

FACTORS INFLUENCING IMPLEMENTATION OF INFORMATION TECHNOLOGY PROJECTS IN BANKING INDUSTRY: A CASE OF CHASE BANK KENYA LIMITED

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Abstract: To stay relevant and maintain clientele growth, Kenyan banks are progressively working on introducing new and innovative products and service channels to leverage changing technology. The establishment of these new products and channels is regularly conducted through IT project teams which comprise of the bank and non-bank staff particularly when the new technology is purchased from external parties. Although it is likely that projects run by banks would be smooth and eventually deliver on the anticipated benefits for the business, many examples have been witnessed in the Kenyan banking industry whereby IT projects that were planned to take just six months have been very unsuccessful taking more time, costing more money than budgeted and delivering far less benefits that were anticipated. Based on the above-mentioned disclosures, the researcher aimed to find out the factors affecting the success of Information Technology projects in Kenyan banks a case study of Chase Bank Kenya as a case study. The dependent variable for the study was the success of Information Technology projects, and the independent variables were Project Planning, Project Management Team, Project communication, and Project Monitoring and evaluation. The study used descriptive research design approach to analyze Chase Bank Kenya from where a target population of 100 staff at head office which engages on operations of project management was identified as the target population. The sample size was 80 which was calculated at using Yamane formula. Data collection was done through structured questions in a questionnaire to collect qualitative. The scope of the study was limited to the six projects started and completed at Chase Bank Kenya from 2014 to 2018. Findings established that: project planning influences project implementation at (P=0.001); there is no significant relationship between team management and project management (P=0.206); there is a positive correlation between communication and project management (P=0.001) and project monitoring and evaluation influences project implementation at (P=0.001). The researcher concludes that that planning, communication and monitoring and evaluation influenced project implementation to a great extent while team management influence project implementation to a moderate degree. The researcher recommends that all project stakeholders should be involved from the initiation stage to completion of the project as well as allocating proper allocation of resources to avoid underutilization.

Keywords: Project Management, Project Communication, Project Implementation.

1. INTRODUCTION

Project management is an indispensable process of implementing decisions, strategies and to organize resources to realize the intended objectives of a project. Project implementation process is multifaceted, normally requires high and team work attention to a comprehensive aspect of budgetary, technical as well as human variables [7]. Additionally, projects usually need specified critical success factors (CFS) which if managed and considered appropriately will increase the probability of successful execution.

Regardless of appeals for a prolonged measures [8] organizations keep on assessing the effectiveness of IS projects by adhering to planning, adhering to budget, adhering to the set timeline, and conforming with the needs, therefore, ignoring the importance of when customers are conducting the projects [9].

Expenditure and prospects lost from information systems development (ISD) projects that do not succeed or do not meet set goals on time and within a set budget are well-known. [9] noted that unsuccessful implementation of IT project in both the public and private organizations is not by chance instead these failures are as a result of classic project management errors and failure in risk management is one of them. Organizations have embraced the use of IT to improve service delivery. One platform is enterprise resource planning systems (ERP) which have been embraced by both public and private organizations

2. EMPIRICAL REVIEW

The researchers structured the managerial roles into a general project portfolio management process in chronological order of four very inter-reliant stages: portfolio structuring, resource management, portfolio steering, and organizational learning [3].

[4] in his study on multi-project management, found out the influence of effective communications on strategic projects success and eventually, organizational success. Nevertheless, just one out of four organizations were described as highly-effective communicators as found out by the Pulse communications research. This research suggests that many organizations have chances to find challenging areas and design a course to enhance the effectiveness of project communications. This research also shows the effectiveness of communication on successful projects as well as the costs involved in cases of ineffective communications. [1] in his study on autonomy in communication found out that a successful project manager should be a good communicator. His findings also indicated that communication in project management is expertise that has not ever been perfected and might constantly be enhanced and can start and mobilize a project successfully.

In their exploration, [12] portrayed the presentation of data which consistently alludes to arranging as a principle facilitator to the execution of any undertaking, and recognized inadequate documentation as a noteworthy reason for differences. [11] discovered that while the total of what endeavors have been ensured that all parts of the outline are discussed and updated, advancement of configuration should not take much time to the degree of influencing the general development time and the realizing of the client's favored money-related goals.

The findings from [10] indicate that; project planning influences the performance of the project since it is difficult to evaluate and monitor poorly designed projects, project budgets, and project planning and the time line of activities and results that act as foundations through which the performance of implementation performance is evaluated. Occasionally, the period of the project monitoring process as indicated in the project planning development outlines the project's anticipated results and objectives and enables the evaluation to assess the scope goal realization. Other studies on planning are; the studies of [2] who put into consideration the influence of input factors like the staff, managers and technical approaches in the requirements capturing and analysis (RCA) phase an essential activity in planning. This offers an extensive perspective of components in arranging that may influence the endeavors at the RCA stage and all through the entire advancement process. [5] contemplate uncovered that arranging contains three principle assignments: improvement of useful necessities; advancement of specialized details and the execution of venture administration. They evaluated the connection between the execution of these assignments and the undertaking result.

3. CONCEPTUAL FRAMEWORK

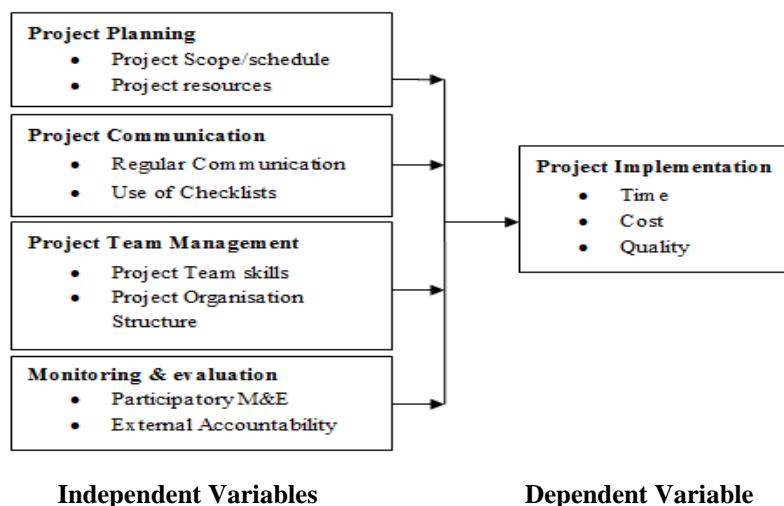


Figure 3.1: Conceptual Framework

4. SUMMARY AND CRITIQUE OF EXISTING LITERATURE

The literature analyzed highlights the theories relevant to project performance; Theory of complexity, Contingency theory and the Theory of Constraints; literature on how project performance is affected by communication, project team management, project planning, and Monitoring and Evaluation. The empirical review highlighted studies that have been carried out by other scholars on the relationship between project performance and communication, organization culture, project planning, and Monitoring and Evaluation.

From the literature, it is evident that in order to improve project performance, projects must be finished as scheduled, within the initially allocated funds, and to the suitable degree needed to satisfy the objective and for good project performance, the project manager should be competent and function in an environment which allows a project team to function. Project performance is viewed to be related to project success project objectives. The literature also covered how each independent variable; communication, project team management, planning, and monitoring and evaluation influences project performance.

[6] carried out a research on challenges in managing internal development projects in a multi-project environment and it recognizes the factors that affect project success, however from this study, it is still hard to get the general management system results. This could be for the reason that the project portfolios keep on changing and have many inter-reliant systems that are ever changing. This means that it is important to include all success framework that is capable of covering the whole project management system and leading to better project performance.

5. RESEARCH METHODOLOGY

The researcher adopted the descriptive research design. The descriptive research design was selected since it allows the researcher to generalize findings of a large population. The study targeted six major Information Technology projects initiated by Chase bank from January 2014 to December 2015 with a budget estimated to be Ksh 238,039,520. The study sought respondents from the head of project management team, Project Managers, project officers, Information Technology team who were in charge of these projects and a few business teams who felt the impact brought about by the projects this is estimated to be 100 chase bank employee. From the sample frame, purposive sampling was used to collect data from 80 respondents who were the Sample Size. The researcher used questionnaires with both closed-ended questions to collect primary data from the respondents. The questionnaire has been designed using Google Drive forms and will be sent out to all target respondents via an e-mail link with responses being saved directly onto the researchers Google Drive whenever a respondent answers' all questions eliminating the need for the researcher to go round collecting responses. Questionnaires were used to collect primary data

6. RESULTS AND DISCUSSION

Response Rate:

The respondents who participate in the study were the staffs of Chase bank who were involved in IT projects. The respondents filled and returned the questionnaires as indicated in Table 1.

	Frequency	Percentage
Response	60	75.0
Non response	20	25.0
Total	80	100

Table 1 indicates that the questionnaire return rate was above 70 percent which is adequate for analysis (Mugenda, 2008).

Influence of Project Planning on Implementation of IT Projects

53.3% of the staff agreed that the organization had clearly defined the project scope to the project team members; 50% agreed that project resources were properly allocated during the planning phase of the project; 38.3% agreed that all project team members were involved in project planning; 43.3% agreed that the organization had flexible schedules that help team members to balance their work and 56.7% of the staff agreed that each sector had procurement plans that help in the allocation of project resources. The staff further suggested some improvements that can be done on planning of future projects which included: ensuring project resources are properly and adequately allocated in all the phases, having a clear project plan, clearing stating the scope of a project between the project team and vendors, realizing project team

from their core work so that they can focus on the project at hand, incorporating more team members from different departments to be involved in the projects to bring in more diversity, involving all stakeholders from initiation stage to completion of the project as well as allocating proper allocation of resources to avoid underutilization. This implies that the project managers clearly plan and design projects to facilitate successful the implementation. The finding concurs with [10] who indicated that project planning influences the performance of the project since poorly designed projects are difficult to monitor or evaluate.

Influence of Project Team Management on Implementation of IT Projects

From the analysis, 56.7% of the staff strongly agreed that the project manager and his team were highly skilled and competent; 56.7% agreed that the roles and responsibilities of each project team member were clearly defined; 53.3% agreed that the organization environment was favorable to work on the project; 66.7% agreed that the project team comprised of all the key stakeholders and 53.3% of the staff agreed that there was top management support of this project team. The staff also gave some suggestions with regards to project team structure which included: involving all stakeholders in the project team, ensuring function heads are involved before including function staff on the projects, ensuring that all projects have competent project implementation team composition, establishing a central project management office for the team and constituting a project team that incorporates lower level team members in a bid to foster team synergy. This implies that teamwork influences the implementation of project management and therefore the project manager should select a competent team to initiate and implement projects. The finding concurs with [13] that the main duties of a project manager are project evaluation and building a team to start and oversee implementation of projects.

Influence of Project Communication on Implementation of IT Projects

Findings show that the staff agreed that: the project objectives and goals are adequately given to colleagues through-composed workshops as shown by 38.3%; there is general correspondence between the administration and the participating colleagues on task execution as demonstrated by 55%; utilization of messages has improved viable correspondence in the relationship as demonstrated by 60%; the design of the project changes are typically conveyed to colleagues so as to keep away from disarray as shown by 43.3% and little task agendas are utilized to institutionalize and accelerate venture usage as indicated by 48.3% of the staff. The staff also suggested some measures to improve project communication in future projects which included: introducing collaboration tools that allows flexible seamless communication, early morning briefs on progress, and / or of any changes there may be so that everyone is at par with the project, ensuring any project changes are communicated to stakeholders on time, exploring alternative communication channels that are prompt, ensuring that all the stakeholders are kept updated on projects progress and clearly defining the frequency of communication and methodology at the beginning of the project. This shows that communication to stakeholders and project team members can contribute to the success of project management since all stakeholders are always informed on project progress. The finding is in agreement with [1] who found out that a successful project manager must be a great communicator.

Influence of Project Monitoring and Evaluation on Implementation of IT Projects

Findings show that; 48.3% of the staff agreed that the organization has put in place mechanisms that ensure there is regular monitoring of project progress; 38.3% agreed that monitoring and evaluation facilitates accountability and transparency of the usage of project resources; 43.3% agreed that the organization gives regular project progress to all project stakeholders; 41.7% agreed that participatory M&E ensures that the project objectives and goals are achieved and 38.3% of the staff agreed that the organization has put in place project control systems that are very effective in their functions. The staff also suggested better M&E methodologies that can be used for future and ongoing projects. They included: putting more emphasis in place to monitor projects post-implementation, more frequent reviews so that any issues are addressed in good time and training should be conducted on how to effectively carry out M&E. This finding concurs with [10] that monitoring and evaluation is an important element of the project management cycle since the projects with poor designs are difficult to evaluate and monitor.

Implementation of IT Projects

The findings revealed to show that the IT projects met the intended objectives/goals as indicated by 38.3% of the staff; there was proper utilization of project resources as indicated by 40%; the IT projects were implemented and completed within the expected timeframe as indicated by 41.7% ; costs are minimized in the projects as indicated by 51.7% , and the

concluded IT projects met the required quality/standard projects as indicated by 43.3% of the staff. There were various measures suggested to ensure value for money is realized after project implementation. They included: all projects should aim at solving an issue which upon implementation will give an edge to business and translate into business gains; project managers should consider doing an after project review to assess value for money, customer needs should be well understood before the project is initiated, the management should allocate enough resources and competent project team, the project team should adhere to set timelines. This shows that the organization has tried to deliver quality projects within time and budget. The finding is in agreement with [12] found out that while all efforts have been made to make sure that all parts of the plan being talked about and checked on, the time spent on the improvement of configuration ought not be very long to the degree of influencing the general development time and the accomplishment of the customer's favored monetary targets.

Correlation Analysis

In attempting trying to establish the relationship between the study variables, the researcher employed the Karl Pearson's coefficient of correlation (r). According to the findings as indicated in table 2, there was a positive correlation between project planning and project implementation as depicted by a correlation value of was (r = 0.424, p-value=0.001). The study also illustrated that there is a negative correlation between team management and project implementation with a correlation value of (r = 0.166, p-value=0.206). The study also noted that there was positive correlation was between communication and project implementation with a correlation value of (r = 0.424, p-value=0.001) and a positive relationship between monitoring and evaluation and project implementation with a correlation value of (r = 0.410, p-value=0.001).

Variables		Project implementation	Planning	Team management	Communication	Monitoring and Evaluation
Project implementation	Pearson Correlation	1				
	Sig. (2-tailed)					
Planning	Pearson Correlation	.424**	1			
	Sig. (2-tailed)	.001				
Team management	Pearson Correlation	.166	.015	1		
	Sig. (2-tailed)	.206	.910			
Communication	Pearson Correlation	.424**	.343	.021	1	
	Sig. (2-tailed)	.001	.007	.876		
Monitoring and Evaluation	Pearson Correlation	.410**	.358	.108	.186	1
	Sig. (2-tailed)	.001	.005	.412	.154	

Coefficient of Determination of Research Variables

The coefficient of determination was conducted to assess the suitability of the statistical model in forecasting future results. Table 3 presents the Model Summary

Table 3: Model Summary

Model	r	r ²	Adjusted r ²	Std. The error of the Estimate
1	0.699	0.558	0.451	0.656

As per the SPSS generated in Table 3, the equation,

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon_0$ becomes:

$$Y = 0.132 + 0.067 X_1 + 0.094 X_2 + 0.189 X_3 + 0.582 X_4$$

The results show that holding project planning, team management, communication and monitoring and evaluation at constant zero; project implementation would be at 0.132. The researcher found out that a unit change in project planning would cause a change in project implementation by a factor of 0.067, unit variation in team management would contribute to variation in project implementation by a factor of 0.094, unit variation in communication would contribute to variation in project implementation by a factor of 0.189 and a unit variation in monitoring and evaluation would contribute to change in project implementation by a factor of 0.582.

7. CONCLUSION

The researcher was able to achieve the study objectives whereby she established that project planning, team management, communication and monitoring and evaluation influence implementation of IT projects in Chase bank. However, the extent to which these factors influenced project implementation differed. Findings established that planning, communication and monitoring and evaluation influenced project implementation to a great extent while team management influence project implementation to a moderate extent. There is, therefore, need to involve all stakeholders in planning and designing projects. Teamwork is also very essential for successful project implementation. Clear communication on the scope of the project and frequent communication on the project affects its timely implementation. Monitoring and evaluation of projects ensure that quality projects are delivered timely and within the set budget.

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