

EVALUATION OF INFORMATION TECHNOLOGY RISK FACTORS AFFECTING PERFORMANCE OF PROJECTS IN KENYA; A CASE OF KENYA REVENUE AUTHORITY, NAIROBI CUSTOMS REGION

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Abstract: *The purpose of this study was to evaluate the information technology risk factors affecting project performance at Kenya Revenue Authority, Nairobi Customs Region (NCR). The study was guided by the following specific objectives: to evaluate the effect of customer demand risk factor on the performance of projects at Kenya Revenue Authority (NCR) and to establish the effect of human resource risk factor on the performance of projects at Kenya Revenue Authority (NCR). The research design to be used for this study was descriptive survey design. This involved explanation of causes and effects of the independent and dependent variables associated with the problem. The population of this study was all employees of Kenya Revenue Authority (NCR) and who had been with the company for a minimum period of one year. This was to ensure that they understand the company and have gone through a one year cycle of performance contract. There are about 425 employees. The sample size for this study was 213 employees who were selected through stratified random sampling. The strata was that of management, supervisory and general employees. Within each stratum, simple random sampling was used to identify individual employee respondents. Data was collected by use of questionnaires. The questionnaire consisted of structured closed ended statements. Data was analyzed mainly by use of descriptive and inferential statistics*

Key Words: *Customer Demand Risk Factor, Human Resource Risk Factor & Project Performance*

1. INTRODUCTION:

General Objective

The general objective of this study was to evaluate information technology risk factors affecting project performance of Kenya Revenue Authority, Nairobi Customs Region.

Specific Objectives

The study was guided by the following specific objectives:

- To evaluate the effect of customer demand risk factor on the project performance of Kenya Revenue Authority.
- To establish the effect of human resource risk factor on the project performance of Kenya Revenue Authority.

2. LITERATURE REVIEW:

Review of Literature on Study Variables

Customer Demand Risk Factors and Performance of Projects

Customer, Relationships, and Management make the acronym CRM. CRM is a new concept in marketing, argued to have replaced the database marketing of the 80's. It is a business strategy that aims to understand, anticipate and manage the needs of an organization's current and potential customers. In their own view, Hair et al. (2006) defined CRM as a combination of strategic, process, organizational, and technological change where by a company seeks to better manage its own enterprise around customer information. According to the authors, acquiring and deploying knowledge about customers and using this information across all areas of the business is the focus of CRM. Kotler and Keller (2006) see CRM as the process of managing detailed information about individual customers and carefully managing all customer touch points to maximize customer loyalty.

Human Resource Risk Factor and Performance of Projects

Employees are resources in organizations, and as such they need to be trained and developed properly in order to achieve an organization's goals and expectations (Brewster, 2007). The initial development of the HRM concept is based on the effective utilization of people, and to treat them as resources leading to the realization of business strategies and organizational objectives (Zhu, Warner & Rowley). HRM contributes to create high performance work systems by linking various employees in different departments in the same organization (Brewster, 2007).

Organizations use the effectual HRM system to increase their competitiveness by investing in employee development (Sutiyono, 2007).

Armstrong (2002) asserts that human resource development is concerned with providing learning and development opportunities, making training intervention and planning, conducting and evaluating training programmes. The author discloses that the overall aim of manpower development programmes is to see that the organization has the quality of workforce its needs to attain its goals for improved performance and growth.

3. RESEARCH FINDINGS AND DISCUSSIONS :

Table.1 Customer Demand Risk Factor

	N		Mean	Std. Deviation
Customer relationship management strategy enables the organization to analyze the customer profiles	171		4.81	.501
Customer demand helps KRA to identify the most profitable customer and prospects	171		4.80	.632
Higher customer demand enables the organization to provide better customer service	171		4.57	.775
CRM has assisted in improving the image of KRA over time	171		4.53	.922
There is increased of customer due to improved performance	171		4.55	.909
Valid N (listwise)	171			

The study sought to inquire respondent’s views on various parameters of customer demand risk factor as independent variable reflecting project performance. Under this customer demand risk factor there was general consensus that this increases project performance. Table 4.8 shows higher averages with means of 4.81, 4.80, 4.57, 4.55 and lower 4.53 of the responses respectively. From the study majority of the respondents strongly agreed that customer demand risk factors would be managed through establishing customer relationship management strategy which is achieved through customer profile analysis model. The model is able to identify and analyze most profitable customer and prospects which gives the authority the chance to know how much amount they are supposed to remit based on the form of taxation method.

Human Resource Risk Factor

Table 2 Human Resource Risk Factor

	N		Mean	Std. Deviation
Every new employees receives induction training	171		4.67	.667
Learning about the duties of the job is included in the induction training	171		4.75	.530
On the job training is important and effective in improving employee performance	171		4.78	.482
Training programs have helped inculcating the sense of team work	171		4.77	.489
Through training programs morale in the organization has improved	171		4.86	.512
Staff exchange programs with other regional revenue improves work knowledge and productivity	171		4.84	.366
Valid N (listwise)	171			

The study sought to inquire respondent's views on various parameters of human resource risk factor as independent variable reflecting project performance. Under this human resource risk factor there was general consensus that this increases project performance. Table 4.9 shows higher averages with means of 4.86, 4.84, 4.78, 4.77, 4.75 and lower 4.67 of the responses respectively. From the study it can be depicted that organization that has invested much in human resource in terms of providing efficient training to the staff, staff exchange programs, job rotation, promotion, incentives and rewards for the staff performing well would always make the organization to achieve its performance thus not being viewed as risk factor to the entire organization. This is in agreement with Duke (2014) that human risk factors play an exorbitant part in the customs in regards to revenue collection.

3. CONCLUSION:

The study concluded that the findings of correlation and regression analysis replicated a strong significant positive relationship between customer demand risk factor and project performance. The study concluded that measurement of customer demand risk factor indicators greatly influenced project performance as a dependent variable.

The study concluded that the measurement of human resource risk factor indicators greatly influenced project performance as a dependent variable. The results showed that based on the findings of correlation and regression analysis it replicated a strong significant positive relationship between human resource risk factor and project performance.

4. RECOMMENDATIONS:

- i. The managerial level is that they need to initiate robust structures and strategies that will initiate and turnaround the customer demand risk factor into valuable information technology risk factor thus enabling the organization to achieve its objectives and goals.
- ii. In the development of organizations, training plays a vital role, improving performance as well as increasing productivity, and eventually putting companies in the best position to face competition and stay at the top.
- iii. The managerial level to strengthen the systems and structures of ensuring that they get the best qualified employees who are capable of being trained and changing the entire organization in regards to performance.

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