

## Effect of Project Manager's Competence on Implementation of Mobile Banking Projects in Commercial Banks in Kenya

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### Abstract

The aim of the study was to determine the effect of project manager's competence on implementation of mobile banking projects in commercial banks in Kenya. The study adopted a descriptive research design. The target population was mobile banking projects from six Tier one commercial banks in Nairobi County. The unit of observation comprised of 244 project officers. Stratified random sampling method was used to select 149 respondents. Primary data was obtained using semi-structured questionnaires. In analyzing qualitative data, thematic analysis was applied. Quantitative data was analyzed using descriptive statistics and inferential statistics. The findings indicated that project manager competence and implementation of mobile banking project in commercial banks are directly and significantly associated ( $r=0.737$ ,  $p=0.000$ ). Therefore, it can be concluded that project manager competence is important when implementing mobile banking projects. The project manager should possess effective project management skills, leadership skills, technical skills and analytical skills to be able to effectively deliver mobile banking projects. The experience of the project manager is also critical in ensuring successful implementation of mobile banking projects. Consequently, the research concluded that project manager competence has a positive and significant contribution to project implementation in the context of mobile banking projects by commercial banks in Nairobi County, Kenya.

**Keywords:** *Project manager's competence, Mobile banking projects, Commercial banks*

### 1.0 Introduction

In the past, there has been rapid growth in the application of project management as the way in which firms achieve their goal and objective. Previously, projects were external to the firm, but the development in the use of projects recently has mainly been in the area of projects internal to firm, coming up with a new product, opening a new branch refining the services provided to clients. Executing internal projects successfully is adequate in that the organization significantly improves its ability to implement more proficiently and effectively resulting in improving its own strength for competition. Project management offers an organization with essential tools that enhances its ability to plan, execute, and control its

happenings as well as the way in which it uses its resources and people (Meredith & Mantel, 2010).

Implementation of the mobile banking depends on who takes the lead, the support offered by the financial regulation in the country and if mobiles are used for transformational banking or additive banking. This clearly indicates that if projects are related and measures are not taken to properly and efficiently track them, the odds of failure are strong (Kuen, Zailani & Fernando, 2009).

Mobile banking is causing a whirlwind of movement on the world's monetary service industry. Large share of the banks is building up their own particular versatile banking arrangements, attempting to exploit innovation that accompanies mobile phones and present the management as a method for giving quick and effective managements. Financial institutions of all sizes are caught up with evaluating their place in the versatile saving money world. Thus, it has made a playing field for contenders including banks as well as telecommunication organizations (Feig, 2007).

### **1.1 Research Problem**

Mobile banking technology has been widely implemented by commercial banks in Kenya as a tool for market penetration, without massive investment in physical infrastructure. The technology has been instrumental in serving a wide and ever-growing customer base with fast, efficient, and convenient quality services (Kombe & Wafula, 2015). Mobile banking has therefore become one of the key success factors in the banking industry as empirical evidence links its adoption to wide customer base and enhanced number of transactions.

The use of mobile banking by bank customers in Kenya rose to 57 percent in 2019 from 49 percent recorded in 2018, according to the Kenya Bankers Association (KBA, 2019) Survey report. Despite the increase in uptake of mobile banking, its implementation has been experiencing several challenges ranging from availability of capable handsets, user experience, lack of clear business models, lack of global technology standards, financial regulations & legislation, support issues and consumer rights concerns (Karanja, 2017). According to the Kenya Economic Survey (KES, 2019), some of the major obstacles facing the implementation of mobile banking include poor and inadequate information systems, inadequate IT infrastructure, limited skills in information technology, reliance on inappropriate and obsolete technology and lack of awareness of the changing technology (Kenya Economic Survey, 2019). Customers have also expressed concerns over system failure which is one of the main risks facing mobile banking projects. There is a clear indication that implementation of mobile banking projects is not seamless and therefore the need to look into the problem. This research determined the effect of project manager's competence on implementation of mobile banking projects in selected commercial banks in Nairobi County, Kenya.

### **2.0 Theoretical Framework**

The study is anchored on theory of constraints. Goldratt (1990) introduced the theory of constraints and looks at the declining effect of terrible multitasking; the company needs to reduce the number of available occupations on the pipeline. The simple proximity of various undertakings in any field of work makes unnecessarily numerous open doors mistaken for bad multi-entrusting and coordinating work. Project managers who have been persuaded to complete their tasks on time will convince them to provide them with more support and change their needs (Korneva, 2016). Customers and organization will apply their strain to

refocus resources. Employees likewise have a tendency to pick between an assortment of assignments in view of their own inclinations and inspiration. This guarantees poor multi-trusting (Kothari, 2004).

Basic Chain animates the decrease of the quantity of dynamic activities by solidifying a huge piece of the ventures in the pipeline. According to Korneva (2016), decrease of multitasking individuals remain centered and perform assignments substantially more rapidly, enabling them to move rapidly starting with one phase then onto the next, looked with considerably less work line. Solidifying no less than 25% of the activities are normally enough to accelerate the advancement of work and, in this manner, ventures finishing time. At the point when at first chose projects arrive at the end, the solidified tasks can be initiated and executed considerably speedier.

The constraints principle is a practice for recognizing the vital restricting variable that hinders accomplishing an objective and afterward methodically enhancing that imperative until the point that it is never again the constraining element. In assembling, the limitation is regularly alluded to as a bottleneck. The theory adopts a logical strategy to change. Allocation of the resources is the critical part of undertaking a high-performing project group. Now and again somebody needs to take a shot at something that they have not specialized in. In any case, expecting you have the advantage of having the capacity to get to a scope of assets with fluctuating aptitudes, by what method should errand dispensed to various necessities of the task (Kumar, 2011). He endorses that arranging an undertaking is a standout amongst the most troublesome things in venture administration, the greater they get, the more disorder and vulnerability creeps into them.

This theory of constraint was relevant in this study because it helps organizations identify the factors that hinder the implementation of projects, prioritize projects and then improve their execution by continuously striving to mitigate or eliminate the limiting factors. This study viewed manager competence as a possible determinant of project implementation by commercial banks. The theory therefore provided a link between project management competence and project implementation.

## **2.1 Empirical Review**

The role of project managers in deciding the progress of a project in Germany has been investigated by Müller and Turner (2007). They found that while project success literature has historically overlooked the project manager as a success factor for the project, much has still been written on the project manager's subject. They analyzed literature from a multitude of writers and concluded that the fitness of the project manager is acknowledged as a project director by its prosperity. The research however presents a contextual gap since it did not focus on mobile banking projects by commercial banks.

Factors influencing the progress of IT projects within the Kenyan banking industry were studied by Chege (2014). The thesis focused on the Commercial Bank of Africa (CBA) and was a case study. The author insisted that the expertise of project managers becomes crucial in aligning with project execution, which definitely, indeed can be sidetracked even with the best of priorities or solid designs if they are not properly administered. Sometimes, occurrences will occur, this is the time when a note sign and make a move must be seen by the wander administrator. If you understand the difference between signs and problems and can recognise alerted signs of disillusionment in assignment, your preparation will help you to find out how to fix the ship before it keels over. The research however presented a

methodological gap since it was limited to one organization. The current study surveyed six commercial banks.

The factors affecting the delivery of core banking projects by commercial banks in Kenya were examined by Ochwoto (2017). A case study style was adopted by the study. The researcher stated that the ability of the project manager remains absolutely necessary. It is essential for project managers to have some key skills for effective project management. Timely implementation of projects and taking into consideration relevant facts are valuable capabilities that project managers ought to have. As a project manager one should possess leadership qualities, which are essential in organizing. However, the study did not particularly focus on mobile banking projects thus presented a conceptual gap.

Moura, Carneiro and Diniz (2017) analyzed the project manager's individual qualities in connection to its impacts on project performance in Brazil. Using a descriptive research technique, outcomes demonstrated that aptitudes, learning and states of mind straightforwardly influence project execution and that identity characteristics don't have coordinate impacts, however in a roundabout way influence disposition. The discoveries likewise demonstrated that accreditation in project management does not straightforwardly influence venture execution but rather moderating affects the connection between the undertaking director's abilities and information and project management execution. The research, however, depicts a conceptual gap as it did not concentrate on mobile banking projects.

### 3.0 Research Methodology

The study adopted a descriptive research design. The target population was mobile banking projects from six Tier one commercial banks in Nairobi County. The unit of observation comprised of 244 project officers. Stratified random sampling method was used to select 149 respondents. Primary data was obtained using semi-structured questionnaires. In analyzing qualitative data, thematic analysis was applied. Quantitative data was analyzed using descriptive statistics and inferential statistics.

### 4.0 Results and Discussion

#### 4.1 Descriptive Statistics

The respondents were asked to give their responses to the questions on project manager's competence. Results are presented in Table 1.

**Table 1: Descriptive Statistics; Project Manager Competence**

Statement	SD	D	N	A	SA	M	SD
Mobile Banking Project managers have the required technical skills.	0.9%	4.7%	5.6%	45.8%	43.0%	4.3	0.8
Mobile banking project managers have adequate experience in project management.	1.9%	11.2%	0.9%	41.1%	44.9%	4.2	1.0
Mobile Banking project managers are well trained and equipped with the necessary skills to successfully deliver.	0.0%	3.7%	10.3%	48.6%	37.4%	4.2	0.8
Project managers possesses high interpersonal skills.	0.9%	6.5%	4.7%	48.6%	39.3%	4.2	0.9
Project managers are internally selected so as to ensure that only the best individuals are chosen for the project.	1.9%	9.3%	6.5%	42.1%	40.2%	4.1	1.0
<b>Average mean score</b>						<b>4.2</b>	<b>0.9</b>

The findings in Table 1 show that most of the respondents agreed that the project managers had the technical skills needed shown by a mean of 4.3, the respondents also indicated that the project managers have adequate experience in project implementation with a mean of 4.2, they agreed that project managers are well trained and equipped with the necessary skills to successfully deliver with a mean of 4.2 and they possess high interpersonal skills with a mean of 4.2. The aggregate mean of 4.2 indicated that majority of the respondents agreed with most of the statements on project manager competence. The standard deviation of 0.9 denoted that most respondents shared similar views in regard to project manager competence. This means that the project managers implementing the projects are competent. The results concurred with those of Müller and Turner (2007) who acknowledged the importance of project manager competence. Similarly, Chege (2014) observed that the expertise of project managers is crucial.

Further, respondents were required to give their opinion on some of the skills that should be introduced in order to enhance mobile banking projects manager’s competence. Based on responses from qualitative data, several key themes were formed. These are: supervision skills, conflict resolution skills, communication skills, delegation skills and team building skills.

#### 4.2 Correlation between project manager competence and implementation of mobile banking project

This section shows findings on the association between the project manager competence, and project mobile banking projects implementation. The outcomes are shown in Table 2.

**Table 2: Correlation Results**

		Project Implementation	Project Manager competence
Project Implementation	Pearson Correlation	1.000	
	Sig. (2-tailed)		
Project Manager competence	Pearson Correlation	.737**	1.000
	Sig. (2-tailed)	0.000	

\*\* Correlation is significant at the 0.01 level (2-tailed).

The results indicate that project manager competence and implementation of mobile banking project in commercial banks are directly and significantly associated ( $r= 0.737$ ,  $p=0.000$ ). The results concurred with those of Müller and Turner (2007) who acknowledged the importance of project manager competence. Similarly, Chege (2014) observed that the expertise of project managers is crucial.

#### 5.0 Conclusion

The findings revealed that there was a positive and significant association between project manager competence and implementation of mobile banking project in commercial banks in Kenya. Further, the regression results revealed that project manager competence has a positive and significant effect on implementation of mobile banking projects.

#### 6.0 Recommendations

The study established that project manager competence is important when implementing mobile banking projects. The project manager should possess effective project management

skills, leadership skills, technical skills and analytical skills to be able to effectively deliver mobile banking projects. The experience of the project manager is also critical in ensuring successful implementation of mobile banking projects. Consequently, the research concluded that project manager competence has a positive and significant contribution to project implementation in the context of mobile banking projects by commercial banks in Nairobi County, Kenya.

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