

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

Financial services sector in Rwanda has undergone transformation in the past years with several innovations 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 assess 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 banking sector. The development of the current work is intended to inform further research in banking and enable organizations in the sector to develop pathways in relation to project success. The study employed a descriptive survey research design. The target population of 132 was used. This set consisted 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 random sample of size 42 out of 132 respondents, drawn using stratified sample technique, was used. To assess the role of project resource availability on project success, linear regression model was used. The study established that improving resource availability have statistically significant role on MIS project success in the banking industry in Rwanda. The study mainly recommends senior project managers to 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, Project success.

Mwangi, P., Irechukwu N., & Mbabazize, B., (2017). “Role of Project Resource Availability on Project Success in Banking Industry in Rwanda: A Case of KCB ATM MIS Project.” African journal of Business and Industry, 2(3), 34-45.

1. INTRODUCTION

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). On the one hand, 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. These challenges include, lack of required infrastructure, resources and specialized skills, commitment from the senior management team and fear of adopting the system. To respond to such challenges, banks devoted a portion of their running cost in training employees and customers, employing specialized technology and staff and lowering electronic banking charges (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 (GoR), in consideration of the framework of Vision 2020, is committed to using ICT in most of its activities in order to facilitate the rapid socio-economic development. However, it is observed that this is limited since the ICT project infrastructure is mainly concentrated in the city at the expense of the rural areas and provinces. In such system, besides developing mutual trust within the team, the key role of a leader is to build an equally effective communication framework across the region. Unfortunately, this task does not go without inside obstacles. It is generally agreed upon that 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. In most cases, it has been observed that 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 factors causing project failure and this prevents them from learning from their mistakes (RDB, 2015). This study thus sought to **assess** 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 **East African Community, (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 **transformations**. **However**, this is limited with the ICT project infrastructure concentrated in the city at the expense of 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 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 [assessing the role of resource availability](#) 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 [a too shorter](#) period to make impact. [To guarantee project success, 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. [It goes without doubt that](#) 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 is restricted to facts finding and was relatively easy to carry out within limited time. It was also used to look 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 the 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. Using stratified random sampling method, a sample size of 42 was considered. The data was the analyzed using inferential statistics, precisely simple linear regression model, in order to get the relationship between variables under study.

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 0.05 the level of

significanceto 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. Quantitative data generated were keyed in and analyzed aided by the 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 assess 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 success. The findings are summarized in Table 8.1, 8.2 and 8.3 below.

8.1. Project Resource Availability and Project Success

Table 8.1: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.923 ^a	.852	.851	.25599

Table 8.2: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36.331	1	36.331	14.409	.002 ^b
	Residual	6.291	96	.066		
	Total	42.622	97			

Table 8.3: Coefficients^a

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

Table 8.1, 8.2 and 8.3 display respectively the summary of the model used which assesses its best-fit to the data, its Analysis of Variance, i.e. ANOVA, and its coefficient estimates. From table 8.1, column 3, it is observed that R-square is 0.852. This means that 85.2% of variations in

project success in terms of delivery budget is being explained by the model used and 14.8% unexplained variation is due to the random error term introduced in the theoretical model, i.e. linear regression model. The correlation coefficient, denoted in table 8.1, column 2 by R, between the variables under study, precisely between project resource availability and project success is 0.923. From statistical point of view, since $R=0.923$ is quite close to 1, this finding suggests there is a positive and indeed strong association between the variables studied. Concretely, this suggests that any input in terms of budget delivery engineered by project managers will lead more success in project output. Table 8.1 displays also the standard error of the estimate which read, in column 5, 0.25599 which is a measure of standard deviation around the fitted line. This measure suggests that about 95% of the prediction error in project resource availability is less than $\pm 1.96(0.25599) = 0.5017$.

From table 8.2, column 5, it is observed that the computed F statistic is 14.409 and in column 6, the p-value for the overall regression relationship is ($p = 0.002$), which is less than 0.05 the level of significance. This indicates that the model used is a best-fit for the data used, given all assumption of normality underlying the model.

From table 8.3, the regression equation is deduced as follows.

$$S = 0.394 + 0.229X_1$$

where S is project success and X1, project resource availability. From the above equation, it can be observed in column 2 that there is a positive unstandardized beta coefficient of 0.229. This indicates that a unit change in project resource availability will increase project success in terms of delivery budget in the banking industry by 0.229 units. With a p-value of $0.000 < 0.05$, in column 6, it can be concluded that the role of project resource availability has a statistically significant impact on project success. Observe that, from the current findings, this significance can be extended to 0.01, or 99.99% confidence interval, since p-value of 0.000 remains much less than 0.01 or a 1% level of significance.

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 has a 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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