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Abstract

The implementation of mobile banking projects in Kenya has been experiencing challenges, with customers expressing concerns over system failure. There is a clear indication that implementation of mobile banking projects is not seamless and therefore the need to look into the problem. This study evaluated the effect of project financing on the implementation of mobile banking projects in selected commercial banks in Nairobi County, Kenya. The study adopted the descriptive research design. The target population was mobile banking projects from six tire one commercial banks in Nairobi County. The correlation results indicated that project financing had a positive and significant association with mobile banking project implementation. The study concluded that project financing contributes significantly to successful implementation of mobile banking projects. The study recommended the need for banks' management to ensure that there was adequate budgetary allocation to support projects.

Keywords: *Project financing, Project implementation, Mobile banking project, Commercial banks*

1.0 Introduction

Project implementation is the completion of the arrangements of exercises that are intended to accomplish the points of the task (Wang, Kunc & Bai, 2017). It is the stage in which the undertaking expectations are physically constructed and conveyed to the client. At the point when the actualized project does not work or convey inside the predetermined parameters, failure is said to happen inside the system. It is essential to consider that use requires some energy, usually more than it is arranged, autonomously from the idea of the task, and that numerous outer limitations can appear that should be considered at the beginning of the implementation step (Dhir, Kumar & Singh, 2019).

According to Amade, Ogbonna and Kaduru (2012) availability of project financing is a critical success factor in implementation of projects. All projects must be allocated a budget and a proper management of the funds should be considered. This helps to avoid shortages and budget overruns that can impact negatively on the project. The authors operationalized project financing using budgeting, availability of funds and approval. This study adopted the same measurements.

In the past, there has been rapid growth in the application of project management as the way in which firms achieve their goal and objective. Previously, projects were external to the firm, but the development in the use of projects recently has mainly been in the area of projects internal to firm, coming up with a new product, opening a new branch refining the services provided to clients (Korneva, 2016). Executing internal projects successfully is adequate in that the organization significantly improves its ability to implement more proficiently and effectively resulting in improving its own strength for competition. Project management offers an organization with essential tools that enhances its ability to plan, execute, and control its happenings as well as the way in which it uses its resources and people (Meredith & Mantel, 2010).

Several factors are 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 Nigeria, about 0.8 million of Nigerian adults are utilizing mobile money. This equates to a population of about 178 million. The fundamental fault for the moderate take up of Mobile Money falls on the Nigerian Central Bank (NCB). The NCB took after a bank-drove demonstrates where they have authorized banks to work with Mobile Money as opposed to the telecommunication organizations. The purpose behind the bank-drove demonstrate in Nigeria has been halfway for protectionist reasons, to keep away from tax evasion and also because of worries about lost control (Khan & Ejike, 2017).

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 complained due to poor and inadequate financial services even with the enactment of the modern platforms on banking.

1.1 Statement of the 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. This study therefore, sought to determine the effect of project financing on implementation of mobile banking projects in commercial banks in Kenya.

2.0 Theoretical Framework

The study is anchored on the theory of constraints. Goldratt (1990) introduced the theory of constraints and looks at the declining effect of terrible multitasking; the company needs to reduce the amount of available occupations on the pipeline. The simple proximity of various undertakings in any field of work makes unnecessarily numerous open doors mistaken for bad multi-entrusting and coordinating work. Project managers who have been persuaded to complete their tasks on time will convince them to provide them with more support and change their needs (Korneva, 2016). Customers and organization will apply their strain to refocus resources. Employees likewise have a tendency to pick between an assortment of assignments in view of their own inclinations and inspiration. This guarantees poor multi-entrusting (Kothari, 2004).

Basic Chain animates the decrease of the quantity of dynamic activities by solidifying a huge piece of the ventures in the pipeline. According to Korneva (2016), decrease of multitasking individuals remain centered and perform assignments substantially more rapidly, enabling them to move rapidly starting with one phase then onto the next, looked with considerably less work line. Solidifying no less than 25% of the activities are normally enough to accelerate the advancement of work and, in this manner, ventures finishing time. At the point when at first chose projects arrive at the end, the solidified tasks can be initiated and executed considerably speedier.

The constraints principle is a practice for recognizing the vital restricting variable that hinders accomplishing an objective and afterward methodically enhancing that imperative until the point that it is never again the constraining element. In assembling, the limitation is regularly alluded to as a bottleneck. The theory adopts a logical strategy to change. Allocation of the resources is the critical part of undertaking a high-performing project group. Now and again somebody needs to take a shot at something that they have not specialized in. In any case, expecting you have the advantage of having the capacity to get to a scope of assets with

fluctuating aptitudes, by what method should errand dispensed to various necessities of the task (Kumar, 2011). Kumar (2011) endorses that arranging an undertaking is a standout amongst the most troublesome things in venture administration, the greater they get, the more disorder and vulnerability creeps into them.

The theory of constraint is relevant to this study as it helps organizations identify the factors that hinder the implementation of projects, prioritize projects and then improve their execution by continuously striving to mitigate or eliminate the limiting factors. The study viewed financing as possible determinant of project implementation by commercial banks. The theory therefore provided a link between financing and project implementation.

2.1 Empirical Review

Kagiri (2005) noted that budgeting for a project or program requires planning how to obtain financial resources and how to use the financial resources acquired. The two types of budgeting that can be undertaken in a project include incremental budgeting that is extrapolated from historical figures and zero-based budgeting that starts from a zero base on each new budgeting cycle. Each of these types of budgeting requires financial estimates, but zero-based budgeting requires more estimates than incremental budgeting as it is always started from a zero base. The study linked financial resources to project implementation. The research however did not focus on commercial banks, thus presented a contextual gap.

Yu (2012) investigated what impact m-banking in Taiwan will have on people. The study adopted a survey design and established that the individual intention to adopt m-banks was influenced by social influence, expectations of performance, perceived financial costs and perceived credibility. The study provided a connection between financing and adoption of m-banking services. However, since it was performed in Taiwan, the research introduced a contextual gap.

In his study on the causes of delays in large construction projects in Kenya, Kwatsima (2017) says that funds as a resource can influence project execution. The research adopted a descriptive research design. Financial assets are exceptionally urgent in the usage of projects of any nature as a result of the part they play in the securing of different assets. This makes it a basic characteristic that is profoundly affected by how such assets are used and overseen. This is on the grounds that like different assets, budgetary assets are restricted in supply in this way on the off chance that they are not very much used it may be hard to accomplish venture targets and objective. A few procedures are utilized in the powerful administration of monetary assets in a venture. Some of them as laid out by various researchers are prioritization of requirements, money related determining, monetary estimation, planning, and budgetary control. The study presented a conceptual gap as it concentrated on construction projects as opposed to mobile banking projects.

Ogutu (2017) conducted a report on the determinants of road construction projects success in Kenya and used a descriptive study technique. Ogutu (2017) concluded that procurement process, communication, risk occurrence and project financing affect successful completion of road construction projects. From analysis there exists a strong positive linear relationship between procurement process, communication, risk occurrence, project financing and successful completion of road construction projects. The study presented a conceptual gap since it focused on construction projects and not mobile banking projects.

3.0 Research Methodology

The study adopted descriptive research design. The target population was mobile banking projects from six tire 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

The analysis was based on descriptive statistics and correlation analysis.

4.1 Descriptive Statistics on Project Financing

The respondents were also asked to give their responses to the questions on project financing.

The results are illustrated in Table 1.

Table 1: Descriptive Statistics on Project Financing

Statement	SD	D	N	A	SA	M	Std. Dev
Our organization has made budgetary allocation for the mobile banking project.	0.0%	16.8%	10.3%	36.4%	36.4%	3.9	1.1
Our organization has adequate funds to facilitate the mobile banking project.	0.0%	15.0%	15.0%	26.2%	43.9%	4.0	1.1
The funds available are not enough to facilitate the mobile banking project.	19.6%	36.4%	17.8%	25.2%	0.9%	2.5	1.1
There is timely approval of payments to suppliers of mobile banking project equipment.	0.0%	16.8%	13.1%	46.7%	23.4%	3.8	1.0
There is steady flow of funds in the mobile banking project process	0.0%	10.3%	23.4%	29.0%	37.4%	3.9	1.0
Average mean score						**3.6**	**1.1**

Results in Table 1 indicate that most of the participants agreed with the statement that their organizations have made budgetary allocation for the mobile banking project this ensures that all the activities run smoothly and no shortage is incurred as the project goes on, this had a mean of 4.0. The results are consistent with the question that budgetary allocations for the mobile banking project are made which scored a mean of 3.9. The respondents also agreed to the question that there is steady flow of funds in the mobile banking implementation with a mean of 3.9 to ensure all tasks are completed and there is timely approval of payments to suppliers hence are equipment and materials required are provided on time. This scored a mean of 3.8.

The respondents further agreed with the statement that funds available are not enough to facilitate the mobile banking project with a mean of 2.5. This means that there was a need to ensure enough budget for the project is allocated at the start of the project to ensure that no shortages are incurred during the implementation process.

The aggregate mean of 3.6 denoted that most of the participants agreed with most of the statements on project financing. The standard deviation of 1.1 denoted that most respondents shared similar views in regard to project financing. This implies that there is project financing by the commercial banks. The findings were consistent with the assertions by Kwatsima (2017) that funds as a resource is paramount.

In addition, respondents were required to give their opinion on what changes are necessary in mobile banking projects financing. Based on qualitative data, key themes were formulated on how project financing can be improved. These included: defining the budget and documenting it, breaking down the components into trackable components, implementing the systems and availing funds early enough.

4.2 Descriptive Statistics on Project Implementation

The participants were asked to give their answers to the questions on mobile banking projects implementation.

Table 2: Descriptive Statistics on Project Implementation

Statement	SD	D	N	A	SA	M	Std. Dev
Mobile Banking projects are delivered within agreed timelines.	2.8%	12.1%	14.0%	31.8%	39.3%	3.9	1.1
Mobile Banking projects are delivered within set budget.	3.7%	19.6%	19.6%	24.3%	32.7%	3.6	1.2
Quality of Mobile Banking projects are attained at delivery.	4.7%	15.9%	21.5%	18.7%	39.3%	3.7	1.3
The company's mobile banking manager is in full control of the project parameters.	0.9%	18.7%	15.9%	31.8%	32.7%	3.8	1.1
Mobile Banking projects are delivered as per the defined scope.	3.7%	17.8%	15.0%	28.0%	35.5%	3.7	1.2
Average mean score						**3.8**	**1.2**

Results in Table 2 shows that the participants agreed that implementation of the mobile banking projects were successful with means ranging from 3.9 and 3.6. The respondents agreed that mobile banking projects are delivered within the agreed timelines. This was supported by a mean score of 3.9. The respondents further agreed that mobile banking project managers are in full control of the project parameters which obtained a mean of 3.8. In addition, the respondents agreed that mobile banking projects are delivered within the set scope, quality and budget. These scored a mean of 3.7, 3.7 and 3.6 respectively.

The aggregate mean of 3.8 indicated that most of the participants agreed with most of the claims on mobile banking projects implementation. The standard deviation of 1.2 denoted that most respondents shared similar views in regard to project implementation. This means that time, budget, quality and scope are key indicators of project implementation. The findings concurred with Ochwoto (2017) conclusion that timeline, project budget and quality are crucial indicators of successful project implementation.

4.3 Correlation Analysis

This section provides findings on the correlation between project financing and project implementation. Table 3 shows the outcome.

Table 3: Correlation Matrix

		Project Implementation	Project Financing
Project Implementation	Pearson Correlation	1.000	
	Sig. (2-tailed)		
Project Financing	Pearson Correlation	.779**	1.000
	Sig. (2-tailed)	.0000	

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

The correlation results indicate that project financing and implementation of mobile banking project in commercial banks are positively and significantly associated (r=0.779, p=0.000). The respondents cited key changes that are necessary in projects financing including defining the budget and documenting it, breaking down the components into trackable components, implementing the systems and availing funds early enough.

5.0 Conclusion

The study established that project financing is critical in the delivery of mobile banking projects. Adequate budget should be set aside and approved before a project starts. There should also be a steady flow of funds for the mobile banking project. The study therefore concluded that project financing has a positive and significant contribution to project implementation in the context of mobile banking projects by commercial banks in Nairobi County, Kenya.

6.0 Recommendations

The findings indicated that project financing was positively and significantly related with project implementation. As such, the commercial banks' management should make sufficient budgetary allocation for the mobile banking project. This will ensure that the project runs smoothly without any interruptions.

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