

Effect of Project Planning on Implementation of Mobile Banking Projects in Commercial Banks in Kenya

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Abstract

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. 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 aim of the study was to determine the effect of project planning on implementation of mobile banking project 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 results indicate that project planning and implementation of mobile banking project in commercial banks are directly and significantly associated ($r=0.754$, $p=0.000$). The study concluded that project planning has a direct and significant effect on project implementation. It is therefore imperative for commercial banks' management to ensure proper planning within the organization, proper monitoring of mobile-banking projects, clear mobile-banking project deliverables and clear timeframes on achieving the mobile-banking projects objectives. These will result to improved mobile banking project implementation

Keywords: *Project planning, Mobile banking projects, Commercial banks*

1.0 Introduction

Project implementation is the completion of the arrangements of exercises that are intended to accomplish the points of the task (Wang, Kunc & Bai, 2017). It is the stage in which the undertaking expectations are physically constructed and conveyed to the client. At the point when the actualized project does not work or convey inside the predetermined parameters, failure is said to happen inside the system. It is essential to consider that use requires some energy, usually more than it is arranged, autonomously from the idea of the task, and that numerous outer limitations can appear that should be considered at the beginning of the implementation step (Dhir, Kumar & Singh, 2019).

The absolute most essential project implementation is an extremely competent project team and effective observing of project progress and project manager. Generally, administration must be assumed control by the lead accomplice and undertaking supervisor, who is frequently utilized or connected by the lead accomplice. The venture administration must have a proficient administration framework and dependably must be adaptable to current needs and changed circumstances, as the undertaking is infrequently actualized precisely as indicated by the underlying arrangement. By the by, the association should intend to convey quality outcomes and yields (ERFD, 2013).

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).

However, the spread of retail systems on banking in most developing countries is very low (Porteous, 2006). Several domestic household studies undertaken in a few nations, such as Kenya, showed that over a century or less of mobile phone deployment, as more individuals have these devices, as well as economic balances, despite the reality that the latter have been available for longer. Through versatile keeping money, banks can give key monetary services to their clients including account opening, for example, checking parity and proclamation request, reserves exchange between accounts, charge installments, articulation ask for, check book demands and broadcast appointment top-up (Njenga, 2015).

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.

Previous studies have been conducted on the connection between project management practices and project implementation (Müller & Turner, 2007; Yong & Mustafa, 2012;

Mathenge, 2013; Chege, 2014; Moura, Carneiro & Diniz, 2017). Nonetheless, these studies indicate research gaps in form of contextual, conceptual and methodological, which make the findings the studies not applicable to the current study. Further, there was scanty empirical evidence on the effect of PMP on mobile banking project implementation in commercial banks in Kenya. The research therefore sought to address this knowledge gap by determining the effect of project planning on implementation of mobile banking projects in selected commercial banks in Nairobi County, Kenya.

2.0 Theoretical Framework

The study was supported by 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-entrusting (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. The theory therefore provided a link between project planning and project implementation.

2.1 Empirical Review

Masinge (2010) conducted a study of factors affecting the adoption of m-bank services at the bottom of the pyramid in South Africa. The research used a descriptive research design. The consequences of the examination uncovered that apparent value, perceived convenience,

perceived cost, and client's trust significantly affected the appropriation of M-banking, while perceived hazard was found to have no huge impact. However, the study indicated a conceptual gap because it did not focus on project planning as a factor.

Dvir, Raz and Shenhar (2013) studied the relationship between project planning and project success in Israel and adopted a descriptive survey design. Results revealed that while a decent level of planning is vital to a successful project, there is no essential, positive correlation between planning and success. The relationship between the project planning aspect and the success / failure level of the project is quite controversial. To be able to implement a project according to what was planned is an exception rather than a norm. They believed that over-emphasizing planning and trying to stick to it would reduce the chances of failure of a project. However, the reviewed research was done in a different environment from Kenya.

Mathenge (2013) in his study on challenges facing project implementation in selected public sector organizations in Kenya, cited that before genuine execution of the project begins, firms ought to attempt definite arrangements which cover perspectives, such as , time plan, work done, input assets, between linkages, association and administration frameworks, yield age, and cost arranging. He noticed that sufficient asset plan and its linkage with time plan are pivotal as the verifiable asset necessities (labor, materials, cash and so forth.) for every period may not meet the accessibility requirement and subsequently the time plan may not be implementable. All the major activities that may have impact on time and cost to the project should be conceived and sufficient time provided for. The study provided a link between planning and effective project implementation. However, the study did not focus on commercial banks, thus presented a contextual gap.

3.0 Research Methodology

The study adopted a descriptive research design. The target population was mobile banking projects from six Tere 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 concerning project planning. The results are shown in Table 1.

Table 1: Descriptive Statistics; Project Planning

Statement	SD	D	N	A	SA	M	Std. Dev
There is proper planning within the organization	0.0%	15.0%	17.8%	34.6%	32.7%	3.9	1.0
There is proper monitoring of mobile-banking projects.	1.9%	23.4%	12.1%	29.9%	32.7%	3.7	1.2
There are clear mobile-banking project deliverables.	1.9%	14.0%	19.6%	33.6%	30.8%	3.8	1.1
There are clear timeframes on achieving the mobile-banking projects objectives.	2.8%	12.1%	19.6%	26.2%	39.3%	3.9	1.2
Our organization has a well-formulated mobile-banking project plan.	1.9%	12.1%	12.1%	32.7%	41.1%	4.0	1.1
Average mean score						3.8	1.1

The findings in Table 1 reveal that most of the participants agreed that there is a well formulated mobile banking project plan with a mean of 4.0. These results are consistent with the question that there are clear timeframes on achieving the mobile banking projects that are clearly indicated on the project plan and followed through this question obtained a mean of 3.9. The results also concur with the question that there is a proper planning within the organization this obtained a mean of 3.9 which shows for a project to be well implemented a project plan must be in place. The respondents also agreed that there are clear project deliverables which guides on the tasks to be delivered. This question obtained a mean of 3.8. Also, the respondents agreed that there is proper monitoring done of the mobile banking projects this helps to ensure proper tracking of all deliverables are achieved, scoring a mean of 3.7.

The aggregate mean of 3.8 indicated that most of the participants agreed with most of the statements on project planning. The standard deviation of 1.1 denoted that most respondents shared similar views in regard to project planning. This means that there is project planning by the commercial banks. The findings agreed with those of Dvir, Raz and Shenhar (2013) who established that over-emphasizing planning and trying to stick to it would reduce the chances of failure of a project.

Further, respondents were required to give their opinion on other components that should be included in mobile-banking projects planning. The responses were categorized into key themes, which included; identification of stakeholder's needs, smart project objectives, clear deliverables and deadlines, detailed project schedules, clearly defined roles, project costs, communication plan and right systems and processes.

4.2 Correlation between project planning and implementation of mobile banking project

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

Table 2: Correlation Results

		Project Implementation	Project Planning
Project Implementation	Pearson Correlation	1.000	
	Sig. (2-tailed)		
Project Planning	Pearson Correlation	.754**	1.000
	Sig. (2-tailed)	0.000	

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

Source: Research Data, (2018)

The results indicate that project planning and implementation of mobile banking project in commercial banks are directly and significantly associated ($r=0.754$, $p=0.000$). The findings agreed with those of Dvir, Raz and Shenhar (2013) who established that over-emphasizing planning and trying to stick to it would reduce the chances of failure of a project.

5.0 Conclusion

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

6.0 Recommendations

The study concluded that project planning has a direct and significant effect on project implementation. It is therefore imperative for commercial banks' management to ensure proper planning within the organization, proper monitoring of mobile-banking projects, clear mobile-banking project deliverables and clear timeframes on achieving the mobile-banking projects objectives. These will result to improved mobile banking project implementation.

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