

CHALLENGES TO EFFECTIVE IMPLEMENTATION OF INFORMATION TECHNOLOGY PROJECTS IN FAST- MOVING CONSUMER GOODS ENTERPRISES IN NAIROBI COUNTY, KENYA

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Abstract: Adopting IT projects is one factor which increases the effectiveness and efficiency in an organization. However, implementing information systems projects affects the organisation to a great degree and be a major change for an organization's processes; for instance, it requires employees to change. Many companies have found that implementing such changes is the most difficult part of information systems implementation. In addition, information system projects can affect individuals, groups, and a whole organisation when the project was introduced into that organization. This system created both a positive and negative impact on these levels. The negative effect of information systems occurs when the system fails. This failure can be analysed on the technical, project, organizational and environmental level. Hence a good strategy is significantly concerned with avoiding the failure of the system and achieving a successful system. The study aimed to investigate the factors to effective implementation of information technology projects in fast-moving consumer goods (FMCGs) enterprises in Nairobi County, Kenya. The study was guided by four specific objectives: to establish the effect of project planning, project definition, project team factors and stakeholder engagement on effective implementation of IT projects in the FMCG sector. This research was grounded on the attribution, stakeholder, project management, and Tuckman theories. The study uses the descriptive research design. The target population for this study was FMCGs enterprises in Nairobi County. Purposive sampling strategy was used to select the FMCG sector. The target population was 106 IT projects. Census sampling procedure was

Used to derive a sample size of 106 IT project managers. The research instruments were validated by use of a pilot study, which was assessed by the project managers. Data collected was analyzed by use of Statistical Package for Social Sciences (SPSS) Computer Package version 23 to assess the factors affecting effective implementation of information technology projects. The objective was to find out how the independent variables affected effective implementation of information technology projects in Nairobi County. This research therefore aimed at assessing the various factors affecting effective implementation of Information technology projects in FMCGs with the aim of improving their performance. The collected data was analyzed and presented in tabular form, graphs and charts for simple understanding of the findings and descriptive analysis were incorporated.

1. INTRODUCTION

Background of the study

This study aimed to investigate on the challenges to effective implementation of IT projects in the context of fast moving and consumer goods. The research focuses on influence of project management practices, project team factors and

stakeholder involvement in implementation of IT projects in the FMCGs sector in Nairobi County, Kenya. Information technology (IT) has permeated every aspect of day to day living. Organisations and businesses today are engaged in adopting IT to improve their productivity while lowering costs of doing business.

Information and communication technology (ICT) projects have become more and more complex and are focused on the strategy of on-demand business or a so-called service-oriented enterprise to respond to the growth in business dynamics, changing customer preferences, and disruptive technological shifts. IT projects contribute to the success of the entire business (Tuzcu, & Esatoglu, 2011) by improving its operation (Jacobs, & Chase, 2010). Obeidat and North (2014) revealed most projects in organizations (63%) are related to IT, followed by research and development (24%) and general construction (13%).

Information Technology is widely utilized in private as well as public sector organizations, as evidenced by a great margin of financial resources allocated to IT (Grimsley, Meehan & Tan, 2007; Gross 2009). Furthermore, as IT becomes increasingly more prominent globally and across all types of organizations, it becomes critically more important to comprehend a variety of managerial techniques and best business practices to ultimately contribute to the success of operational practices (Rosacker & Rosacker, 2010). According to Obeidat and North (2014), although there is several business practices that may significantly improve the return on investment of IT projects, project management could reap substantial benefit through empirical research. Many projects, including IT projects, have issues with being over budget, behind schedule, and ultimately with lower functionality that the planned system (Anwar & Mohsin, 2011).

Statement of the problem

Global reports show evidence that there is a decline in the number of effective implementation of IT projects. The Chaos Report 2015 by Standish Group studied 50,000 projects around the world. The results summarize that 29% of the projects are successful, whereas 52% of the projects are challenged and 19% of the projects belong to failed category. Nasir and Sahibuddin (2011) show that many of IT projects have failed in the combination of budget and/or schedule overruns and/or for not meeting stakeholders' requirements. Marr (2016) reports that 25 % of information technology projects fail outright; 20 to 25 % don't show any return on investment; and as much as 50 % need massive reworking by the time they're finished. The importance of effective implementation of IT projects was based on the use and application of IT in day to day operations of an enterprise. More than the competitive advantage achieved from effective implementation of IT projects, an enterprise is able to save costs, time and in implementing its IT projects. This study focused on the factors to effective implementation of IT projects among FMCG enterprises from 2013-2017.

These studies however were conducted in the public sector (Gichoya, 2005; Wamoto, 2015), in the ICT sector (Owino, Keraro & Wanjiuku, 2015) and also focus on external environmental factors that influence IT projects failure and/or success. However, there is less evidence to show the challenges to effective implementation of information technology projects in the FMCG sector, a research gap that the study intends to fill by examining the influence of project definition, project planning, project team, and stakeholder engagement on effective implementation of IT projects. Basing on the above this study assisted in filling in the gaps.

General Objective

The aim of the study was to establish challenges to effective implementation of Information Technology Projects in FMCGs enterprises in Nairobi County, Kenya

Specific objectives

The study will be guided by the following specific objectives;

- i. To establish the effect of project definition on effective implementation of Information Technology projects in FMCG sector in Nairobi County, Kenya.
- ii. To determine the influence of project planning on effective implementation of Information Technology projects in FMCG sector in Nairobi County, Kenya.
- iii. To determine the influence of project team factors on effective implementation of Information Technology projects in FMCG sector in Nairobi County, Kenya.
- iv. To determine the effect of stakeholder engagement on effective implementation of Information Technology projects in FMCG sector in Nairobi County, Kenya.

Scope of the Study

The study was carried out in Nairobi County, Kenya for specific analysis of the challenges to affecting effective implementation of information technology projects in FMCG sector. The factors are project definition, the project team, and project planning and stakeholder involvement. The study focused on 2 ongoing information technology projects in the 53 real FMCG firms in Nairobi County. Therefore, the target population was 106. The unit of observation was therefore the project managers. The study intended to target the project managers from each of the project since they were actively involved in the implementation.

2. LITERATURE REVIEW

Empirical review

Roth (2007) has defined the term empirical as the systematic process of deriving and analyzing data from direct or indirect observation. On the other hand, review refers to an evaluation of information found in the literature related to your selected area of study. Empirical review therefore means the systematic process of evaluating information on the selected area of study. The following sub sections are an empirical review of information on the study variables.

According to Glenn (2006), project definition starts with business planning, proceeds to business plan validation if the initial plan appears to be feasible, and ends with a decision by the client to fund or not fund a project. Project definition is regarded as the phase of project development where exploration of alternatives creates innovative problem and solution definitions that allows maximum customer value generation to be developed (Whelton, Ballard & Tommelein, 2007). Pellerin, Guillot,

Perrier and Léger (2013) study on project characteristics, project management software utilization and project performance describe project definition as comprising of defining project parameters (employees, classification codes) and project characteristics (person in charge, dates, contract type). Whelton et al. (2007) concluded that project definition provides an opportunity to deliver value to the customer through the creation of accurate problem definitions and innovative project solutions.

3. METHODOLOGY

The study adopted the descriptive survey design. Descriptive research can be explained as a statement of affairs as they are at present with the researcher having no control over variable. Descriptive research is “aimed at casting light on current issues or problems through a process of data collection that enables them to describe the situation more completely than was possible without employing this method (Fox & Bayat, 2007).

This design is appropriate for this study as it seeks to establish the relationship between independent variables (project planning, project definition, project team factors, and stakeholder engagement) and dependent variable (effective implementation of IT projects).

Mugenda and Mugenda (2003) describes the target population as a complete set of individuals with some common characteristics to which the researcher wants to generalize the results of the study. A population describes the parameters whose characteristics the research will attempt to illustrate. The target population of this study will be two (2) IT projects in each of the 53 Fast Moving Consumer Goods (FMCGs) enterprises in Nairobi County. Therefore, the target population will be 106 (2*53). The unit of observation will be the 2 project managers handling 2 IT projects from each FMCG. The project managers will be actively involved in the implementation of the project. IT projects will be the unit of analysis.

Data Processing and analysis

Questionnaires were used to gather data because the information was collected from a large sample and a diverse area, in addition confidentiality was upheld. Questionnaires were administered to all the respondents. The people who were sampled filled in the questionnaires provided while being assisted by research assistants where they were unable to interpret the questions during any scheduled meetings, otherwise, the research assistants dropped and picked the questionnaires as agreed. Secondary data was collected through published scholarly articles, journals, newspapers, books and other relevant literature. Issues covered were sequenced and worded to make the data collected systematic.

Data analysis was carried out by use of Statistical package for the social Scientists (SPSS) to obtain descriptive statistics, a summary regression and a multiple linear regression model. SPSS software version 22.0 was used to produce frequencies, descriptive and inferential statistics were used to derive conclusions and generalizations regarding the

population. The particular descriptive statistics produced frequencies, mean scores and standard deviation. A multiple linear regression model was used to test the significance relationship of independent variables against the dependent variable.

4. CONCLUSIONS

The main purpose of this study was to examine the Factors affecting effective implementation of Information technology projects in FMCGs in Nairobi County, Kenya. From the findings above, the study concluded that project definition, project planning, project team factors and stakeholder engagement affect effective implementation Information technology projects in FMCGs in Nairobi County, Kenya.

The study established a positive correlation between project definition and effective project implementation. The study concluded that project definition was positively related to the effective implementation of Information technology projects in FMCGs in Nairobi County, Kenya. Proper project planning is therefore essential to ensure projects are effectively implemented.

The study found out that there was a positive correlation between project planning and effective implementation projects. It can be concluded that there was a positive relationship between team project planning and the effective implementation of Information technology projects in FMCGs in Nairobi County, Kenya. The management should ensure proper planning is done so that the objectives are established and met.

The study established that there was a positive correlation between, project team factors and effective implementation projects. It can be concluded that there is a positive relationship between project team factors and the effective implementation of Information technology projects in FMCGs in Nairobi County, Kenya. The study concludes that project team factors should be facilitated and enhanced to ensure effective implementation of projects.

The study established that there was a positive relationship between stakeholder engagement and effective implementation of Information technology projects in FMCGs in Nairobi County, Kenya. There should be; proper project definition, proper project planning, project team factors and stakeholder engagement for effective project implementation. Stakeholder engagement should be done on a regular basis. This will ensure efficiency and effectiveness in the implementation of the projects as well as early corrections will be made.

Recommendations of the Study

The study recommends that proper project definition should be carried out to facilitate effective implementation of Information technology projects in FMCGs to ensure projects are effectively implemented. Information technology projects play an important role in development of a country; hence proper project planning should be put in place to ensure effective project implementation.

Proper planning of the project work is critical and should be well carried out to enhance successful implementation of projects.

The project team factors should be done on merit and well integrated to enhance effective implementation of projects. The study recommends that predesigned objectives are essential to ensure project outcomes are met by the project team.

Proper project team factors should be put into consideration so that effective implementation of Information technology projects is facilitated. Project teams therefore, should be highly competent to engage highly on reputable projects to bring about good project outcomes.

Lastly, this study recommends that stakeholder engagement should be facilitated and integrated; the project managers and project team should meet very frequently in order to effectively monitor and evaluate projects. The project activities should be well monitored and evaluated as they are critical to the effective implementation of Information technology projects.

Suggestion for further research

Effective implementation of Information technology projects involves a wide range of activities together. The overall effective implementations of projects have uncountable research papers. Scholars have therefore not exhausted areas of effective implementation of Information technology projects. Further studies can be done in other counties for making a

comparison of the findings with those of the current study. Other variables with an exception of project definition, project planning, project team factors and stakeholder engagement can also be studied.

The research attempted to unveil the factors affecting effective implementation of Information technology projects in FMCGs Kenya, the study was conducted in Nairobi County and contributed to 61.6% which provided the researcher with more information that was important to be used for academic reference. Scholars in this field should go ahead to ascertain other different variables, their uniqueness and connection to effective implementation of Information technology projects.

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