ADDIS ABABA UNIVERSITY

COLLGE OF BUSINESS AND ECONOMICS

SCHOOL OF COMMERCE

PROJECT MANAGEMENT PRACTICES: A CASE STUDY OF CORE BANKING UPGRADING PROJECT IN NIB INTERNATIONAL BANK

BY: HAILE TEKALIGNE

A Project Work Submitted to Addis Ababa University School of Commerce in Partial Fulfillment of the Requirements for the Degree of Master of Arts in Project Management

June, 2022

Addis Ababa, Ethiopia

Declaration

I, the undersigned, declare that the research entitled "PROJECT MANAGEMENT PRACTICES: A CASE STUDY OF CORE BANKING UPGRADING PROJECT IN NIB INTERNATIONAL BANK " is the result of my own effort and study that all sources of materials used for the study have been acknowledged. I have conducted the study independently with the guidance and comments of the research advisor.

This study has not been submitted for any degree in any university. It is conducted for the partial fulfillment of the Master of Arts Degree in Project Management.

__________________________ ______________________

Haile Tekaligne Date

Letter of Certificate

This is to certify that Haile Tekaligne has conducted this project work entitled "ASSESSMENT OF PROJECT MANAGEMENT PRACTICES: A CASE STUDY OF CORE BANKING UPGRADING PROJECT IN NIB INTERNATIONAL BANK" in under my supervision.

This project work is original and suitable for the submission in partial fulfillment of the requirements for the award of Master of Arts Degree in Project Management.

Approval Board Committee:

______________________	______________	_______________
Research Advisor	Signature	Date
Worku Mekonnen (PhD)		
______________________	______________	_______________
Internal Examiner	Signature	Date
______________________	______________	_______________
External Examiner	Signature	Date

Acknowledgement

My first and foremost thanks go to almighty GOD, Virgin Mary and saint Mercurius.

Next, I'd like to convey my sincere gratitude to my adviser, Worku M. (PhD), for his modest supervision and prompt reaction during the research period.

I'd like to thank my wife and my families for their unreserved support throughout the research process. Also, I'd want to thank everyone who has contributed directly or indirectly to the success of our research, particularly all NIB International Bank workers who took the time out of their hectic schedules to complete the research questionnaire.

Abstract

Organizations are increasingly recognizing and emphasizing the value of project management practices also outline the effect of each project management practice on the success of projects. Meanwhile, there is a lot of knowledge and practical gap on project management practice. Therefore, this study aims to find the knowledge gaps that must be filled regarding to the role of project management practices on projects that are conducted in the financial sector by investigating the level of project management practice that is implemented in Nib international bank core banking upgrading project. The design used for the research was a descriptive research which utilized a questionnaire as a means of obtaining primary data. In this research a total of 30 questionnaires were distributed to project team members and 29 responses were collected for analysis. Also focus group discussion was held with the project manager and project coordinator. The collected data was analyzed quantitatively using descriptive statics method in SPSS and the interview part was analyzed manually by collecting main points that was raised in the discussion. Overall, the finding of the study revealed that the implementation of project planning and project execution practice is low. It is recommended that there should be effective application of project planning and execution process in the core banking upgrading project.

Keywords: Project management *practice, project phase, core banking upgrading project*

Acronyms and Abbreviations

COVID	A disease caused by coronavirus in 2019 (‘CO’ stands for Corona, ‘VI’ for virus ‘D’ for disease. 19 is the year)
PMBOK	Project Management Body of Knowledge
PMI	Project Management Institute
ISO	International Organization for Standardization
APM	Association for Project Management
PMA	Project Management Association
CBE	Commercial Bank of Ethiopia

Contents

Contents

List of Tables

List of Figures

CHAPTER ONE

INTRODUCTION

This chapter is an introductory part of the study where the background of the study, statement of the problem, objectives, significance, scope, and limitation of the study, definition of key terms and organization of the study are stated.

1.1. Background of the Study

Project management practices refers to the approaches, tools, and strategies used in project management (PMBOK, 2017). Both business organizations and project-based organizations apply project management practices in managing projects. Effective project management practices, according to Kerzner (2009), ensure that the project will meet not only the needs of stakeholders but also the project's primary objectives (budget, schedule, and quality). Additionally, it guarantees that the project satisfies the criteria for which it was initiated. On the other hand, poor project management practices would cause projects to fail.

Since projects are typically well thought out and planned before they begin, it is important to comprehend the project cycle. A project has a beginning and an end. According to Kosura (2000), a project goes through a cycle that starts at the project initiation phase and includes planning, execution, monitoring and controlling, and closing. These phases shouldn't be skipped because they are all essential to a project's success.

Globally the core banking implementation project is known to be complex, sensitive and capital intensive. This is due to the fact that it requires effective and efficient application of project management practices. The cornerstone of a project's success is proper application of project management practices, and if these practices did not applied well, it could result in a project that fails to uphold the project management tenets of quality, timeliness, and budget (Meirelles, Teres & Santos, 2019). Many banks have tried to implement systems, but they have been met with disappointment since, more often than not, the expenses have increased, the quality remained unsatisfactory or inferior, and the time required has been intolerable. Completing projects on schedule, within budget, and at the required quality has often been difficult for the banking sector (Skibniewski, 2007).

The chance of a project being successful in banks seems to be greatly influenced by the application of effective and efficient project planning and project execution practices. A study made by Koshura (2000) stated that, the execution phase is a crucial part of the project management process. This process should be properly planned in the project planning phase. This necessitates the clear establishment of the project's objectives, the selection of the best approach for achieving these objectives, the clear division of the project into manageable units, the definition of performance standards, the establishment of sufficient timelines for delivery of each unit, the establishment of the proper sequence of competing the various sub units, the establishment of a standard and clear schedule to manage all the activities thus avoiding any confusion and overlaps, and designing proper staff organization and allocating each staff duties and responsibility for accountability, determining the cost involved, establishing need for training and ensuring staff are adequately trained to safeguard the quality standards and establishing the necessary policies and procedures to guide the delivery of the project.

Kumbhar (2009) stated that, in India core banking implementation projects record poor outcome due to vain project planning that was characterized by improper management plan, inappropriate work breakdown structure, inaccurate estimation of project time and ineffective stakeholders' communication scheme.

In Africa, many banks engaged in implementing core banking system by considering its importance for the process of digitization and technological advancement. However, despite the increase in the implementation of various core banking system, some of the experience failure in changing their core banking system (Mutuma, 2018).

In Ethiopia, even if the core banking system is a recent phenomenon most of the banks that operate in the industry engages in launching new systems and upgrading the existing one. Esayas (2016), revealed that Bunna international bank was not successful in implementing its core banking system project since the project failed to be delivered on the expected time period. Sirak (2018), stated that in CBE core banking system implementation project was conducted within extra cost and time while meeting the predetermined benefits.

1.2 Background of the Organization

Nib international bank was founded on May 26 1999 with a paid up capital of Birr 27.6 million and an authorized capital of Birr 150 million by 717 shareholders, under license no. LBB/007/99 in accordance with Ethiopia's commercial code and the proclamation for licensing and supervision of banking business proclamation no. 84/1994. The bank began operations on October 28, 1999 with 27 employees. It became the country's sixth private bank to receive a banking license.

The bank provides commercial banking services such as deposit mobilization, local and international money transfers, loan providing, foreign exchange facilities and so on.

Nib international bank as a financial institution in Ethiopia, is involved in a variety of projects that aid advancement of technology and the development of IT infrastructure within the bank. These projects are expected to strengthen the bank's customer base and improve its performance.

1.3 Statement of the Problem

The planning and execution practices are the integral parts of the projects conducted by banks by facilitating the project management process and good management practice in banking institutions. (Michael et.al, 2008). In order to improve project performance and ensure success of projects, effective planning and execution practices are essential. (Hartman & Ashrafi, 2004). Globalization and technical innovation in the banking industry have facilitated the introduction of core banking system reforms to enhance the delivery of financial services. These external factors have prompted banks to implement effective project planning and execution practices in an effort to complete core banking implementation projects successfully. A study made by the World Bank (2014) revealed that project planning and execution practices contribute to successful implementation of organizational projects.

Ethiopian banks are offering various kinds of bank products and financial services. This necessitates the need for the implementation of core banking system in order to run mobile banking systems, ATMs and internet banking systems effectively. (Sirak, 2018).

According to Aynalem (2018) banks must establish clear and understandable goals and objectives, effectively manage scope changes during implementation, assign competent project managers and project teams, sufficiently involve end users and vendors, and top management should provide the necessary support by ensuring that the required tools and resources, guidance, and support are provided to ensure the success of core banking implementation projects. However, she didn't consider the role of project planning and project execution practices on the success of core banking implementation projects.

Tezera (2017) also stated that the success of the core banking system implementation process is due to a professional project manager, regular project progress monitoring, a devoted team, and top management and vendor support. In his study Tezera also ignores the contribution of effective project planning and project execution practices for the successful completion of core banking projects.

According to Musau (2015), core banking implementation projects that are conducted by Kenyan banks are highly influenced by human resource management and project scope management. This study failed to show that without effective project planning and project execution process it is not possible to realize the objectives of core banking implementation projects.

The study made by Kayemba (2019) also disregard the role of project planning and project execution processes. This study affirmed that project team interconnectivity, project team structure, project team complexity and government policy have positively influenced most of core banking implementation projects that are conducted by Kenyan banks.

Many of the early core banking system installations were either inflexible or took an unacceptable amount of time to develop and successfully operate due to the high level of adaptations required to satisfy the individual requirements of each bank's service need. Ramkumar (2004), estimated that around 40% of core banking system implementations fail globally. The majority of core banking implementation projects ran over budget or ran late (Minz et al., 2006). The reason behind this inefficient performance of core banking implementation projects has not yet been fully addressed by different studies.

Despite the fact that several studies have been undertaken on the implementation of core banking projects, the role of project planning and project execution practices on the success of these projects have not been studied in detail.

In addition to this, Nib international bank as a bank that operates in Ethiopia’s financial sector also implemented a core banking upgrading project aspiring to increase its competitive advantage and strengthen its service provision capacity. However, this project didn’t perform well and failed to fully realize its primary objectives. Apparently, the bank is losing its potential customers which in turn lowered its competitive advantage. Therefore, this study aimed at bridging the existing knowledge gap by examining the role of project planning and project execution processes on the implementation of core banking project in Nib international bank. The study also conducted in aspiration of solving the current problems of the bank which are directly related to its core banking upgrading project.

1.4 Research Question

Based on the above statement of the problem, the study attempts to address the following questions:

1) What were the major gaps of the project planning phase of the core banking upgrading project implemented by Nib international bank?
2) What were the gaps seen in the project execution phase of the core banking upgrading project implemented by Nib international bank?
3) What were the major challenges of project management practices in Nib international bank core banking upgrading project?

1.5 Objective of the Study

1.5.1 General objective

The general objective of the study is to assess the project management practices that are applied by Nib international bank in the project of upgrading its core banking system and identify the gaps relative to the project management practices explained in the PMBOK.

1.5.2 Specific objectives

The study has the following specific objectives.

1) To identify the gaps of the project planning phase of the core banking upgrading project implemented in Nib international bank.
2) To identify the gaps of the project execution phase of the core banking upgrading project implemented in Nib international bank.
3) To identify the challenges on project management practices that applied in core banking upgrading project of Nib international bank.

1.6 Significance of the study

It is believed by different scholars that a research is able to provide solutions to things that are unknown, bridge gaps in knowledge and improve the way that something is done. Therefore, any kind of research has its own contribution to the existing knowledge, introduce new ideas and insights to what is known before and improve thoughts about a certain body of knowledge.

Similarly, this study is significant by assessing the project management practices that are put in place in order to show how well they are practiced and contribute to the success of a project. This will help the project management team to improve the project management practices and enhance the ability of completing projects within time, budget and according to the standards set for the project.

In addition to this, the findings will contribute to other organizations which have similar projects to improve their performance in managing such projects. Plus to this, the study will also serve as a reference regarding to the role of project management practices in managing projects.

1.7 Limitation of the Study

Every study has its own limitation. This study is conducted in aspiring to assess the project management practices that are used by Nib international bank project office in conducting a core banking system upgrading project. This is the main limitation of the project since it only focuses on the project management practices of a single bank. In addition to this, the time given to the study is also another limitation of this study.

1.8 Scope of the Study

This study is only concentrated on assessing the project management practices that are stated by PMBOK and their application in managing a core banking system upgrading project in Nib international bank. Hence, conceptually the scope of this study focuses on the implementation of project management phase practices.

Even if currently more than twenty private banks are operating in Ethiopia, methodologically the target population of the study contains only one private commercial bank which is Nib international bank. Questionnaire is used to gather primary data and the respondents are all core banking upgrading project team members.

1.9 Organization of the Study

The study is divided into five chapters. Chapter one consists of the introduction part which contains problem statements, objectives, scope and limitations of the study and the significance of the study. Chapter two is the literature review which includes different definitions of project, project management and project management practices. Chapter three is about the methodology. In this chapter, the methodologies that were used to gather the data that is required to make the study. Chapter four discussed about the results of the data collected which is analyzed properly. The last chapter, chapter five presents the conclusion drawn from the findings and the implications of the findings for future studies.

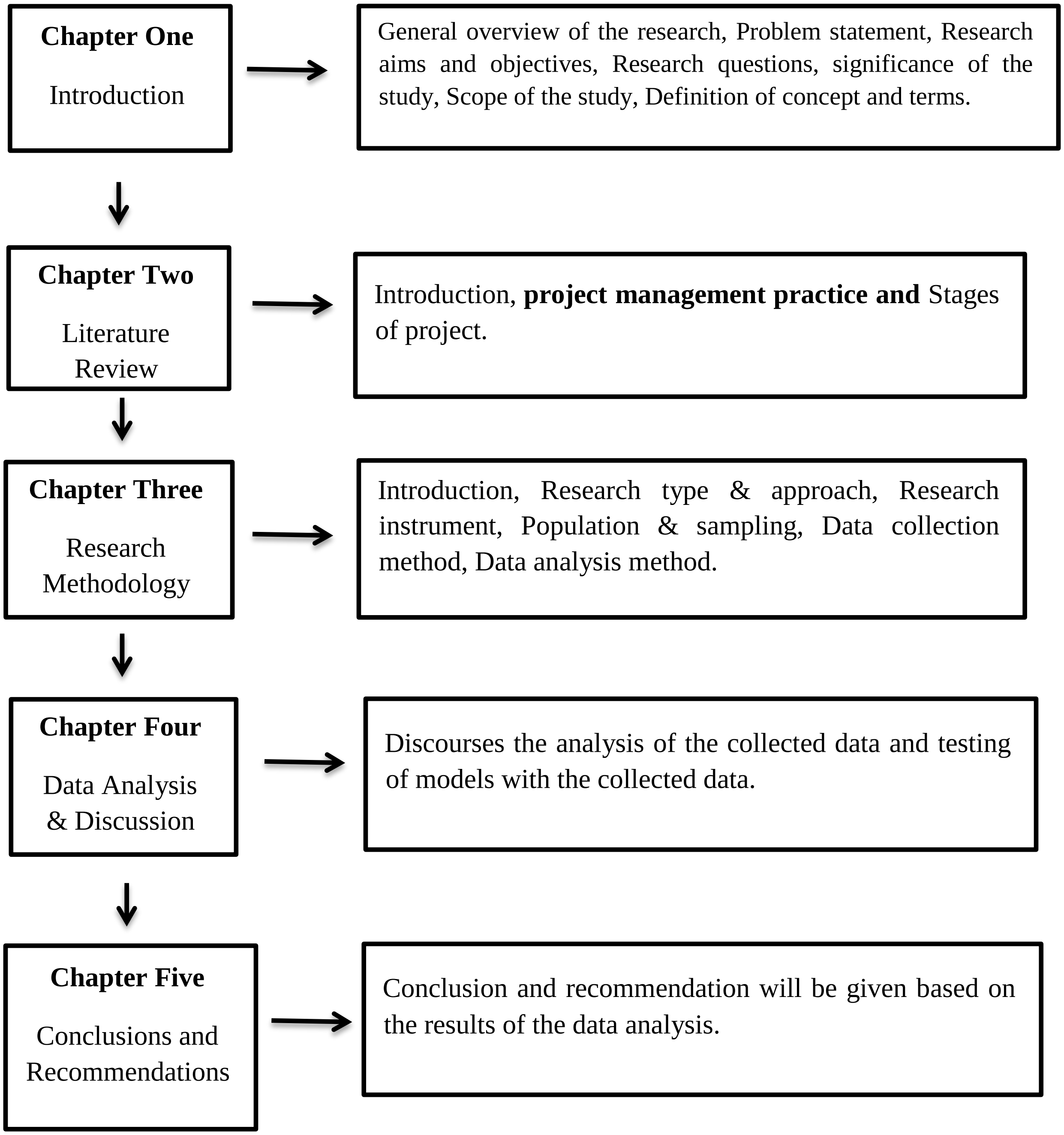

Figure 1: Research methodology and Structure

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

In this section the researcher will present review of related literature which focuses on project management practices and core banking system. To begin, the researcher reviews basic definition of project, project management, project management practices as well as core banking system. The researchers look at the current role IT in the banking sector. Other literature relevant to the topic and displaying empirical outcomes is also assessed and recognized as a source of evidence as well as for assuring the accuracy of the study.

2.2 Theoretical Review

In this section the concepts of project, project management and project management practices will be discussed.

2.2.1 What is Project?

As an interdisciplinary field, project has different definitions. Based on this fact, different scholars define projects in different ways. Of these definitions, the most widely used definition for the concept of a project is given by the Project Management Institute (PMI). PMI defines project management as a temporary effort to produce a unique product, service, or outcome (PMBOK, 2017). From this definition, we can see that a project has its own start and end periods, which is a phenomenon that runs within the defined time period. It also receives what is referred to as a delivery item. The project is not a day-to-day task and is considered a one-time task (PMBOK, 2017). There are other definitions that are similar to the PMI definition. A project, according to Lake (1997) is an attempt involving a set of actions and resources aimed at accomplishing defined outcomes while taking into account time, quality, cost, and other constraints, as well as requiring adjustments. It is also defined as a unique process consisting of a set of coordinated and controlled activities, including start and end dates, to achieve goals that meet specific requirements such as time, cost, and resource constraints (ISO-10006). It is seen that the project looks like based on the definition above:

- Essentially unique
- Clear goals to achieve
- Has a specific time frame to complete with a clear start and end time

2.2.2 Project Management

Project management is the utilization of processes, methods, skills, knowledge, and experience to attain specific project objectives within agreed-upon parameters like practices, methods, skills, knowledge, and experience (APM body of knowledge, 2019).

Project management is performed, according to PMBOK (2017), through the proper use and integration of the project management processes established for the project. Various academics believe that project management is critical to the successful execution and completion of projects.

Project management is defined by PMA, the international project management association, as a time- and resource-constrained operation that produces a set of defined deliverables that meet quality standards and requirements. Similarly, Kerzner (2013) defined project management as a sequence of activities involving the planning, organizing, directing, and regulating of an organization's resources in order to meet certain goals and objectives.

2.2.3. Project Management in Banking Sector

There has been a rapid growth in understanding the necessity for and execution of projects and business practices in the previous twenty years, according to numerous literatures (Davies, 2002). In recent years, banks have made significant investments in a variety of projects that will help them better serve their clients and improve their performance. These bank-led projects are a result of the banks' desire to provide outstanding service to their clients. Delivering great service, according to Dawkins and Reichheld (1990), is a vital strategy for success and survival in today's competitive world.

Customer service is critical in the banking industry because clients are the backbone of the industry. Customer happiness appears to be one of the top priorities for banks

(Aborampah, 2010). This is due to the fierce competition that exists in the banking sector.

As a result, project management expertise is required to effectively manage these projects and achieve the desired outcomes. Project management plays a significant role in project success by initiating project tasks along the lines of scope, time, quality, and budget; planning and organizing company resources and the work force; executing the project with high quality; and successfully closing the project meeting the project standards within the given time constraints (Munns & Bjeirmi, 1996).

2.2.4. Project Management Practices

Project management practices refer to the approaches, tools, and strategies used in project management (PMBOK, 2017).

Organizations are becoming more project-oriented and adopting project management in today's dynamic business climate in order to achieve corporate objectives and thrive in the market. Management through projects has become a useful tool for integrating organizational activities and motivating groups to attain superior performance and efficiency (Gabriela, Stephen, and Madalena, 2013). Different sorts of tools, strategies, and approaches are utilized to manage these projects in the hopes of achieving the intended results. These project management techniques are employed throughout the project's life cycle, from start to finish (Gabriela et al., 2013).

Project management methods are critical for improving project performance. According to different researches, efficient project management strategies help projects operate successfully and achieve efficiency.

Project management techniques can be used in a variety of ways. According to a research by Besner and Hobbs (2012) project management differs depending on the type of project: engineering and construction, business and financial services, information and technology, and software development projects.

2.2.5. Project Management Practices in the Banking Sector

As previously stated in this study, several types of projects are conducted on a continual basis in the banking sector in order to meet the needs of clients and to survive the harsh rivalry that exists in the market. As a result, the majority of the projects are IT-driven, assisting banks in expanding their client base, lowering transaction costs, increasing advertising and branding opportunities, enabling service modification, and enhancing customer relationship management (Garau, 2014). Because project management knowledge is used to handle those projects, project management techniques become very significant.

According to many authors, banks that successfully execute projects use excellent project management practices as a tool to drive change and achieve business goals. According to Badewi (2016) project management practices are necessary for project success. As a result, a variety of businesses, including banks, have begun to employ project management techniques after learning about their advantages.

According to Thomas and Mullaly and Thomas (2009) appropriate project management procedures enhance the likelihood of project success. However, the applicability of project management principles may differ amongst institutions. As a result, depending on the context of the project and the banks' specific requirements, project management approaches used in projects undertaken by different banks would change.

Various studies have found that the majority of bank-run projects are finished with significant cost overruns, stretched timetables, and poor quality. And the majority of these projects are IT-related. Mongare (2017) claimed that in order to achieve their goals, banks should involve stakeholders throughout the project cycle and use risk management systems. However, based on a review of relevant literature, no unique project management approaches are used to handle the aforementioned and other project issues.

2.2.6. Project Management Process Groups

Project management is a well-known process aimed at attaining particular goals via the use of various strategies and procedures. The steps of the project management process are as follows:

1) **Initiating Process Group**: Project initiation is the first stage in launching a new project, and it defines the project's purpose as well as the business value it generates (Caeleigh, 2021).

The initiating process group encompasses the processes, actions, and abilities required to properly define a project's start. Projects with inadequate project initiation processes have a significant risk of failing or performing poorly. According to Anastasiia (2021) 75 percent of IT projects are assumed to fail from the start. This demonstrates the significance of the project initiation procedure.

2) **Planning Process Group**: The planning process group includes processes that define and refine the project's overall scope, construct the course of action required to achieve those objectives, develop the components of the project management plan, and develop the project documentation utilized to complete the project (PMI, 2017).

According to Gibson, Wang, Cho, and Pappas (2016) excellent pre-project planning leads to better performance in terms of cost, schedule, and operational characteristics. Planning and analysis are vital, according to Dvir, Raz, and Shenhar (2003) and the more planning a project has, the more effective it will be. Furthermore, the time spent on these activities will lower risk and improve project performance. Similarly, according to Moris (1998) inefficient planning causes project failure. As a result, it is stated that if the planning process group is used effectively and efficiently, it can help projects achieve their goals.

The project management plan should be baselined. According to (Schwalbe, 2016), the baseline should be necessary to define at least the project references for scope, time, and cost, so that the project execution can be measured and compared to those references and performance can be managed. Before the baselines are defined, the project management plan may be updated as many times as necessary. No formal process is required at that time. But, once it is base lined, it may only be changed through the Perform Integrated Change Control process. Consequently, change requests will be generated and decided upon whenever a change is requested. This results in a project management plan that is progressively elaborated by controlled and approved updates extending through project closure (Serrador, 2013). Thus, a project plan is created outlining the activities, tasks, dependencies, and timeframes.

3) **Executing Process Group**: This is a process group that performs the tasks outlined in the project management plan in order to meet project objectives. It is the link between the company's strategic vision and the achievement of results (Higgins, 2005). The majority of the project's energy and resources are directed to this process group in order to keep the project on schedule despite numerous project restrictions. It's also linked to the project management process's usage of tools, methodologies, and practices (Besner & Hobbs, 2006).

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

4) **Monitoring and Controlling Process Group**: The monitoring and controlling process group includes the procedures for tracking, reviewing, and regulating the project's progress and performance (PMI, 2017). This process group is performed periodically throughout the project's life cycle to determine whether the project is progressing according to plan. It also looks for any deviations in the project's implementation process. Pinto and Slevin (1989) mentioned timely project performance reporting and dealing with unanticipated occurrences that deviated from the plan as significant success elements.

5) **Closing Process Group**: This is where all of the project's activities and processes are done, and the project is closed. The closing process group is where the client receives the final products, services, and other project deliverables (Cobb, 2012).

2.2.7. IT in the Banking Sector

As previously stated in this paper, banks engage in a variety of projects in order to meet client requests and expand their industry capacity. As a result, the majority of bank projects are IT projects that aid in the achievement of the aforementioned goals and technical growth. Due to the growing demand for quick, effective, and dependable services, industry participants are increasingly turning to technology to meet customers' wants and preferences (Mahaney & Greer, 2014).

Banks pay a lot of attention to IT projects since they have a lot of potential and provide a lot of chances for the banking industry. By addressing the changing demands of clients for businesses, IT has changed how commercial transactions are handled (Brown & Molla, 2015). It provides customers with services that are cost-effective, timely, and methodical. Furthermore, effective use of technology has aided accurate and timely management of banks' growing transaction volumes, which are associated with a larger customer base (Rakhi & Ajit, 2018).

As new financial technology and digital transformation emerge, the banking sector will be forced to continually create digital goods and services while also automating procedures (Apiladosi, Putu & Ave, 2019).

Some of the IT projects conducted in the banking sector include launching and upgrading core banking system, development of mobile banking services, production of ATMs and other products and services (Negalign & Lisanework, 2016).

In general, IT helps the banking sector by boosting client-based services, lowering exchange costs, improving service quality and capacity, and establishing a solid communication process and customer relationship (Garau, 2014).

2.2.8. Core Banking System

Banks use a variety of technical tools to reach out to their consumers and meet their demands. The core banking system is one of these instruments that enables banks to quickly reach their clients, cut service costs, and strengthen their competitive advantage in the industry. The core banking system is a platform that combines communication and information technologies to meet banking's essential functions, such as handling deposits and loans (Chairlone & Ghosh, 2009). The core banking system, according to Raffizadeh & Shahsavari (2013) is a fundamental solution for conducting the core business activities of the banking business, allowing connection with other organizational systems and providing services through various channels.

The deployment of a core banking system takes time and money, meaning that sophisticated processes are involved. It is thought that the implementation process will necessitate the deployment of numerous resources from the particular bank, and that incorrect process management will result in major bank interruptions (Hamid & Shahhiar, 2018).

Using a core banking system is not an option in today's modern banking sector; it is a necessity (Raffizadeh & Shahsavari, 2013).

2.2.9. Core banking system in Ethiopia

Recent changes to the banking landscape in Ethiopia have prompted banks to recognize the need of core-banking transformation. Older platforms are costly to maintain, and consumer protection legislation and regulatory standards like Basel III call for improved data consistency, quality, and visibility throughout the bank (Yoseph, 2018).

Additionally, as banks try to set themselves apart, there is a greater need for flexibility and scalability in operations and fundamental banking systems. The need to respond to both internal and external business imperatives, such as growth and efficiency, as well as regulatory and competitive pressures, is what drives core banking transformation.

To meet the needs of various client segments, there are a rising number of products. The complexity of multi-channel banking is also rising as a result of the expanding number of channels. Due to this, core banking systems have needed to be upgraded in order to accommodate an increase in the number of product-channel transactions and payments (Capgemini Analysis, 2013). In order to increase internal cost reductions, banks are turning to core banking system transformation as they seek to increase internal IT efficiency in the present macroeconomic context. The goal of today's core banking systems is to optimize existing core application and hardware processing costs while integrating many stand-alone applications. This helps banks lower the high maintenance costs associated with older IT systems. Because of this fact banks that operate in Ethiopia’s banking sector engaged in the implementation of core banking projects.

2.2.10. Project planning in Core banking implementation projects

It is well known that planning is the backbone of every project activity. According to Israel, Dvir, Raz, and Shenhar (2013), in conducting projects having a solid plan is essential for the project to succeed. It is claimed by their study that a project will succeed if it is completed according to schedule.

As core banking implementation projects are complex and requires a huge amount of budget and considerable time period, effective project planning activities should be employed in order to realize the success of these projects. Mathenge (2013) in his study on how banks plan their core banking implementation projects cited that before genuine execution of project begins, banks ought to attempt definite arrangements which cover perspectives such as time plan, work done, input assets, between linkages, association and administration frameworks and cost arrangements. He noticed that different inputs such as labor, materials, cash and so forth may not be easily acquired within the time allocated in the plan hence impacting on the timelines. Critical tasks in a project should be allocated ample time. The study provided a link between planning and effective project implementation.

Senhar (2001), stated that better planning is the norm in high technology projects like the core banking implementation projects due to the zeal of completing the projects successfully.

2.2.11. Project Execution and Core banking Implementation

Project failures are linked, according to Matta and Ashkenas (2003), to poor execution practices. They advocate shifting the attention to project execution and changing the focus. Some of the execution hazards, where one project component is incompatible with another component and results in malfunction and a lack of interoperability of the components, have been noted. In essence, the primary project could still fail due to incompatibility of the elements brought together even when each team member completed their tasks in good time and under budget.

When implementing a sophisticated banking system like the core banking system, banks may need to frequently visit other banks that have already executed the system in order to learn from them and avoid having to start from scratch. In the development and execution phases, more than 65 IT projects are abandoned, according to research by Gupta, Khan, Gallaba, and McIntosh (2017). It is strictly affirmed by different studies that the execution process should be properly practiced in order to ensure the success of core banking implementation projects. The execution stage in the life cycle of core banking implementation projects is determined by an organization's capacity to carry out and deliver on projects, and success in this stage results in the realization of benefits from the projects (Yoseph, 2018).

Execution of core banking systems depends on who takes the lead, the support offered by the financial regulation in the country and if the systems are used for transformational banking or additive banking. For that reason, lack of proper tracking on related projects may lead to failure (Kuen, Zailani & Fernando, 2009).

2.2.12. Project Management Constraints

Projects are conducted to solve issues, meet requirements, and capitalize on possibilities. However, the project management process is hampered by a variety of restrictions. The project's success is determined by how well it overcomes these obstacles in order to achieve its goals (Fred & Henry, 2016). The key project limitations are time, scope, and money, according to various scholars, and many projects are judged based on meeting these constraints. However, according to Usman (2018) there are more restrictions in addition to the triple constraints, such as quality, risk, resources, sustainability, and customer satisfaction.

Applying effective and appropriate project management practices is critical for dealing with these constraints and reducing their impact on the project's success (Clarizen, 2019).

2.2.13 Project Management Challenges

The project management process is not an easy one; it is fraught with difficulties. Many projects fail to satisfy client expectations, resulting in cost and schedule overruns. According to Lewis (2006) projects are most difficult to complete when attempting to meet project objectives while minimizing the impact of project limitations. Project problems are frequently viewed as possibilities for success provided if they are appropriately managed.

Human resource management is the most significant difficulty that most projects confront, according to Amin, David, Ernawati, and Jane (2019). In addition, IT projects have been noted as having severe obstacles due to lack of sufficient funds, bad infrastructure, lack of competent labor and lack of managerial commitment (Esuh, Ojeniyi, & Norani, 2014).

2.2.14. Contribution of Project Management Practices to Project Success

Chukwuemeke (2011) highlighted the four main factors of project performance and these include project achievements with minimum resources, impact on the customer, business performance and future preparation. Project success has always a fruit of proper project planning, clear implementation of the project, coordinated monitoring and evaluation as well as project control. Zand (2010) assert that success is the ultimate goal of every project and is at the same time the function of skillful leadership that brings about knowledge work. The traditional approach defines project success as when the project meets the technical performance specifications and brings satisfaction to all project stakeholders (Thomas & Fernández, 2008) being project objectives, stakeholders satisfied with the results, project scope, completion on time and within budget, customer satisfaction. Shenhar, Milosevic, Dvir and Thamhain (2007) put forward the new approach to project success and assert that it refers to business-related processes that are designed to deliver business results instead of a collection of project activities that need to be completed on an agreed time frame.

According to Khang and Moe (2008), overall project success is measured with the realization of intended objectives, perception and appreciation by its end-users and key participants. Khang and Moe further argued that the modern approach to project success links the traditional project purpose to the final product and long-term goals. Dai and Wells (2004) agree proper implementation of project management practices brought more benefits of project management and revealed that despite those benefits project failure rates are still high.

Harvey (2005) and Chandra (2010) points out that for any project to perform, it is important to understand the degree of influence made by the project management practices in any organization. Project management practices have mainly contributed to either the success or failure of most of the projects. Lock (2007) observed the project success is justified by its timely completion, according to its specifications and within the budget. Therefore, poor project management practices often lead to projects being completed late or over budget, do not perform in the way expected, involve severe strain on participating institutions and or are cancelled before the completion after the expenditure of considerable sums of money.

Nalianya (2018) revealed that planning is found to be a positively related performance of agriculture projects. He also found that project monitoring and evaluation and project communication has influenced the performance of agriculture projects by community-based organization in Kenya. This study shows that much emphasis should be put on project management practices as vehicles towards project performance. Whittaker (1999) notes that 31 per cent of software projects in America are cancelled before completion due to delays and budget overlaps and more than 50 per cent costs an average of 189 per cent of the original budget.

2.3 Empirical Review

In this section, literatures that are related to this study are reviewed.

Gowan & Mathieu (2005) conducted an empirical study to investigate the importance of project management practices in IS projects. To conduct their study they have sent a survey to 449 persons who are responsible for system upgrading projects within their firm. By analyzing the survey, they found that IS projects that adopt formal project management practices have a greater chance of completion within the targeted time period.

A study made by Musau (2015) on the factors that influence the implementation of core banking system projects in Kenya revealed that human resource management, project scope management and project risk management practices have a remarkable influence on the successful implementation of the core banking system in NIC bank Kenya limited.

A study conducted by Biruk (2020) with the title “Assessment of project management practices in case of Bank of Abyssinia PMO IT projects” identified the ten project management knowledge areas to assess the project management practices applied in Abyssinia Bank’s IT projects. The study showed that applying project management practices appropriately can improve the Bank’s project conducting performance and ensure project success.

Dawit (2018) conducted a research on the role of project management practices in the implementation of CBE birr project in commercial bank of Ethiopia. In conducting the research, 28 questionnaires were distributed and 22 of them were responded. By analyzing the responses of 22 respondents, the study found that the execution process group was the most challenging process group in the process of managing the CBE birr project. In addition to this, the study also showed that there was a high deviation in project scope, quality and time due to improper scope planning, activity duration estimation and quality assurance. From these findings, the study pointed that there is a need to have a detailed project planning, proper stakeholder engagement mechanism and experienced project staffs in order to realize the successful completion of a project within the expected standards.

A study made by Mongare (2017) on the effect of project management practices in IT projects that are conducted in selected commercial banks of Kenya indicated that monitoring and evaluation process have a positive impact on implementation of IT projects which results in better project management process. The study also showed that stakeholder management and project risk management have a positive impact on the implementation of IT projects in selected commercial banks of Kenya.

Passey (2015) in his article entitled “Inclusive technologies and learning: research, practice and policy” stated that the purpose of IT projects is not the technology itself, but accomplishment of business goals and objective with customer satisfaction. It is also stated on the article that IT project management includes overseeing projects for software development, hardware installations, network upgrades, cloud computing and virtualization rollouts, business analytics and data management projects and implementing IT services.

Among other functions of management, planning is the most important and the basic process of project (Teubner, 2018). If this function is properly implemented, and controlled, then potential for achieving final objectives of an enterprise can be assessed. Teubner further states that, being a tool with which to design appropriate actions to achieve stated goals, planning is an educational process which can be used to learn, in advance, about hidden as well as obvious requirements of a complex venture.

The most common reason for project failure is poor project planning, specifically, risks were not addressed or the project plan was weak (Whittaker, 1999). According to the study of (Cuthberston & Sauer, 2003), 97% of project managers have participated in managing the necessary requirements and specifications. They spend about 12.3% of their time in planning. However, the practice of planning is not always good. Planning skills are also considered as important for successful project managers ((Cuthberston & Sauer, 2003).

A research conducted at the Commercial Bank of Ethiopia in 2013 shows that 38.5% of customers were dissatisfied with core banking system with regards to reduction in error on transaction, improvement of business doings in the bank, and flexibility of service provided. A usability test showed the existence of poor efficiency and low level of satisfaction of core banking systems in commercial banks in Ethiopia.

According to Neeti (2006) the strategic factors affecting the implementation of a new core banking system include; strong management support and initiative within the bank, executing large project in phases and developing pilot projects, adequate and thorough testing, strong steering teams with good leadership, ready help desk for user complaints and enquiries, vendors involving people with requisite expertise and knowledge of local business, and selecting strong partners in implementing the project.

Nairaland (2008) in his study demonstrated that the Zenith Bank one of the large Nigerian Bank has failed to complete their CBS implementation even after two years since implementation. The project implementation started with project scoping, after an extensive training that lasted about three months for up to about sixty users from the bank. The Bank intended to leverage on new banking system for its aggressive business strategies across subsidiaries, in Nigeria and abroad, and for its core banking needs. The new core banking implementation has been a very huge and massive implementation covering all business areas of the bank. Retail channels, corporate banking and lending, domestic treasury and international trade are covered by the proposed CBS. When the project is completed it was expected to run in over 200 Branches of the Bank. The implementation approach would be a bank wide deployment, which by implication means that user testing, training and system performance, and other change management issues must be meticulously and thoroughly executed by the time the system goes 'live'.

Ochieng (1998) did an analysis of factors considered important in the successful implementation of information systems and found that commitment from top management, vendor capabilities and adequate training and change management are critical. Musyoka (2006) did a survey of factors influencing choice of ICT systems for core banking activities in Kenya. His findings indicated that reliability, scalability and flexibility were the major factors.

Rahman & Qi (2016) found three key drivers of core banking implementation issues, namely management, technology and vendor after researching seven commercial banks in Bangladesh. These considerations include the agreement on requirements, the function of employees and vendors, the software's flexibility, user friendliness and ability to meet criteria, as well as the necessary employee skill sets and data transfer.

A study made by Million (2021) revealed that IT project planning has the following challenges; understanding the projects requirements, preparation of projects, risk assessment plan, resource availability of projects, high cost of trainings and consultancy, knowledge on new technologies, of compatibility of IT systems, communication with stakeholders, between project managers and project teams and delay of government procedures for procurement. From the interview and questionnaire response IT project teams somehow understand the requirement but when they ask for trainings and for new technology update, it takes high costs to fulfill the requests. Therefore, as technologies change rapidly the planning budget should be under consideration to cop up with new technologies. The finding also showed that IT projects participants were not engaged to finish the projects this leads to the organization to lose its expertise in the field that affect the resource planning.

2.4 Literature Gap

From the reviewed studies, it can be seen that most of the researches focus on other factors that influence the implementation of IT as well as core banking projects. And most of the studies did not examine project management practices specifically the project planning and project execution practices in a detailed manner which have been discussed earlier on this paper. This shows that there is a research gap on the application of planning and execution practices in projects that are conducted in the financial sector.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section of the study will present the methodology used to answer the research questions. It describes the research design, the data type and source of data, target population, the data collection method and the method of data analysis.

3.2 Research Design

In this study, descriptive research design method is used since it helps to describe the population accurately and systematically.

3.2.1 Research Approach

The research follows a mixed quantitative and qualitative approach to analyze the data that are collected from the respondents as a form of questionnaire and interview. The information found from the interview with some respondent is used as a guideline for the recommendation and fill the gap of the questionnaire.

3.3 Population and Sampling

3.3.1 Target Population

The study's participants are the 30 members of the project team that were active in the project management process.

3.3.2 Sample Design

Because the number of employees working in core banking project is limited, the researcher intends to conduct a census of respondents. Taking the entire population into account aids in determining and obtaining high-quality relevant information on the topic.

3.3.3 Sampling size

The sampling technique that is employed in doing this research is census method which is characterized by surveying all members of the population. This sampling technique is used in order to get an accurate and reliable result since it surveyed all the members of the population that are 30 in number.

3.3.4 Study Area

This study is conducted on the core banking upgrading project of Nib international bank. Hence, the area of this study is Nib international bank.

3.4 Questionnaire Design and Data Collection

3.4.1 Questionnaire Design

Questionnaire is used to collect the data for the study. The questionnaire is prepared based on the reviewed literature and from other researchers who conduct a study on similar topic.

3.4.2 Procedure of Data Collection

One of the methods the researcher intends to collect data for the study is by handing out forms that will be filled out and returned by respondents (Questionnaires). The researcher also intended to conduct interviews to get information on existing project practices on core banking, which would help in assessing project practices applied and the challenges in the process of applying project practices. Generally, the primary data needed for this study was collected through questionnaire and interview. Apparently, 30 closed ended questionnaires were distributed to the project team members and an interview was held with the project manager and the project coordinator.

In addition to this, secondary data was collected from the project plan of the core banking upgrading project, project execution reports and minutes of meetings on the project.

3.5 Method of Data Analysis

After collecting the questionnaire and taking interview from respondents, the researcher had decoded the collected data to SPSS and analyze the data based on different data analyzing methods which include statistical and verbal description. Since the research design is descriptive the findings of the questionnaire will be analyzed in descriptive analysis such as frequency and mean of each factor. To analyze the collected data, the researcher used SPSS 20. And the interview question was analyzed manually by summarizing key points which are addressed by the project manager and coordinator.

3.6 Scale Reliability and Validity

To test the internal reliability of the questionnaire, Cronbach's alpha test was used and found to be 0.887 which is higher than 0.7, thus the questionnaire has been believed to have adequate reliability.

Reliability Statistics

Cronbach's Alpha	N of Items
.887	25

Table 1: Reliability test of the questionnaire

Reliability test of the five phases

Project phase	Cronbach's Alpha	No. of Items
Initiation phase	.660	2
Planning phase	.679	9

Execution phase	.752	5
Controlling and monitoring phase	.754	5
Closing phase	.787	4

Table 2: Reliability test of the questionnaire by phase

Since all the values of the Cronbach's alpha of all phases is greater than 0.6, the questionnaire has believed to have an adequate reliability.

3.7 Ethical Considerations

The researcher used ethical research methodologies throughout the research process. Prior to collecting study data, study participants' consent was obtained to ensure the study's ethical quality. Respondents were told what the study's purpose was in order to make them feel more at ease when filling out the survey.

Participants were also informed that participation is completely voluntary, and that they have the option of skipping questions if they are unsure about the issues raised by the researcher. The participants were guaranteed confidentiality.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATON

4.1 Introduction

This chapter compiles, analyzes, and investigates the data collected from respondents in order to achieve the research's objectives. The results of the questionnaire and interview will also be interpreted. This chapter contains the response rate, general information about the project and the study participants, and a summary of the collected data by utilizing data presentation tools such as frequency, mean, and percentages. Tables and charts are also used to display organized data since they make the information easier to understand and observe.

4.2 Response Rate of Respondents

The focus of this investigation was Nib International Bank's core banking upgrading project office. This questionnaire was then distributed to all project participants. Because the sample design is a census, all relevant respondents were included in the sample. The sample size for this study was determined to be 30 people, and the researcher distributed 30 questionnaires and received 29 responses. This is a response rate of over 96 percent.

Table 3: Questionnaire survey response rate

No	Respondents	population	Number of sample size	Response	Response Rate (percentage)
1	Project team	30	30	29	96.67 %

Source: Own Survey, 2022

Before starting the data encoding, the questionnaires were checked for their completeness and reliability. All of them are found complete; hence all 29 questionnaires from respondents will be used for data analysis.

4.3 Project management practice

This section provides details on the Nib international bank core banking upgrading project management practices. The data was gathered via the questionnaire and thoroughly examined. The results were presented visually in figures and tables, and a follow-up focus group discussion was conducted with the core banking project manager and project coordinator.

4.3.1. Project Planning Phase

Table 4: Factors of Project Planning Phase

Q	List of planning phase factors	Frequency (%)					Mean	Std. Deviation
		1	2	3	4	5		
1	There was adequate and comprehensive management plan	17.2	34.5	31.0	13.8	3.4	**2.52**	**1.056**
2	The specific requirements of the project are determined	0	6.9	10.3	75.9	6.9	**3.83**	**.658**
3	There was appropriate work break down structure	10.3	13.8	34.5	37.9	3.4	**3.10**	**1.047**
4	The time required for the project activities was effectively estimated	17.2	48.3	24.1	6.9	3.4	**2.31**	**.967**
5	Risk management activities for the project were clearly defined	24.1	24.1	44.8	3.4	3.4	**2.38**	**1.015**
6	There was a standard that guide the project activities towards the successful completion of the project	20.7	41.4	24.1	10.3	3.4	**2.34**	**1.045**
7	There was appropriate procurement policy in the project management process	0	13.8	58.6	27.6	0	**3.14**	**.639**
8	Tasks were properly allocated to team members	0	13.8	20.7	65.5	0	**3.52**	**.738**
9	There was effective stakeholders communication scheme	34.5	37.9	13.8	10.3	3.4	**2.10**	**1.113**

From the above table it can be clearly seen that in the planning phase of the core banking upgrading project implemented by Nib international bank there was appropriate work break down structure, appropriate procurement policy, tasks were properly allocated to team members and the specific requirements of the project was determined. This is depicted by the mean value of these components of the planning phase. According to a study made by Devi & Reddy (2012), the highest tiers of the work breakdown structure can be given a project budget, and project budgets can be rapidly determined using the work breakdown structure for each project. A project schedule and budget can be created rapidly by assigning time and cost estimates to particular WBS parts. Specific WBS sections can be monitored as the project is carried out in order to gauge project cost performance and spot problems with the project organization. For additional details

Structures for project work breakdown can also be utilized to find possible dangers in a project. This also allows for better estimating of cost, risk, and time because you can work from the smaller tasks back up to the level of the entire project. Finally, it allows you double check all the deliverables' specifics with the stakeholders and make sure there is nothing missing or overlapping. In this regard, the core banking upgrading project of Nib international bank had a good stance.

Dawit (2018) in his study on the application of CBE BIRR project in commercial bank of Ethiopia revealed that the existence of appropriate WBS helps to realize project success by properly allocating scarce resources of the project and mitigating project risks.

It is also inferred from the table that in the core banking upgrading project there is a good procurement policy throughout the project management process. Various studies have shown that if there is a good procurement policy in projects, it will be an addition for the success of the project. Anawarzai (2018) asserted that a procurement policy is very crucial for the successful completion of IT projects by supporting purchasing processes and sourcing strategies.

It is also seen from the table that the specific requirements of the project are clearly defined in the planning phase of the project. This will guide the project team with clear picture of the expected deliverables of the project which in return has a positive impact in the realization of the project’s objectives. According to a study made by Thomas (2020), determining the specific requirements of a project helps the project management process by clarifying the scope of the project which is important to know about the size of the project and the things that involve in the project. This helps to develop an idea of the resources needed for the project and creates a basic framework to follow during the process of conducting the project.

Contrary to the aforementioned points, the table also contains factors that hamper the project planning practice in the core banking upgrading project. These factors are ineffective stakeholders’ communication scheme, lack of comprehensive management plan, lack of a standard plan that guide the project activities towards the successful completion of the projects, ineffective estimation of the time required for the project and failure to properly define the risk activities that should be employed in the project process.

As it is depicted on the above table, in the project the project management plan was inadequate to guide various activities that are conducted throughout the project management process. This can be mentioned as one major gap of the project planning process. Harold (2017) in his study argued that the existence of comprehensive plan in the planning process will create a clear understanding of the project for all those involved in the process. It is also noted in his study that it lays a ground for proper communication among project stakeholders which is very crucial for the smooth running of the project. Kayemba (2019) stated that among other influencing factors the project plan has a huge impact on the core banking projects conducted by Kenyan banks. It can be seen from this and other studies that adequate and comprehensive management plan is important for the successful completion of projects.

The other factor that is indicated on the table with low mean value is estimation of the time required for the project. When a project is commenced, the specific time needed to complete the project will be estimate. This is important to allocate resources effectively and meet the project's objectives. According to Akbarian (2015), effective project time planning provides background for effective project realization and the practice of time estimation is at its very core since time estimates drive schedule design and give structure to numerous project work processes.

The other factor with low mean value which is depicted on the above table is the risk management activities of the project. Various scholars claimed that effective risk management strategies and activities are essential for a project in order to identify the project's strengths, weaknesses, opportunities and threats. Plus these activities help to plan for unexpected events and prepare to respond if they rise. Otieno (2013) on his study on the role of risk management practices in core banking projects conducted by Kenyan banks indicated that most of Kenyan banks employed risk management practices throughout their core banking implementation process and become successful. Consequently, he recommended that banks need to adopt an integrated project risk management tool to be used by the project team. The study made by Musau (2015) also supported this statement of otieno. Musau on his study affirmed that core banking implementation projects are highly influenced by risk management activities.

In the table above it seen that in Nib bank core banking application project the stakeholders communication scheme was not effective. It is believed that effective stakeholders' communication scheme is critical to the successful completion of a project. Connecting with the right people and satisfying their demands throughout the planning and execution phases can significantly affect the results of the project. Haralayya (2021) stated that in order to make a core banking implementation project to deliver its maximum value, establishing an effective stakeholders' communication mechanism is important. Naqvi, Aziz & Rehman (2011) found that in implementing IT projects it is important to establish a proper stakeholders' communication scheme.

The project plan which was developed the project management office of NIB international bank has project management plan, project scope plan, project team plan and project risk plan. This plan have been used as a guiding plan for the project. However, this plan did not effectively estimate the project duration and the project has been rescheduled three times. In addition to this, the risk management plan was not effective enough to mitigate the challenges that arise during the project management process.

As seen from the above statements, the planning phase has some weaknesses and strengths. Apparently, this process has its own contribution to the proper management of the project. However, some of the basic factors that should be included in the planning phase has been missed and practiced poorly. This in turn impacted the execution process as well as the overall project process.

4.3.2. Project Execution Phase

Table 5: Factors of Project Execution Phase

Q	List of execution process factors	Frequency (%)					Mean	Std. Deviation
		1	2	3	4	5		
1	The work defined in the project management plan and approved changes were led and performed properly	10.3	58.6	17.2	10.3	3.4	**2.38**	**.942**
2	There was a process of checking whether the project deliverables meet the requirements specified by stakeholders	24.1	48.3	13.8	13.8	0	**2.17**	**.966**
3	Various activities have done in order to enhance team performance	20.7	20.7	41.4	17.2	0	**2.55**	**1.021**
4	The risk response plan was effectively implemented	6.9	27.6	62.1	3.4	0	**2.62**	**.677**
5	The bank communicated and worked with stakeholders to meet their expectations throughout the project life cycle	44.8	27.6	10.3	17.2	0	**2.00**	**1.134**

In the above table it is seen that all of the listed execution process factors have been practiced in low level. It is depicted in the table that the planned project work is not performed well. This had an adverse effect on the success of the project.

It is also indicated on the table that there wasn't an appropriate process to check whether the results of the project meet the requirements set by stakeholders. This is one of the biggest risk factors regarding to project success or failure. Harvey (2009) stated that many organizations suffered the consequences of missed deliverables because of lack of a mechanism to check these deliverables with stakeholders' requirements.

The other major factor that is presented on the table is the activities done to enhance project team performance. It is obvious that in order to complete a project successfully it is important to perform various activities that are crucial to motivate the project team and enhance the project team performance. Scott (2011) asserted that poor performance of the project team ruin all the project process and resulted in failure. In order to halt the happening of this adverse situation he recommended the application of various activities that strengthen the project team performance.

It is also seen on the table that the risk response plan was not implemented properly. Applying the risk response plan appropriately is a must for the successful implementation of a project. This will protect the project from unexpected occurrences that have an adverse effect on the project. However it is not well practiced on the core banking upgrading project of Nib international bank.

As it is mentioned in the discussion part of the planning phase, in the core banking upgrading project the proposed stakeholders' communication scheme was not effective enough. Similarly, it is also shown on the above table that the bank didn't communicated well with the project stakeholders'. This had a huge impact on the success of the project and shattered the objectives of the project.

It has been seen from the project execution reports of the bank that the execution process took more than one year which have been planned to be executed within six months. This was the result of frequent rescheduling activities and revisions on the project plan which escalated the project cost and lengthen the project completion period.

From the analysis, the project execution phase has found to be problematic. All of the factors of this phase have a mean value which is less than the average value indicating that the execution process has not performed well. This have impacted the progress of the project and hampered the end result.

4.4 Interview Results and Discussion

In this section, the answers of the interview questions are analyzed and presented. The interview was carried out with the project manager and project coordinator to get more supportive information for the above questionnaire. This interview was conducted through a focus group discussion method.

It is understood that during the process of managing the core banking upgrading project all the five processes are applied sequentially i.e. initiating, planning, executing, monitoring and controlling and closing.

Those project management practices applied in the project management process have an undeniable impact on generating the expected results of the project even if they were challenged and undermined by other factors and the project runs over the scheduled time and budget. The applied practices facilitated the project management process in the way to attaining the objectives of the project.

The project execution phase did not go well as planned and the project was not delivered on the scheduled time and faces cost overrun. There are various reasons for this unexpected incident. The major factors for this were the occurrence of the COVID pandemic and the lack of support from the top management. The major challenge of this project was the occurrence of the COVID pandemic. It delays the execution process of the project. It was difficult to the project consulting team to provide the needed technical assistance to the project team due to travel restrictions. Due to this problem the technical assistance was provided virtually which results in prolonged project execution period. This in turn escalates the costs of the project and reduce the quality of the project. In addition to this the top management including the board of directors did not support the project as expected. They failed to provide the resources that were essential to the project which in turn affect the project management process negatively.

The internal stakeholders of this project were the project team, the board of directors and management of the bank and the employees of the bank. The external stakeholders of the project were the project consulting team from India, suppliers and customers of the bank.

It is understood from the interview that there was no established mechanism to manage the needs and requirements of stakeholders other than a brief announcement about the project implementation which was also done once in the process of the project.

As it is mentioned above, all of the applied project management practices contributed positively for the project. However the project scope management played a great role in improving the project performance and facilitating the process.

Throughout the project process as it is mentioned above all the project processes are employed. However there was some challenges in applying these practices. These are lack support from the top management, project team competence (i.e. most of the project team members were novice for such kind of complex project) and resource constraints.

It is difficult to say that the project deliverables satisfy the needs and requirements of all stakeholders. Customers as well as employees are still complaining because of the frequent system failures that happen in the operation. In addition to this, the top management is also not satisfied since the bank's customer base is depleting from time to time which have a significant impact on the bank and hamper its operation.

As seen on the above interview result, in the project management process the five project management process groups have been applied. It is stated on various literatures that applying these process groups in managing projects will help to achieve project success. According to Dickerson (2021) organizations must apply these processes effectively in order to keep projects on track and ensure project success. And it is also believed by the project team that these processes have helped to realize the objectives of the project. However it is admitted by the project manager and project coordinator that the faces cost overrun and took some time to complete within the scheduled timeframe. According to Lester (2006), failure to apply the project management process groups appropriately cause project failure and delay in the project process.

It is also mentioned in the interview that the main challenge of the project was the occurrence of the COVID 19 pandemic. Danila & Adam (2020) confirmed that various projects have been impacted by the occurrence of this pandemic. On her study it is stated that most projects have been phased out and closed in most parts of the world. In addition to the pandemic lack of support from the top management has been mentioned as another challenge of the project. Henok (2019) stated that the success of IT projects would be improved if the top management support the project by providing resources, making structural arrangements and establishing effective communication outlines.

The project manager and the project coordinator believed that the project has not fully delivered the expected results. They admit that the expectation of the project's stakeholders have not fulfilled by the project deliverables. Moris (1998) stated that in order to say a project is successful the project's deliverables must satisfy the standards set by the project stakeholders. This statement is also backed by Mongare (2017). He argued that successful project will meet the requirements set on the planning phase as well as generate deliverables that satisfy the needs of stakeholders.

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This last chapter of the study presents the summary of the findings which are obtained from the response of the research questionnaire. The conclusion drawn from the findings and the interview with respect to the research question and based on the conclusion recommendation will be forwarded.

5.2 Summary of findings

It is found from the analysis that in the process of implementing the core banking project that all the project management process groups are employed. From this process groups the planning and execution process groups are studied in detail. In the planning phase it is found that there wasn't an adequate and comprehensive management plan, the time required for the project activities wasn't estimated effectively, the risk management activities for the project wasn't clearly defined and there wasn't effective stakeholders communication scheme. Contrary to this there was appropriate work break down structure, there was appropriate procurement policy and tasks were properly allocated to team members.

In the project execution phase, all of the listed components of the project execution phase were not implemented effectively and made the performance of the execution process poor.

It also found from the study that the project was challenged by the occurrence of the COVID pandemic which delayed the project management process of the project. In addition to this lack of support from the top management has been identified as the other challenge of the project.

Finally it is found that the project deliverables has not meet the requirements of the project's stakeholders.

5.3. Conclusions

Based on the findings of the study it is concluded that in the core banking upgrading project of Nib international bank the planning and execution processes were not implemented effectively. The planning phase had some components that have been implemented well. However, the basic components of the process group were not implemented well. These components are inadequate management plan, ineffective estimation of the time required for the project, failure to identify risk management activities for the project and ineffective stakeholders' communication scheme. These components are very critical for the success of a project. The absence of this critical activities shatter the whole project process and adversely affected the project objectives. In addition to this, the weak performance of the planning process impacted the execution process. Consequently, the performance of the execution process was weak and made the performance of the overall project process also weak.

The project was also challenged by the COVID pandemic which also delayed the project management process of the project and it was difficult to the project consulting team to provide the needed technical assistance to the project team due to travel restrictions. Due to this problem the technical assistance was provided virtually which results in prolonged project execution period. This in turn escalates the costs of the project and reduce the quality of the project. The absence of proper risk management practices exacerbated the impact of the pandemic severe and made the project not to deliver its results within the planned time and budget.

Failure to establish effective stakeholders' communication scheme also affected the project process. It was difficult to the project team to communicate with the project's stakeholders when the project was delayed. Because of this many external stakeholders of the project have left the bank.

In addition to the aforementioned points the top management including the board of directors did not support the project as expected. They failed to provide the resources that were essential to the project which in turn affect the project management process negatively.

5.4. Recommendation

The following recommendations are proposed by the researcher in order to improve the difficulties identified in the core banking implementation project of Nib international bank.

- The bank should prepare adequate and comprehensive management plan.
- The bank should focus on effective risk management activities that will be viable when unprecedented events occur.
- The bank should establish effective stakeholder's communication scheme in order to create a smooth relation with the project's stakeholders.
- The top management of the bank should provide everything that is essential for the successful completion of the project.

5.5 Suggestion for further study

- Research can be carried out on the assessment of core banking implementation projects by considering the role of the closing process group.
- Detailed study can be conducted on the role of project planning process on IT related projects and can be used as a guideline for managing such kind of projects.

Reference

AM Aborampah. (2010). Customer satisfaction in the banking industry: A comparative study of Ghana and Spain.

Aynalem, S. (2018). Factors Influencing Implementation of Core Banking System Project: The Case of Commercial Bank of Ethiopia (CBE).

Attarzadeh, I., & Ow, S. H. (2008). Project management practices: the criteria for success or failure. Communications of the IBIMA, 1(28), 234-241.

Badewi, A. (2016). The impact of project management (PM) and benefits management (BM) practices on project success: Towards developing a project benefits governance framework. International Journal of Project Management, 34(4), 761-778.

Besner, C., & Hobbs, B. (2012). An empirical identification of project management toolsets and a comparison among project types. *Project Management Journal*, *43*(5), 24-46.

Biruk (2020). "Assessment of project management practices in case of Bank of Abyssinia PMO IT projects.''

Chairlone, S. G., Ghosh, S., Bongini, P., & Ferri, G. (2009). Emerging banking systems. *Emerging Banking Systems*.

Chenhall, RH. (2003). 'Management control systems design within its organizational context: Findings from contingency-based research and directions for the future, *Accounting, Organizations and Society*, vol. 28, pp. 127-168.

Cooke-Davies, T. (2002). The real success factors on projects, International Journal of Project Management, Vol.20.

Danila, D.S. & Adam, O.A. (2020). Challenges in Project Management during the COVID 19 Crisis. Strategica: 909-917.

Dunning, J. H, & Narula, R. (2010). Multinational enterprises, development and globalization: Some clarifications and a research agenda. Oxford Development Studies, 38(3), 263-287.

Dawkins, P., & Reichheld, F. (1990). Customer retention as a competitive weapon.

Dvir, D., Raz, T., & Shenhar, A. J. (2003). An empirical analysis of the relationship between project planning and project success. *International journal of project management*, *21*(2), 89-95.

Emil, C., Liviu, I., & Ioana, M. (2010). Six Sigma: A metric, a methodology and a management system. Annals of the University of Oradea, Economic Science Series, 19(1), 651-656.

Ermias, T., (2019). "Assessment of Project Quality Management Practice:
In The Case of Selected Private Banks of Ethiopia.''

Frehiwot A. (2019). Project Management Practices: A case study of Addis Ababa water and sewerage authority project office.

Fernandes, G., Tereso A., Ribiero P., & Ferreira, M. (2013).Project management practices in private organizations.

Haron, N. A., Devi, P., Hassim, S., Alias, A. H., Tahir, M. M., & Harun, A. N. (2017, December). Project management practice and its effects on project success in

Malaysian construction industry. In IOP Conference Series: Materials Science and Engineering (Vol. 291, No. 1, p. 012008). IOP Publishing.

Moris, J. R. (1998). *Project planning a tool for project success.*

Kerzner, H. (2015). Project management 2.0: leveraging tools, distributed collaboration, and metrics for project success. John Wiley & Sons.

Lester, A. (2006). Project management, planning and control: managing engineering, construction and manufacturing projects to PMI, APM and BSI standards. Elsevier.

Mangare, C. F., & Li, J. (2018, June). A Survey on Indigenous Knowledge Systems Databases for African Traditional Medicines. In Proceedings of the 2018 7th International Conference on Bioinformatics and Biomedical Science (pp. 9-15).

Malyshev, A. (2022). What is core banking? Meaning and Benefits

Minz, R., Möllenkamp, H., Leibrock, E., Blumstengel, A., van Laak, C., & Wolter, A. (2006). Renewing Core Banking IT Systems: Open-Heart Surgery for European Banks. *Boston Consulting Group's Third Annual IT Cost Benchmarking Study*.m

Mir, F. A., & Pinnington, A. H. (2014). Exploring the value of project management: linking project management performance and project success. International journal of project management, 32(2), 202-217.

Mongare, C. F. (2017). Project management practices and implementation of information technology projects among selected commercial banks in Kenya. *Kenyatta University*, 1-87.

Mullaly, M., & Thomas, J. L. (2009). Exploring the dynamics of value and fit: Insights from project management. *Project Management Journal*, *40*(1), 124-135.

Munns, Andrew K., and Bassam F. Bjeirmi. The role of project management in achieving project success. International journal of project management 14, no.2 (1996): 81-87

Negalign M. & Lisanwork A. (2016).The Development of Core Banking System in Ethiopia: Challenges and Prospects: Case Study on Ethiopian Commercial Banks.

Peric, M., Tomino, A. C., Barac-Miftarevic, S., & Mekinc, J. (2021). Review and analysis of project management knowledge areas in the contemporary literature. *Academy of Strategic Management Journal*, *20*(6), 1-15.

PMI (2017).A guide to the Project Management Body of Knowledge, (6th edition, Newton Square.

Priambodo, A., Handayani, P. W., & Pinem, A. A. (2019, October). Success factor for IT project implementation in banking industry: a case study. In *2019 3rd International Conference on Informatics and Computational Sciences* (pp. 1-5).

Rehema, U. (2018). Capital markets and financial performance of commercial banks in Rwanda: A case study of bank of Kigali Rwanda (Doctoral dissertation, Nkumba University).

Robledo, M. A. (2001). Measuring and managing service quality: integrating customer expectations. Managing Service Quality: An International Journal.

Tereso, A., Ribeiro, P., Fernandes, G., Loureiro, I., & Ferreira, M. (2019). Project management practices in private organizations. Project Management Journal, 50(1), 6-22.

Dawit, T. (2018). *Practice and challenges of implementing CBE birr project: In the case of commercial bank of Ethiopia*.

Tezera, W. (2017). *Assessment of success factors in core banking software project implementation at Commercial Bank of Ethiopia.*

Appendix I

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE

DEPARTMENT OF PROJECT MANAGEMENT

Questionnaire to be filled by the project management team of Nib International Bank S.C

This questionnaire is prepared to collect data for a research entitled "Assessment of project management practices: A case study on core banking upgrading project in Nib international Bank S.C". The information is going to be used as a primary data for this research. Therefore, your response and participation will be extremely valuable for the study. The information acquired through this questionnaire will be kept confidential and it is purely for academic purpose. I would like to sincerely thank you in advance for devoting your precious time to complete this questionnaire. Please note that you are not required to write your name in this questionnaire.

Section I: General Questions

Give your answer by putting a tick mark in the box (✔)

1) Gender ☐ Male ☐ Female

2) Age ☐ 20 – 30 ☐ 31 – 40 ☐ 41 – 50 ☐ 51 – 60

3) Educational Background ☐ Diploma ☐ Degree ☐ Masters ☐ Above

4) Work experience in years ☐ 1-5 ☐ 6-10 ☐ 11-15 Above 15 years

5) Experience on projects ☐ 1-4 ☐ 5-10 ☐ 11-15 ☐ Above 15 years

Section II: Questions on project management practice

<u>Instruction</u>: Answer the following questions based on your experience in the project. Put a tick mark on the space provided.

(1 = strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree 5 = strongly agree)

	Project initiation phase	**1**	**2**	**3**	**4**	**5**
1	The project goals and purpose are clearly stated					
2	Project stakeholders, project sponsors and project team members are identified					
	Project planning phase	**1**	**2**	**3**	**4**	**5**
1	There was adequate and comprehensive management plan					
2	The specific requirements of the project are determined					
3	There was appropriate work break down structure					
4	The time required for the project activities was effectively estimated					
5	Risk management activities for the project were clearly defined					

6	There was a standard that guide the project activities towards the successful completion of the project					
7	There was appropriate procurement policy in the project management process					
8	Tasks were properly allocated to team members					
9	There was effective stakeholders communication scheme					
	Project execution phase	**1**	**2**	**3**	**4**	**5**
1	The work defined in the project management plan and approved changes were led and performed properly					
2	There was a process of checking whether the project deliverables meet the requirements specified by stakeholders					
3	Various activities have done in order to enhance team performance					
4	The risk response plan was effectively implemented					
5	The bank communicated and worked with stakeholders to meet their expectations throughout the project life cycle					
	Project controlling and monitoring phase	**1**	**2**	**3**	**4**	**5**
1	Progress of the project was effectively and regularly tracked, reviewed and reported against the standards defined in the project plan					
2	Change requests were properly monitored					
3	There were appropriate cost, quality and risk controlling mechanisms					
4	There was effective monitoring of communications and stakeholder					

	engagement					
5	Project performance was monitored regularly					
	Project closing phase	**1**	**2**	**3**	**4**	**5**
1	The project deliverables were accepted					
2	There was proper documentation of the lessons learned over the course of the project					
3	Project closure report was prepared					
4	The bank properly finalized all project activities according to the requirements					

Thank you for your cooperation

Appendix II

<u>Interview Questions</u>

1) What were the project management practices employed in conducting this project in your company?

2) Do you think the practice of project management contribute to the success of the core banking upgrading project?

3) Did the project deliver the expected results? If your answer is no what makes the project not to deliver the expected result on the scheduled time?

4) What kind of problems does the project encounter?

5) Tell me the internal and external stakeholders who participate in this project?

6) How do you manage the needs and requirements of the stakeholders?

7) What project management practices did you find worked best to improve project performance?

8) Did the final deliverables of the project satisfy the needs and requirements of all stakeholders?

Appendix III

Interview Answers

1) During the process of managing this project we have applied all the five processes sequentially: initiating, planning, executing, monitoring and controlling and closing.

2) Those project management practices applied in the project management process have an undeniable impact on generating the expected results of the project even if they were challenged and undermined by other factors and the project runs over the scheduled time and budget. The applied practices facilitated the project management process in the way to attaining the objectives of the project.

3) No. The project did not go well as planned. It was not delivered on the scheduled time and faces cost overrun. There are various reasons for this unexpected incident. The major factors for this were the occurrence of the COVID pandemic and the lack of support from the top management.

4) The major challenge of this project was the occurrence of the COVID pandemic. It delays the execution process of the project. It was difficult to the project consulting team to provide the needed technical assistance to the project team due to travel restrictions. Due to this problem the technical assistance was provided virtually which results in prolonged project execution period. This in turn escalates the costs of the project and reduce the quality of the project. In addition to this the top management including the board of directors did not support the project as expected. The failed to provide the resources that were essential to the project which in turn affect the project management process negatively.

5) As it is mentioned earlier on this session, all of the applied project management practices contributed positively for the project.

6) The internal stakeholders of this project were the project team, the board of directors and management of the bank and the employees of the bank. The external stakeholders of the project were the project consulting team from India, suppliers and customers of the bank.

7) There is no planned stakeholder requirements management activity.

8) It is difficult to say that the project deliverables satisfy the needs and requirements of all stakeholders. Customers as well as employees are still complaining because of the frequent system failures that happen in the operation. In addition to this, the top management is also not satisfied since the bank's customer base is depleting from time to time which have a significant impact on the bank and hamper its operation.