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# Effect of adopting PRINCE2 methodology on product delivery in the banking sector: a case study of Commercial Bank of Africa

Alphonce N. Mugeni
*Strathmore Business School (SBS)*
*Strathmore University*

# EFFECT OF ADOPTING PRINCE2 METHODOLOGY ON PRODUCT DELIVERY IN THE BANKING SECTOR: A CASE STUDY OF COMMERCIAL BANK OF AFRICA

**MUGENI ALPHONCE NYAKIAMO**

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## DECLARATION AND APPROVAL

I declare that this dissertation has not been previously submitted and approved for the award of any degree by this or any other university. To the best of my knowledge and belief, this dissertation contains no material previously published or written by another person except where due reference is made in the dissertation itself.

**Mugeni Alphonce Nyakiamo**

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**Approval**

This dissertation was reviewed and approved for examination by:

**Dr. Joseph Odhiambo Onyango** (Supervisor)

Senior Lecturer, Strathmore University Business School

**Dr. George Njenga**

Executive Dean, Strathmore University Business School

**Prof. Ruth Kiraka**

Dean, School of Graduate Studies

Strathmore University

## ABSTRACT

Banks continue to operate in a very competitive envirionment. The 43 banks in Kenya are competing to attract and retain a share of the 74.7% of the populace who have bank accounts. One way of doing this is to roll out relevant products through management of projects. Management of projects is the channel for the development and supply of new products. It is now a core business process as well as being an efficient tool for dealing with unique or complex activities for the benefit of the end user. Products are the outcome of projects and are created using distinct methods of project management including Agile, Projects In Controlled Environment 2 (PRINCE2), Project Management Body of Knowledge (PMBOK) and Control Objectives for Information and Related Technologies (COBIT). The study sought to assess what effect adopting the PRINCE2 project management methodology has on product delivery within the banking sector in Kenya as evidenced at CBA. Variables that indicate successful delivery of a product include quality as prescribed under scope, delivery within an agreed-upon schedule & cost and achieved business objectives as judged by what the end user wanted. Data was collected using 78 questionaires collected from the 87 that had been distributed to members of staff who implement projects – this translated to a response rate of 89.7% . The study found that the field is dominated by men and IT plays the biggest role in implementation. Further, the more experience one has with the methodology, the higher the likelihood of setting up the recommended PRINCE2 management structure in addition to tailoring the methodology for efficiency. Finally, the study also determined that project management governance and product-based planning spoke to the parameters used in gauging the successful delivery of a product, i.e. quality, on schedule, within budget and achieved business objectives. The study will help the industry regulator and policy formulators determine considerations to be made with reference to adoption of a common project management methodology for maximum probability of success. Bank executives and their management teams will also benefit by being better placed to understand and appreciate their roles with reference to PRINCE2 in order to harness maximum benefit from these initiatives and make their institutions more competitive in the market.

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| | |
|---|---|
| ATM | Automated Teller Machine |
| CBA | Commercial Bank of Africa |
| CBK | Central Bank of Kenya |
| CCTA | Central Computer and Telecommunications Agency |
| COBIT | Control Objectives for Information and Related Technologies |
| ERP | Entreprise Resource Planning |
| IT | Information Technology |
| IS | Information System |
| KBA | Kenya Bankers Association |
| KCB | Kenya Commercial Bank |
| OGC | Office of Government Commerce |
| PBS | Product Breakdown Structure |
| PEOU | Perceived Ease Of Use |
| PMBOK | Project Management Body Of Knowledge |
| PMM | Project Management Methodology |
| PMI | Project Management Institute |
| PRINCE2 | Projects IN Controlled Environment 2 |
| PROMPTII | Project Resource Organization Management Planning Technique |
| PU | Perceived Usefulness |
| QUT | Queensland University of Technology |
| TAM | Technology Acceptance Model |
| UK | United Kingdom |
| US | United States |

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May the good Lord bless them all.

# CHAPTER ONE: INTRODUCTION

The chapter presentd a detailed background to the study and the link connecting project management methodologies to product delivery. It is divided into sub-sections that include background to the study, problem statement, research objectives, research questions, scope of the study and significance of the study.

## 1.1 Background to the Study

From a global perspective, the banking sector is undergoing a period of low returns and slow growth. Its return on equity has been stuck for seven consecutive years in a narrowly defined range, between 8% and 10%, a level that most consider the cost of equity of the industry. On the other hand, the banking markets in Africa are roaring to life. These will grow robustly over the next five years, and as a group, banks operating in Africa are the second most profitable worldwide. At the same time, these banking markets continue to present a range of challenges – including large numbers of low-income customers, high cash use and low physical distribution levels – and are also highly diverse, from the relatively advanced South African and Moroccan markets to the emerging markets of Ethiopia and Democratic Republic of Congo. (Cunha *et al*, 2018).

The banking sector in Kenya is made up of the Central Bank of Kenya (CBK) as the regulatory authority and 43 banks. Of these, 42 are commercial banks and one is a financing company for mortgages (CBK, 2017). Commercial banks are grouped into three peer categories using a composite weighted index consisting of net assets, customer deposits, capital and reserves, number of deposit accounts and number of loan accounts. Commercial Bank of Africa (CBA) is classified among the eight banks in the large peer group and collectively these eight banks enjoy a 66% market share (CBK, 2017).

CBA is East Africa's largest private bank and has been in business for over fifty years after it was first established in Tanzania, with branches later being set up in Kenya and Uganda. Since then, the bank has been known as the go to financial services provider for high net worth individuals, large institutions, NGOs and diplomatic missions. However, with reference to its products, it

began innovating in 2011. The result was a sequence of firsts, including full channels of digital banking, a US dollar credit card, mobile savings and loan products, a foreign currency mortgage scheme and a 105 percent mortgage offer (CBA, 2017). The achievement of these projects resulted in CBA's shift to the large peer group from the medium peer group in 2014.

With Projects In Controlled Environment 2 (PRINCE2) being the bank's adopted methodology for managing projects, CBA rolled out over 438 initiatives in the form of projects and change requests. PRINCE2 is a methodology used to manage and control a project within well-outlined stages. Built upon seven principles, themes and processes, it emphasizes the division of a project into phases that can be managed and controlled. The first mobile savings and loans product in the Kenyan market in the form of M-Shwari was introduced in the year 2012 by CBA in partnership with Safaricom (CBA, 2017). M-Shwari is available to customers of M-Pesa, and it allows subscribers to save and borrow money using their mobile phones. Loans are available at variable interest rates, and savings also earn interest (Kiiti & Hennink, 2016). The implementation to rollout of this product lasted five months and it would be accessible to the fifteen million people (80% of Kenya's adult population) who already used the M-Pesa mobile money transfer system. Within the first forty days of existence, it had onboarded one million customers and a further two million in the next four months after launch (Temenos, 2013).

On the fifth anniversary of this product, CBA had enrolled twenty-one million subscribers in Kenya and from inception, more than two hundred and thirty billion shillings had been disbursed in loans. The average loan per customer is three thousand three hundred shillings and savings by customers currently stand at more than twelve billion shillings (CBA, 2017). Other banks in the large peer group that have rolled out the mobile savings and loan product include Co-Operative bank's MCo-op Cash in 2014, KCB's M-Pesa and Equity Bank's Eazzy Loan in 2015. A study by Totolo (2018) revealed that a large portion (more than three quarters) of digital borrowers in both urban and rural markets took loans from M-Shwari. Approximately one-third took loans from KCB M-PESA and one in ten took loans from Equity Eazzy.

### 1.1.1 The link between project management and products

People are being drawn to work on projects because projects are increasingly used to both maintain and transform business operations (OGC, 2009). Muller and Turner (2003) suggested a modification to the meaning of a project as a transitory organization to which assets are allotted so as to attempt a one of a kind, novel and transient exertion to deal with the inborn vulnerability and the requirement for coordination with the end goal of accomplishing gainful change goals. As explained by Heerkens (2002), a project is a reaction to a need - the answer for an issue.

Project management, the channel through which new products are developed, has become a central business process for most firms and a productive tool to deal with complex actions (Bjeirmi & Munns, 1996). This is on the grounds that it gives a successful method for diminishing expense and improving productivity in use of time and assets so as to make a firm progressively focused. As such, it is considered an effective way to manage the development of new products. Management of projects is characterized as the application to extend actions of learning, aptitudes, methods and systems to meet task prerequisites (PMI, 2017). It is also seen as a bridge between operations and strategy and as a transformation of vision into action. A strategic management function, it coordinates, prioritizes, plans, supervises and monitors the projects of an organization to accrue benefits arising from the achievement of business strategy (Tan, 2017).

In an examination on the utilization of management of project in new item improvement, Ampomah (2011) found that the key drivers for new items advancement was to address customers issues despite the fact that a competitive environment and the need to be inventive likewise contributed. In the process of product development, there are some methodical advances to be taken. Each progression in the improvement procedure prompts and advises the following stage and flags areas of contention that disconnect the establishment from ensuing issues (Northrip *et al*, 2002). Appropriate administration is critical to facilitate these exercises to satisfy the ideal objective of what the new items bring to the table.

The provision of services or products also requires the necessary technology and skills as organizations become highly innovative. These must be carried out within a tight budget while maintaining the highest standard of quality with skills appropriate to keep the organization

operating at a high level of performance (Comninos & Frigenti, 2002). To compete favourably for a bigger share of the USD 39.7 billion market, commercial banks in Kenya then have no option but to continuously roll out new, innovative and exciting products.

### 1.1.2 Project Management Methodologies

A Project Management Methodology (PMM) is, in the view of Nicholas and Steyn (2008), a set of processes mandated by organizations to manage their projects. A PMM intends to provide a set of structural assignments, components and practices for better project definition, planning, budgeting, control and closure. As Kerzner (2003) argued, organizations need PMMs based on guidelines and form in order to continue successfully managing projects. A number of methodologies and components have been created to help in the planning, control and tracking of a project's ongoing process (lifecycle). The PMM offers a checklist and guidelines to guarantee that critical steps in a project are not overlooked (Ampomah, 2011).

There exist different types of PMMs and these include Project Management Body of Knowledge (PMBOK), PRINCE2, Control Objectives for Information and Related Technologies (COBIT), and Agile. Project management professionals are inclined to use a PMM gauged from the complexity of the project for reasons such as time and budget management, rapid implementation, flexibility, efficiency, adaptability and change management (Lange, 2015).

Kamau (2013) pointed out that applying project management methodologies correctly yields a comprehensive effect on the decisive performance of a product delivery project. In addition, the proven best practices attached to these methodologies coupled with a track record of improved performance in practice have played a role in their uptake. Further, the research findings indicated that PRINCE2 had the highest rate of adoption in the Kenyan banking sector at 57% with the remaining portion being split between three other methodologies.

### 1.1.3 PRINCE2 Project Management Methodology

PRINCE2 is an acronym for PRojects IN Controlled Environments 2. It is a means for project management within a framework that's clearly defined, describing a procedure for coordinating human resources and tasks within a project with instructions on how to design and oversee the initiative. Some of the benefits include effective resource control, close monitoring of the project in a controlled and organized manner, providing a language that's understood by all project participants and describing the roles and responsibilities of management (OGC, 2009). PRINCE2 is also said to be applicable to any project type or size by focusing on a business case. This is a document setting out the motivation and business rationale for undertaking the initiative (Hewagamage & Hewagamage, 2011). Developed by the Central Computer and Telecommunications Agency (CCTA), which is now under the Office of Government Commerce (OGC), this was in response to a number of problematic projects. The methodology was born out of IT and telecommunications projects within the British Government. It is the actual standard in widespread use by the UK Government, generally accepted widely and in use within the private sector in the United Kingdom and across the globe (Dolan, 2006).

PRINCE2 methodology was officially introduced in 1996, in order to meet customer demands for better project management guidance for all types of projects, not only for information systems (Mwangi, 2013). The methodology is made up of four elements that include themes (aspects to be addressed continually throughout the project), principles (guiding obligations and good practices determining whether the project is being managed using PRINCE 2), processes (steps in the project), and tailoring to the project environment in order to cater to the specific needs of the initiative. These seven processes are further split into forty activities (Burruuru, 2014).

A PRINCE2-implemented project is broken down into a series of management stages, with each one in use for a distinct purpose. Each stage is supported by a series of processes producing an agreed set of deliverables called products. Delivery of the same needs to meet previously agreed-upon quality standards. Methodologies such as PRINCE2 should be adopted in order to ensure change is managed professionally, over and above meeting the planned schedule and business rationale (Crawford, 2013).

Dolan (2006) argues that the main characteristic of PRINCE2 is product-based planning. It focuses on the products and their quality to be offered. The construction of a product breakdown framework (PBS) is a key step in project planning. Under this methodology, planning is undertaken in three steps: PBS development, product descriptions documentation and producing a product flow diagram whose outcome is a work activity network. Planning is also viewed by the methodology as an ongoing activity that takes place throughout the project's lifecycle. According to Young (2003), the project has a process to re-incorporate this information into the project plan as new information about the requirements or the potential solution comes to light. The main characteristics of the PRINCE2 methodology include focusing on the division of the project into smaller manageable and controllable phases, flexibility to be implemented at a project-applicable stage, focusing on enterprise rationale, defining an organizational structure for the project management team and a product-based planning strategy (Siegelaub, 2014).

### 1.2 Problem statement

In Kenya, the banking industry has been negatively impacted by technological advancement, fluid consumer needs, the use of multiple delivery channels and innovative financial products. In order to gain a competitive edge in the new landscape, commercial banks have become innovative as they add new delivery channels, revamp existing ones while introducing new products. Banks aspire to boost access for their customers in addition to differentiating their offering through usage of substitute delivery channels, which include electronic banking and mobile banking (CBK, 2017). Those that are open to embracing innovation while adopting new technology are poised to have extraordinary opportunities to break new ground while upgrading their service provision on matters finance and associated products.

The introduction of new banking products to the market is done through application of a project management methodology. Chin and Spowage (2010) observed that although experts have created different methodologies to help in management of project, numerous occasions of project failure were still experienced. Faeth (2013) found out that 65% to 80% of projects do not meet their targets. These projects either cost more than planned or are delivered late, lack management backing, are often not aligned with the goals and aspirations of the organization and unrealistic expectations being set. Johnston and Wierschem (2005) presume that executing the correct

methodology for project management improves the likelihood that the project team will convey the result as per the customer's wish. These necessities include quality, timelines, cost and business objectives. Despite this knowledge, there is limited research on the effect of adopting PRINCE2 on delivery of a product within the banking sector. This is the gap the study sought to fill.

## 1.3 Research objectives

### 1.3.1 General objective

To assess the effect of adopting PRINCE2 project management methodology on product delivery within the banking sector in Kenya as evidenced in CBA.

### 1.3.2 Specific objectives

i. To examine contribution of PRINCE2's Management Structure in product delivery
ii. To determine how tailoring PRINCE2 affects efficiency in product delivery
iii. To examine the importance of project management governance to product delivery
iv. To evaluate how undertaking product-based planning affects product delivery

## 1.4 Research questions

This research proposed to consider the following questions:

i. What is the contribution of the PRINCE2 Management Structure in product delivery?
ii. How does tailoring PRINCE2 affect efficiency in product delivery?
iii. What is the importance of project management governance to product delivery
iv. How does product-based planning affect product delivery?

## 1.5 Scope of the study

The study aimed at analyzing how adopting the PRINCE2 project management methodology in a banking institution contributes to product delivery. This involved obtaining primary data on the importance of and the extent to which aspects of PRINCE2 get incorporated in the course of undertaking a product delivery initiative. These aspects include the methodology's management structure, tailoring PRINCE2 in order to achieve efficiency, project management governance and product-based planning.

## 1.6 Significance of the study

Over and above intra-industry competition between commercial banks in Kenya, financial technology companies are also competing with them for customers. As such, commercial banks need to invest their resources in delivering products that speak to the changing needs of more discerning customers in order for them to grow their business. The study provides empirical data to the industry regulator and policy formulators on considerations to be made with reference to adoption of a common project management methodology should they wish to roll out an industry-wide product in future, with maximum probability of success.

Second, the findings of this study will help bank executives and their management teams understand and appreciate their role as far as PRINCE2 is concerned. This leads to the harnessing of maximum benefit from these initiatives, which in turn makes their institutions more competitive in the market. Finally, the study shall be a resource document for researchers and academic institutions that will use the dissertation for further studies to build on the issue of product delivery within the banking industry.

# CHAPTER TWO: LITERATURE REVIEW

## 2.1 Introduction

The chapter reviewed scholarly journals referencing adoption of the PRINCE2 methodology on product delivery. It included theoretical review, empirical literature and the conceptual framework.

## 2.2 Theoretical review

A theory gives an informative arrangement of factors that can be utilized to figure a particular problem. On the flipside, a model is defined as an accurate representation of either a frame, a hypothesis, or a problem that records for its known or derived characteristics. These can be used for an in-depth study of its attributes (Gunawardena & Samaradiwakara, 2014). Technology acceptance considers how people accept and obtain some innovation for their use (Louho, Kallioja, and Oittinen, 2006). One perspective on acceptance is as a component of joining the user in innovation utilization. It can further be depicted as that basic factor used to decide either the achievement or disappointment of any technology. Acknowledgment has been conceptualized to be a yield variable from a mental procedure that users experience when settling on choices about technology (Dillon & Morris, 1996) .

Technology is of little value to the user unless it is accepted and used. A strong understanding of technology acceptance is therefore essential because the primary benefit of access to new developments is the expansion of information arrangement. Important to scholars is distinguishing why individuals acknowledge information technology so as to improve and concoct prevalent procedures for structuring, assessing, and anticipating how users will respond to new technology can be improved (Gunawardena & Samaradiwakara, 2014).

### 2.2.1 Technology Acceptance Model

Research on user acceptance and usage of IT / IS has relied on the Technology Acceptance Model (TAM) which was proposed by Davis (1989). The main objective of this model is to identify the impact of external variables on beliefs, intentions and attitudes. TAM holds that two beliefs - Perceived Usefulness (PU) and Perceived Ease Of Use (PEOU) - are of primary importance for users' computer acceptance behavior (Bagozzi, Davis & Warshaw, 1989). Perceived usefulness

is described as the extent to which an end user feels that deploying a targeted system would enhance their performance on the job. In contrast, PEOU is the degree to which an individual is convinced that using a particular system would not be bothersome in terms of effort (Davis, 1989).

Under TAM, the two key assumptions hold that PEOU and PU emphatically influence a person's standpoint towards utilization of new innovation. This in turn influences his or her behavioral purpose to put it to use. Finally, the intention to use is linked positively with real use. TAM further predicts that PEOU will influence PU. Davis *et al* (1989) explained this by saying the effort saved as a result of improved PEOU may be utilised elsewhere, enabling the end user to deliver more work using the same level of effort.

In a statistical meta-analysis of the TAM based on how it was utilized in different areas undertaken through 88 research publications, King and He (2006) found that the information provided by the model was accurate and credible. The results show that although TAM is an extensively used, valid and robust model, it has the potential to be more widely accepted. An assessment of user characteristics and styles of usage was involved in a moderator analysis to examine the circumstances under which TAM could have different impacts. The research undertaken over TAM and its adoption & validation showed that TAM gives feedback on two factors; ease of use and usefulness. It however does not provide any insight on some factors that may improve its adoption like completeness of information, integration, information currency and flexibility (Legris, Ingham, & Collerette, 2003) .

With the end result of a project being a product, commercial banks in Kenya are churning out technology-related products that resonate with both their external and internal customers. The success of these products is pegged on achieved business objectives, as measured through either cost reduction or an increase in revenue. In the TAM model, the two factors of perceived usefulness and perceived ease of use can be linked to independent variables used in the study. PU is the subjective probability of the potential project team member that using and tailoring the PRINCE2 management structure to environmental and project variables will improve his or her work or life performance. In addition to ensuring that the project is sustainable, PU can be utilized in governance of project management as it enables the project team to align with the goals of the

wider organization. PEOU can be described as the degree to which the potential user expects the target project management methodology to be effortless, and this can be accomplished by beginning the project with the end product in mind.

PEOU and PU are influenced by external variables, with the main ones being social factors, cultural factors and political factors. Social factors include language, skills and facilitating conditions. Political factors are mainly the impact of using technology in politics and political crisis. The attitude to use is concerned with the user's evaluation of the desirability of employing a particular information system application (Davis, 1989). Being a process that is about and involves people, the TAM is appropriate for investigationg the link between the independent variables and delivery of the technology-related end product through the PRINCE2 methodology.

### 2.2.2 PRINCE 2 project management methodology

There is a shift towards a wider variety of products and customisation of the same in order to address market needs. New products in demand by the consumer in addition to the shortening of product lifecycles has resulted in a higher frequency of the launch of new products. Simply putting out the highest number of new products does not guarantee success - these products as a minimum need to address customer needs (Gowland, 2008). These needs are best delivered through proper implementation of project management methodologies like PRINCE2. In brand-driven markets, product differentiation will continue being the key pillar in winning customers (Becker, 2007).

In projects involving new product development or having the existing range improved, important factors include costs, timing for product entry into the market, quality and the amount of time taken to deliver the item to the client. The client expects product delivery within a schedule agreed upon, over and above it being a high-quality product at an acceptable price. Efficient implementation of a methodology for project management significantly improves the likelihood of achievement of the initiative (Rihar, Berlec, & Kušar, 2017).

In order to secure good control and effectiveness of the overall process, development of the product is more often done through project management. For bigger projects, success is measured through degree of satisfaction, timeliness, product & project quality and budget compliance. It is

imperative for these projects to strike a balance between competing project constraints including risk, time, quality, scope, allocated budget and resources. In projects of a smaller scale, success can be looked at from the perspectives of meeting the requirements of project stakeholders, within cost and schedule. Of concern to managers of small projects is the need to meet this triple constraint, bearing in mind that other project constraints will also need to be managed (Vedenjuoksu, 2018).

By using a project management methodology, one is better equipped to provide continuous communication to acquire project requirements and to identify and handle the scope of the project. This helps in laying out expectations and early identification and engagement of stakeholders. Through incorporation of the ability to produce realistic project estimates & activity schedules with effective risk and problem management, one now has the ability to handle project constraints (Rowe, 2015).

As project management methodologies e.g. PRINCE2 are being developed, implemented, adopted and tailored based on the project & organisation needs, there exist studies that bring to the fore some weaknesses and limitations associated with the methodology. These include reliance on more documentation, complexity in project tailoring and modification, organisations becoming more inflexible and encountering challenges in handling changes and differences between the organisations' methodology & commercial interests, and problems with leadership and organizational strategy (Maheshwari, 2015).

The PRINCE2 methodology comes with its share of criticism and the foremost of this is the fact that it is or can be cumbersome. While it is acknowledged that the many templates it provides can and should be helpful, these can create additional administrative work that does nothing to contribute to the core deliverable. The same argument applies to the process map - although the methodology states that only what is necessary should be used. Another criticism of PRINCE2 lies in the fact that it is not always appropriate with reference to software development initiatives (Olukoya, 2013). In their research, McHugh and Hogan (2011) also brought to light some negative takes on PRINCE2. These include the prerequisite for long and time-consuming paperwork and the intrinsic rigidity of processes and policies. Other drawbacks include failure to

predict problems, issues such as lack of expertise or training, methodology not deployed fully, more emphasis in following the standard and challenges in modeling the real world (White & Fortune, 2002).

The main focus of enhancement proposed for the PRINCE2 framework and manual is extended stakeholder management coverage. Key variables that persuade respondents to limit the achievement of projects carried out using the methodology are organizational and not methodological. Criticisms do not relate to the PRINCE2 manual or framework, but rather to organisational challenges which include Failure of organisations to introduce and execute PRINCE2 effectively or more concisely - absence of leadership in the project and weak governance (QUT, 2010).

Pincemaille (2008) found out that PRINCE2 could be challenging to adapt to projects of a very small magnitude. In addition, there were a number of projects that used PINO (PRINCE2 In Name Only), skimping on the application of applying PRINCE2 concepts, with the net outcome of bad project management. Further, the methodology was found to be highly document-centric, resulting in a situation where project documents become ends as opposed to the products to be delivered. Finally, the methodology does not set up a mechanism for specific evaluation of requirements, as it is mainly a methodology for execution.

Although literature related to disadvantages and advantages of project management methodologies across the world exists, limited research has been done to assess the PRINCE2 methodology when applied to product delivery within the banking sector in Kenya. As the number of initiatives being rolled out by these commercial banks keeps growing, justification for such a study is lent credence. This is because the industry needs to be informed whether there is a difference in product delivery because of applying the PRINCE2 project management methodology. This study therefore focused on a product's measure of success when evaluated from a project management perspective given the four independent variables that include management structure, tailoring PRINCE2 for efficiency, project governance and product-based planning.

#### 2.2.2.1 PRINCE2 Management Structure

The PRINCE2 management structure relates to the organizational chart showing the roles of project management teams allocated to the individuals and their associations with delegation and reporting. The day-to-day functional management structure may not be suited or appropriate for project work. The methodology distinguishes the delivery of project outputs from project management and focuses on the project in relation to the exceptional use of the management principle. The four levels of management are corporate management, directing, managing and delivering. It is essential that projects have a clear management framework that includes defined and agreed roles and duties for the individuals engaged in the project and a means of communicating efficiently with each other in order to be effective. The structure put in place should address user, business and supplier stakeholder interests. (OGC, 2009).

#### 2.2.2.2 Tailoring PRINCE2 for efficiency

Barker (2013) indicates that tailoring in PRINCE2 does not translate into simply cutting out parts of the method that do not appeal. Instead, roles, processes and products are implemented in a pragmatic way. Factors such as the size and scale of the venture and its commercial environment influence tailoring decisions. Reducing the formality of products, combining roles and adopting more familiar terminology may be appropriate responses.

One of PRINCE2's beneficial aspects is that it can be used regardless of geography or culture, complexity or whether it is component of a program or is being managed as a stand-alone project, or project scale. Tailoring is the appropriate use of PRINCE2 for any project, ensuring the correct level of governance, control, use of procedures & themes and planning exists. The aim is to adapt the methodology to variables in the operating environment, such as the corporate norms to be implemented and the project variables to be taken into account. The purpose here is to apply a project management level that provides a suitable level of control, taking into account internal and project variables (OGC, 2009).

#### 2.2.2.3 Project management Governance

These are considerations under corporate governance specifically related to activities in a project. Effective project management governance ensures that the project portfolio of an organisation is

aligned to the entity's objectives, is sustainable and is delivered with efficiency. Project management governance also facilitates the means through which major project stakeholders and the corporate board get relevant, timely and reliable information (APM, 2005).

As part of project stakeholders ' guarantee that the project is being correctly and appropriately carried out, PRINCE2 recommends independent monitoring by corporate management. Upon project delivery, proper project closeout and user signoff is required in order to achieve acceptance and ownership, which will in turn facilitate handover to the business owner. Project management governance should complement an organization's culture of frank internal disclosure of project information and continuous improvement (OGC, 2009).

Sharma *et al* (2009) conclude that although project governance and project management are firmly related, they are not indistinguishable - an organization may have set up great project governance structures yet not really great project management practices. Managing IT project governance is supported by experienced, well-trained senior project project management staff. Moreover, the company needs to set up a procedure for overseeing projects. This may involve significant investment and purposeful work to ensure senior management commitment in relation to articulating or re-articulating governance culture and injecting project management governance abilities into the project. It should also address the alignment of IT strategy to return on investment, in addition to the completion of projects. By concentrating on governance as project management, this improves the chances of better project delivery, and this is the favoured approach as opposed to risking accidental success.

#### 2.2.2.4 Product-based planning

This is a procedure that results in an all-encompassing scheme based on the production and provision of the outputs needed by the project. This involves first identifying the required products before dependencies, activities and the resources needed to deliver the identified outputs. The seven steps required in producing a plan are designing of the plan, defining and analysing the products, identifying activities and dependencies, preparation of estimates, preparation of the schedule, risk analysis and documenting of the plan. Upon completion of subsequent steps, each of these steps may need to be reviewed (OGC, 2009).

The project team is required to document the project product description, write product descriptions, create the product breakdown structure and come up with the product flow diagram when defining and analysing the products. The project product description is described as a unique type of product description that facilitates buy in from the user with reference to the project's coverage and requirements. Further, it helps define quality expectations of the customer in addition to defining criteria for acceptance when handing over the project. Its creation is undertaken during the process of starting up a project. Every effort needs to be made to make it as complete as possible at the outset, although it may be refined in the course of implementation. The project product description is subject to change control and it should be reviewed at set stage boundaries (OGC, 2009).

The product breakdown structure is a hierarchy of products, where a product in the lowest rank can only be a subset of one higher-level product. It is imperative to identify any external products that are dependencies to the project. The team undertaking project management activities must reach agreement on the approach to be employed when creating the product breakdown structure. All identified products need product descriptions – immediately the need for the product has been identified then these product descriptions should be written. Quality criteria, required in order to separate an unacceptable product from one that is acceptable, need careful thought in order to determine whether work on a product is completed or has merely stopped. The product flow diagram identifies and defines the flow through which products contained in the plan will be developed and the existence of any dependencies between them. It also helps identify dependencies on any products outside the scope of the plan. The net effect is consideration of required activities in addition to providing information to be used as input for other planning techniques like scheduling and estimating (OGC, 2009).

For better planning, all products in the product flow diagram need to be aligned to those in the product breakdown structure - each has to be supported by a product description. The product flow diagram enables project planners appreciate the strategy and overall approach that underpin the project. This helps in more easily identifying any "missing" products. Linkages between products that are less than obvious become more apparent upon drawing the product flow

diagram. Successive iterations of the diagram help to sharpen the overall approach into a more realistic view (Bradley, 1999).

Bradley (1999) further argues that the benefit of product-based planning lies in the fact that functional management and the project management team are assured that all activities planned for execution within the project target the provision of required, known products or deliverables, which will all contribute towards the desired outcome. Bentley (2006) contends that planning in a project is a repeatable process used in order to deliver a plan. This method uses the product-based planning method of PRINCE2 and the researcher proposes the method on two grounds. First, it is generally acknowledged that a project will deliver products as opposed to activities. The second reason is that it is possible to measure the quality of a product.

### 2.2.3 Other project management methodologies

Project Management Body of Knowledge (PMBOK) is a collection of processes and knowledge areas accepted as best practice for the project management profession. It acknowledges five core process groups and ten knowledge areas that exist in almost all projects. PMBOK's publisher is the Project Management Institute (PMI, 2017).

The Agile methodology is more appropriate for software development and IT projects. Because it aims to collect information and human interaction, it is usually advocated for projects that are not so well defined. Since the team is self-organizing, the role of a project manager is diminished and emphasis is laid on self-management. Agile is more applicable to less structured work environments. It places greater emphasis on people's significance to project management achievement and incorporates social aspects into project management actions (Kamau, 2013).

## 2.3 Empirical literature

Generally, the factors driving an organization to kick-start a project boil down to two elementary justifications. The first one is to create opportunities for higher revenue tied to IT system implementation. The second is to generate opportunities for cost reduction as a result of implementing an IT system. Overall, IT impacts the operating business environments where it is introduced. The progress made when products and attributes of information are integrated will transform markets and their approach to conducting business (Soriano, 2012). Defining the project performance criteria may be subject to project size, complexity level and type of the project. The product-based sector focuses on meeting customer expectations and wrapping up projects within schedule and in line with the budget, which leads to repeat business. This hinges on whether any experience lies in conveying comparative projects and the dimension of multifaceted nature of the product being created. Depending on the methodology used, the type of project, the strategy taken and the type of organization involved, project managers define achievement from a project perspective and an individual viewpoint (Sams, 2014).

At the library in the University of Western Australia, a contextual investigation on Project Management and Cultural Change found that embracing the PRINCE2 project management methodology improved the outcome and conduct of projects undertaken. With introduction of the methodology, substantial improvements were made within a very short time. It was observed that there exist high collaborative and conducive working environment as a result of introducing this methodology. In addition, an increased level of understanding of projects and improved project reporting was observed (Kiel, 2012). A research on the efficacy of project management methodologies found that the main advantage of using PRINCE2 was to help managers track progress and develop designated tasks in projects. It was considered very helpful to prioritize activities & activities and fiscal management. Based on the standard gauge of success, time and cost measures, these benefits concentrated primarily on project execution. This is an important factor that helps organizations in monitoring the progress made on a portfolio of projects (Wells, 2012).

A research project on value creation in project management using PRINCE2 found that the methodology is seen as a realistic, all-encompasing and dynamic structure of project management

that supports project achievement. The PRINCE2 manual and framework's current attributes were rated highly in mitigating perceived issues and problems. It cited the major strengths as extensive guidance offered on project governance, product-based planning & product-focused delivery, the business case's role in assuring continuing project viability, a comprehensive definition of roles & responsibilities and the appropriate level of delegation of responsibilities (QUT, 2010).

A study by Kamau (2013) revealed that the project management methodologies used by commercial banks in Kenya included PRINCE2, AGILE, PMBOK and In-house methodologies specific to each of these banks. Of these, PRINCE2 was the most popular as evidenced by usage in 57% of the industry.

### 2.3.1 PRINCE2 Management Structure

In a paper that looked into the question of projects' organisation and impact of the identified management structures on project success, Dvir and Lechler (2010) found that empirical studies were unable to provide substantial evidence of the relationship between implemented management structures and the success of a project notwithstanding the widely accepted managerial importance. However, the results of their research highly advocated the usually accepted proposition of the link between project success and how the project was structured.

In a study by the Institute of Electric and Electronic Engineers (1989) on the importance of project management structure on the success of over five hundred projects, it was determined that success fluctuates depending on the deployed project management structure, including instances where other determinants had been taken into account. Initiatives relying on the existing functional framework were less effective than those deploying either a project matrix or a balanced matrix or project team. When it came to meeting schedules, project matrix organization outperformed the balanced matrix and surpassed the project team structure in cost containment. Belout and Gauvreau (2004) conclude that although there is a connection between the employee factor and the achievement of the project, this did not influence project success considerably. The findings also affirmed that the relationship between project success and independent variables would differ depending on the lifecycle stage of the project.

### 2.3.2 Tailoring PRINCE2 for efficiency

Research undertaken by Payne and Turner (1999) shows that when people tailor the procedures to the type of project they are working on, match the procedures to the project scale or the type of resource undertaking the project, they report better results for their projects more frequently. In a study aimed at understanding the existing project management methodology models in order to adapt them in managing projects, Singh and Lano (2014) concluded that tailoring and customisation of project management methodologies is necessary in order to improve the efficiency of processes in large scale software projects. The customized model would be more productive and better able to analyze because the project manager would concentrate only on the required specifications. Depending on the complexity of the project, tailoring could be in the field of deliverables, tools, documents and methods to be deployed. The focus of this study was on the need to tailor conventional project management processes / methods to make them more effective by avoiding unnecessary details. The study also found that customized methodologies are more efficient, better and more effective as a consequence of better alignment with the current reality for goals and scenarios. This also avails better analytical skills to the project manager in order for him / her to focus on necessary detail in running the project.

### 2.3.3 Project management Governance

An investigation by Joslin and Muller (2015) was undertaken through a cross-sectional online survey involving 254 respondents. The research examined the connection between the use of a project management methodology (PMM), such as PRINCE2 and project success, and the effect on this relationship of the project governance framework. Analysis was performed through factor analysis and moderated hierarchical regression analysis. The research findings indicate that the implementation of a PMM accounts for 22.3% of variability in project achievement and PMMs that are deemed adequately complete to manage the project lead to greater project achievement rates than PMMs that need to be supplemented for use by the project manager. In this association, project management functions as a quasi-moderator.

### 2.3.4 Product-based planning

Bryde and Joby (2007) surveyed 28 pharmaceutical industry experts through semi-structured interviews and discovered that looking at the project management structure as an input-output-transformation model ('hard' system thinking) demonstrates how important it is to manage system outputs (the yields). 'Soft' systems thinking highlights other complexities, including the need to consider the entire project management system and various angles. While the overall notion of project outputs is commonly recognized, the concept of project management outputs is less well known, although it is implicit in particular project management techniques.

They approached the management of clinical trial projects on the basis of PRINCE2's notion of product-based planning. The strategy seeks to tackle shortcomings in present practice by highlighting project outputs, aligning pharmaceutical perspectives and tracking management in terms of output. The technique also offered a novel way for clinical trials to treat project management. Instead of seeing project management as a time-driven support function, project management is factored into the budget deliverables, allowing project performance to be monitored against outputs (deliverables) rather than inputs (time spent).

## 2.4 Conceptual Framework

An arrangement of concepts, assumptions, expectations, beliefs, and theories that supports and informs one's research is referred to as the conceptual framework (Miles *et al*, 2013). It accordingly shapes a significant piece of the plan. Fruitful product delivery in a project utilizing the PRINCE2 methodology is subject to the project's management structure, how it has been customized to suit its condition, the initiative showed under project management and consistent correspondence emerging from planning with the product in mind. A product is defined as an output or input, whether intangible or tangible, that in advance can be defined, developed and tested before being deployed. The methodology has two types of products – specialist and management (OGC, 2009). A management product is one that will be required in order to deal with the project, in addition to establishment and maintenance of quality. A specialist product's development is subject to the project plan. It is also known as an output or deliverable.

The conceptual framework in Figure 1 was adopted by the study

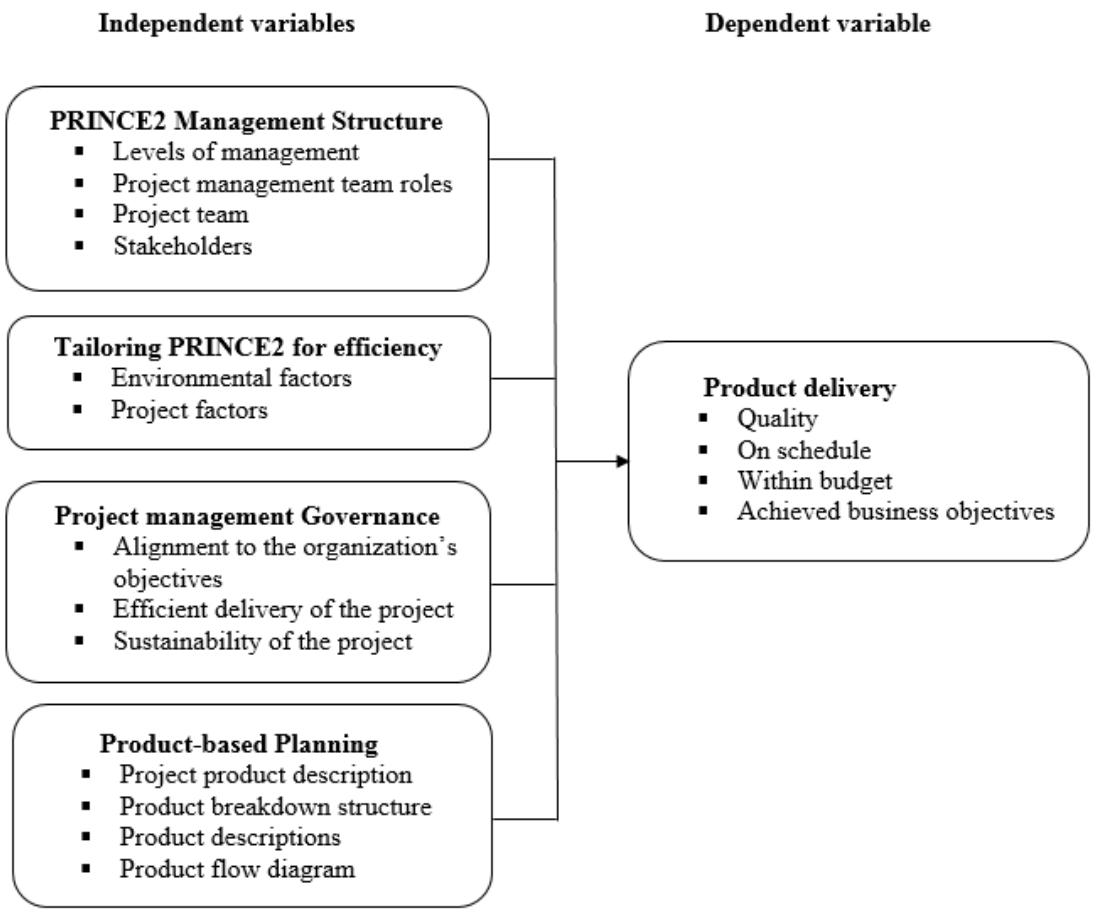


Figure 1 Conceptual Framework, Researcher 2019



The four aspects of PRINCE2, i.e. management structure, tailoring for efficiency, project management governance and product-based planning form the objectives of the study and are the components that will be surveyed. Product delivery is the dependent variable, and it is assessed through the quality of the product based on scope coverage, delivery of the product on schedule & within budget and that the product achieves its intended business objectives. The study proposed that the four aspects of the methodology (the independent variables) influenced product delivery as the product of a project. The PRINCE2 management structure had four sub-variables which include management levels, project management team, roles for the project team and stakeholders. Tailoring PRINCE2 was further broken down into environmental factors - those

that exist in the wider corporate environment - and project factors - those that exist within the context of the project – for achieving efficiency in project execution.

Governance of project management looked at alignment to the organisation's objectives, effcicient delivery of the project and sustainability of the project. The fourth independent variable was product-based planning and it was composed of the product breakdown structure, project product description, the product flow diagram and a product description. The choice of variables was informed by the principles and themes of the methodology, which are the building blocks of the PRINCE2 methodology.

# CHAPTER THREE: RESEARCH METHODOLOGY

## 3.1 Introduction

This chapter describes the adopted research methodology for the study. It identifies and describes the research design, the population and sample, data collection methods, data analysis, research quality in addition to looking at ethical issues.

## 3.2 Research Design

A research design is a framework used in the collection and analysis of data in order to answer questions related to a research in a specific study (Saunders *et al*, 2016) . It was expected that the selected study would provide reasoned explanations for the choice of data to be used, the methods deployed for data collection and the techniques applied for analysis. The study deployed a descriptive research design using a paper-based questionnaire survey that involved quantitative data collection. Kothari (2004) describes a survey design as the means of organizing data into different layers and looking at the subject of interest in a group. Surveys are used to provide a quick, efficient, inexpensive and accurate way of conducting investigation on a population (Nyakundi, 2015). They provide information that is useful for drawing comparisons and generalizations. Through the study of a population sample, a descriptive design provides qualitative descriptions of perceptions, trends, and attitudes inherent in the population. A case study is a strategy used in research and it involves empirical investigation of a particular phenomenon within its real-life context, using multiple sources of evidence (Saunders *et al*, 2016). This research design is preferred because its main concern revolves around answering questions relating to the study such as how, who, when, what, how much and which (Cooper & Schindler, 2006).

## 3.3 Population

The researcher deployed usage of purposive sampling. This is described as a non-probability sampling procedure whereby the researcher's judgment is used to select cases that constitute the sample (Saunders *et al*, 2016). The study was undertaken at CBA headquarters in Upper Hill and the Westlands offices in Nairobi county. This was informed by the fact that product delivery projects for the bank are executed by teams based in these two locations. The target population

for the study was 87 project team members of CBA who participate in project execution. The unit of analysis was the individual respondents who fit into one of the four roles indicated in table 3.1

Table 3.1

*Target Respondents*

| TEAM ROLE | TARGET RESPONDENTS |
|---|---|
| Project Management | 20 |
| Business Lead | 25 |
| Information Technology | 34 |
| Project management Governance | 8 |
| **TOTAL** | **87** |

The project team comprises a total of 87 individuals who play four different roles, i.e. project management with 20 members of staff charged with undertaking project activities, 25 business leads who are responsible for the end product, 34 team members who handle technology related aspects of the project and 8 members of staff charged with the responsibility of ensuring that the project adheres to the tenets of PRINCE2.

### 3.4 Sampling Design

The sample of this study comprised all members of staff involved in product delivery projects within CBA because the population is small. This was achieved through administration of questionnaires. Saunders *et al* (2016) argue that a survey is a research strategy involving the structured collection of data from a sizeable population. Survey strategies using questionnaires are popular as they enable the collection of standardized data in a highly economical way from a sizeable population, allowing quick comparison.

### 3.5 Data Collection Methods

The study utilized primary data, which is the collection of data that is unique to the specific research and that has never been used by others before (Cooper & Schindler, 2006). This was collected in the form of physical questionnaires that were distributed by the researcher. A questionnaire is a tool used to collect data on the understanding, attitudes, views and feelings of the respondent through either non-personal or personal means (Cooper & Schindler, 2006).

Respondents were required to answer the set of questions that were developed from the four objectives. The data provided as a result of this exercise was used for analysis, which would in turn drive conclusions.

Care was taken by the researcher to use simple language - in the questionnaire - that was easily understandable to the 87 respondents. The questionnaire was structured in such a way that the research objectives would be addressed using a Likert scale ranging from 1 to 4 for "Unimportant" to "Very Important" and 5 to 9 for "Almost Never" to "Almost Always". These type of structured choices are referred to as closed-ended questions. Closed-ended questions require the respondent to choose between a given set of answers (Mugenda & Mugenda, 2008). The questionnaire was divided into two sections; demographic information and knowledge questions with reference to PRINCE2. The former captured general information about the respondent. The section on knowledge questions had four sub-divisions that address each of the independent variables. Although the researcher had preferred undertaking an online survey due to the convenience it offered, feedback from the pilot study reflected the willingness of respondents to participate only if a paper-based survey were used.

Upon printing out the hard copies, the researcher distributed each of the 87 questionnaires, taking time to explain the study objective and ethical considerations before seeking consent from the respondents. Followup was first done five days later through face-to-face communication and phone calls. Additional reminders were scheduled at ten and fifteen day intervals, with the final round of collection done after one month.

The researcher was the sole custodian of the filled-in questionnaires, which were kept under lock and key in a filing cabinet. This ensured that the request to participate and feedback from respondents was well protected. The researcher also adhered to the six principles for processing of personal data as spelt out in the European Union's General Data Protection Regulation. These include purpose limitation, lawfulness, data minimisation, fairness & transparency, accuracy, integrity & confidentiality and storage limitation.

### 3.6 Data Analysis

Data analysis depicts an examination procedure for the precise, objective and qualitative portrayal of the apparent substance of a communication (Cooper & Schindler, 2006). This process started with the coding of feedback as captured in the questionnaires that were received from respondents. This was actualized through data entry into Epi Data for each of the 25 questions that required feedback under the four objectives. The summary was then exported and statistical analysis was done using the Statistical Package for Social Sciences (SPSS) software in order to obtain descriptive and inferential data for subsequent interpretation and discussion. Findings from the analysed data were presented in the form of charts and cross-tabulations. Association analyses were done through usage of the Pearson's Chi-square test. The Pearson Chi-square is given by a "p" value and this was compared to an alpha value of 0.05 in order to draw conclusions. The correlation was done between the respondents experience in using the PRINCE2 project management methodology and other variables.

### 3.7 Research Quality

In order to establish research quality, the reliability and validity of research tools was assessed. The researcher undertook a pilot study ahead of the actual survey exercise in order to avail feedback on the choice of words, target respondents, simplicity and eloquence of the questions contained in the questionnaire to the respondents (Collis & Hussey, 2006). Kothari (2004) recommends a pilot study that represents at least 10% of the population; hence, the choice of nine respondents was considered good representation. The pilot study on this number of respondents was also done as a trial run in order to assess the logistics that would need to be put in place in addition identifying deficiencies and inconsistencies in the research instrument. Further, it also helped confirm the existence of logic in the flow of questions. Finally, it played a key role in confirming the amount of time taken to fill in the questionnaire. Data collected from the pilot study was only used to determine research quality and wasn't included as part of the actual study.

#### 3.7.1 Validity

Validity refers to the meaningfulness and accuracy of inferences based on study findings (Mugenda & Mugenda, 2008). It is the degree to which the research tool determines the intended measure, i.e. a determinant of the level of representativeness of the research project taken at face

value. Creswell (2014) defines content validity as the logical soundness of the research and this incorporates the depth of measurment covered by the research tool as a unit of representativeness for all aspects under the target area of study. The researcher undertook validity by engaging with respondents in order to clarify areas that were not clear to them. Further, by undertaking a pilot study, the outcome was an eye-opener to the extent of gauging how achievable the goals of the study were.

### 3.7.2 Reliability

Reliability is depicted as how much a test reliably measures what it is intended to quantify (Winter, 2000). This accordingly implies a dependable research instrument is one that produces predictable outcomes consistently at whatever point it is sent in an investigation. Therefore, the reliability of a standardized test is normally communicated as a co-efficient and this mirrors the degree to which a test is free from change. So as to embrace an appraisal of reliability, the researcher utilized Cronbach's alpha, with a threshold of 0.70 to gauge internal consistency.

### 3.7.3 Pilot Study

A total of nine questionnaires were sent out to respondents during the pilot phase in order to assess reliability. All nine gave feedback and the same numebr was used to undertake the reliability test.

Table 3.2
Reliability Statistics

| Variable | Cronbach's Alpha | N of Items |
|---|---|---|
| PRINCE2 Management structure | 0.971 | 12 |
| Tailoring PRINCE2 for Efficiency | 0.966 | 12 |
| Project management Governance | 0.985 | 18 |
| Product-based Planning | 0.957 | 8 |

Twelve items were used in the assessment for reliability in the first variable and this yielded α of 0.971 which is above the threshold of 0.7. The second variable - Tailoring PRINCE2 for Efficiency - also used twelve items to give an α of 0.966 which was also above the 0.7 threshold. Eighteen items were used in the Project management Governance variable to give a value of α as 0.985, while Product-based Planning yielded α to be 0.957. Across all the four variables, α was greater than 0.7 and this indicated reliability in the research tool.

### 3.8 Ethical Issues in Research

The research procedure is the process of acquiring subject matter and collecting information necessary for a study (Mooi & Marko, 2011). The researcher obtained a certificate of ethical clearance for the research from Strathmore University, which is an accredited Institutional Ethics Review Committee institution before applying to obtain the research permit from The National Commission for Science, Technology and Innovation (NACOSTI). Once granted, the researcher obtained a letter of introduction from the university, stating the purpose of the study in addition to ensuring that various guidelines were adhered to - this was attached to the questionnaires distributed to respondents.

The researcher strived to safeguard transparency while establishing the appropriate level of respect in engagements with respondents. In addition, channels of communication were established in order to make clarification and by so doing avoided breaching ethical guidelines during the process of study. The researcher identified himself using the letter issued by the institution; this included the study objective. Further, the researcher protected respondents from possible harm during and after the research by securing the confidentiality of the collected data. This included the right of respondents to participate of their own volition in the study. Data collected was used for the purposes of academic pursuit only.

# CHAPTER FOUR: PRESENTATION OF RESEARCH FINDINGS

## 4.1 Introduction

The section presents results obtained from the 78 questionnaires which were received from respondents in an attempt to address the research objectives. It is organised in the form of graphs and tables on the basis of summaries of information results - the corresponding output as a result of analysis using SPSS 22.0 and interpretation of the same is also provided.

The researcher received 78 responses, which translates to an overall response rate of 89.7 % broken down as shown in table 4.1

Table 4.1

*Response Rate*

| TEAM ROLE | TARGET RESPONDENTS | RESPONSE | RESPONSE RATE |
|---|---|---|---|
| Project Management | 20 | 20 | 100.0% |
| Business Lead | 25 | 19 | 76.0% |
| Information Technology | 34 | 31 | 91.2% |
| Project management Governance | 8 | 8 | 100.0% |
| **TOTAL** | **87** | **78** | 89.7% |

Respondents playing the roles of project management and project management governance achieved 100% response rate, with respondents handling information technology achieving 91.2%. Business leads achieved a return rate of 76%, which was the lowest among the four roles. Overall, the study achieved an 89.7% return rate as a result of active follow-ups, during which the researcher made clarification in areas where some respondents had challenges. Richardson (2005) indicates that a response rate of 50% in social research postal surveys is regarded as acceptable, thus the 89.7% achieved was statistically significant.

## 4.2 General Information

This section presents demographic characteristics of the respondents with respect to gender, age, role in the team, length of service at CBA, highest educational qualification and experience in using PRINCE2. These characteristics are necessary in establishing the general perspective of

CBA employees who participate in projects in order to determine their experience and ability to interpret the study objective. This is with respect to adoption of this particular project management methodology on product delivery.

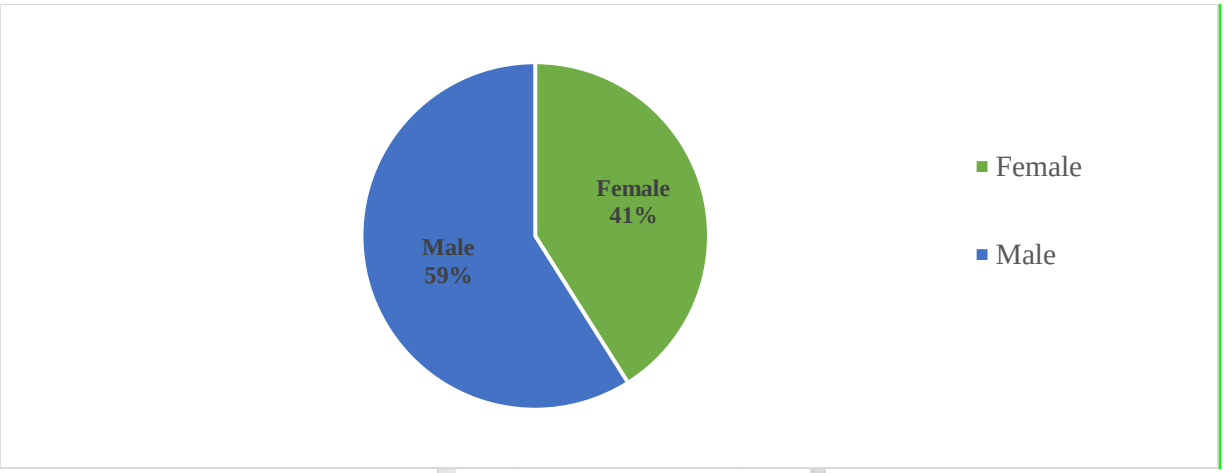


Figure 2 Gender Composition

The gender proportion for respondents reflected a higher proportion of male participants at 59% compared to the 41% for female respondents. Gender composition however did not have any impact on study variables due to the fact that the study variable revolved around usage of the PMM. The outcome provides inference to the fact that project teams are dominated by men.

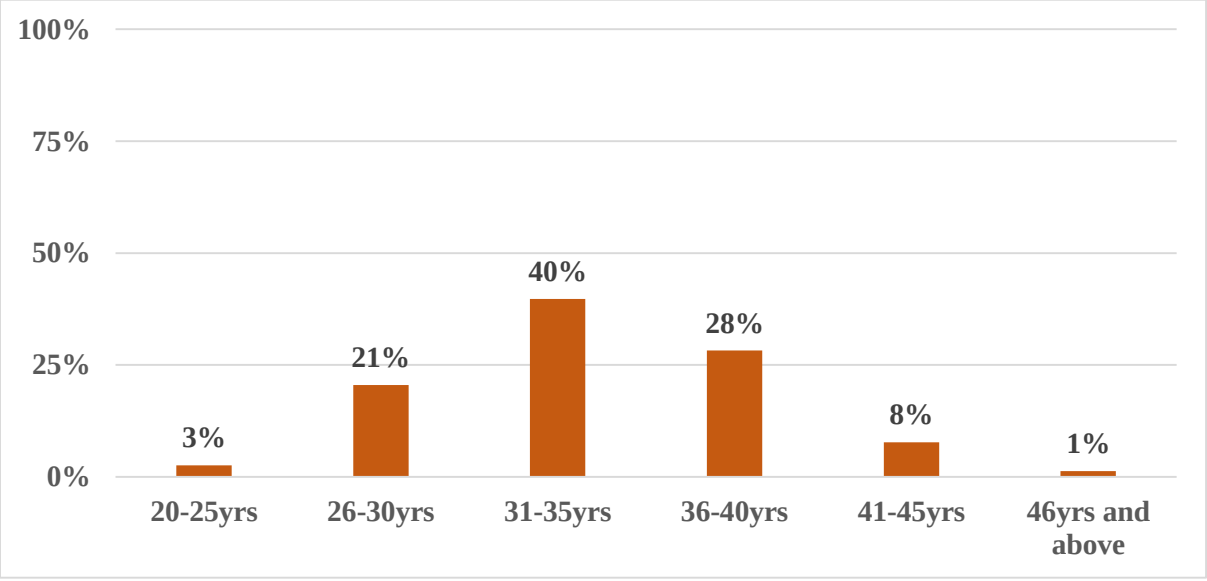


Figure 3 Age of Respondents

Age distribution across the project team is spread out and each age group is represented in the organisation. The bulk of the team is at 40% and this is the 31 – 35 years age-bracket. The 36 – 40 years age-bracket and 26 – 30 years age-bracket are almost at par at 28% and 21% respectively. This is followed by the 41 – 45 years group at 8%, 20 – 25 years age bracket at 3% and 1% for the 46 years and above age-bracket. A combined total of 77% represents team members above the age of 30, who would normally be associated with non entry-level positions in organisations.

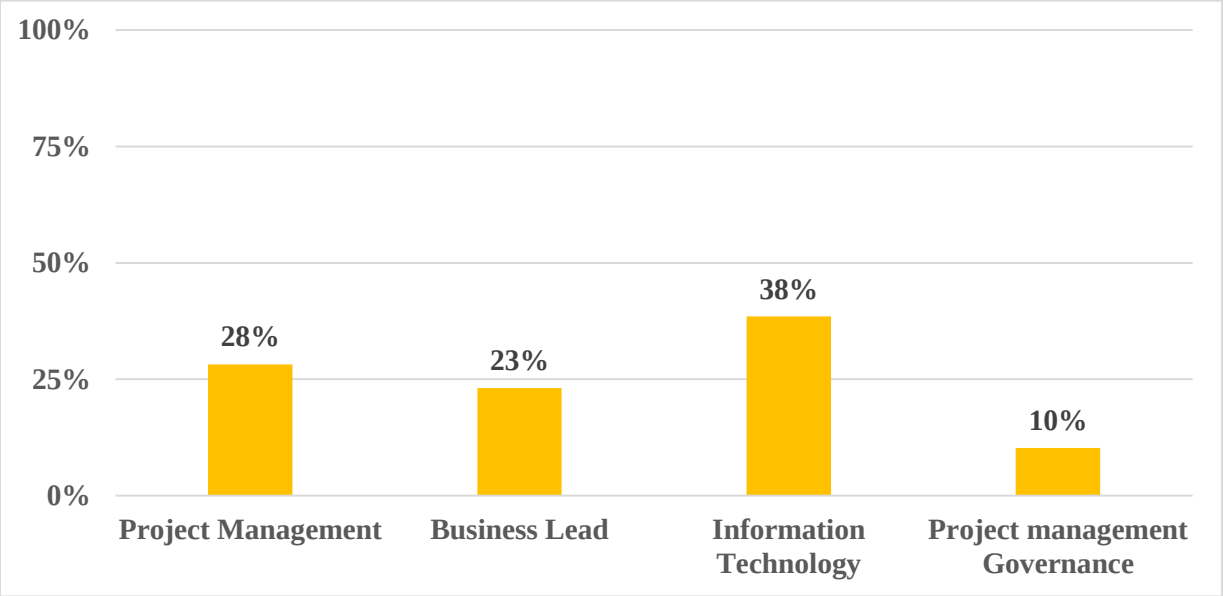


Figure 4 Role in the Team

The role played by respondents in the team was important in order to ensure that the study variables were addressed by participants knowledgeable in these particular areas. The Information Technology role had the most number of participants at 38% followed by project management at 28% and business leads at 23%. Project management governance was the least represented at 10% of the total number of respondents.

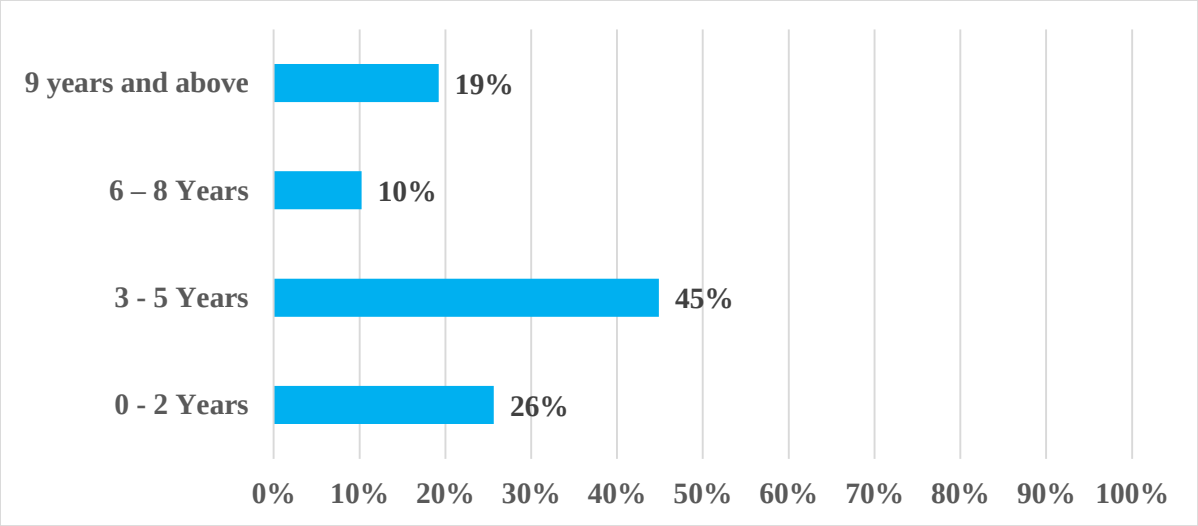


Figure 5 Years worked in CBA

The number of years worked at CBA was important in lending credence to the outcome of the study based on the perception that participants had a good understanding of the bank and how it runs its product delivery projects. A total of 75% of respondents had worked for the bank for over 3 years, with the bulk having worked there between 3 and 5 years. 26% had worked for less than 3 years, while those who had worked for 9 years and above were 19%. The 6 to 8 years of work experience at CBA was 10% of participants.

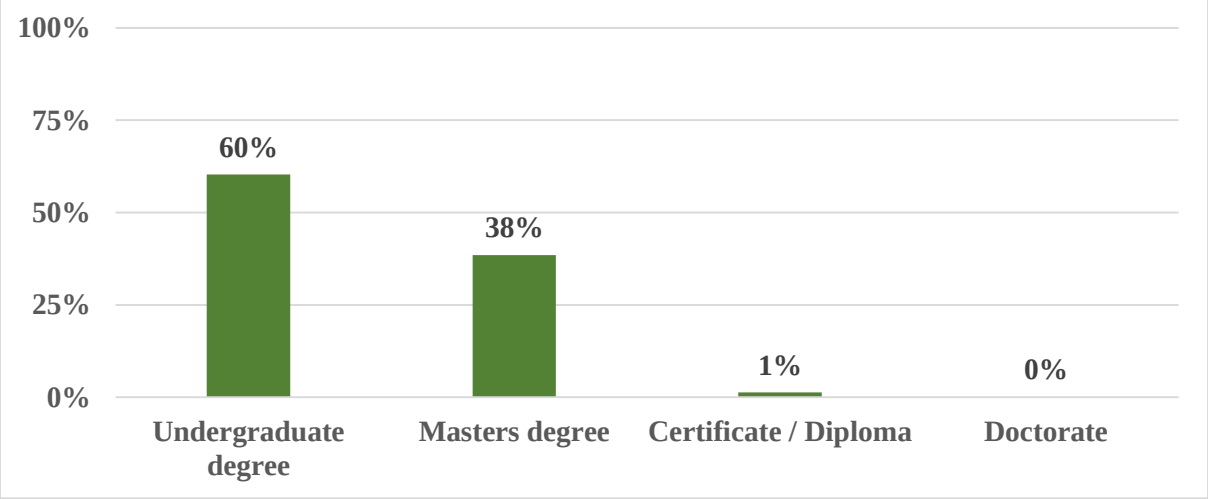


Figure 6 Educational Qualification

Although not relevant to addressing objectives of the study, the level of education attained by participants was a good demographic to have in order to reflect to senior management whether the current policy of employing degree holders was being adhered to. 98% of respondents had degrees, with undergraduates being 60% of the team and master's degree holders comprising 38% of participants. 1% of respondents were certificate / diploma holders and these most likely were employed before the policy took effect. There were no doctorate degree holders.

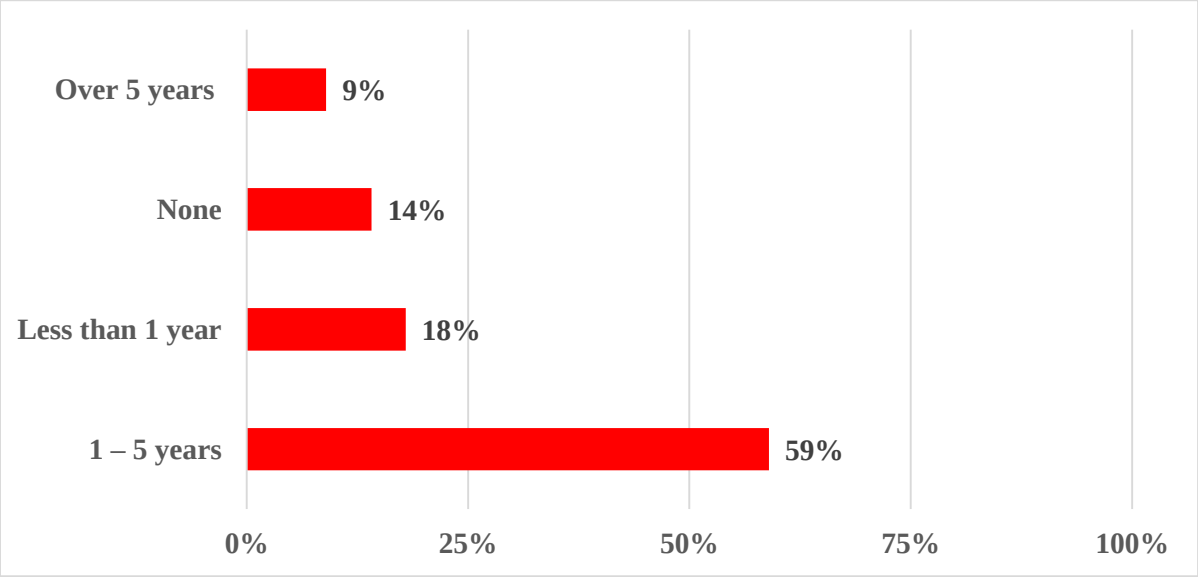


Figure 7 Experience using PRINCE2

The participants' experience in using PRINCE2 was relevant to the research outcome with reference to the research questions themed around the methodology's principles and themes. 14% had no experience using the PRINCE2 methodology, while a combined total of 86% had used it. Of this, 59% had experience of between 1 and 5 years, 18% had used the methodology for less than a year and 9% had experience for a period of 5 years and above.

### 4.3 PRINCE2 Management Structure

The first objective of the study sought to examine contribution of the PRINCE2 Management Structure in product delivery, with the first part of the questionnaire seeking to determine importance of this aspect of the methodology. Activities contributing to this aspect included separating the direction and management of the project from its delivery, provision of PRINCE2

role descriptions, undertaking training needs assessment, balancing needs, identification of stakeholders and documenting the communications management strategy. Respondents were required to select the level of importance using a scale of 1 to 4, where 1 represented Unimportant, 2: Slightly Important, 3: Important and 4: Very Important. The researcher then crosstabulated these responses with the participants' level of experience in using PRINCE2 in order to find out if deploying the PRINCE2 Management Structure was dependent on respondents' level of experience with the methodology. The resultant "p" value was used to inform the outcome of whether or not the relationship between the two was significant. A "p" value greater than 0.05 shows that the relationship is not significant and as such these two are not dependent.

Table 4.2

*Importance of PRINCE2 Management Structure*

| | | | Experience with PRINCE2 | | | | |
|---|---|---|---|---|---|---|---|
| | | | None | Less than 1 Year | 1-5 Years | Over 5 Years | Total |
| PRINCE2 Management Structure | Unimportant | % within Management | 100.0% | .0% | .0% | .0% | 100.0% |
| | Important | % within Management | 25.0% | 8.3% | 50.0% | 16.7% | 100.0% |
| | Very Important | % within Management | 10.8% | 20.0% | 61.5% | 7.7% | 100.0% |
| Total | | % within Management | 14.1% | 17.9% | 59.0% | 9.0% | 100.0% |

| | Value | df | Asymp. Sig. (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) | Point Probability |
|---|---|---|---|---|---|---|
| Pearson Chi-Square | 9.531[a] | 6 | .146 | .188 | | |
| Likelihood Ratio | 7.215 | 6 | .301 | .282 | | |
| Fisher's Exact Test | 8.636 | | | .142 | | |
| Linear-by-Linear Association | 2.306[b] | 1 | .129 | .161 | .094 | .036 |
| N of Valid Cases | 78 | | | | | |

a. 7 cells (58.3%) have expected count less than 5. The minimum expected count is .09.

b. The standardized statistic is 1.518.

From findings presented in table 4.2, 61.5% of those with 1 to 5 years of experience in using the methodology felt that the PRINCE2 management structure was very important to facilitate product delivery, while those with no experience (100%) felt it was unimportant. The relationship between level of experience in using the methodology and the PRINCE2 management structure was not significant ( $\chi^2$=8.636, p>0.05). The more the experience, the higher the likelihood of applying the recommended management structure, even though the two factors are not dependent on each other.

The second part of the questionnaire sought to determine the extent to which adherence to the PRINCE2 Management Structure was undertaken at CBA. Activities contributing to this aspect included separating the direction and management of the project from its delivery, provision of PRINCE2 role descriptions, undertaking training needs assessment, balancing needs, identification of stakeholders and documenting the communications management strategy. Respondents were required to select the extent using a scale of 5 to 9, where 5 represented Almost Never, 6: Rarely, 7: Sometimes, 8:Often and 9: Almost Always. The researcher then crosstabulated these responses with the participants' level of experience in using PRINCE2 in order to find out if the extent of deploying the PRINCE2 Management Structure was dependent on respondents' level of experience with the methodology. The resultant "p" value was used to inform the outcome of whether or not the relationship between the two was significant. A "p" value greater than 0.05 shows that the relationship is not significant and as such these two are not dependent.

Table 4.3

*Extent to Which PRINCE2 Management Structure is Deployed*

| | | | Experience with PRINCE2 | | | | |
|---|---|---|---|---|---|---|---|
| | | | None | Less than 1 Year | 1-5 Years | Over 5 Years | Total |
| PRINCE2 Management Structure Extent | Almost Never | % within Management | 100.0% | .0% | .0% | .0% | 100.0% |
| | Rarely | % within Management | 50.0% | 50.0% | .0% | .0% | 100.0% |
| | Sometimes | % within Management | 15.6% | 12.5% | 59.4% | 12.5% | 100.0% |
| | Often | % within Management | 9.1% | 9.1% | 75.8% | 6.1% | 100.0% |
| | Almost Always | % within Management | 10.0% | 60.0% | 20.0% | 10.0% | 100.0% |
| Total | | % within Management | 14.1% | 17.9% | 59.0% | 9.0% | 100.0% |

| | Value | df | Asymp. Sig. (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) | Point Probability |
|---|---|---|---|---|---|---|
| Pearson Chi-Square | 27.925[a] | 12 | .006 | .009 | | |
| Likelihood Ratio | 23.458 | 12 | .024 | .013 | | |
| Fisher's Exact Test | 24.356 | | | .004 | | |
| Linear-by-Linear Association | .524[b] | 1 | .469 | .496 | .263 | .052 |
| N of Valid Cases | 78 | | | | | |

75.8% of respondents with 1 to 5 years of experience in using the methodology felt that the PRINCE2 management structure was applied in CBA often while those with no experience (100%) felt it almost never happens – this is reflected in table 4.3 above. The relationship between level of experience in using the methodology and the PRINCE2 management structure was significant ( $\chi^2$=24.356, $p<0.05$). The more the experience, the higher the likelihood of a respondent concluding that the PRINCE2 management structure was deployed at CBA and that these two factors are dependent on each other.

### 4.4 Tailoring PRINCE2 for efficiency

The second objective of the study sought to determine how tailoring PRINCE2 affects efficiency in product delivery, with the first part of the questionnaire seeking to determine importance of this aspect of the methodology. Activities contributing to this aspect included assigning priority levels, adapting the methodology, incorporation of corporate standards, adjusting the methodology, revising the project management structure and revising role descriptions. Respondents were required to select the level of importance using a scale of 1 to 4, where 1 represented Unimportant, 2: Slightly Important, 3: Important and 4: Very Important. The researcher then crosstabulated these responses with the participants' level of experience in using PRINCE2 in order to find out if tailoring PRINCE2 for efficiency was dependent on respondents' level of experience with the methodology. The resultant "p" value was used to inform the outcome of whether or not the relationship between the two was significant. A "p" value greater than 0.05 shows that the relationship is not significant and as such these two are not dependent.

As reflected in table 4.4, findings indicate 61.3% of those with 1 to 5 years of experience in using the methodology felt that tailoring PRINCE2 for efficiency was important to facilitate product delivery, while those with no experience (100%) felt it was unimportant. The relationship between level of experience in using the methodology and tailoring PRINCE2 for efficiency was not significant ( $\chi^2$=10.603, p>0.05). The more the experience, the higher the likelihood of tailoring the methodology, even though the two factors are not dependent on each other.

The second part of the questionnaire sought to determine the extent to which tailoring of the PRINCE2 methodology was undertaken at CBA. Activities contributing to this aspect included assigning priority levels, adapting the methodology, incorporation of corporate standards, adjusting the methodology, revising the project management structure and revising role descriptions. Respondents were required to select the extent using a scale of 5 to 9, where 5 represented Almost Never, 6: Rarely, 7: Sometimes, 8:Often and 9: Almost Always. The researcher then crosstabulated these responses with the participants' level of experience in using PRINCE2 in order to find out if the extent of tailoring PRINCE2 for efficiency was dependent on respondents' level of experience with the methodology. The resultant "p" value was used to inform the outcome of whether or not the relationship between the two was significant. A "p"

value greater than 0.05 shows that the relationship is not significant and as such these two are not dependent.

Table 4.4

*Importance of Tailoring PRINCE2 for Efficiency*

| | | | Experience with PRINCE2 | | | | |
|---|---|---|---|---|---|---|---|
| | | | None | Less than 1 Year | 1-5 Years | Over 5 Years | Total |
| Tailoring PRINCE2 for Efficiency Important | Unimportant | % within Tailoring | 100.0% | .0% | .0% | .0% | 100.0% |
| | Important | % within Tailoring | 3.2% | 25.8% | 61.3% | 9.7% | 100.0% |
| | Very Important | % within Tailoring | 19.6% | 13.0% | 58.7% | 8.7% | 100.0% |
| Total | | % within Tailoring | 14.1% | 17.9% | 59.0% | 9.0% | 100.0% |

| | Value | df | Asymp. Sig. (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) | Point Probability |
|---|---|---|---|---|---|---|
| Pearson Chi-Square | 11.398[a] | 6 | .077 | .117 | | |
| Likelihood Ratio | 10.247 | 6 | .115 | .075 | | |
| Fisher's Exact Test | 10.603 | | | .074 | | |
| Linear-by-Linear Association | .007[b] | 1 | .932 | 1.000 | .505 | .093 |
| N of Valid Cases | 78 | | | | | |

a. 7 cells (58.3%) have expected count less than 5. The minimum expected count is .09.

b. The standardized statistic is .085

Table 4.5

*Extent to Which Tailoring is Done*

| | | | Experience with PRINCE2 | | | | |
|---|---|---|---|---|---|---|---|
| | | | None | Less than 1 Year | 1-5 Years | Over 5 Years | Total |
| Tailoring PRINCE2 for Efficiency Extent | Almost Never | % within Tailoring | 100.0% | .0% | .0% | .0% | 100.0% |
| | Rarely | % within Tailoring | 12.5% | 25.0% | 50.0% | 12.5% | 100.0% |
| | Sometimes | % within Tailoring | 16.7% | 10.0% | 66.7% | 6.7% | 100.0% |
| | Often | % within Tailoring | 6.7% | 13.3% | 66.7% | 13.3% | 100.0% |
| | Almost Always | % within Tailoring | 22.2% | 55.6% | 22.2% | .0% | 100.0% |
| Total | | % within Tailoring | 14.1% | 17.9% | 59.0% | 9.0% | 100.0% |

| | Value | df | Asymp. Sig. (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) | Point Probability |
|---|---|---|---|---|---|---|
| Pearson Chi-Square | 21.072[a] | 12 | .049 | .055 | | |
| Likelihood Ratio | 18.130 | 12 | .112 | .119 | | |
| Fisher's Exact Test | 18.370 | | | .051 | | |
| Linear-by-Linear Association | .018[b] | 1 | .893 | .939 | .478 | .061 |
| N of Valid Cases | 78 | | | | | |

a. 15 cells (75.0%) have expected count less than 5. The minimum expected count is .09.

b. The standardized statistic is -.135.

From table 4.5 above, 66.7% of respondents with 1 to 5 years of experience in using the methodology felt that the tailoring PRINCE2 for efficiency was done in CBA sometimes and often. 100% of those without experience felt that it almost never happens. The relationship between level of experience in using the methodology and tailoring PRINCE2 was not significant ( $\chi^2$=18.370, p>0.05). The more the experience, the more the likelihood of tailoring the methodology for product delivery and that these two factors are not dependent on each other.

### 4.5 Project management Governance

The third objective of the study sought to examine the importance of project management governance to product delivery, with the first part of the questionnaire seeking to determine importance of this aspect of the methodology. Activities contributing to this aspect included alignement to the business strategy, independent scrutiny by corporate, reporting project status, stakeholder engagement, a culture of improvement, governance arrangements, handover to business owners, benefits review and project close-out. Respondents were required to select the level of importance using a scale of 1 to 4, where 1 represented Unimportant, 2: Slightly Important, 3: Important and 4: Very Important. The researcher then crosstabulated these responses with the participants' level of experience in using PRINCE2 in order to find out if project management governance was dependent on respondents' level of experience with the methodology. The resultant "p" value was used to inform the outcome of whether or not the relationship between the two was significant. A "p" value greater than 0.05 shows that the relationship is not significant and as such these two are not dependent.

Table 4.6

*Importance of Project Management Governance*

| | | | Experience with PRINCE2 | | | | |
|---|---|---|---|---|---|---|---|
| | | | None | Less than 1 Year | 1-5 Years | Over 5 Years | Total |
| Project Management Governance Important | Unimportant | % within Governance | 100.0% | .0% | .0% | .0% | 100.0% |
| | Important | % within Governance | 12.5% | 12.5% | 62.5% | 12.5% | 100.0% |
| | Very Important | % within Governance | 13.1% | 19.7% | 59.0% | 8.2% | 100.0% |
| Total | | % within Governance | 14.1% | 17.9% | 59.0% | 9.0% | 100.0% |

| | Value | df | Asymp. Sig. (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) | Point Probability |
|---|---|---|---|---|---|---|
| Pearson Chi-Square | 6.824[a] | 6 | .337 | .387 | | |
| Likelihood Ratio | 4.658 | 6 | .588 | .593 | | |
| Fisher's Exact Test | 5.868 | | | .518 | | |
| Linear-by-Linear Association | .601[b] | 1 | .438 | .513 | .255 | .072 |
| N of Valid Cases | 78 | | | | | |

a. 7 cells (58.3%) have expected count less than 5. The minimum expected count is .09.

b. The standardized statistic is .775.

62.5% of those with 1 to 5 years of experience in using the methodology felt that project management governance was important in order to deliver the product, while 100% of those with no experience felt it was unimportant as presented in table 4.6. The relationship between level of experience in using the methodology and project management governance was not significant ( $\chi^2$=5.868, p>0.05). The more the experience, the higher the likelihood of applying project management governance, even though the two factors are not dependent on each other.

The second part of the questionnaire sought to determine the extent to which adherence to project management governance was undertaken at CBA. Activities contributing to this aspect included alignement to the business strategy, independent scrutiny by corporate, reporting project status, stakeholder engagement, a culture of improvement, governance arrangements, handover to business owners, benefits review and project close-out. Respondents were required to select the extent using a scale of 5 to 9, where 5 represented Almost Never, 6: Rarely, 7: Sometimes, 8:Often and 9: Almost Always. The researcher then crosstabulated these responses with the participants' level of experience in using PRINCE2 in order to find out if the extent of project management governance was dependent on respondents' level of experience with the methodology. The resultant "p" value was used to inform the outcome of whether or not the relationship between the two was significant. A "p" value greater than 0.05 shows that the relationship is not significant and as such these two are not dependent.

Table 4.7

*Extent to Which Project Management Governance is Undertaken*

| | | | Experience with PRINCE2 | | | | |
|---|---|---|---|---|---|---|---|
| | | | None | Less than 1 Year | 1-5 Years | Over 5 Years | Total |
| Project_ Management Governance Extent | Almost Never | % within Governance | 100.0% | .0% | .0% | .0% | 100.0% |
| | Rarely | % within Governance | .0% | 25.0% | 50.0% | 25.0% | 100.0% |
| | Sometimes | % within Governance | 13.8% | 10.3% | 72.4% | 3.4% | 100.0% |
| | Often | % within Governance | 18.5% | 11.1% | 63.0% | 7.4% | 100.0% |
| | Almost Always | % within Governance | 5.9% | 41.2% | 35.3% | 17.6% | 100.0% |
| Total | | % within Governance | 14.1% | 17.9% | 59.0% | 9.0% | 100.0% |

| | Value | df | Asymp. Sig. (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) | Point Probability |
|---|---|---|---|---|---|---|
| Pearson Chi-Square | 20.966[a] | 12 | .051 | .058 | | |
| Likelihood Ratio | 18.272 | 12 | .108 | .104 | | |
| Fisher's Exact Test | 18.768 | | | .047 | | |
| Linear-by-Linear Association | .046[b] | 1 | .829 | .883 | .443 | .057 |
| N of Valid Cases | 78 | | | | | |

a. 16 cells (80.0%) have expected count less than 5. The minimum expected count is .09.

b. The standardized statistic is .215.

From table 4.7 above, 72.4% of respondents with 1 to 5 years of experience in using the methodology felt that project management governance sometimes took place in CBA while 100% of those with no experience felt it almost never happens. The relationship between level of

experience in using the methodology and project management governance was significant ( $\chi^2$=18.768, p<0.05). The more the experience with the methodology, the higher the likelihood of a respondent concluding that project management governance took place in CBA and that these two factors are dependent on each other.

### 4.6 Product-based Planning

The fourth objective of the study sought to look at how undertaking product-based planning affects product delivery, with the first part of the questionnaire seeking to determine importance of this aspect of the methodology. Activities contributing to this aspect included writing the project product description, creating the product breakdown structure, writing the product description and creating the product flow diagram. Respondents were required to select the level of importance using a scale of 1 to 4, where 1 represented Unimportant, 2: Slightly Important, 3: Important and 4: Very Important. The researcher then crosstabulated these responses with the participants' level of experience in using PRINCE2 in order to find out if product-based planning was dependent on respondents' level of experience with the methodology. The resultant "p" value was used to inform the outcome of whether or not the relationship between the two was significant. A "p" value greater than 0.05 shows that the relationship is not significant and as such these two are not dependent.

Table 4.8

*Importance of Product-based Planning*

| | | | Experience with PRINCE2 | | | | |
|---|---|---|---|---|---|---|---|
| | | | None | Less than 1 Year | 1-5 Years | Over 5 Years | Total |
| Product Based Planning Important | Unimportant | % within Planning | 100.0% | .0% | .0% | .0% | 100.0% |
| | Important | % within Planning | .0% | 18.2% | 72.7% | 9.1% | 100.0% |
| | Very Important | % within Planning | 15.2% | 18.2% | 57.6% | 9.1% | 100.0% |
| Total | | % within Planning | 14.1% | 17.9% | 59.0% | 9.0% | 100.0% |

| | Value | df | Asymp. Sig. (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) | Point Probability |
|---|---|---|---|---|---|---|
| Pearson Chi-Square | 8.072[a] | 6 | .233 | .270 | | |
| Likelihood Ratio | 7.424 | 6 | .283 | .281 | | |
| Fisher's Exact Test | 6.816 | | | .354 | | |
| Linear-by-Linear Association | .262[b] | 1 | .609 | .670 | .339 | .089 |
| N of Valid Cases | 78 | | | | | |

a. 7 cells (58.3%) have expected count less than 5. The minimum expected count is .09.

b. The standardized statistic is .512.

Table 4.8 shows that 72.7% of respondents with 1 to 5 years of experience in using the methodology felt that product-based planning was important to in order for the product to be a success. On the other hand, 100% of those with no experience felt it was unimportant. The relationship between level of experience in using the methodology and product-based planning was not significant ( $\chi^2$=6.816, p>0.05). The more the experience, the higher the likelihood of undertaking product-based planning, even though the two factors are not dependent on each other.

The second part of the questionnaire sought to determine the extent to which product-based planning was undertaken at CBA. Activities contributing to this aspect included writing the project product description, creating the product breakdown structure, writing the product description and creating the product flow diagram. Respondents were required to select the extent using a scale of 5 to 9, where 5 represented Almost Never, 6: Rarely, 7: Sometimes, 8:Often and 9: Almost Always. The researcher then crosstabulated these responses with the participants' level of experience in using PRINCE2 in order to find out if the extent of product-based planning at CBA was dependent on respondents' level of experience with the methodology. The resultant "p" value was used to inform the outcome of whether or not the relationship between the two was

significant. A “p” value greater than 0.05 shows that the relationship is not significant and as such these two are not dependent.

Table 4.9

*Extent to Which Product-based Planning is Undertaken*

| | | | Experience with PRINCE2 | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | None | Less than 1 Year | 1-5 Years | Over 5 Years | |
| Product Based Planning Extent | Almost Never | % within Planning | 100.0% | .0% | .0% | .0% | 100.0% |
| | Rarely | % within Planning | 40.0% | 20.0% | 40.0% | .0% | 100.0% |
| | Sometimes | % within Planning | .0% | 15.8% | 63.2% | 21.1% | 100.0% |
| | Often | % within Planning | 14.3% | 10.7% | 71.4% | 3.6% | 100.0% |
| | Almost Always | % within Planning | 16.0% | 28.0% | 48.0% | 8.0% | 100.0% |
| Total | | % within Planning | 14.1% | 17.9% | 59.0% | 9.0% | 100.0% |



| | Value | df | Asymp. Sig. (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) | Point Probability |
|---|---|---|---|---|---|---|
| Pearson Chi-Square | 19.581[a] | 12 | .075 | .085 | | |
| Likelihood Ratio | 19.111 | 12 | .086 | .086 | | |
| Fisher's Exact Test | 17.686 | | | .072 | | |
| Linear-by-Linear Association | .007[b] | 1 | .933 | .945 | .498 | .055 |
| N of Valid Cases | 78 | | | | | |

a. 16 cells (80.0%) have expected count less than 5. The minimum expected count is .09.

b. The standardized statistic is -.084.

As presented in table 4.9 above, 71.4% of those with 1 to 5 years of experience in using the methodology felt that product-based planning took place often. 100% of those with no experience in using the methodology felt that this almost never happens. The relationship between level of experience in using the methodology and product-based planning was not significant ( $\chi^2$=17.686, p>0.05). The more the experience, the more the likelihood of undertaking product-based planning at CBA and that these two factors are not dependent on each other.

# CHAPTER FIVE: DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

## 5.1 Introduction

The chapter discusses key findings from the research based on the objectives set out on the effect of adopting PRINCE2 project management methodology on product delivery in the banking sector. It then goes ahead to make conclusions and recommendations from the same study and finally gives recommendations for further research.

## 5.2 Discussion

The aim of the study was to assess the effect of adopting PRINCE2 project management methodology on product delivery within the banking sector in Kenya, using CBA as a case study. The objectives were to examine contribution of the PRINCE2 Management Structure in product delivery, to determine how tailoring PRINCE2 affects efficiency in product delivery, to examine the importance of project management governance to product delivery and to evaluate how undertaking product-based planning affects product delivery.

General findings point to an 18% gap between the two genders in the composition of the project team, with 92% of the team aged below 40 years. IT and project managers make up 66% of the team while 98% of respondents have at least one degree. 74% have worked for the bank for at least 3 years and 68% have a minimum of a year's working experience with the PRINCE2 methodology. It was discovered that product delivery gauged through quality, schedule, budget and achieved business objectives depends on the PRINCE2 management structure, tailoring the methodology for efficiency, project management governance and product-based planning. The more the experience, the higher the likelihood of undertaking PRINCE2 project activities in the course of delivering a product. A similar trend was observed with reference to the extent to which these project activities were undertaken at CBA.

### 5.2.1 PRINCE2 Management Structure

The study looked at how the management structure of PRINCE2 plays a role in the success of a product delivery project. It found that setting up this structure improved the likelihood of a product being delivered to the client’s specifications, within schedule & budget and achieving

business objectives as spelt out in the business case. Separating management and direction of the project from delivery was key to achieving business objectives. In addition, providing role descriptions and clear reporting lines helped run the project on schedule as planned.

Duggan (2003) asserts that if PRINCE2 is signed up to by the organisation and in use, people come to have an understanding of project responsibilities and roles, which facilitates more efficient working. As postulated in TAM, when the PRINCE2 project management structure's PEOU was well articulated, then the project team was influenced by its PU in the delivery of a product. This study also found that undertaking training needs assessment for the project team was important in building capacity for members to execute as prescribed by the standard. Further, it was important to balance needs of the team, individual and business.

### 5.2.2 Tailoring PRINCE2 for efficiency

PRINCE2 provides a scalable method for managing projects of all types by availing an appropriate level of control. Here, the study sought to look at how both environmental factors and project factors contribute in implementation of the methodology during product delivery in the most pragmatic way. The study found that project managers with more years of experience are likely to tailor the methodology in order to fit in with the organization culture, incorporate existing corporate standards and revise role descriptions to address the project team's maturity for the project to be delivered within budget, on schedule and at full scope with achieved business objectives. The TAM's key purpose is to provide grounds for tracing the effect of external factors on internal beliefs. Environmental factors – those outside control of the project – were observed to have informed the users's intentions and attitudes in areas that were within control of the intiatives.

This is supported by Blokdijk (2008) who cites that the methodology has a built-in feature of adaptability and flexibility for every possible scenario. PRINCE2 practitioners are not constrained by rigid implementation since the system can be tailor-made to suit specific environments. This makes it easy to implement important tasks needed to facilitate success of the project. The customisation inherent in the PRINCE2 system has enabled project managers to implement a high

degree of flexibility in ensuring smooth flow of project stages. The PRINCE2 method will allow companies and organization to design and organize projects according to their specifications.
This is also supported by Ferguson (2011) who states that organizations are under pressure to deliver more for less within shorter time allotments; this requires them to optimize the delivery of benefits from projects. Shorter, lower-cost initiatives intended to accomplish 'fit for purpose' solutions combined with focus on results and accrued benefits are the result of this trend. Using PRINCE2 without adquate tailoring could prove too onerous for projects of such a scale. The greater part of the organizations that have embraced PRINCE2 proceed to tailor the strategy so as to suit their business. One of the key drivers has been to streamline the strategy to serve those running projects of a smaller scale so that they are not burdened with the same information needs and rigour required in larger projects. This helps to realise efficient and effective project management.

### 5.2.3 Project management Governance

The study sought to examine how corporate governance with reference to the project contributes to the successful delivery of a product. The study found that adhering to facets of project management governance improved the likelihood of the success of product delivery. Kippenberger (2012) corroborates these findings by attributing the success of the Rotterdam project, involving 20,000 people while costing €2.6 billion, to excellent governance and planning, all managed to PRINCE2 standards. The study found that aligning the project to the overall business strategy helped achieve business objectives. Key aspects of project management governance that contributed to efficient delivery included specifying the criteria for reporting the status of the product delivery project in order to reinforce critical points of projects, continuous improvement, stakeholder engagement and independent scrutiny by the internal audit team to give assurance that projects are undertaken in accordance with PRINCE2 standards. Acceptance of the final product was a key component of ensuring the project was sustainable, in addition to putting in place plans for undertaking benefits reviews after implementation.

According to Murray (2011), PRINCE2 addresses the key elements of governance which include alignment, and this involves engaging with stakeholders to define the organisational purpose and objectives and how the project contributes to the same. In addition, delegation defines areas where

decisions can be made most effectively, while decision gates define when crucial decisions need to be made. Through proper project management governance, acceptance of the end-product is assured, leading to uptake and utilization by both the business users and customers – the net effect is increased revenue and / or reduced costs. Reporting facilitates the transparency of decisions & actions and presents their outcome. Finally, a review undertaken independently helps to corroborate what the project manager presents.

### 5.2.4 Product-based Planning

The study sought to establish the connection between product-based planning and product delivery. PRINCE2 describes it as a four-step technique leading to a comprehensive plan based on the production and delivery of required outputs. The technique takes into account quality requirements, product pre-requisites and product dependencies. The study revealed that writing the project product description helped achieve business objectives while creating the product breakdown structure helps in the costing and monitoring of the budget. Similarly, writing the product description ensures scope is fully captured leading to a quality product. Finally, development of the product flow diagram facilitates the identification of products and sequencing of their flow during development.

The Association for Project Management (2017) indicates that the technique of planning based on the end-product provides a structured comprehensive approach for planning project activities, avoiding gaps in outputs, creating and communicating a robust understanding of the scale and contents of the challenge being undertaken. Planning activities can be iterative in nature, especially where the detail of the final outputs is not clear at the outset, and a disciplined approach is therefore important. Virginia (2006) agrees with this view by stating that instead of simply planning the activities required to reach a change goal, the goal itself gets defined as a product. Also, definition of significant steps leading towards that goal is done as products as opposed to tasks. This technique was used at the CHED (Centre for Higher Education Development) in Coventry University and it assisted the researcher to identify missing elements, in addition to making sense of the contrasting proposals contained in the strategy document; this led to alignment on what the project would deliver.

Starting with the end product in mind and involving users is key in influencing their perception of the product that is eventually delivered. User apprehension is managed, leading to the achievement of PEOU and the customer can then relate to the product's PU, leading to faster uptake.

### 5.3 Conclusion

From the study findings, there is need to set up the PRINCE2 management structure and separate it from the organisational structure in order to ensure that the product is delivered as expected. This separation ensures that direction and delivery are well outlined, roles are unambiguously spelt out and that stakeholder needs are catered for in addition to adequate channels of communication being put in place in order to coordinate the entire effort. The essence of tailoring PRINCE2 to the specific product delivery project is for scalability as opposed to ignoring aspects of the methodology that may appear cumbersome. In focusing on both environmental factors and project factors, only those aspects that are most applicable to the project at hand will be applied and this leads to savings on cost and schedule while ensuring quality is built in through scope coverage and that business objectives are achieved. The study found that incorporating project management governance creates value for the organisation. This is because it keeps the project aligned to the wider organisation's business objectives, ensuring that the product is delivered efficiently by avoiding PINO (PRINCE2 In Name Only) and avoiding disputes at the tail end of the initiative when the business user does not accept the end-product leading to a project that cannot be closed. The net effect of this is a product whose benefits cannot be realised, leading to missed opportunities in the market. This approach starts with the end product in mind and works backwards in order to establish what needs to be done by who and in which sequence before actual work begins. Failure to undertake product-based planning could lead to a poor quality product if scope was not adequately covered, cost overruns due to rework, missed milestones as a result of poor scheduling and lack of achievement of business objectives as a culmination of the preceding factors.

### 5.4 Recommendations

Based on study findings, the researcher recommends the following:

Generally, encourage female employess to seek opportunities in project management roles in order to bridge the current gap between the two genders. Encourage more entry-level employees to venture into project management as a career. This will ensure that they build adequate experience with PRINCE2 in order for them to be absorbed into the different roles based on their preference. The bank should consider putting in place competitive rewards for members of staff who clock over 5 years of employment - presently, there's a 35% drop after 5 years of engagement with CBA.

Banks should ensure that the PRINCE2 methodology is first embraced by the executive suite before cascading through the hierarchy. Adequate training on the methodology by the teams handing projects should be provided and follow-up made to support those individuals who may be encountering PRINCE2 for the first time. In addition, each project must have its own management structure complete with reporting lines, separate from the functional structure in place for daily operations. Passive resistance to this should be monitored and when identified, have the root cause addressed within the shortest time possible.

As a result of the methodology being process-intensive, banks need to be cognisant of the fact that tailoring PRINCE2 is in no way at odds with existing processes and procedure from a compliance perspective. Each project needs to be handled based on its unique circumstances as dictated by the existing environment and project needs. Doing so ensures the product is delivered through efficient utilization of the organisation’s capacity.

Incorporating adequate project management governance from the onset of the project is highly recommended if the product is to address organisational objectives and achieve sustainability upon transfer to operations. Therefore, banks should ensure that a team of individuals who are not involved in the day-to-day running of the project conduct periodic audits and give their opinion on the health of the project. While this may be resisted by the delivery team, it is an

essential component of assuring shareholders that whatever resources they put into a project are well utilized in order to return profit.

Finally, it is advisable to start off an initiative with the end product in mind before listing out what needs to be done. This ensures clarity of thought both in the scope of the project and sequencing of deliverables in order to ensure no product is missed out. The documents coming out of this exercise should be cascaded to the entire project team and referenced at specific milestones in order to ensure all stakeholders are reading from the same script.

### 5.5 Suggestions for further research

Given dynamism in the project management profession and insistence by banks to adhere to procedure, the PRINCE2 methodology in its waterfall approach may be suitable for products with a long shelf life. With the emergence of financial technology companies doing more or less what banks do at a faster pace, but without the rigor and scrutiny of the CBK, there is need for further study to assess Agile project management methodology application. Critical study should be focused on how the banking sector can leverage Agile methodology in order to compete favourably with financial technology companies in rolling out products to the Kenyan market.

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# APPENDICES

## APPENDIX A: LETTER OF INTRODUCTION

Strathmore Business School

Thursday, 06 December 2018

To whom it may concern,

**RE: FACILITATION OF RESEARCH – ALPHONCE NYAKIAMO MUGENI**

This is to introduce Mr. Alphonce Nyakiamo Mugeni, who is a Master of Business Administration student at Strathmore Business School, admission number MBA/96452/17. As part of our MBA Program, Alphonce is expected to do applied research and undertake a project. This is in partial fulfilment of the requirements of the MBA course. To this effect, he would like to request for appropriate data from your organization.

Alphonce is undertaking a research paper on "**Assessment Of The Adoption Of Prince2 Methodology On Product Delivery In The Banking Sector: A Case Of CBA Bank.**" The information obtained from your organization will be treated confidentially and shall be used for academic purposes only.

Our MBA seeks to establish links with industry, and one of these ways is by directing our research to areas that would be of direct use to industry. We would be glad to share our findings with you after the research, and we trust that you will find them of great interest and of practical value to your organization.

We appreciate your support and shall be willing to provide any further information if required.

Yours sincerely,

Caroline Tiara
Manager - MBA Programs.

Strathmore UNIVERSITY
Ole Sangale Road, Madaraka Estate
P.O Box 59857 00200 Nairobi, Kenya
Cell: +254 703 414/6/7
Email: info@sbs.ac.ke or Visit www.sbs.strathmore.edu
Twitter:@SBSKenya

## APPENDIX B: SAMPLE QUESTIONNAIRE

### EFFECT OF ADOPTING PRINCE2 METHODOLOGY ON PRODUCT DELIVERY IN THE BANKING SECTOR: A CASE STUDY OF COMMERCIAL BANK OF AFRICA

**SECTION A: DEMOGRAPHIC INFORMATION**

| | Question | Answer Options | | Tick |
|---|---|---|---|---|
| DM1 | Please specify your gender | Female | 1 | |
| | | Male | 2 | |
| | | | | |
| DM2 | Please select your age bracket | 20 – 25 Years | 1 | |
| | | 26 – 30 Years | 2 | |
| | | 31 – 35 Years | 3 | |
| | | 36 – 40 Years | 4 | |
| | | 41 – 45 Years | 5 | |
| | | 46 years and above | 6 | |
| | | | | |
| DM3 | What is your role in the team? | Project Management | 1 | |
| | | Business Lead | 2 | |
| | | Information Technology | 3 | |
| | | Project management Governance | 4 | |
| | | | | |
| DM4 | How long have you worked in CBA? | 0 - 2 Years | 1 | |
| | | 3 - 5 Years | 2 | |
| | | 6 – 8 Years | 3 | |
| | | 9 years and above | 4 | |
| | | | | |
| DM5 | Which is your highest educational qualification? | Certificate / Diploma | 1 | |
| | | Undergraduate degree | 2 | |
| | | Masters degree | 3 | |
| | | Doctorate | 4 | |
| | | | | |
| DM6 | What is your experience in using the PRINCE2 project management methodology? | None | 1 | |
| | | Less than 1 year | 2 | |
| | | 1 – 5 years | 3 | |
| | | Over 5 years | 4 | |

## SECTION B: KNOWLEDGE QUESTIONS

| **Column A** How important are each of these activities for the successful completion of a project? | | | | *Tick your selection in the boxes provided below in both columns "A" and "B"* | **Column B** To what extent are these activities performed in Commercial Bank of Africa? | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Unimportant | Slightly important | Important | Very important | **PRINCE2 Management Structure** | Almost Never | Rarely | Sometimes | Often | Almost always |
| 1 | 2 | 3 | 4 | 1.1 Separating the direction and management of the project from the delivery of project outputs in order to achieve business objectives | 5 | 6 | 7 | 8 | 9 |
| 1 | 2 | 3 | 4 | 1.2 Provision of PRINCE2 role descriptions and reporting lines to run the project on schedule | 5 | 6 | 7 | 8 | 9 |
| 1 | 2 | 3 | 4 | 1.3 Training needs assessment for the project team to support quality in a product | 5 | 6 | 7 | 8 | 9 |
| 1 | 2 | 3 | 4 | 1.4 Balancing the project, team and individual in order to achieve business objectives | 5 | 6 | 7 | 8 | 9 |
| 1 | 2 | 3 | 4 | 1.5 Stakeholder identification and engagement to build a quality product | 5 | 6 | 7 | 8 | 9 |
| 1 | 2 | 3 | 4 | 1.6 Documenting the Communication Management Strategy to facilitate budgetting | 5 | 6 | 7 | 8 | 9 |
| Unimportant | Slightly important | Important | Very important | **Tailoring PRINCE2 for efficiency** | Almost Never | Rarely | Sometimes | Often | Almost always |
| 1 | 2 | 3 | 4 | 2.1 Assign a priority level to the project in order to achieve business objectives | 5 | 6 | 7 | 8 | 9 |
| 1 | 2 | 3 | 4 | 2.2 Adapt the methodology to fit in with the organization culture and achieve quality | 5 | 6 | 7 | 8 | 9 |
| 1 | 2 | 3 | 4 | 2.3 Incorporate existing corporate standards in application of the methodology for quality control | 5 | 6 | 7 | 8 | 9 |
| 1 | 2 | 3 | 4 | 2.4 Adjust the methodology to reflect the scale of the project and deliver within budget | 5 | 6 | 7 | 8 | 9 |
| | | | | 2.5 Revise the project management structure to reflect complexity of product delivery within schedule | 5 | 6 | 7 | 8 | 9 |
| | | | | 2.6 Revise role descriptions to address the project team's maturity to achieve business objectives | 5 | 6 | 7 | 8 | 9 |

| Unimportant | Slightly important | Important | Very important | **Project management Governance** | Almost Never | Rarely | Sometimes | Often | Almost always |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 3.1 Alignment of the PRINCE2 project to the overall business strategy to achieve business objectives | 5 | 6 | 7 | 8 | 9 |
| 1 | 2 | 3 | 4 | 3.2 Independent scrutiny by corporate as part of project Assurance to improve product quality | 5 | 6 | 7 | 8 | 9 |
| 1 | 2 | 3 | 4 | 3.3 Clearly defined criteria for reporting project status and for escalation of risks and issues to deliver within schedule | 5 | 6 | 7 | 8 | 9 |
| 1 | 2 | 3 | 4 | 3.4 Engage stakeholders at a level that is commensurate with their importance to the organization and in a manner that fosters trust resulting in quality work | 5 | 6 | 7 | 8 | 9 |
| 1 | 2 | 3 | 4 | 3.5 Foster a culture of improvement and of frank internal disclosure of project information to achieve business objectives | 5 | 6 | 7 | 8 | 9 |
| 1 | 2 | 3 | 4 | 3.6 Application of disciplined governance arrangements supported by appropriate methods and controls to monitor costs | 5 | 6 | 7 | 8 | 9 |
| 1 | 2 | 3 | 4 | 3.7 Project handover to the business owner to facilitate achievement of business objectives | 5 | 6 | 7 | 8 | 9 |
| 1 | 2 | 3 | 4 | 3.8 Preparation of the Benefits Review plan to gauge the achievement of business objectives | 5 | 6 | 7 | 8 | 9 |
| 1 | 2 | 3 | 4 | 3.9 Project close-out to ensure a quality product | 5 | 6 | 7 | 8 | 9 |
| Unimportant | Slightly important | Important | Very important | **Product-based Planning** | Almost Never | Rarely | Sometimes | Often | Almost always |
| 1 | 2 | 3 | 4 | 4.1 Writing the Project Product Description in order to achieve business objectives | 5 | 6 | 7 | 8 | 9 |
| 1 | 2 | 3 | 4 | 4.2 Creating the product breakdown structure to facilitate costing for each product | 5 | 6 | 7 | 8 | 9 |
| 1 | 2 | 3 | 4 | 4.3 Writing the Product Description to ensure scope is fully captured | 5 | 6 | 7 | 8 | 9 |
| 1 | 2 | 3 | 4 | 4.4 Creating the product flow diagram to identify and sequence the creation of products | 5 | 6 | 7 | 8 | 9 |

## APPENDIX C: WORKPLAN

| ACTIVITY | 2017 | | | 2018 | | | | | | | | | | | | 2019 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR |
| Choice of Research Topic | | | | | | | | | | | | | | | | | | |
| Research Problem clarification, Research objectives, Purpose and Significance | | | | | | | | | | | | | | | | | | |
| Literature Review | | | | | | | | | | | | | | | | | | |
| Proposed Research Methodology | | | | | | | | | | | | | | | | | | |
| Proposal Presentation | | | | | | | | | | | | | | | | | | |
| Data Collection | | | | | | | | | | | | | | | | | | |
| Data Analysis and Interpretation | | | | | | | | | | | | | | | | | | |
| Dissertation Report writing - first draft | | | | | | | | | | | | | | | | | | |
| Final draft of research report | | | | | | | | | | | | | | | | | | |
| Submission of dissertation for examination | | | | | | | | | | | | | | | | | | |
| Oral defense of dissertation | | | | | | | | | | | | | | | | | | |
| Correction of dissertation | | | | | | | | | | | | | | | | | | |

## APPENDIX D: BUDGET

| ITEM | QUANTITY | UNIT COST (KES) | TOTAL COST (KES) |
|---|---|---|---|
| Stationery | 1 ream of paper | 550 | 550 |
| Printing services | 258 pages (5 copies) | 20 | 5,160 |
| Binding | 5 copies (170 pages) | 70 | 350 |
| Lunch | 44 respondents | 500 | 22,000 |
| Contingencies | 10% of budgeted items | 10% of 28,060 | 2,806 |
| **TOTAL COST** | | | **30,866** |

## APPENDIX E: LICENSED COMMERCIAL BANKS IN KENYA (2017)

| LARGE PEER GROUP | | | |
|---|---|---|---|
| # | **BANK** | # | **BANK** |
| 1. | KCB Bank Kenya Ltd | 5. | Diamond Trust Bank (K) Ltd |
| 2. | Co - operative Bank of Kenya Ltd | 6. | Barclays Bank of Kenya Ltd |
| 3. | Equity Bank Kenya Ltd | 7. | Commercial Bank of Africa Ltd |
| 4. | Standard Chartered Bank (K) Ltd | 8. | Stanbic Bank Kenya Ltd |
| **MEDIUM PEER GROUP** | | | |
| # | **BANK** | # | **BANK** |
| 1. | I & M Bank Ltd | 7. | Family Bank Ltd. |
| 2. | NIC Bank Kenya PLC | 8. | Bank of India |
| 3. | Bank of Baroda (K) Ltd | 9. | HFC Ltd |
| 4. | Citibank N.A. Kenya | 10. | Ecobank Kenya Ltd |
| 5. | National Bank of Kenya Ltd | 11. | Bank of Africa (K) Ltd |
| 6. | Prime Bank Ltd | | |
| **SMALL PEER GROUP** | | | |
| # | **BANK** | # | **BANK** |
| 1. | Guaranty Trust Bank (Kenya) Ltd | 13. | Transnational Bank Ltd |
| 2. | Gulf African Bank Ltd | 14. | Consolidated Bank of Kenya Ltd |
| 3. | Victoria Commercial Bank Ltd | 15. | SBM Bank (Kenya) Ltd |
| 4. | African Banking Corporation Ltd | 16. | Paramount Bank Ltd |
| 5. | Sidian Bank Ltd | 17. | Spire Bank Limited |
| 6. | Habib Bank A.G. Zurich | 18. | UBA Kenya Bank Ltd |
| 7. | Guardian Bank Ltd | 19. | Middle East Bank (K) Ltd |
| 8. | First Community Bank Ltd | 20. | Mayfair Bank Ltd |
| 9. | Credit Bank Ltd | 21. | DIB Bank Kenya Ltd |
| 10. | Development Bank of Kenya Ltd | 22. | Chase Bank Kenya Ltd** |
| 11. | Jamii Bora Bank Ltd | 23. | Charterhouse Bank Ltd* |
| 12. | M - Oriental Commercial Bank Ltd | 24. | Imperial Bank Ltd** |

* Banks under statutory management
** Banks in receivership

## APPENDIX F: ETHICAL APPROVAL

Strathmore UNIVERSITY

14th December 2018

SU-IERC0276/18

**ALPHONCE NYAKIAMO MUGENI**
P.O Box 4814 - 00506
Nyayo Stadium,
Nairobi

Email: amugeni@gmail.com

Dear Alphonce,

**REF** **Student Number:** MBA / 96452 / 17 **Protocol ID:** SU-IERC0276/18
**ASSESSMENT OF THE ADOPTION OF PRINCE2 METHODOLOGY ON PRODUCT DELIVERY IN THE BANKING SECTOR: A CASE OF CBA BANK**

We acknowledge receipt of your application documents to the Strathmore University Institutional Ethics Review Committee (SU-IERC) which includes:

1. Research Proposal version 2 dated 12th December 2018
2. Participant Information Sheet and Consent form version dated 12th December 2018
3. Research Questionnaire dated 12th December 2018
4. Research Budget
5. CV

The committee has reviewed your application, and your study *"Assessment of the Adoption of Prince2 Methodology on Product Delivery in the Banking Sector: A Case Of CBA Bank"* has been granted **approval.**

This approval is valid for one year beginning **14th December 2018** until **13th December 2019.**

In case the study extends beyond one year, you are required to seek an extension of the Ethics approval prior to its expiry. You are required to submit any proposed changes to this proposal to SU-IERC for review and approval prior to implementation of any change.

SU-IERC should be notified when your study is complete.

Thank you

Sincerely,

Amina Salim
**Regulatory Affairs Fellow**

STRATHMORE UNIVERSITY INSTITUTIONAL ETHICS REVIEW COMMITTEE (SU-IERC)
14 DEC 2018
TEL: +254 (0)703 034 000
P. O. Box 59857 - 00200
NAIROBI - KENYA