

## ROLE OF PROJECT RESOURCE AVAILABILITY ON PROJECT SUCCESS IN BANKING INDUSTRY IN RWANDA: A CASE OF KCB ATM MIS PROJECT

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### ABSTRACT

**T**he Financial services sector in Rwanda has undergone transformation in the past years with several innovation driven improvements. Commercial banks in Rwanda and the rest of the world have continued to implore on senior managers and executives the need to improve project resource availability so as to ensure project success in the Banking Industry. The main objective of the study was to find out the role of project resource availability on the project success in Banking Industry in Rwanda. The study draws on theoretical literature and empirical studies on project success in an effort to explore the influence of engagement of senior managers and executives in management of project resource availability to ensure project success in the Banking Industry. The development is intended to inform further research and enable organizations to develop pathways in relation to project success in the Banking Industry. The study employed a descriptive survey design. The target population of 132 was used composing of project manager and the project team derived from the human resource, information technology, customer care, finance, credit departments as well as selected staff from 14 branches. Primary data was collected using structured questionnaires. A sample size of 42 was used. The data was the analyzed using inferential statistics in order to get the relationship between variables. The study established that improving resource availability have statistically significant role on MIS project success in the Banking Industry in Rwanda. The study recommends that senior project managers should be in-serviced on the importance of their strategic role in the management of project resources which would determine the availability of resources and thus project success.

**KEY WORDS:** Resource Availability and Project Success.

## 1.0 Background.

Generally, projects are meant to succeed and meet their objectives. However, projects failure including Information Technology and Information System failures have been the topic of many symposiums, conferences, studies, articles and research initiatives. There are many writers who have tried to establish why projects fail (Turner & Muller, 2005). Njururi (2013) indicated that projects fail most of the time because the project scope has not fully appreciated or fully understood the user needs. On the other hand, Macharia and Ngugi (2014) argue that MIS projects and associated procurements take place in an environment described by lack of management continuity and an incentive system that encourages excessively optimistic estimates of the benefits that can be attained from completing the project. Business today is operating under high levels of uncertainty, project implementation is open to all sorts of external influences, like unexpected events, ever-growing requirements, changing constraints and fluctuating resource flows.

The Standish Group, a US based Information Technology leader in IT project and project value performance measurement published an annual report highlighting the global trends in IT project performance. In their 2009 publication, the Standish Group International (SGI) reported that only 32% of all IT projects run in the US had succeeded i.e. delivered on time, on budget and with required features; 44% were challenged (late, over budget, and/or with less than the required features and functions); and 24% failed (cancelled prior to completion or delivered and never used). In addition to the extremely low success figures above, (Standish Group International, 2010) further stated that IT projects with budgets over USD 10 Million only had a 2% chance of coming in on time and on budget. Part of the most critical reasons for these ICT project success revelations is the skewed support of the firm's top management, which includes the wavering and skewed commitment of necessary project resources and political support to the project (Mahoney and Wixom, 2008). Resource availability can leverage greatly the success of the IT projects by managing soft issues (Young and Jordan, 2008). Turner and Muller (2005) add that top management support on project success is important and that there is little guidance about the factors that influence whether support is granted. Such guidance matters from both the perspective of the project leadership support and from the perspective of the top managers who want to provide project resources. Too often than not, project leadership conjures up the image of a disconnected executive whose main responsibility is to secure the project resources like funds and then come in for the victory phase when it is all over. But an engaged executive project manager with some vested business interest in the project from kick-off to close would mean the difference between project success and failure.

In Kenya, there exist various challenges to the implementation of Strategic Information Systems (SISs) in commercial banks which include, lack of required infrastructure, resources and specialized skills, commitment from the senior management team and fear of adopting the system by both the bank employees and customers were some of the major challenges that were identified while training of bank employees and customers, employing specialized technology and staff and lowering electronic banking charges were some of the popular responses that banks have been using Kanini (2008). Today, the allocation of human capital resources, financial capital resources, physical capital resources and competence development of project staff has a significant effect on the successful completion of power projects. Top management support needs to be focused on the initiation and realization of benefits from specific IT projects, rather than the narrowly defined project activities Njururi (2013).

In Rwanda, the ICT network infrastructure is currently concentrated in Kigali City in comparison with the Provinces probably due to the project managers discretions with regard to resource availability. The other provinces in Rwanda have little ICT projects being undertaken (RDB, 2015). The Government of Rwanda in consideration of the framework of Vision 2020 is however committed to using ICT in most of its activities in order to facilitate the rapid socio-economic development but this is limited with the ICT project infrastructure concentrated in the city at the expense of the rural areas and provinces. In such a system, the key role of a leader is to build an equally effective communication framework across the region in addition to developing mutual trust within the team. However, communication roadblocks are often caused by the internal factors like: insufficient communication, lack of knowledge and experience in carrying out the project, personal conflicts within the team, and errors in project management. Many project managers are skewed in decisions making with regard to the choice of ICT project location giving preference to the city and their respective home areas. As such most projects are not rolled into the rural sector as well. The initiated MIS projects are thus failing to achieve their intended objectives. Many organizations do not critically examine the factors causing project failure and this prevents them from learning from their mistakes (RDB, 2015). This study thus sought to establish the role of resource availability on project success.

## **2. Statement of the Problem**

Information Communication Technology has since remained the most attractive area for Foreign Direct Investment in many countries. In comparison with its counterparts of the EAC, Rwanda is not yet attractive in terms of ICT penetration. The competitiveness of a country's ICT infrastructure would give a country the capacity to exploit Information and Communication Technology in order to effectively participate in the global information economy. In Rwanda, the ICT network infrastructure is currently concentrated in Kigali City in comparison with the Provinces probably due to the senior managers discretions. In the framework of Vision 2020, GoR is committed to using ICT in most of its activities in order to facilitate the rapid socio-economic development but this is limited with the ICT project infrastructure concentrated in the city at the expense of the rural areas and provinces. In such a system, the key role of a leader is to build an equally effective communication framework across the region in addition to developing mutual trust within the team.

However, communication roadblocks are often caused by the internal factors like: insufficient communication, lack of knowledge and experience in carrying out the project, personal conflicts within the team, and errors in project management by the senior project management. Many senior project managers are skewed in decisions making with regard to the choice of ICT project location giving preference to the city and their respective home areas. As such most projects are not rolled into the rural sector as well. The initiated MIS projects are thus failing to achieve their intended objectives. Many organizations do not critically examine the factors causing project failure and this prevents them from learning from their mistakes (RDB, 2015).

In Kenya and Uganda studies have indicated that proper management intervention in the MIS projects in the context of financial institutions have actually improved the project delivery schedules and budgets. However, a study by Diamond and Khemani, (2006) in Rwanda, tried to fill the knowledge gap in the Rwandan context but the findings were inconsistent. Management Information System is a crucial issue for organizations today. A study by Bosire and Mbonimpa, (2014) carried out in Rwanda simply revealed the three most common reasons for MIS project implementation as poor project planning, weak business case,

lack of top management involvement and support. However, Bosire and Mbonimpa, (2014), did not address the role of resource availability on project success in KCB Rwanda. Therefore, this study sought to address this gap by answering the question: what is the role of senior project managers on project success in the banking industry in Rwanda?

### **3. Objective of the Study**

The main objective of the study was to evaluate the effect of resource availability on project success of commercial banks in Rwanda.

### **4. Research Question**

This study was guided by the following research question: "What is the effect of resource availability on project success of commercial banks in Rwanda?"

### **5. Empirical Literature Review**

Availability of resources is one of the critical factors in project success, (Amade, Ogbonna and Kaduru, 2010). Availability of adequate material and financial resources is critical in funding and supporting project activities. Projects may fail because they are poorly funded or are funded for too short a period to make impact. Competent, committed, and adequate project team members (staff) and sound technical expertise should be provided for. "People who purport to drive such projects must be knowledgeable of the issues themselves." Capacity of staff should continuously be improved. The project manager leader should be competent. Employing inexperienced project teams with low technical skills result in poor quality of project design and delivery (Kaduru, et al, 2010).

A project requires a fulltime coordinator or facilitator to allow planning, implementation, monitoring, and evaluation (Ajam, 2013). Some organizations and government departments bring in resources for interventions without the corresponding human resources to drive the projects. As a result, no one in the organization is committed to the project, which in most cases, would be assigned as add on to personnel who already have other fulltime responsibilities. New projects are added onto existing personnel's portfolios even if they are already burdened with other responsibilities and projects. Most donors would like to provide funds to finance activities with no corresponding financing for human resources to drive these resources. This is one of the greatest causes of imbalances between organizational resources available and capacity to utilize the resources effectively. The result is that at the end of the project time frame, organizations have implemented a fraction of the plan and utilized a small fraction of the total budget allocated for the project. The balance of the funding ends up being retained by the donor, with such criticism as "the recipient does not require further funding because they cannot use it" (Guru, 2008).

Teamwork and support to team members are critical. The project team should be the right team including project manager and coherent. Wrong team members, absence of teamwork and commitment to productivity and low levels of discipline among team members is tantamount to failure (Bauer, 2010).

### **6. Research Methodology**

The study used a descriptive cross-sectional survey research design. It involved gathering data that described events and then organized, tabulated, depicted, and described the data collection. The choice of this design was appropriate for this study since it restricted to the fact finding and was relatively easy to carry out within limited time but also looked at section of the study population whose results were generalized to the entire population. The study used structured questionnaires and focus group discussions as data collection instruments. By use of structured questionnaires, data related to how resource availability would affect

project success was captured. The study used a target population of 132 composing of project manager and the project team derived from the human resource, information technology, customer care, finance, credit departments as well as selected staff from 14 branches. Primary data was collected using structured questionnaires. A sample size of 42 was used. The data was the analyzed using inferential statistics in order to get the relationship between variables.

## 7. Data Analysis

The data collected using questionnaires were analyzed quantitatively using inferential and descriptive statistics and tested using Pearson chi-square test of independence at the level of significance of 0.05 to assess associations. In order to ensure logical completeness and consistency of responses, the completed questionnaires were checked thoroughly by editing, coding, entering and then presented in comprehensive tables which would show the responses of each category of variables and analyzed through descriptive and inferential statistics. The quantitative data generated were keyed in and analyzed aided by use of Statistical Package of Social Sciences (SPSS) version 23 to generate information which was presented using tables, frequencies and percentages.

## 8. RESEARCH FINDINGS AND DISCUSSION

The study sought to establish the effect of Project Resource Availability on Project Success (Delivery Budget) in the Banking Industry in Rwanda. The project resource availability includes but not limited to availability of competent personnel, adequate finances and raw material required in a project. The findings were summarized in Table 8.1.

### 8.1. Project Resource Availability and Project Success

**Table 8.1: Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.923 <sup>a</sup>	.852	.851		.25599

**Table 8.2: ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36.331	1	36.331	14.409	.000 <sup>b</sup>
	Residual	6.291	96	.066		
	Total	42.622	97			

**Table 8.3: Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.394	.166		2.374	.020
	Resource Availability	.229	.010	.226	3.546	.000

The study sought to establish the effect of Project Resource Availability on Project Success (Delivery Budget) in the Banking Industry in Rwanda. The project resource availability includes but not limited to availability of competent personnel, adequate finances and raw material required in a project. From table 4.12, R-square is 0.852, which means that 85.2% of change in project success in terms of delivery budget can be explained by the change in project resource availability with 14.8% of the change in the project success not explained by the model. There is a positive unstandardized beta coefficient of 0.229 as indicated by the coefficient to project resource availability. The model equation in this relationship was:

$$S_{DB} = 0.394 + 0.229X_1$$

The computed F statistic (1, 41) = 14.409 and the p-value for the overall regression relationship was (p = 0.002), which was also less than the level of significance of 0.05. This indicates that there was a statistically significant effect of project resource availability on project success in Rwanda (F=14.409, R<sup>2</sup> = 0.852, P-value=0.002 at  $\alpha=0.05$ ). The positive coefficient implies that one unit change in project resource availability would increase project success in terms of delivery budget in the Banking Industry by 0.229 units.

## **9. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **9.1 Conclusions of the study**

In regard to the significant role that the banking industry plays in Rwanda's economic growth, the study sought to establish the effect of resource availability on project success with regard to delivery budget in the Banking Industry in Rwanda. The study therefore concludes that resource availability have statistically significant role on MIS project success in the Banking Industry in Rwanda.

### **9.2 Recommendations of the study**

The study recommends that senior project managers should be in-serviced on the importance of their strategic role in management project resources which would determine the availability of resources and thus project success. The study further recommends that various project stakeholders and governments of developing countries should focus on competitive engagement of project managers based on their competencies and experience to promote successful project resource availability as a potential source of economic growth.

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