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Influence of Project Readiness on Project Success in Kenya Power Pension Fund

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Abstract:
Background*: Implementation of a project may fail due to several reasons, ranging from poor methodology, unrealistic expectations, inadequate resources, poor needs analysis, poor project management, unrealistic budgets, untrained teams and poor communication. This research specifically sought to interrogate the influence of project readiness on project implementation success in the Kenya Power Pension Fund. In its 2019 Defined Contributions annual report, Kenya Power Pension Fund acknowledged unsuccessful projects and low investment returns among its major risks to deal with (Kenya Power Pension Fund, 2019). The fundamental question then that lingers is, how is project readiness been undertaken in KPPF and how is it influencing project success? This was investigated in this research.*
Methodology*: This study used descriptive research design. The target population of the study included all 4 projects that had been completed by the Kenya Power Pension Fund by the time of the study. Each project had 9 project management team members. The census approach was used. Hence, a total of 36 participants (9 x 4) were covered from whom data was collected using a structured questionnaire. The data was analyzed using descriptive and inferential statistics.*
Results*: Findings revealed that projects by Kenya Power Pension Fund were most successful in maintaining the project quality but least in delivering the projects within the stipulated timelines. Project readiness was found to have a significant positive influence on project success.*
Keywords*: Project; Project success; Project readiness; Kenya Power Pension Fund*

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I. Introduction

Project readiness entails collecting baseline data, assessing the requirements and develops the action plan for implementing and evaluating it (Kariungi, 2014). Project success on the other hand entails carrying out the activities envisaged in the initiation plan so as to realize the project objectives and this is determined by both external and internal factors (Alias, Zawawi, Yusof & Aris, 2014). Success of a project is a complicated process that often requires wide-ranging and combined consideration on a myriad of aspects crosscutting budgetary, technical and human issues (Mahaney & Greer, 2014). Usually, there is a defined set of fundamental aspects that when effectively addressed is likely to result to successful project implementation, but if not well addressed, the project is likely to fail (Kahungura, 2017).

The implementation of a project may fail due to several reasons, ranging from poor methodology, unrealistic expectations, inadequate resources, poor needs analysis, poor project management, unrealistic budgets, untrained teams and poor communication (Srivastava, 2014). Thus, project readiness is vital in ensuring the project is successful. This research specifically sought to interrogate the influence of project readiness on project implementation success in the Kenya Power Pension Fund (KPPF). KPPF is a pension scheme with the primary goal of providing benefits to the members after they retire or to their dependants in case they die while still working. It comprises of active and retired employees of Kenya Power who were employed on permanent and pensionable basis (Kenya Power Pension Fund, 2019).

In many countries globally, retirement fund systems are highly been shifted towards partial or complete funding hoping that pension fund may add to their financial growth agenda (Higgins, 2012). Tijani (2014) indicated that professionals employed by the government and governmental institutions had difficulties in applying financial management, improving project management, governance and minimizing corruption and audit fraud. Research in South Africa revealed critical gaps in pension funds' management knowledge that entails weak board commitment and conflicting shareholders' interests coupled with inadequate engagement of project managers that results to a reduction in the pension fund's performance (Kyanda, 2014). This is despite the fact that among various practical management areas necessary for business success, effective project management is critical (Lakew & Rao, 2012).

In the light of the above, the necessity for effective project readiness which is more or less related to project planning cannot be overemphasized in the quest for successful projects especially in the context of a pension fund. As asserted by Caruso (2014), project readiness is essential for improving project success. The objective is basically to accomplish a set of common aspects which include: to produce reasonable costs and schedules, complete the project at the set quality standard, design criterion/criteria, safety and health, resources for the project, and attaining the expectations of the project shareholders (Baldwin & Bordoli, 2014). However, in the Kenya Power Pension Fund (KPPF), this has not been attained. In its 2019 Defined Contributions annual report for instance, KPPF acknowledged unsuccessful projects and low investment returns among its major risks to deal with (Kenya Power Pension Fund, 2019). The fundamental question then that lingers is, how is project readiness been undertaken in KPPF and how is it influencing project success? There is scarcity of empirical insights in literature to address this question. This is because much of the existing literature has focused on effects of project success on projects performance (Buba & Tanko, 2017) and project success in other sectors such as education and health (Githika, 2013), hence limited research within the context of KPPF. Thus, to address this scarcity of empirical insights, this research assessed the influence of project readiness on project implementation success in Kenya Power Pension Fund.

II. Methodology

Study Design:

This study used descriptive research design. The design aims at obtaining information data to describe a phenomenon by asking questions on perceptions and attitudes of individuals (Bryman & Bell, 2013). The design was preferred because as asserted by Orodho (2015), it has a higher accuracy and precision in describing events in a systematic manner.

Study Duration:

The research was undertaken in the year 2021-2022.

Population:

The target population of the study included all 4 projects that had been completed by the Kenya Power Pension Fund by the time of the study. These included: Stima Plaza Extension, Income drawdown, Construction of Loresho Ridge and ICT Strategy Formulation. Each project had 9 project management team members.

Sample size calculation:

Since the population was only 4 projects with each project having only 9 project management team members, the census approach was used in the study. Therefore, a total of 36 participants (9 x 4) were covered.

Subjects & selection method:

The inclusion criteria was those directly involved in the implementation of the four projects as outlined in the subsection on population above. Thus, the participants included were those who were part of the project management team for each of the four projects. Thus, for each project, the project manager and the rest 8 project team members were included.

Procedure methodology

Approval was first obtained from Kenyatta University to carry out the study and the research permit obtained from the National Commission for Science, Technology and Innovation (NACOSTI). After these approvals, the researcher embarked on data collection. The research started by notifying the KPPF management about the intention to undertake the research in the organization and got their approval too. The dates for carrying out the research were then agreed on and the contacts for the respondents obtained. A structured questionnaire was administered to the respondents on the set dates by using the drop and pick approach. However, in cases where physical access to the respondents was restricted, the questionnaire was administered through email.

Statistical analysis

Statistical analysis of the data was done in SPSS v. 25. Descriptive statistics analysis of the study variables was first done. This included computing and analyzing the frequency, percentage, mean and standard deviation. After descriptive statistics analysis, inferential statistics analysis was applied which involved correlation and multiple regression analyses. The inferential statistics analysis was done at 95% confidence level. That is, significance level of 0.05.

III. Results

To understand the state of each of the variables in the context of the KPPF projects, a set of statements describing a hypothesized state for each of them in the projects was presented to respondents. The respondents indicated their agreement or disagreement with each statement on a scale: 5= strongly agree, 4= agree, 3=

neutral, 2= disagree and 1= strongly disagree. The descriptive statistics were then computed analyzed for each of the variables.

Project Readiness

To assess project readiness in undertaking of KPPF projects, six statements were used. The responses were analyzed based on the mean and standard deviation (Std. dev) which were computed for each of the statements and aggregated for all the statements too.

Table 1: Project readiness in KPPF projects

Statement	1	2	3	4	5	Mean	Std. Dev
Projects are clearly planned in terms of time, scope and completion schedule	-	-	-	66.7	33.3	4.3	0.5
Project readiness ensures realistic resources are put in place and their allocations	-	-	-	44.4	55.6	4.6	0.5
Use of right technology taken into consideration during project planning	-	-	22.2	55.6	22.2	4.0	0.7
Legal and regulatory required are incorporated in the planning stage to ensure project success	-	-	-	55.6	44.4	4.4	0.5
The planning team ensures there are quality standards and indicator for every stage of the project lifecycle.	-	-	11.1	66.7	22.2	4.1	0.6
Proper human resource management and planning ensures projects are successfully implemented	-	-	33.3	44.4	22.2	3.9	0.7
Average						4.2	0.6

The findings revealed that respondents strong agreed that project readiness ensures realistic resources are put in place and their allocations (mean= 4.6). The respondents were also in agreement that legal and regulatory requirements are incorporated in the planning stage to ensure project success (mean= 4.4).

Many participants concurred that use of right technology is taken into consideration during project planning (mean= 4.0). However, although the respondents generally agreed that proper human resource management and planning ensures projects are successfully implemented (mean= 3.9), quite a number of them (33.3%) were neutral on the same.

Project Success

For the assessment of the success of KPPF projects was assessed based on four statements each based on different aspect of project success. The responses were analyzed based on the mean and standard deviation which were also computed for each of the statements and aggregated for all them.

Table 2: Project success in KPPF projects

Statement	1	2	3	4	5	Mean	Std. Dev
Project was delivered within specified budget	-	22.2	-	66.7	11.1	3.7	1.0
Projects delivered within specified time	-	33.3	22.2	44.4	-	3.1	0.9
Project quality was maintained	-	-	11.1	66.7	22.2	4.1	0.6
All shareholders interests were met	-	-	44.4	55.6	-	3.6	0.5
Average						3.6	0.7

Majority of the respondents asserted that project quality was maintained (mean= 4.1). This is an indication that KPPF projects are managed in such a manner to ensure the target quality is maintained. Most of the respondents also concurred that the projects were delivered within their specified budget (mean= 3.7). However, the relatively high standard deviation of 1.0 implies there was a considerable deviation of individual scores, with 22.2% disagreeing that the projects were delivered within their specified budget.

Most of the respondents agreed that in the respective projects they undertook in KPPF, all shareholders interests were achieved (mean = 3.6). However, several of them (44.4%) were skeptical that all shareholders interests were met. The lowest mean of 3.1 was on the statement that the projects delivered within specified time where respondents differed a lot in their responses – 44.4% agreed while 33.3% disagreed that the projects were delivered within their specified time, with 22.2% being neutral on the same.

Correlation Analysis

Correlation analysis is primarily done to assess if variables are related and whether it is a positive or a negative one. The significance value (p-value) of the correlation coefficient (r) indicates if the correlation is significant or not. According to Gogtay and Thatte (2017), where the p-value is less than 0.05, the correlation is significant but if it is greater than 0.05, the correlation is insignificant. They further explain that the correlation ranges between -1 and +1 whereby: -1 is a perfect negative correlation, -0.9 to -0.5 is strong negative correlation, -0.4 to -0.1 is weak negative correlation, 0 indicates no correlation, 0.1 to 0.4 is weak positive correlation, 0.5 to 0.9 is strong positive correlation and 1 is perfect positive correlation.

Table 3: Correlation coefficients

		Project readiness	Project success
Project readiness	Pearson Correlation	1	.658**
	Sig. (2-tailed)		.000
	N	36	36
Project success	Pearson Correlation	.658**	1
	Sig. (2-tailed)	.000	
	N	36	36

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

As indicated in Table 3, the study revealed a strong positive correlation of 0.658 between project readiness and project success with a p-value of 0.000. This is an indication that the correlation is significant because the p-value is less than 0.05. These results thus imply that project readiness and project success are significantly correlated.

Regression Analysis

Table 4: Model summary

					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.658[a]	.433	.417	.38852	.433	25.990	1	34	.000

a. Predictors: (Constant), Project readiness

Table 4 indicates that R Square was 0.433. This means that project readiness determines more than a third (43.3%) of the changes in project success. The rest 56.7% of the changes in project success are influenced by other factors.

Table 5: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.923	1	3.923	25.990	.000[b]
	Residual	5.132	34	.151		
	Total	9.056	35			

a. Dependent Variable: Project success

b. Predictors: (Constant), Project readiness

From the ANOVA results in Table 5, the F-statistic value was 25.99 whose p-value was 0.000 which is less than 0.05. Therefore, the F-value is significant. This implies that the estimated model expressing how the predictors relate with the dependent variable is significant.

Table 6: Regression coefficients

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.569	.600		.947	.350
	Project readiness	.721	.141	.658	5.098	.000

a. Dependent Variable: Project success

The model was determined based on linear regression model:

$$Y= \beta_0 + \beta_1 X_1 + \varepsilon$$

Where Y = project success, X_1 = project readiness, ε = error term, β_0 is the intercept and β_1 is coefficient for project readiness. In this regard, based on the regression coefficients as presented in Table 6, the regression model was:

$$\mathbf{Y = 0.569 + 0.721X_1}$$

As indicated in the findings, the regression coefficient for project readiness (β_1= 0.721) was significant since p-value (Sig. = 0.000) is less than 0.05. The intercept was 0.569 which means that if there is no project readiness, or it is kept constant, the level of project success is 0.569. This implies that if there is no project readiness in undertaking a project, there is a high probability that project success is likely to be low.

IV. Discussion

The aggregate mean for project readiness was 4.2 indicating that respondents agreed with most of the statements. Responses did not differ much from the mean scores for the statements as indicated by the low deviation of 0.6. Moreover, an investigation on the scores for each of the statements indicated that the range for the standard deviations was 0.5 to 0.7. This further affirms that for the responses for each of the statements were clustered close to the respective mean score. The findings thus imply the project team members' concurrence that project readiness is quite good in KPPF projects.

The overall mean for project success was 3.6 with a standard deviation of 0.7. This implies that majority of the respondents agreed with most of the statements. The standard deviation for individual mean scores ranged between 0.5 and 1.0. This indicates that while responses were close to the mean score for most of the statements, there were cases where there were substantial deviations of some individual scores from the mean score. In particular, findings revealed that KPPF projects were most successful in maintaining the project quality but least in delivering the projects within the stipulated timelines.

In analyzing the inferential statistics coefficient for the relationship between project readiness and project success, it was found that both the correlation and regression coefficients were positive and significant. The findings indicate that project readiness has a significant. The findings concur with Novo, Landis and Haley (2017) whose findings also indicated that project success was positively influenced by project readiness.

V. Conclusion

The research concluded that project readiness has a significant positive influence on project success. It was inferred that where project readiness is properly done, it ensures among others, that realistic resources are put in place and their allocations as well as the project compliance to the regulatory requirements all of which contributes to the project success. The project management team in KPPF should ensure that they enhance project readiness in the various projects they undertake by streamlining their human resource management and planning for the projects. They should ensure that there is adequate staffing for every project at its initiation stage to ensure that none of the project activities will be delayed at any stage due in inadequacy of human resource. In addition, to improve their project readiness, they must ensure that the requisite technologies for every project are taken into consideration at the planning stage of the projects. This must be geared to ensure that the technologies needed are available and accessible throughout the project cycle. These will help enhance project implementation success.

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