

# Impact of Project Management Adoption as Enabler for Successful Financial Technology Performance: A Case of Mobile Banking Application in Kenya

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## Abstract

*The phenomenon of financial technology (FinTech) innovation, particularly mobile banking, has brought positive changes to the banking industry by enhancing access to services, speed, and customer orientation. However, such technologies, even if properly designed, are not successfully used in all circumstances, especially concerning complex ones that require management. This study investigates the effects of project management practices on the performance of mobile banking applications in the financial technology industry in Kenya. It focuses on the extent to which project management improves effectiveness, security, and customer satisfaction, and the ambiguity surrounding the influence of project management frameworks on the implementation of FinTech projects. Evidence from existing literature suggests that the absence of progression in the operation of mobile banking is largely attributed to poor project management processes with the absence of appropriate structures such as agile or PRINCE2 as reasons why there is stagnant growth. Appropriate project management practices enhance mobile banking applications by optimizing resource utilization, managing risks, and integrating user feedback, thereby enhancing the reliability, security, and usability of the apps. The results reveal that the enhancement of mobile banking services through efficient project management approaches will offer useful recommendations for the developers, financial service providers and policymakers. Of these, the findings highlight the issue of using project management in FinTech projects for better achievement of user needs, compliance, and reasonable rate of novelty.*

**Keywords:** Project Management, Mobile Banking, Financial Technology, Fintech, Kenya, Agile, PRINCE2, Performance, Efficiency, Security

## Background Information

The pace at which financial technology (FinTech) has evolved over the last few years has changed the structure of the banking sector, in particular, mobile banking technology. Virtual implementations of Fintech make the rendering of financial services more efficient and accessible with greater levels of satisfaction towards the customers. Nevertheless, despite the facts above, there are factors that hamper the implementation and operation of many FinTechs, which place project management as one of the key enablers of adoption (Alsmadi et al., 2023). As more features are added to mobile banking applications, there is increasing need for not only new technologies but also appropriate management practices to understand the scope of such projects.

Project management skills has become one of the factors that promote the operationalization of technology based financial services. While engrossed in the mobile banking projects, the chances of time, cost and quality overruns and/or omissions of FinTech projects are minimized due to efficient management of the projects, which metrics exert a positive effect on the performance output. It has been established that performance of the banking industry can be improved by incorporating business strategies such as project management activities, especially in the presence of innovative banking solutions (Alsmadi et al., 2023). Appropriate management of the projects helps to solve few of the numerous problems facing FinTech projects: high complications, technical risks, and governmental restrictions, through more effective planning, risk mitigation and resource management (Odusanya et al, 2021).

In addition to the increase in attention towards project management in FinTech, as evident from the few studies that have been published in this field of research, there is a growing body of knowledge that points to numerous challenges. To example, Jinasena et al. (2023) stress that most of the FinTech projects face problems due to lack of management strategies which is important for reconciling technology and business goals outline. Also, as enablers of enhancing the performance of FinTechs, project management practices have received less attention in the literature with very few attempts to explain how some project management practices enhance the usage of mobile banking by the clients (Jackson & Allen, 2024). Also, the available literature stresses the inclusion of models that help project managers form a clear view of the FinTech project complexities, thereby improving the outcome of project execution (Badewi, 2022).

These gaps highlight the importance of examining the role of the project management adoption as a basic condition for the success of FinTech projects implementation, and more specific in the mobile banking in Kenya. Because of the availability of mobilephones and a high rate of financial inclusion in the country, mobile banking services in Kenya have become an indispensable tool. Nevertheless, the adoption of suitable project management approaches in this industry is relatively poor with a consequential compromise in the performance of these applications so critical for their future lifespan (Jackson & Allen, 2023). This consideration above therefore means that the research will focus on the mobile banking application development in Kenya through the lens of project management. This is very important, given that such a contribution has not been documented in the existing body of knowledge.

While there is growing literature on the importance of project management in various industries, the application of these principles to FinTech, and particularly mobile banking applications, remains inadequately explored. Many studies focus on technological innovations and regulatory factors, often overlooking the organizational and managerial aspects that contribute to successful FinTech

implementations. The limited research on the intersection between project management and FinTech performance points to a clear gap that this inquiry intends to address. Specifically, how the adoption of structured project management practices can mitigate common challenges in mobile banking application development and enhance overall performance remains underexplored (Jinasena *et al.*, 2023; Badewi, 2022). This inquiry aims to fill this gap by providing empirical evidence on the impact of project management adoption on mobile banking performance in Kenya, with a focus on practical outcomes that can inform future projects in the sector.

The findings of this inquiry are expected to benefit a range of stakeholders, including FinTech developers, banking institutions, and policymakers. By demonstrating the value of project management as a key enabler of successful mobile banking applications, this research will provide insights into improving project execution, reducing failures, and enhancing the overall performance of mobile banking services. Furthermore, this inquiry will contribute to the broader scholarly discourse on FinTech project management, offering new perspectives that can be applied both within and beyond Kenya.

### Research Questions

- How does the adoption of project management impact the performance of mobile banking applications in Kenya's financial technology sector?
- In what ways do project management practices enhance the efficiency, security, and customer satisfaction of mobile banking services?
- What is the relationship between the adoption of project management frameworks and the successful execution of FinTech projects, particularly in the mobile banking sector?

### Literature Review

The adoption of project management in the development and implementation of mobile banking applications has become increasingly significant, particularly in enhancing the performance of these applications. Project management practices are critical in aligning project goals, resources, and timelines, which directly influence the effectiveness and sustainability of mobile banking systems. Several studies have explored the relationship between project management adoption and the performance of mobile banking applications, offering insights into the factors that contribute to or inhibit successful implementation.

Muchiri (2018) explored the effect of mobile banking adoption on the performance of small and medium enterprises (SMEs) in Nairobi County, Kenya. His inquiry revealed that mobile banking applications improved the operational efficiency of SMEs by providing convenient and fast financial services. While Muchiri's research primarily focused on the user side of mobile banking adoption, it emphasized the need for robust project management strategies during the implementation phase to ensure the system's reliability and user satisfaction. The absence of effective project management was linked to poor performance outcomes, such as system downtimes and security vulnerabilities, which could have been mitigated with structured project oversight.

Ali, Hameed, Moin, and Khan (2023) examined the factors affecting mobile banking app adoption through the lens of adaptive structuration theory. Their inquiry found that user satisfaction, ease of use, and technological adaptability were significantly influenced by the management strategies employed during the

app's development. They highlighted that project management practices, such as iterative development, risk management, and stakeholder involvement, were key enablers of mobile banking app performance. The adoption of these practices allowed for continuous improvement and adaptation, enhancing the app's responsiveness to user needs and technological advancements.

The function of project management in overcoming inhibitors to mobile banking adoption was further explored by Saxena, Gera, and Taneja (2023) in their inquiry of the Indian mobile banking sector. They identified several inhibitors, including concerns about security, privacy, and technological complexity, which hampered the adoption of mobile banking applications. Their findings suggested that structured project management frameworks played a crucial function in addressing these issues by integrating security protocols, conducting user training, and providing ongoing technical support. These project management interventions directly impacted the performance of mobile banking applications by improving user confidence and system reliability.

Saprikis, Avlogiaris, and Katarachia (2022) conducted a comparative inquiry on the behavioral intentions of users and non-users towards mobile banking app adoption. They found that project management practices, particularly those related to user engagement and feedback integration, were instrumental in enhancing the appeal and functionality of mobile banking apps. The inquiry emphasized the importance of incorporating user feedback throughout the development process, which is a key component of agile project management. By adopting agile methodologies, project managers were able to iterate on the app's design and functionality, ensuring that the final product met user expectations and operated efficiently.

Mulugeta (2024) examined the function of project management methodologies in enhancing innovation adoption in Ethiopia, providing valuable insights into how structured project management can facilitate the successful implementation of mobile banking applications. The inquiry highlighted that project management methodologies, such as PRINCE2 and Agile, significantly improved the adoption rate of new technologies by providing clear guidelines for resource allocation, timeline management, and risk mitigation. These methodologies allowed mobile banking projects to navigate the challenges of regulatory compliance, technical complexity, and user engagement more effectively, leading to improved performance outcomes.

Priya, Gandhi, and Shaikh (2018) conducted an empirical analysis of mobile banking adoption among young consumers in India. Their inquiry pointed to the importance of project management in ensuring that mobile banking applications were user-friendly, secure, and adaptable to emerging technological trends. The research indicated that without proper project management, mobile banking applications often failed to meet the expectations of young users, who demand seamless functionality and high-security standards. The adoption of project management practices was shown to be critical in meeting these demands and enhancing the overall performance of mobile banking applications.

## Research Methodology

This inquiry employed a secondary data analysis design to investigate the impact of project management adoption on the performance of mobile banking applications in Kenya's financial technology sector. The secondary data approach was particularly suited for this research as it allowed for the examination of existing data sources, such as reports, case studies, and performance metrics of mobile banking applications, along with previously conducted research on project management frameworks and FinTech performance.

Following the approach used by Dikert, Paasivaara, and Lassenius (2016), the inquiry relied on a systematic review of relevant literature and databases to source information on project management practices and their effect on mobile banking applications. The research design involved collecting and analyzing secondary data from reliable sources, including financial institutions, regulatory reports, academic journals, industry white papers, and FinTech performance evaluations. These sources provided both quantitative data on performance indicators, such as efficiency, security, and customer satisfaction, and qualitative insights into the challenges and successes related to project management in FinTech.

By adopting a systematic literature review approach, the research followed a structured process of identifying, evaluating, and synthesizing findings from multiple studies on the topic, as outlined by Dikert *et al.* (2016). This method ensured comprehensive coverage of the subject, focusing on documented relationships between project management frameworks and successful FinTech implementations. It also highlighted gaps in the existing literature, enabling the inquiry to address unresolved questions about the function of project management in enhancing mobile banking performance.

This research design proved effective in deriving meaningful insights from secondary sources while building on a strong foundation of prior research.

## Findings

The analysis of secondary data focused on the function of project management in enhancing the performance of mobile banking applications in Kenya's financial technology sector. The inquiry sought to address the following research questions:

### **How Does the Adoption of Project Management Impact the Performance of Mobile Banking Applications in Kenya's Financial Technology Sector?**

The adoption of project management practices has been shown to significantly improve the performance of mobile banking applications in Kenya by ensuring systematic planning, resource allocation, and risk management. Muchiri (2018) highlighted that mobile banking adoption by small and medium enterprises (SMEs) led to increased operational efficiency and ease of financial transactions. However, Muchiri also pointed out that these positive outcomes were contingent upon the presence of strong project management structures. The absence of such structures often resulted in poor system performance, such as technical downtimes and cybersecurity lapses. This indicates that project management adoption positively impacts mobile banking performance by improving system reliability and ensuring that projects adhere to timelines and budgets, which aligns with FinTech performance goals.

Similarly, Ali, Hameed, Moin, and Khan (2023) emphasized that project management practices, such as iterative development and stakeholder involvement, are crucial for ensuring the sustained performance of mobile banking applications. Their findings from the perspective of adaptive structuration theory demonstrate that mobile banking apps with well-structured project management frameworks are better able to respond to technological changes and user demands, leading to greater performance outcomes.



## In What Ways do Project Management Practices Enhance the Efficiency, Security, and Customer Satisfaction of Mobile Banking Services?

Project management practices enhance the efficiency of mobile banking services through structured methodologies that prioritize continuous improvement and optimization. Muchiri (2018) found that SMEs using mobile banking apps experienced higher operational efficiency, particularly due to the automation of transactions and the streamlined nature of mobile banking services. This efficiency, in turn, can be attributed to project management practices that focus on optimizing resources, improving workflows, and mitigating risks during the development and deployment phases.

When it comes to security, project management frameworks play a critical function in ensuring that mobile banking applications are secure and compliant with regulatory standards. Ali *et al.* (2023) noted that project management strategies, such as risk management and regular security audits, contribute to the overall security of mobile banking apps. Effective management ensures that vulnerabilities are addressed promptly, and compliance with cybersecurity protocols is maintained, thereby protecting user data and preventing potential breaches. Saxena, Gera, and Taneja (2023) further reinforced the importance of project management in addressing user concerns about privacy and security, which are major inhibitors of mobile banking adoption. By integrating security features through systematic project management, mobile banking applications can achieve higher levels of customer trust and adoption.

Lastly, project management practices contribute to customer satisfaction by ensuring that mobile banking applications meet user needs and expectations. According to Saprikis, Avlogiaris, and Katarachia (2022), user engagement during the development of mobile banking apps, facilitated through agile project management practices, leads to a product that is more user-friendly and responsive. This customer-centered approach ensures that the application is intuitive, reliable, and efficient, thereby enhancing customer satisfaction and retention.

## What Is the Relationship Between the Adoption of Project Management Frameworks and the Successful Execution of Fintech Projects, Particularly in the Mobile Banking Sector?

The relationship between project management frameworks and the successful execution of FinTech projects is evident in the positive outcomes of mobile banking projects that incorporate structured methodologies. Mulugeta (2024) explored how project management methodologies, such as PRINCE2 and Agile, facilitated the successful adoption of innovative technologies in Ethiopia. The inquiry concluded that these frameworks provided clear guidelines for managing resources, timelines, and risks, which were essential for overcoming challenges in the FinTech sector. Similarly, in Kenya's mobile banking applications, the adoption of such frameworks enables project managers to address complex technological and regulatory challenges, leading to the successful delivery of projects within scope and on time.

Priya, Gandhi, and Shaikh (2018) emphasized the importance of project management in ensuring that mobile banking applications are developed and deployed efficiently in emerging economies like India, which share similarities with Kenya in terms of technological and market challenges. They found that mobile banking projects that adopted robust project management frameworks were more likely to succeed in delivering secure, efficient, and user-friendly applications. This demonstrates that the adoption of project management frameworks is directly related to the successful execution of FinTech projects, as it ensures that projects are well-coordinated and aligned with organizational objectives.

## Conclusion

The findings from the analyzed data indicate that the adoption of project management practices positively impacts the performance of mobile banking applications by enhancing efficiency, security, and customer satisfaction. Project management frameworks such as Agile and PRINCE2 contribute to the successful execution of FinTech projects by providing structured approaches to resource allocation, risk mitigation, and stakeholder engagement. By integrating project management practices, mobile banking applications can meet user expectations, maintain high security standards, and operate efficiently, ultimately leading to improved performance outcomes in Kenya's financial technology sector.

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