INFLUENCE OF PROJECT MANAGEMENT PRACTICES ON PERFORMANCE OF MOBILE MONEY TRANSFER SERVICES IN NAKURU COUNTY, KENYA

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ABSTRACT

Mobile money transfer has grown rapidly in Kenya over the last one decade. Through mobile money services, Kenya is meeting a long-standing challenge in providing financial services to the large population that does not have traditional bank accounts, the "unbanked. "The overall objective of this study was to establish the influence of project management practices on the performance of mobile money transfer in Nakuru County, Kenya. The specific objectives of the study were to determine the influence of monitoring on the performance of MPESA in Nakuru County, to examine the influence of risk management on the performance of MPESA in Nakuru County, to assess the influence of project leadership skills on the performance of MPESA in Nakuru County and to establish the influence of stakeholder participation on the performance of MPESA in Nakuru county. A survey design was used in the study. This research design was used because the study mostly involved the use of non-numerical data of descriptive nature collected through a questionnaire. The study used both probability and non-probability sampling techniques to create a sampling frame for Safaricom employees. Stratified sampling was one of the probability techniques that was used in order to avail equal chances of selection to M-PESA employees in different categories of large, medium and small cluster group. The researcher used a sample size of 63 respondents out of the accessible target population of 420 employees. The study findings indicated that there is a positive and significant correlation between monitoring and evaluation, risk management, project leadership skills, stakeholders' participation and performance of MPESA mobile money. A regression analysis established that monitoring has the most influence on performance of MPESA followed by project leadership skills, then stakeholders' participation and the least is risk management. The study concluded that, though monitoring and evaluation are important in influencing performance of MPESA Money, awareness of the existing processes needs to be done to employees. Management of MPESA Money requires specific sets of skills and competencies. Regular training should be done to equip the team with the relevant skills. The study therefore recommends awareness programs on the existing plans and processes of monitoring and evaluation. The management should also conduct regular training for its employees in order for them to acquire the necessary skills to deliver as required.

Key Words: *project management practices, performance, mobile money transfer services, Nakuru County, Kenya*

INTRODUCTION

Mobile money is a term used to refer to mobile telephone-based financial services offered by telecommunication service companies (Forden,2015). Mobile money transfer generally refers to payment services operated under financial regulation and performed from or via a mobile device (Forden, 2015). Instead of paying with cash, cheques or credit cards, a consumer can use a mobile device to pay for a wide range of services and digital or hard goods. Mobile money transfer is an innovation that was aided by Information Communication Technology of the Mobile Network Operators (MNO) that provide services such as voice, data, short messages services that enable customers to communicate and transfer money through their mobile phones (McCusker,2000). The Mobile Network operators enable the transfer between customers of one or other Networks to pay, purchase or transact money. This can be between Person to Person, person to bank, Person to Business or between business organizations. The introduction and viral use of mobile phones has greatly assisted as it is a channel for the financial transactions. Statistics indicate that the total number of mobile users worldwide as per 2019 is forecasted to reach 4.68 billion that marks a rapid growth in the ownership of unique mobile subscribers.

According to the analysis of data collected through Groupe Spéciale Mobile Association Annual Global Adoption Survey in 2017, new trends in mobile money from the accelerated growth of bank to mobile interoperability, to the emergence of Africa as the fastest growing region and a raft of innovations designed to reach the most underserved. The mobile money industry is now processing a billion dollars a day and generating direct revenues of over $2.4 billion. With 690 million registered accounts worldwide, mobile money has evolved into the leading payment platform for the digital economy in many emerging markets.

In Africa mobile money transfer services has shown great relevance since for years traditional banks had shied away from serving many Africans because of the costs of physical branch expansion and the risks associated with serving low income people .(Mccusker,2000) Since the breakthrough of the first mobile money services in Africa about a decade ago, new technologies and innovative business models such as agent banking and M-banking have led to the creation of mass market for affordable, accessible and sustainable financial services for low income people, small scale entrepreneurs and people In rural areas (Muya, 2015).

In Kenya, small and medium enterprises have adopted the use of mobile payments as a way of transacting their businesses because of the affordability of mobile phones and the mobile banking services they offer (Mbogo, 2010). M-PESA, an acronym derived from mobile money using the Swahili word ‘M-PESA ’meaning money and ‘M’ standing for Mobile, is an SMS based application that was invented in 2007 as a mobile phone-based platform for money transfer and financial services by Vodafone that considered ways of supporting microfinance through its mobile platform as access to banking and credit was limited in Kenya and transporting cash was both risky and slow. Since then M-PESA mobile money has undergone explosive growth. In 2013, a staggering 43percent of Kenya’s GDP flowed through MPESA mobile money with over 237 million person to person (P2P) transactions. MPESA mobile money is very basic to daily lives of Kenyans due to a range of services that include money deposit, withdrawal, and remittance of delivery, bill payments and microcredit provision.

Nearly a decade after its launch, MPESA mobile money has transformed economic interaction in Kenya. Its success has reshaped Kenya’s banking and telecommunication sectors, extended financial inclusion for nearly 20 million Kenyans and has facilitated the creation of thousands of small businesses. MPESA mobile money has been especially successful in reaching low income Kenyan's. Groups that have limited access to formal financial services have benefited from the financial products offered through MPESA mobile money. In Particular, its short term 'Pay Bill 'Account service allows users to fundraise for a variety of purposes, including expenses relating to medical needs, education and disaster relief (Safaricom, 2018).

There is gap that exists within the mobile money industry in regards to their influence on performance of mobile money services. Many researches have been conducted in regards to the factors affecting the implementation of mobile money services in Kenya but little has been done and documented on project management and the its influence on mobile money transfer in Kenya. This research will therefore fill the gap by finding out the influence of project management practices on the performance of M-PESA mobile money transfer services in Nakuru County, Kenya.

STATEMENT OF THE PROBLEM

In the last decade, mobile money transfer has seen immense growth in Kenya especially in the major towns and cities among the unbanked population. Although mobile money transfer has registered significant growth over the years, service providers still face many challenges in keeping up with the market dynamics and technological changes in the industry. Managing the changes in dynamics of the industry requires proper planning and employing high-level management practices. Most of these organizations do not have a framework that embeds project management practices into their culture and in the management of these services. Performance of mobile money transfer services is highly influenced by the project management practices that are in place; hence; lack of a defined framework that embeds project management practices within the culture of the organization may lead to poor performance. The statement of the problem is to find ways of improving MPESA mobile money competitiveness in the Kenyan industry that is attracting other major competitors including Orange money and Airtel money. The research aims to find the knowledge gaps that must be filled in order to help MPESA mobile money as the service provider to maintain its high market share, improve its profit generations, meet customers' needs and satisfaction and seek stakeholders support both locally and internationally to expand its services to other parts of Africa and even worldwide. This research, therefore, is sought to find out the influence of project management practices on the performance of MPESA mobile money in Nakuru County, Kenya.

PURPOSE OF THE STUDY

The purpose of this research was to find out the influence of project management practices on the performance of M-PESA mobile money in Nakuru County.

OBJECTIVES OF THE STUDY

1. To evaluate the influence of monitoring on the performance of MPESA mobile money transfer.
2. To analyze the influence of risk management on the performance of MPESA mobile money transfer.
3. To determine the influence of project leadership skills on the performance of MPESA mobile money transfer.
4. To determine the influence of stakeholder participation on the performance of MPESA mobile money transfer.

LITERATURE REVIEW

Performance of MPESA Mobile Money Transfer

Project performance is a subject of utmost concern to most stakeholders in any project. The main expectation of many stakeholders from projects is their performance in terms of achievement of objectives. Satisfactory achievement of set objectives is what makes a project Successful. According to Chan and Chan (2004), project performance is tied to project successful, which is also tied to project objectives. Project performance can be measured in Different dimensions such as project efficiency, impact on customer, business success and preparedness for the future. There are three basic objectives around which performance of projects is tied: time, cost and quality. The overall performance of any project is invariably an aggregation of the individual performance of each project objective.

High level of administrative ability in the project team is a factor for improved project performance. Project managers who have the ability to have managerial control over their projects increase the chances of achieving project success. The administrative ability and Managerial control can be highly influenced by the organizational structure adopted for management of projects. (Bryde, 2003) determined that the structuring of a project plays a significant role in the success of the project. Project management activities that facilitate project success are grouped into two main areas, which require the establishment of the organization structure for their effectiveness (Loo, 2004). The areas cover technical (planning, controlling and procedures) and people (leadership, participation, communication).

According to most research in the mobile money industry, performance is measured in terms financial inclusiveness and poverty reduction among the unbanked population (Must &Ludwig, 2010). Mobile money makes it easier and more affordable to send remittances, increasing the reach and affordability of microloans and decreasing cost of saving. Increased mobile phone penetration and mobile money accessibility in developing countries contributed to a 0.8 % increase in economic growth (World Bank, 2012). Additionally, mobile money significantly impacts on the ability of households to spread risks as a result of reduced transaction costs compared to households without mobile money who are likely to suffer a drop in consumption when hit by a negative income shock (Jack &Suri, 2011). As such, mobile money contributes to great satisfaction of its users and helps organizations to improve their profitability.

Monitoring and Performance of MPESA Mobile Money Transfer

Monitoring refers to the routine task of collecting and analyzing information in order to track the progress of a project against a set plan checking compliance to set standards. Monitoring is the art of collecting the necessary information with minimum effort in order to make a steering decision at the right time. It helps management to identify patterns and trends and helps the management to make informed decisions. The information collected constitutes a database that is important for analysis, discussion, and evaluation and reporting. Monitoring and evaluation are important practices in project management as they help in reinforcing effective actions and triggering corrective actions. Monitoring a project helps to identify challenges in the management of the project and make recommendations, which stimulates organizational learning to improve processes and management of projects. Organizational culture plays a crucial role in approving and making improvements at the project and organization level. Improvements of projects must be well put in place and embedded into the organizational culture to become part of the daily management activities of the organization (Loo, 2002).

A research carried out by Darren and Pinter (2004) reveals that not many organizations have a formal mechanism embedded in their culture to support routine meetings to analyze key lessons drawn from monitoring results and take the necessary actions to adapt the lessons learnt. Organizational learning and adaption, in most cases, happens in an unplanned manner without the organizations making intentional and formal plans. Ideally, monitoring and evaluation should involve embedding clear indicators into strategies, tracking progress, drawing and learning lessons, and signaling where changes are necessary. This will involve having progress reports presented and conducting the practice on a regular basis. Additionally, organizations should adapt integrated mechanisms for assessing, following up, evaluating and providing feedback on the performance of projects.

A monitoring and evaluation framework, which should be part of the project proposal, helps organizations to measure project success and demonstrate outcome and accountability prerequisites on projects performance (IIRR, 2012). According to a report by World Bank (2004), participatory approach in monitoring and evaluation enables active involvement of all project stakeholders in decision making processes and gives a sense of ownership in the results and recommendations of the exercise. Accountability and transparency are paramount in managing mobile money transfer services, hence the need for reliable feedback and information regarding their performance – including successes and challenges – which should be communicated regularly to stakeholders. There is scarce literature showing organizational commitment by MNOs to establishing guidelines on monitoring and evaluation practices in management of mobile money projects. Commitment to monitoring and evaluation requires mechanisms that help organizations to understand their progress towards meeting their goals and objectives.

Monitoring and evaluation, as a project management practice, is a crucial function of project management as it plays a critical role in the success of projects. Proper monitoring and timely feedback on the management of a project provide inputs for controlling the project team, hence enhancing the quality and performance of the project. Monitoring provides information of how a project is performing in terms of resource use during its implementation with progress reports, while evaluation assesses the effectiveness of the project in achieving its objectives and determining its relevance and sustainability (Uitto, 2004). As Lawal and Onohaebi (2010) stipulated in their research, monitoring of projects by relevant bodies is crucial and of great importance as this practice provides insights concerning project completion and success. The project manager is tasked with regular monitoring and measuring of the processes and activities of the project, both qualitatively and quantitatively, at individual, team and entire project levels (Claudia & Oleg, 2011).

Risk Management and Performance of MPESA Mobile Money Transfer

The mobile money industry is prone to different kinds of risks that threaten their operations and performance: systemic risks, operational risks, reputation risks, liquidity risks, legal risks and fraud. A systemic risk is an occurrence that could cause collapse of the system or result in adverse public perception, which could possibly lead to lack of confidence in the service provider. Operational risks hinder the organization from effective operation of its business and result in losses due to failed internal processes, systems, people, or external events. Reputation risks damage the image of an organization, its systems and products. Liquidity risks reduce the ability of MNOs to meet cash obligations upon demand. Legal risks may result in unpredictable lawsuits or contracts that may affect the MNO"s business practices. Fraud is a risk that exposes stakeholders to loss of their money held within the money transfer system due to deliberate deception or trickery by other stakeholders in the system (Lake, 2013).

The global environment in which MNOs operate is rapidly changing, just as the risk management practice and decision making process about risk is dynamic. Keeping pace with such dynamics within the mobile money industry and risk management practice is vital to the daily operations and performance of MNOs. Kerzner (2009) views risk management as a process that involves planning for risks, identifying risks, analyzing risks, establishing risk response strategies, and monitoring and controlling risks to determine their change. Risk Management is one important aspect of sound project management practice as risks affect not only the achievement of project goals and objectives, but also those of the entire organization.

Risks are naturally inherent. Risks can occur at any stage of project execution and this necessitates risk management throughout the project cycle. After project execution and implementation, projects should be closely monitored and managed to detect any event or occurrence that may be potential risk to the performance of the project. Risk management involves planning for risks, identifying occurrences that cause risks and developing strategies for mitigation and contingency plans to minimize their impact on the project performance (Royer, 2002). Effectiveness of managing project risks depends the ability of the project team to understand the sources of variation in project performance, and the ability to work to minimize threats and to maximize opportunities where feasible (Kendrick, 2009). The practice of risk management ensures that all significant risks that may threaten the performance of a project or service are identified and understood in order to allocate resources and establish strategies for treating the risks.

MNOs should determine and employ strategies for managing risks inherent in the daily operations of mobile money transfer. This is important because managing risks increases chances of the organizations achieving their objectives and enhancing their performance in terms of profitability and customer satisfaction. In the mobile money industry, customer confidence in the image of an organization and quality of products is very importance for the survival and effective performance of the organization. The state of customer satisfaction with the service delivery of MPESA mobile money is not sufficient, which could be a potential risk of customer disloyalty in using the service. As such, there is great need to incorporate risk management in the management of MPESA mobile money in order to determine potential risks and ways of mitigating them.

Although risk management is one of the important practices in project management, is has been noted that little has been done in this respect (Ibbs & Kwak, 2000; Zwikael & Globerson, 2006). Ibbs and Kwak (2000) developed one of the first articles that referenced the importance of risk management. The study was done among project managers from four sectors: telecommunications, manufacturing high technology products, information technology and construction engineering. As many researchers stipulate, risks and uncertainties are inherent to projects, probably because, by definition, a project is unique in every aspect, hence faces unknown factors. However, strategies for managing risks and uncertainties in different projects may require different approaches (Atkinson, Crawford & Ward, 2006; Cleden, 2009).

According to Zwikael and Ahn (2011), the effectiveness of risk management is pegged on the importance of understanding the project context, considering the industry's and country's levels of project risk. The authors highlight that even moderate levels of risk management planning will play a significant role in reducing the negative effects of risk on project success. The inefficiencies in the risk identification process in complex projects contribute greatly in the failure of projects (Reeves et al., 2013). According to their findings, the manner in which this process is carried out often fails to identify events and circumstances that challenge project performance. Bakker, Boonstra and Wortmann (2012) suggest that in addition to the instrumental impact of risk management on project performance, communication play a key role in establishing a common vision of the project's uncertainties and the expectations for its success.

Project Leadership Skills and Performance of MPESA Mobile Money Transfer

Project leadership skills exert great influence on the performance of projects through various ways, such as team collaboration, resource management, communication and team development. According to Jiang (2014), project leadership skills influence project performance in two ways: direct way and indirect way. In the direct way, application of appropriate project leadership skills improves project performance with corresponding competencies. In the indirect way, appropriate project leadership skills improve teamwork, which helps to achieve effective project performance. The project leadership skills applied in managing a project influences the performance of the project.

According to Zenger and Folkman (2002), leadership skill is the combination of abilities, knowledge, attributes and traits, which collectively enable a person to perform a certain task. Leadership skill combines the use of knowledge and competencies to achieve set objectives, and this skill is acquired through training, practice and can be a talent (Kiioh, 2015). Over the years, leadership skills have been found to exert influence on the performance of projects. Leadership skills combine competencies such as technical expertise, problem-solving, innovation, self-development, results-oriented, personal initiatives, effective communication, effective interpersonal skills, motivation for others, and honesty (Zenger & Folkman, 2002). Leaders who demonstrate ability to combine multiple competencies are most effective in their performance of achieving project objectives. According to Yukl (2006), the different combinations of competencies are required at different levels of management in an organization, with conceptual skills having greater importance at higher levels while technical skills more important at lower levels. However, some combinations of competencies are equally important at all levels, as equally interpersonal skills are required at all levels of management.

Performance of mobile money projects is greatly influenced by the skills of project leaders or managers. The relationship between project leadership skills and performance of mobile money projects is indicated by several factors. For example, today's mobile money markets are dynamic and are featured by innovation-based competition, performance rivalry and creative nullification of existing competencies. Visionary project leadership involves creating a strategic vision/objective, communicating that vision to all relevant team members, modeling the vision consistently, and building commitment towards the vision (McShane & Von Glinow, 2000). According to some scholars, visionary project leadership leads to high levels of cohesion, trust, commitment and motivation, which greatly improves performance (Zhu et al., 2005).

Effective project leadership skills can be achieved through training, which will result in improved performance. The ultimate aim of training and development programs is to add value to leaders and employees (Munchers, 2015). According to Obisi (2011), training and development of employees should be a continuous activity. Training helps employees to acquire skills needed to perform their work, which ultimately helps organizations to achieve their objectives. In project management, training should aim at developing new or improving existing skills and competencies of project managers and project team members (Lytras, De Pablos & Avison, 2010). Training and work-related workshop activities improve the capacities, knowhow and practical experience of project team members. As a result, the project team is equipped with skills and experiences that will enable them to perform their duties to achieve project objectives.

The relationship between effective project leadership skills and strategic project goals and objectives is significant in improving project performance and developing organizational culture that foster innovation and flexibility. Luthans, Norman and Hughes (2006) highlight that this practice in project management helps to produce and develop employees' competencies and behaviors that are needed to achieve the project's strategic objectives. It is the responsibility of project managers to identify and ensure that all the employees who are part of their project team are appropriately trained and qualified. Organizations should invest in their human resources by providing training, education and development programs that will enhance their skills and performance. The process of improving an organization's human resources involve a rigorous exercise of identifying the functions, responsibilities, authorities and interrelationships of all employees who manage, perform and verify work affecting quality (Berson & Avolio, 2004).

In their research, Chaudhry, Kalyar and Rehman, (2012) found that project leadership is important in providing guidelines to employees, managing them efficiently and working with them to understand the nature of their work and solve their problems. Effective leaders arrange training programs for their employees to help them understand their work and improve their skills to achieve project objectives, and help them know about new procedures and technologies used in their kind of work (Jing & Avery, 2011). The effectiveness of project leadership in influencing project performance can be strengthened through the personal capabilities of the project leader. The leader should be proactive in his/her work and have the ability to motivate his/her employees, which can be possible only if he/she is skilled and experienced. The belief that project leadership plays a significant role in influencing project performance and morale is universally accepted, but little research emphasizes on this issue (Jing & Avery, 2011).

Stakeholders Participation and Performance of MPESA Mobile Money Transfer

Jeffry (2012) proposed a model of engaging stakeholders that builds a proactive two-way process between the organization and the stakeholder where communication, proposals and opinions can come from either party. As a result of this engagement, an organization can change its normal practice of managing its projects to incorporate changes that will enhance its performance. This is an interactive process where an organization learns and uses the new knowledge to improve its performance as it engages stakeholders at higher levels of project management; hence developing relationships of mutual respect and collaboration. Participation of stakeholders in discussions regarding project activities and projections empowers them and enhances their understanding of the project objectives (Charles, Antoine & Haarman, 2006). It is through participation, action and regular contact with stakeholders that the project's objectives become vital, and the team members are able to manage change with stronger networks, organizational ability, skills, passion and leadership (Chinyio & Akintoye, 2008). Most mobile money projects fail to achieve their performance targets due to inadequate empowerment of the project team through participation of stakeholders. Therefore, management of projects should ensure coordination of all the stakeholders involved in the project. Effective performance of mobile money projects demands efforts and involvement of both the project team and the beneficiaries to ensure ownership and sustainability.

Stakeholder participation is about developing and sustaining relationships between stakeholders and the project team. Effective stakeholder participation requires organizations to develop strategies for engaging with stakeholders and understanding their needs and concerns, which helps to obtain accurate information regarding stakeholders' expectations (Ayuso, Rodriguez, Garcia & Arifio, 2007). Based on their research, giving attention to stakeholder involvement and management of projects is paramount in aligning participants and their perspective on project performance. As such, a project manager must gain sufficient understanding of the stakeholders and their interests in order to manage their participation in an efficient manner.

Stakeholder participation can take place at different levels and stages of a project, and can take many different forms. These range from contributing inputs to a project, information sharing, decision-making, consultation, empowerment and partnership. Participation of stakeholders can be seen as both a means and an end. As a means, it is a process in which project team members and key stakeholders collaborate and cooperate in the management of projects. As an end, stakeholder participation is a process that results in empowerment of project team members and key stakeholders through acquisition of skills, knowledge and experience, which leads to improved project performance.

A well-managed stakeholder engagement process fosters the spirit of working together, which increases comfort and quality, while decreasing negative impacts and increasing the economic sustainability of the project. Therefore, a project is more likely to succeed in the long-term if it takes into consideration the expectations of the stakeholders and endeavors to meet their needs (Karlsen, Græe & Massaoud, 2008). Engagement is about development and sustaining relationships between stakeholders. Organizations that engage with their stakeholders actively at all levels of project execution and management are more likely to succeed with the achievement of the potential benefits (Chinyio & Akintoye, 2008). Effective project management thus becomes the art of optimizing long-term performance benefits for the organization based on successful stakeholder engagement and meeting their needs (investors, customers, employees and suppliers) (Jeffery, 2009). Although the importance of stakeholder participation in projects is well acknowledged, there is still little discussion on the role of stakeholders and project performance measurement, especially in the mobile money industry

THEORETICAL REVIEW

The theoretical review contains relevant theories on the area of project management practices and shows the efforts of MPESA mobile money and Safaricom, in general has done to ensure the steady performance of the mobile transfer services to be the leading company in Kenya. The theories considered here are prospect theory, systems theory and constraints theory. Prospect theory is a theory that describes the way people choose between probabilistic alternatives that involve risk, where the probabilities of outcomes are uncertain. It touches on decision-making practices that shape performances of projects and goods and services. Prospect theory is designed to help organization in making decisions by better understanding the internal and external environment, predict choices in a world of uncertainty and plan. The theory explains how these choices are framed and evaluated in the decision-making process. Prospect theory is descriptive and empirical in nature. It focusses on two parts of decision making: the framing phase and the evaluation phase. The framing phase describes how a choice can be affected by the manner in which it is presented to a decision maker. The evaluation phase consists of two parts, the value function, and the weighing function, where the value function is defined in terms of gains and losses relative to the reference point.

Prospect theory will analyze how MPESA the leading mobile money transfer system manage its project operations and risk management in Kenya. The theory will analyze Safaricom's leadership, stakeholder participation and their monitoring and evaluation strategy to ensure the system remains efficient and reliable to customers amid changes in market and technology dynamics. System theory is a theory developed by Ludwig von Bertalanffy in 1945 and it investigates both the principles common to all complex entities, and the models used to describe them.

Systems theory states the real systems are open to and interact with, their environments, and that they can acquire qualitatively new values through emergence, resulting in continual evolution. The systems theory shows the influence of project management practices on the performance of MPESA mobile money. Safaricom, the parent company of MPESA mobile transfer services can use system theory to experiment with the effectiveness of their systems and projects in delivering the set objective and meeting customers' needs in Kenya. The research shows that utilizing the systems theory can help MPESA mobile money in providing mobile money at a lower rate and retaining customer's loyalty. The system can help the company understand the market well to help in acquiring new potential customers, find new sources of revenue and increase their average revenue per user. In addition, the system theory will help evaluate how MPESA manage to incorporate different project management activities such as inputs, outputs, leadership, feedback, and control.

The relevance of systems theory to this study cannot be overemphasized as it focuses on the importance of monitoring and evaluation as a way of providing regular feedback that is used to improve the performance of mobile money transfer services. Telecommunication companies in Kenya are taking a huge chunk of traditional banking revenues through the introduction of mobile money services and agency banking with products such as MPESA, Orange Money, and Airtel Money. With this variety of convenient money transfer channels, clients are placing exceptional pressure on the telecommunication companies to catch up with new market innovators or run the risk of missing business. This feedback from customers and competitors is seeing these companies restructure and redefine the way they do projects coming up with new and innovative products in a bid to protect their market share from competitors.

Constraint theory is a theory developed by Eliyahu Goldratt and it is applicable in many aspects of project management and performance measurement. Theory helps firms analyze the most important constraints or bottlenecks in their management systems and how to improve efficiency and improving customer satisfaction. Constraints are setbacks that stand in the way of a company from maximizing its performance and achieving its goals and objectives. The theory is based on five steps, which include identifying the system's constraints that limit progress toward the goal, exploiting the most important constraint, subordinating everything else to the decision made by managing the system's policies, processes, and resources (Bangens and Soderberg, 2012). The procedure aims to support the decision, elevating the constraint by adding capacity or changing the status of the original resources to increase the overall output of the constraining task or activity, and finally going back to step one and identify the next most important constraint

RESEARCH METHODOLOGY

Research Design

A survey design was used in the study Ogula, (2005). This research design was used because the study mostly involved use of non-numerical data of descriptive nature collected through a questionnaire. In addition, the data required for analysis was collected from a large population, whose features would not be comprehensively observed at an individual level. According to Orotho(2003), descriptive research is a method of collecting information by interviewing or administering a questionnaire to a sample of individuals. The descriptive design was selected in this study because enabled the researcher to gather numerical and descriptive data to assess the relationship between the variables. This made it possible to produce statistical information on the influence of project management practices on performance of mobile money transfer services in Nakuru County, Kenya.

Target Population of the Study

A population can be defined as any group of institutions, individuals or objects that have common observable characteristics Ogula, (2005). Gakuu et al (2006) define a population as an entire set of relevant units of data or analysis. The survey was conducted at Safaricom Office in Nakuru County. The target population for this study comprised of 420 full time employees of MPESA shop in Nakuru County.

Sample Size and Sampling Procedure

A sample is a subset of the target population that is selected for a study. Members of a sample are called subjects or respondents of the study (Mugenda & Mugenda, 2003). The researchers indicate that a sample population is a representative population selected from the accessible population to be used as a representative for the purpose of a study. According to Mugenda and Mugenda (2003), a sample size of between 10% and 30% is considered adequate for in-depth studies and provides a good representation of the target population. The manageable sample for this study constituted a sample size of 15% of the target population, which was 63 respondents.

Research Instruments

The main tool of data collection for this study was questionnaires. The questionnaires were used because it will offer considerable advantages in the organization. It also presented an even stimulus potentially to large numbers of people simultaneously and provide the investigation with an easy accumulation of data. Gakuo et al maintains that questionnaire give respondents freedom to express their views or opinion and to make suggestions. It is also anonymous. Anonymity helps to produce more candid answers than is possible to interviews.

Data Collection Procedure

Primary data was obtained using a semi structured questionnaire. Respondents were departments that relate with MPESA directly or indirectly which include: customer care, business market, finance, quality & audit, and IT departments. The questionnaires were administered through ‘drop and pick later ‘method.

Data Analysis Techniques

Data analysis involves summarizing large quantities of raw data, categorizing, rearranging and ordering data to provide a meaningful presentation of the data (Mbwesa, 2006). The researcher first screened the data to identify any omissions or errors. Data from the questionnaires were coded and entered in electronic spreadsheets using Statistical Package for Social Sciences (SPSS) version 23 for analysis. Frequencies and percentages were generated. Means were also generated as a measure of central tendency while standard deviation were done to measure the spread of the variables. Correlation was undertaken to determine relationships between the independent and dependent variables. Pearson's correlation model was used as below:

$$\frac{\sum_{i=1}^{n}(x_i - x)(y_i - y)}{\boldsymbol{r} = \sqrt{[\sum_{i=1}^{n}(x_i - \bar{x})^{2}][\sum_{i=1}^{n}(y_i - \bar{y})^{2}]}}$$

Where: xi and yi are the values of x and y for each individual

Regression analysis was done to determine the influence of monitoring and evaluation, risk management, project leadership skills and stakeholder participation on performance of MPESA. The regression model that was used is presented below.

$$Y=\beta 0+\beta 1X1+\beta X2+\beta X3+\beta\ X4+\varepsilon$$

Where: Y = Performance of MPESA; β0= Constant; β1, β2, β3, β4 = Regression coefficients; X1 = monitoring and evaluation; X2 = risk management; X3 = leadership; X4 = stakeholder participation, ε = error term

All tests will be two-tailed and significant levels were measured at 95% confidence level and significant differences were recorded at an alpha level of 0.05 ($p<0.05$). Qualitative data was consolidated and analyzed by identifying themes and generating frequencies. After analysis, the findings were presented using tables based on the research objectives.

RESEARCH RESULTS

Monitoring and Performance of MPESA

From the findings, the organization has a well-documented plan for assessing and tracking projects/service delivery, although confirmation from interviews indicated that many employees were not aware of the documented plan for monitoring. This was confirmed by the responses given by the interviewees who stated that monitoring is conducted at least once in a month, though sometimes done on a weekly basis. Only a few respondents agreed that project and service status is tracked consistently and reports circulated to relevant stakeholders and that feedback from stakeholders is considered to improve the performance of MPESA. From the correlation analysis, monitoring is positively and significantly related to performance of MPESA.

Risk Management and Performance of MPESA

The study findings reveal that there exists documented plan for reporting events that may pose potential uncertainties on delivery of services. Confirmation from interviews showed that the organization has an internal plan to manage risks that may arise from MPESA, which include fraud, terrorism funding among others. The findings indicate that there is effective communication of potential and identified uncertainties to stakeholders and managers effectively manages, evaluates and records potential and identified uncertainties. Mitigation or such risks is done through close monitoring, training and continuous system tests to close any loopholes. From the correlation analysis, risk management is positively and significantly related to performance of MPESA.

Project Leadership Skills and Performance of MPESA

The findings indicate that the project manager of Safaricom is appointed based on an individual’s ability to influence people. The organization requires that the Safaricom team to have specific sets of abilities at different levels of management and most respondents agreed that multiple competencies and qualifications are an indication of capability to influence others. The study also revealed that training for managers is critical for effective management of the Safaricom team, although few respondents agreed that training is conducted regularly to equip the project team with relevant skills. Effective project leadership skills help to align the project team to the objectives of the project, hence improving its performance. Correlation analysis indicated that project leadership skills are positively and significantly related to performance of MPESA.

Stakeholders' Participation and Performance of MPESA

The findings revealed that stakeholders are actively engaged in brainstorming challenges and way forward and regular communication is done among the Safaricom stakeholders. Responses from the interviewees confirmed that stakeholders, who include the ExCom members, are involved in defining MPESA strategy. Stakeholders receive information regarding performance of MPESA through monthly ExCom meetings. The findings indicate that engagement of stakeholders promotes their satisfaction, ownership and sustainability of outcomes. Correlation analysis indicated that stakeholders' participation is positively and significantly related to performance of MPESA.

Performance of MPESA

Document analysis of performance of MPESA indicate that there was an increase in customer satisfaction and revenue generation over a period of three years. This growth is attributed to the continuous improvement of management practices within the organization over the years. Generally, respondents agreed that customers are satisfied with MPESA services, although majority indicated dissatisfaction with accessibility of the service outlets on the interiors of Nakuru County. Suggestions to improve MPESA include: increase number of outlets and agents across the country, improve network coverage to avoid downtime, provide prompt customer care responses to improve user experience, create awareness of the services and provide the service independent of its partner Banks.

CONCLUSIONS

Monitoring and performance of MPESA

The study concluded that monitoring is an important practice in managing MPESA Money. It was found that monitoring is positively and significantly related to the performance of MPESA Money. However, there is no awareness to employees of the documented plans and processes for monitoring and evaluation. The internal management of Safaricom also does not consistently follow up on the reports provided on performance of MPESA Money services and does not report the same to relevant stakeholders. The study also concluded that feedback provided is not acted upon by relevant stakeholders in a manner that would close performance gaps that exist.

Risk management and Performance of MPESA

From the findings, the study concluded that there exists a documented plan for reporting events that may pose potential risks on delivery of MPESA Money services. Such risks include fraud, terrorism funding, customer turnover and third party ownership of the platform. The study found out that such risks result in big losses if not mitigated in time. Risk mitigation/management methods include: training and awareness, close monitoring, follow ups and continuous system tests. However, the study found out that review processes after the application of the mitigation measures for the identified uncertainties are not well defined and practiced.

Project Leadership Skills and Performance of MPESA

The study concluded that the Safaricom project manager is appointed based on his/her ability to influence his/her team. Safaricom management team is required to have specific sets of abilities at different levels of management and multiple competencies and qualifications are an indication of capability to influence others. Although training for managers and their teams is critical for effective management of the MPESA, it was found that regular training is not done to equip the team with the relevant skills. This affects service delivery and management of the system.

Stakeholders' Participation and Performance of MPESA

The study concluded that stakeholders are actively engaged in brainstorming challenges and way forward and regular communication is done among the Safaricom stakeholders. However, only stakeholders who define the strategy are engaged actively while those who deal directly with customers of MPESA are not actively engaged. Engagement of stakeholders promotes their satisfaction, ownership and sustainability of outcomes; hence participation of stakeholders from all sectors of the organization would result in better performance.

Performance of MPESA

The study concluded that MPESA has seen gradual improvement in its performance in terms of customer satisfaction and revenue generation over the years. This growth is attributed to the continuous improvement of management practices within the organization over the years. However, suggestions to improve the performance of MPESA Money include: increase number of outlets and agents across the country, improve network coverage to avoid downtime, provide prompt customer care responses to improve user experience, create awareness of the services and provide the service independent of its partner banks.

RECOMMENDATIONS

The study recommends that more stringent measures should be put in place to ensure proper monitoring and evaluation processes are followed. Such measures include consistent follow ups on reports and feedback, consistent communication to stakeholders and implementing lessons learnt from previous experiences. The organization should create awareness of its documented plans and processes for monitoring and evaluation in order to reinforce effective 56 actions and trigger corrective actions. This will also help to create an organization culture that will become part of the daily management activities of the organization.

The organization should emphasize the need to manage risks related to MPESA and make it its priority to educate its employees on the mitigation strategies. This is important because managing risks increases chances of the organizations achieving their objectives and enhancing their performance in terms of revenue generation and customer satisfaction. Customer confidence in the image of the organization and quality of its services is very important for the survival and effective performance of the organization. As such, the study recommends the organization to conduct continuous follow ups and elaborate mitigation strategies.

The study concluded that risk review processes are not well defined and practiced. As such, the study recommends that the Audit department should spearhead this function by developing a framework that guides in the risk review processes. The risk review processes will enhance risk mitigation by minimizing threats and maximizing opportunities.

The study recommends that in order to realize improved performance of MPESA Money, the organization should conduct regular training for the Safaricom team and its managers so that they are equipped with the relevant skills. Project leadership skills combine the use of knowledge and competencies to achieve set objectives, and these skills are acquired through training.

The study concluded that not all stakeholders are engaged in resolving challenges and defining way forward for MPESA Money. The study, therefore, recommends that the organization should define measures that will ensure all stakeholders participate actively in resolving challenges and defining strategies. This will promote their ownership and sustainability of the solutions. The organization should adopt a model of engaging stakeholders that builds a proactive two-way process between the organization and the stakeholder where communication, proposals and opinions can come from either party. As a result of this engagement, the organization can change its normal practice of managing its projects to incorporate changes that will enhance its performance.

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