

## **Effect of Top Management Support on Implementation of Mobile Banking Projects in Commercial Banks in Kenya**

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### **Abstract**

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. The aim of the study was to determine the effect of top management support 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 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. The findings indicated that top management support and implementation of mobile banking project in commercial banks are directly and significantly associated ( $r=0.766$ ,  $p=0.000$ ). Therefore, the study recommends the need for commercial banks' management of to provide full support to the project team. In particular, the management should ensure that the project team has adequate resources needed for the success of the mobile banking project

**Keywords:** *Top Management Support, Mobile Banking Projects, Commercial Banks*

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### **1.0 Introduction**

Top management support is considered in the implementation of mobile banking projects. These factors include; technological, economic or social. Some of the social factors which have been identified entail hypothesizing money electronically, social aspect of transactions, being aware, attitude regarding change, trust in services provided by the bank, suitability of the service and the ease in which individuals utilize these services. Economic variables consist of marketing strategies, service costs, access to mobile phones, and alternative accessibility. Technological considerations include reliability and service accessibility, safety and privacy provision, user-friendliness, network availability, mobile phone operating

capability and service readiness on various mobile networks (Venable Telecommunications, 2008).

In India, there were plenty of failures, since the designed mobile banking systems had authorized an utmost of five stages on any exchange in the bank. That choice was made in the desire it would disentangle matters for semi-proficient clients. A few stages expected clients to enter up to 29 characters on an element telephone, prompting mistakes that prompted declined exchanges that prompted clients losing enthusiasm for the system. In May 2016 only 3.7 million attempts at mobile banking transactions were recorded, well short of traffic expectations based on the 450 million mobile connections in rural India (Sharwood, 2016).

In Kenya, in regard to the Central Bank of Kenya (CBK) yearly bank supervision report, there are 44 banking institutions and 26 of the institutions have a variety of banking products on online platform such as, funds transfer, payments and online credit card application. Mobile money services are offered through third party unstructured supplementary service data services. The Standard Chartered launched a paperless banking branch, where all transactions are virtual, while Barclays launched a Mobile banking app targeting at attracting more mobile and online users (Rebecca, 2013). Majority of the banking firms have invested a lot of money on projects related to technology with NIC Bank more than KES 740 Million for a new system in banking. The quick adoption of technology and mobile banking systems has not come on a silver platter and many times the bank's customers have had complain on the poor and inadequate financial services even with the enactment of the modern platforms on banking.

### **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. The aim of the study was to determine the effect of top management support on implementation of mobile banking projects in commercial banks in Kenya.

## 2.0 Theoretical Framework

The stakeholder theory developed by Philips (2008) is portrayed as tending to ethics and qualities in dealing with an association, from each stakeholder intrigue or point of view. The author was more concerned about the uprightness and characterizing the “guideline of partner decency”. For the ordinary project manager, consider your partners and address these inquiries when given a venture to allow you to understand and update the basics of partner hypothesis: identify stakeholder, value of stakeholder, expertise and decision (Scheid, 2011).

Every project manager needs to recognize the importance of each stakeholder and its components in the project, according to Scheid (2011). Via a partner survey and partner prioritization, there are methods to characterize the partners. When thinking about the partner theory and its fundamentals, project managers ought to take a look at how the project might be harmed or whether the lack of stakeholder association affects the trustworthiness of the outcome. Managers should also recognize that stakeholders give a portion to the project, regardless of what degree, and each stakeholder must know what the others are contributing to. In writing the mission scope, you can accomplish this better by involving the stakeholders (Scheid, 2011).

The theory of stakeholders is applicable to project management. Unknown future events and creative ideas are sure to have an impact on your project, but they are very difficult to foresee. The number of stakeholders that you need to deal with rises as projects get bigger and more costly (Pinches, 2014). The author states that it is a shame that a lot of thought about project management still revolves around the old-fashioned management philosophy of Milton Friedman in which shareholders are the only stakeholders that matter. Too much of the literature on project management focuses on managing upwards and generally attempting to locate the 'primary stakeholder' the person or group paying the bills. But, without taking into account the effect of this decision on all stakeholders, project managers will actually make decisions about project management (Pinches, 2014).

According to Phabhu (2013), a bank project is not only a project, but a program that involves and attracts multiple stakeholders with end-to-end ownership and transparency from the project supervisor. The multifaceted nature of the management of multiple stakeholders segregated from the oversight of degree, time, expense, and expenditure plans needs to be discussed. In banks and other financial institutions, risk preparation and relief is done extensively. The project manager should be aware of these certainties and also have an unmistakable understanding of the mechanism and philosophies of generation support, as high accessibility and management of the understanding of the level of administration are key goals of production support groups (Phabhu, 2013).

The stakeholder theory was used in this study to provide a theoretical underpinning for top management support as an independent variable. Top management is one of the key stakeholders in the implementation of mobile banking projects by commercial banks. As such, successful implementation of mobile banking projects could be linked to support from top management.

## 2.1 Empirical Review

Yong and Mustaffa (2012) evaluated factors critical to construction project success in Malaysia using a descriptive research design. They presumed that best administration bolster could easily compare to some other basic achievement quality and demonstrated that best administration impacts IT anticipates by overseeing delicate issues, for example, enthusiasm,

inspiration, culture and convictions through an IT administration process. Support from the leadership was found to be crucial in determining success of projects. The study linked management support to project implementation. However, the reviewed work failed to address mobile banking projects, thus presented a conceptual gap. The research was also performed in Malaysia, which is distinct from Kenya's context.

Githundi (2015) investigation analyzed the determinants of mobile banking uptake in Kenya. The research used descriptive survey design. The research discovered that complexity of mobile banking and perceived risk of mobile banking negatively influence the uptake of mobile banking while Relative Advantage of mobile banking, Observability of mobile banking and Compatibility of mobile banking positively influence the uptake of mobile banking. It recommends that the bank management should invest more in advertisement to reach out to more of their unregistered clients. However, the study did not focus on top management support.

Otieno, Liyala, Odongo and Abeka (2016) explored challenges confronting cell phone cash administrations. Subjective research procedure was utilized. Further, both essential and optional information was utilized. The examination was directed in Homa Bay district in Kenya, utilizing ethnography research design. The examination set up that cell phone cash utilize and appropriation had various difficulties that had thwarted it. Most influenced by the difficulties were the cell phone cash clients and potential clients from the country poor networks. A portion of the difficulties included absence of national ID cards by potential clients, couple of cell phone cash specialists, insufficient money and e-coasts by the operators, mindfulness and absence of data on the most proficient method to get to and work certain highlights in versatile cash stage, and also dialect obstruction. However, the study adopted an ethnography study approach, while this research adopted descriptive research design. This presented a methodological gap in terms of research design.

### **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 on top management support. The findings are indicated in Table 1.

**Table 1: Descriptive Statistics; Top Management Support**

Statement	SD	D	N	A	SA	M	Std. Dev
For decision making and advice on the implementation of mobile banking ventures, the organization's top management is readily available.	3.7%	18.7%	13.1%	33.6%	30.8%	3.7	1.2
The organization's top management keeps a close check on the mobile banking projects and is quick to intervene when things go wrong.	3.7%	15.0%	14.0%	37.4%	29.9%	3.8	1.2
The organization's top management has consistently provided all the tools and resources required for the implementation of mobile banking projects.	0.0%	16.8%	19.6%	29.0%	34.6%	3.8	1.1
The organization's top management conducts training to the mobile banking project team.	1.9%	19.6%	26.2%	28.0%	24.3%	3.5	1.1
The organization's top management supports good working relationships between various departments within the mobile banking projects.	3.7%	19.6%	24.3%	19.6%	32.7%	3.6	1.2
<b>Average mean score</b>						<b>3.7</b>	<b>1.2</b>

**Source: Research Data, (2018)**

The findings in Table 1 reveal that majority of the respondents agreed with the statement that the organization's top management has consistently provided all the tools and resources required for the implementation of mobile banking project, this is supported by a mean of 3.8. The top management also keeps a close check and is quick to intervene when things go wrong, this scored a mean of 3.8. The respondents also agreed to the statement that top management is readily available for decision making and guidance on the implementation of mobile banking projects scoring a mean of 3.7. In addition, the respondents agreed that top management supports good working relationships between various departments supported by a mean of 3.6 and management conducts training to the mobile banking project team supported by a mean of 3.5. This shows that top management support is key in running successful projects.

The aggregate mean of 3.7 indicated that most of the participants agreed with most of the statements on top management support. The standard deviation of 1.2 denoted that most respondents shared similar views in regard to top management support. This implies that there is support from the top management. According to Yong and Mustaffa (2012), support from the leadership is crucial in determining success of projects.

In addition, respondents were required to give their opinion on what more support is required from top management for successful implementation of mobile banking projects. From the qualitative data, several key themes were identified. These were; provision of adequate funds, recruitment of qualified staff, sound decision making and approval of budgets.



#### 4.2 Correlation between top management support and implementation of mobile banking project

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

**Table 2: Correlation Results**

		Project Implementation	Top management support
Project Implementation	Pearson Correlation	1.000	
	Sig. (2-tailed)		
Top management support	Pearson Correlation	.766**	1.000
	Sig. (2-tailed)	0.000	

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

The results reveal that top management support and implementation of mobile banking project in commercial banks are directly and significantly associated ( $r=0.766$ ,  $p=0.000$ ). According to Yong and Mustaffa (2012), support from the leadership is crucial in determining success of projects.

#### 5.0 Conclusion

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

#### 6.0 Recommendations

Finally, the study established that top management support contributes significantly towards project implementation. Therefore, the study recommends the need for commercial banks' management of to provide full support to the project team. In particular, the management should ensure that the project team has adequate resources needed for the success of the mobile banking project.

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