture, leadership styles, or external environmental factors, are not included. Future research should consider a more comprehensive set of variables to capture the complexity of the relationships studied.

Sample bias: The study's sample may suffer from selection bias, as it relies on a specific set of respondents from bank agent industries. This could limit the generalizability of the findings and potentially introduce biases based on the characteristics of the included organizations. Future research could employ more diverse and representative samples to mitigate this limitation.

External validity: The study's findings may have limited external validity due to the specific industry context, and social and demographic characteristics of the respondents. The applicability of the findings to other industries or demographic groups should be carefully considered. Due to different perception of each respondent related on competition, for example, different region has different competition level. Future research should aim to replicate the study in different contexts to enhance the external validity of the findings.

Author contributions: Conceptualization, HK, SW and DAC; methodology, HK and SW; writing—original draft preparation, HK; writing—review and editing, HK, SW and DAC; funding acquisition, HK. All authors have read and agreed to the published version of the manuscript.

Conflict of interest: The authors declare no conflict of interest.

References

Al-Qadi, N. S. (2023). Impact of strategic agility on the financial performance of commercial banks in Jordan. Uncertain Supply Chain Management, 11(2), 823–832. https://doi.org/10.5267/j.uscm.2022.12.008

Alavi, S., Abd Wahab, D., Muhamad, N., Arbab Shirani, B. (2014). Organic structure and organisational learning as the main antecedents of workforce agility. International Journal of Production Research, 52(21), 6273–6295. https://doi.org/10.1080/00207543.2014.919420

Barney, J. (1991). Firm resources and sustained competitive advantage. Journal of Management, 17, 99–120.

Breu, K., Hemingway, C. J., Strathern, M., et al. (2002). Workforce agility: the new employee strategy for the knowledge economy. Journal of Information Technology, 17(1), 21–31. https://doi.org/10.1080/02683960110132070

Calantone, R. J., Cavusgil, S. T., Zhao, Y. (2002). Learning orientation, firm innovation capability, and firm performance. Industrial Marketing Managemen, 31, 515–524.

Cross, R., Parker, A. (2004). The hidden power of social networks. Harvard Business Press.

Cull, R., Gine, X., Harten, S., et al. (2018). Agent banking in a highly under-developed financial sector: evidence from Democratic Republic of Congo. World Development, 107, 54–74. https://doi.org/10.1016/j.worlddev.2018.02.001

Demirguc-Kunt, A., Peria, M. S. M. (2010). A framework for analyzing competition in the banking sector: An application to the case of Jordan. The World Bank. pp. 1–24

Embaye, G. (2017). The prospects and challenges on the adoption of agent. College of Business and Economics Department of Accounting New Milinium University College.

Ferguson, R. J., Paulin, M., Bergeron, J. (2005). Contractual governance, relational governance, and the performance of interfirm service exchanges: the influence of boundary-spanner closeness. Journal of the Academy of Marketing Science, 33(2), 217–234. https://doi.org/10.1177/0092070304270729

Friedman, R. A. , Podolny, J. (1992). Differentiation of boundary spanning roles: Labor negotiations and implications for role conflict. Administrative Science Quarterly, 37, 28–47.

Gong, Y., Huang, J., Farh, J. (2009). Employee learning orientation, transformational leadership, and employee creativity: the mediating role of of employee self-efficacy. Academy Of Management Journal, 52(4), 765–778.

Haas, A. (2015). Crowding at the frontier: boundary spanners, gatekeepers and knowledge brokers. Journal of Knowledge Management, 19(5),1029–1047. https://doi.org/10.1108/JKM-01-2015-0036

Helfat, C. E. (2007). Stylized facts, empirical research and theory development in management. Strategic Organization, 5(2), 185–192. https://doi.org/10.1177/1476127007077559

Hoe, S. L. (2006). The boundary spanner's role in organizational learning: Unleashing untapped potential. Development and Learning in Organisations, 20(5), 9–11. https://doi.org/10.1108/14777280610687989

Hsu, S. H., Wang, Y. C., Tzeng, S. F. (2007). The source of innovation: boundary spanner. Total Quality Management and Business Excellence, 18(10), 1133–1145. https://doi.org/10.1080/14783360701596274

Katsikeas, C. S., Morgan, N. A., Leonidou, L. C., et al. (2016). Assessing performance outcomes in marketing. Journal of Marketing, 80(2), 1–20. https://doi.org/10.1509/jm.15.0287

Kazeem, B. L. O. (2022). The effect of agency banking services on customers' satisfaction in Nigeria. Journal of Management Sciences, 4(3), 206–214. https://www.researchgate.net/publication/362417825

Kitali, M. C., Chepkulei, B., Shibairo, P. M. (2015). The impact of agency banking on customer satisfaction: A survey on agent bank in Kenya. International Journal of Economics, Commerce and Management, III(6), 691–714.

Kock, A., Heising, W., Gemunden, H. G. (2015). How ideation portfolio management influences front-end success. Journal Product Innovation Management, 32(4), 539–555. https://doi.org/10.111/jpim.12217

Lee, S., Lee, D., Kim, S., et al. (2017). The role of agility in the relationship between use of management control systems and organizational performance: evidence from Korea and Japan. Journal of Applied Business Research, 33, 521–538.

Leifer, R., Delbecq, A. (1978). Organizational/Environmental interchange: a model of boundary spanning activity. Academy of Management Review, 3(1), 40–50. https://doi.org/10.5465/amr.1978.4296354

Loch, C. H., Staffan Tapper, U. A. (2002). Implementing a strategy-driven performance measurement system for an applied research group. Journal of Product Innovation Management, 19, 185–198.

Lyman, T. R., Ivatury, G., Staschen, S. (2006). Use of agents in branchless banking for the poor : Rewards risks and regulation. Building Financial Systems for the Poor. CGAP Publishing.

Malek, B., Mohtar, S., Ariffin, A. S. (2017). The factor that affects the effectiveness of agent banking characterictics on financial inclusion performance : a study from Malaysian goverment-owned banks in Negeri Sembilan. Journal of Advanced in Business and Management Studues, 7(1), 91–102.

Muduli, A., Pandya, G. (2018). Psychological empowerment and workforce agility. Psychological Studies, 63, 276–285.

Noble, C. H. , Mokwa, M. P. (1999). Implementing marketing strategies: developing and testing a managerial theory. Journal of Marketing, 63(4), 57–73.

O'Reilly, C. A., Tushman, M. L. (2008). Ambidexterity as a dynamic capability: Resolving the innovator's dilemma. Research in Organizational Behavior, 28, 185–206. https://doi.org/10.1016/j.riob.2008.06.002

Olhager, J., West, B. M. (2002). The house of flexibility: using the QFD approach to deploy manufacturing flexibility. International Journal of Operations and Production Management, 22(1), 50–79. https://doi.org/10.1108/01443570210412079

Ouma Shem, A., Atieno, R. (2001). Financial dualism and financial sector development in low income countries. Savings and Development, 25(4), 413–438.

Parnell, J. A. (2010). Strategic clarity, business strategy and performance. Journal of Strategy and Management, 3(4), 304–324. https://doi.org/10.1108/17554251011092683

Pelletier, D., Gervais, S., Hafeez-ur-Rehman, H., et al. (2018). Boundary-spanning actors in complex adaptive governance systems: the case of multisectoral nutrition. International Journal of Health Planning and Management, 33(1), e293–e319. https://doi.org/10.1002/hpm.2468

Permana, D. (2017). Toward the best model of strategy implementation in Indonesian Islamic banking from the lens of strategic clarity. European Research Studies Journal, 20(4B), 3–15.

Sherehiy, B., Karwowski, W. (2014). The relationship between work organization and workforce agility in small manufacturing enterprises. International Journal of Industrial Ergonomics, 44(3), 466–473. https://doi.org/10.1016/j.ergon.2014.01.002

Sherehiy, B., Karwowski, W., Layer, J. K. (2007). A review of enterprise agility: concepts, frameworks, and attributes. International Journal of Industrial Ergonomics, 37(5), 445–460. https://doi.org/10.1016/j.ergon.2007.01.007

Sinkula, J. M., Baker, W. E., Noordewier, T. (1997). A framework for market-based organizational learning: Linking values, knowledge, and behavior. Journal of the Academy of Marketing Science, 25(4), 305–318.

Slater, S. F., Narver, J. C. (1995). Market orientation and the learning organization. Journal of Marketing, 59(3), 63–74.

Tallon, P. P., Pinsonneault, A. (2011). Competing perspectives on the link between strategic information technology alignment and organizational agility: Insights from a mediation model. MIS Quarterly: Management Information Systems, 35(2), 463–486. https://doi.org/10.2307/23044052

Teece, D. J., Pisano, G., Shuen, A. (1997). Dynamic capabilities and strategic management. Strategic Management Journal, 18(7), 509–533.

Toman, V. (2015). Company vision and organizational learning. Dynamic Relationships Management Journal, 4(2), 51–60. https://doi.org/10.17708/drmj.2015.v04n02a04

Tsourveloudis, N. C., Valavanis, K. P. (2002). On the measurement of enterprise agility. Journal of Intelligent and Robotic Systems, 33, 329–342,

van Meerkerk, I., Edelenbos, J. (2014). The effects of boundary spanners on trust and performance of urban governance networks. Policy Sciences, 47(1), 3–24.

van Meerkerk, I., Edelenbos, J. (2018). Facilitating conditions for boundary-spanning behaviour in governance networks. Public Management Review, 20(4), 503–524. https://doi.org/10.1080/14719037.2017.1302248

Versiani, Â. F., Rezende, S. F. L., Magalhães, A. T. N., et al. (2018). The relationship between strategy development and organizational learning (Portuguese). Revista Brasileira de Gestao de Negocios, 20(2), 157–177. https://doi.org/10.7819/rbgn.v20i2.3888

Williams, P. (2013). We are all boundary spanners now? International Journal of Public Sector Management, 26(1), 17–32. https://doi.org/10.1108/09513551311293417

Wooldridge, B., Floyd, S. W. (1989). Strategic process effects on consensus. Strategic Management Journal, 10(3), 295–302. http://www.jstor.org/stable/2486448

Yeganegi, K., Saber, M., Azar, Z. (2012). The effect of IT on organizational agility. International Conference on Industrial Engineering and Operations Management, Istanbul, Turkey.

Yusuf, Y. Y., Sarhadi, M., Gunasekaran, A. (1999). Agile manufacturing: the drivers, concepts and attributes. International Journal of Production Economics, 62(1), 33–43. https://doi.org/10.1016/S0925-5273(98)00219-9

Zhang, C., Wu, F., Henke, J. W. (2015). Leveraging boundary spanning capabilities to encourage supplier investment: a comparative study. Industrial Marketing Management, 49, 84–94. https://doi.org/10.1016/j.indmarman.2015.04.012

Zhang, Z. D., Sharifi, H. (2020). Towards theory building in agile manufacturing strategy—a taxonomical approach. IEEE Transactions on Engineering Management. pp. 351–370. https://doi.org/10.1109/TEM.2007.893989