KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI

GHANA

Analyzing the Effect of Credit Risk on Construction Project Implementation Success in Barclays Bank Ghana Limited Head office Accra.

BY

Hubert Akoamah Nana Aidoo

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MASTER OF SCIENCE

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DECLARATION

I hereby declare that this submission is my own work towards the MSc. Project Management and that, to the best of my knowledge, it contains no material previously published by another person, nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

HUBERT NANA ADU AKOAMAH PG1145517)

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Signature

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Date

Certified by:
Dr. DEGRAFT OWUSU-MANU
Supervisor Name

Signature

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Date

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Certified by:
Prof. Baiden
(Head of Department)

Signature

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Date

ABSTRACT

Most financial institutions are liable to credit risk activities which affects their existence. Credit risk is simply defined as the potential that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms of a contract. This activity has become more prominent in Ghana which affect project implementation. The research sought to assess the effect of credit risk on project implementation success specifically at Barclays Bank Ghana Limited**.** The study investigation was mainly based on the quantitative research approach using primary data obtained through questionnaire administered to 40 respondents from the credit risk department. Findings based on the study indicated that the bank has methodologies for credit risk measurement which aided the bank to quantify credit risk exposures of individuals who borrow from the bank. The study also revealed that there was minimum attention to control the adherence of processes as well as poor portfolio risk management. The study again revealed that ineffective credit policies and guidelines lacks strict adherence to credit standards by counterparties and borrowers, due to insufficient institutional capacity and proper banking supervision on the part of central bank. It was also found that projects were successful if completed within the planned cost and time reducing credit risks. The study recommended that effective credit risk management policy will increase the successful completion of project. In addition, Barclays Bank Ghana Limited should continue to diversify its lending activities and should allocate more funds to the productive sectors of the economy, especially private sector, businesses should be prioritized and supported by the government to help complete project.

Keywords: Analyzing, Credit Risk, Project Implementation, Barclays Bank

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CHAPTER ONE

INTRODUCTION

1.0 INTRODUCTION

This chapter make available background to this study on “Analyzing the effect of credit risk on project implementation success in Barclays Bank Ghana Limited”. The chapter also examines the background to the study, and statement of the problem, the research aim and objectives, research questions along with the significance and scope of the study. The concluding part of the chapter is dedicated to explaining to some extend of what the researcher wouldn’t be able to do, brief methodology and the organization of the study.

1.1 BACKGROUND TO THE STUDY

The contribution of the banking industry to viable economic growth and the development of new project of a nation is very significant in the growth of an economy. Credit risk describe how risk of a credit institution losses due to default, late or incomplete execution of the debtor financial duties of credit organization in accordance with the terms of the contract (Lapteva, 2009). Credit risk of a financial institution is successful if it met it financial bargain with contract in an ongoing project in an organization. Although the management of risk in the banking industry is seen as one of the most essential internal itineraries upon which decisions are made by financial institutions (Aureliju et al, 2014).

Projects within the banking industry are categorized as uneven, short-term and composite of possibility experiences. Managers surrounded by the industry essential contingent entrance to material and understanding the edict to achieve risks in adequate and efficient method. Thus, putting into practice of a real credit risk management in relative to handling associated project risk understanding could enable fruitful project deeds (Banaitene & Banaitis, 2012). Credit risk organization is consequently progressively flattering a wide-ranging factor of the team of banking projects develops to recreation capably with agreement in unforeseen happenings. It is imperative owing to the harmful significances enforced by such improbability (Banaitene & Banaitis, 2012).

Inability of a bank institution to effectively control its credit risk has a substantial adverse result on the show of its effectiveness both in the short and long term. Poor credit risk supervision methods and poor credit quality remain overriding reason of bank collapse. (Tetteh, 2012). In the last two years, some financial institutions in Ghana have had their hard-earned reputation marred and others who could not curtail or curb the situation have collapsed because of weak measures in the controlling of credit risk categorized by massive of insider loans and the avoidance of diversified loan portfolio. Research on the failure of banks at large has revealed that little quality of loans is a predominant basis of bank distresses (Boahene et al., 2012).

Impartial of proficient technique in the management of risk remains to take neutral management, which in opportunity will result in more success. Regular approaches for earning more facts about ambiguity on the project is necessary to accomplish it activity (Winch, 2010). The putting into practice of several skills and approaches for the management-risk and will conversely might not eliminate the entire risks nevertheless its goal is to make certain that the risks are assessed and managed in a manner letting objectives in the project to be determine (Potts, 2008). Cost and time are the primary performance measures of a project's success project are said to be accomplish when it within the cost and time. Risk management is recognized as a key exercise in order to achieve healthier performance of construction projects. Attainment in banking project is indicated by its performance in the fulfillment of project time, cost, quality, safety and conservative sustainability objectives.

1.2 **STATEMENT OF THE PROBLEM**

The Ghanaian investment industry face several challenges, notable among them is credit risk despite enormous application of technology and tools in managing it (Kessey, 2015). Moreover, several banks have reputable credit risk management departments through the responsibility of managing credit risk inherent in bank activities due to lessons learnt during the recent global financial crisis that occurred in 2008/2009 (Gorton, 2009; Saunders et al.., 2010; Sanusi, 2010: Bisias, Flood, et al…, 2012). Unquestionably, every bank in this current impulsive financial environment faces a number of large risks which threatens the survival and success of banks; these include liquidity risk, market risk, interest rate risk, foreign exchange risk and credit risk (Kumah & Sare, 2013). Credit risk is regarded as the most dominant risk which must be given much attention in risk management since over 80% of banking activities captured on the balance sheet involves management of credit (Aduda & Gitonga, 2011).

For instance, credit risk exposes especially in the real estate sector resulted in a number of difficulties for banks in countries such as UK, Japan, Switzerland etc in times past. In developing economies, especially in Africa, much attention is given to credit risk compared to poor management terms of factors that lead to bank failures (Obiero, 2002; Idarus, 2005). The management of risks associated with credit facilities is among the core business of financial and credit institutions (Amidu & Hinson, 2006; Lapteva, 2009). The above notwithstanding, the experience to credit risk causes to be the major source of problem for most lending organizations. According to Tetteh (2012), the collapse of significant numbers of financial institutions is characterised by inefficient practices of credit risk management systems. These include poor quality in credit operations, speculative lending, insider loans and the apparent over concentration of credit advancement to particular sectors of the economy over others. Banking projects in Ghana and largely in the province and the world run extraordinary risk of being well over budgeted and significantly late. While some degree of cost and time schedule risks is inevitable in banking projects, it is possible to improve credit risk strategies to minimize their negative impact. Regrettably, numerous managers of several projects have still not appreciated the significance of determining credit risk on a part of turnaround time of the delivery of a project (Smith et al., 2006).

The ineffective enactment on most credit risk is frequently initiated when a shortage of solemn ways, in want of steadiness in the several project periods and an unsatisfactory addition of information supervisors and collaboration concerning methods of its assemblies (Liu et al., 2007). Njanike (2009) further advances that credit standing of most banks deteriorate as a result of little attention given to standards of borrowers and counterparties, minimum focus on economic changes as well as poor portfolio risk management. Therefore, there is the need to ensure a strong culture of credit risk management practices of banks. In other words, credit risk has become the pillar to ensuring prudent and adequate credit risk management without which the objectives of project success may not be achieved. These evidences underscore the imperativeness of credit management as a core pillar in the operations of credit institutions. Based on this background, the study examines the effect of credit risk on project implementation success in Barclays Bank Ghana Limited.

RESEARCH QUESTIONS

Based on the research objectives, the following questions will be posed:

1. What are the fundamental challenges associated with credit risk of Barclays Bank?
2. What are the principal credit risks of Barclays Bank Ghana Limited?
3. What are factors that will reduce credit risks on the project success in Barclays Bank?
4. What are the effect of credit risk on projects implementation success?

1.3 AIM

The aim of the study is to assess the effect of credit risk on construction projects implementation success in Barclays Bank Ghana Limited**.**

1.4 RESEARCH OBJECTIVES

So as to realize the specified aim above, the following specific objectives have been established:

1. To identify the fundamental challenges associated with credit risk of Barclays Bank
2. To determine the principal credit risks of Barclays Bank Ghana Limited.
3. To find out the factors that will reduce credit risks on the project success in Barclays Bank
4. To identify the effect of credit risk on projects implementation success.

1.6 SIGNIFICANCE OF THE STUDY

The study will be of value to most notice groups beginning with the recognition experts in the banking institutions whose determination uses the study outcome and endorsements to uninitiated out policies to support their credit management carry out on project. It also allows the banking industry participants including financiers, brokers to critic the intercity certain risks which are related with affiliations and how its interplays with most industry people. The research brings in place a credit management for individuals in the academician upon which an in-depth analysis can be measured upon. Also, it is foreseen that the result of this study would create the awareness of the crucial effective management of project of a financial institution. Finally, the study will serve as a knowledge reference to students and future researchers who will want to learn more about the outcome of credit risk on project implementation success.

1.7 SCOPE OF THE STUDY

The scope of the study is limited to effect of credit risk on project implementation success in Barclays Bank Ghana Limited, Head Office. The study could not cover the other nine (9) regions due to constraints relating to funding and time. Nevertheless, since the basic concept credit risk on project implementation success in Barclays Bank Ghana Limited are the same for various regional directorates, it is hoped that any generalization based on findings would reflect the general trend in the other regions of Ghana. The research will last from July 2018 -September 2018 being the time frame.

1.8 LIMITATION OF THE STUDY

Mostly there are some limitations to be faced by the scholar in the process of this study which restricted the scope to only Barclays Bank Ghana Limited, Head Office, some of the limitations are as follows; some of the sources of information by respondents will mainly be based on memory status and therefore subject to omission of other important facts. Low in the response from participant with the mindset that very important information could be given out to competitors which can damage. Despite the time provided, it will not still be enough for the researcher to go to other relevant places to get relevant Information and due to the combination of project and academics work. Again, financial constraints; The researcher will finance for transportation, electronic library, etc. and wants to limit to only Barclays Bank Ghana Limited, Head Office.

1.9 METHODOLOGY

Research design comprises the formation, institute, mobilizing and analysis of data to deliver quick responses to questions such as: what methods will be put to gather data? What sampling plans and tools was be used? And in what way was period and cost constraints be dealt with? (Malhorta & Birks, 2007). The scholar offers to investigate with the descriptive survey which is design to gather data relating to the outcome of credit risk on project implementation success in Barclays Bank Ghana Limited, Head Office. A descriptive survey is an unfolding sharing of occurrence in a population and thus forming the facts (percentages and frequencies). The descriptive survey was chosen because this is designed to deal more directly with the nature of people's thoughts, sentiments and feelings. There are two universal methods in the social sciences: quantitative and qualitative research. Denscombe (2003) define the difference between quantitative and qualitative research uninterruptedly the base of the operational specificity of concepts, hypotheses and methods of observation. My research approach is quantitative strategy.

The object population denotes to the explicit group significant particular to the study. Mugenda et al (2003) acknowledge that a personality in objects that have the similar appearances. which are the whole of circumstances which comply to certain conditions, which defines the features that might be in the target group. The population of the research comprises of employees of Barclays Bank, Head Office. Investigation which has been done by the researcher from the bank indicates that total population now stands at about 130 staff of the entire population. A sample is a smaller group or sub-group obtained from the accessible population (Mugenda & Mugenda, 2003). This sub group which has been carefully selected to be representative of the whole population with the relevant characteristics. For this study, the sample size of the study will comprise of forty (40) employees whom will need answers to the credit operations of Barclays Bank Ltd. An optimal sample according to Kothari (2003) fulfills the requirements of efficiency, representatives, reliability and flexibility.

Sampling technique is the process of selecting a sample from the population to conduct the study upon (Malhotra, 2010).

In this esteem, sampling technique determined in the selection of respondents. The sampling technique will be the most suitable because the researcher will need the most appropriate personnel of the bank who has in-depth knowledge of the credit risk on project success of the bank and can therefore provide adequate material useful for research analysis purposes. According to Ghauri and Gronhaug (2005) the two data sources which had remained used for a study include primary and secondary data sources. This study will make important on both primary and secondary sources of data information. Primary data to put in use by the researcher will be collected with the help of questionnaire. Data from the secondary sources involve the gathering of information on credit operations of Barclays Bank Ltd. The secondary sources will provide some useful statistics and information used in supporting the literature review. As Mugenda and Mugenda (2009) indicated that questionnaires are proper tools for collecting data beginning respondents who are geographically dispersed.

According to Kombo (2006), questionnaires can be broadly acquiring information of a recent conditions which are practices for inquiries and opinions quickly of an individual way of behavior. Questionnaires will be used to collect primary data in a sample size which are selected. The questionnaires which are used is prompted by the fact that they are straight forward and will reach a huge sample. According to Nicholas (2008) data analysis can be defined as the act in which data that is composed during the research process, are transformed into useful information and conclusions. The primary data had been collected and before analysis coded. Most at times coding and it analysis will be put in use the aid of the Statistical Package for Social Sciences (SPSS).In which analytical tool such as the chi square was used.

1.10 ORGANIZATION OF THE STUDY

This segment defines the details of chapters and sections. Chapter one provides an overview of the outline, problem statement, the study aims and objectives, significance of the study, scope and limitation of the study, outline of the research methodology and organization of the study. Chapter two gives a comprehensive review of the literature relating to the subject matter under consideration. Chapter three aspects at the methodological framework of the study. The chapter brings forms of bases of the data, sampling techniques, size and collected and analysis of data. Chapter four is the analysis of data and discussions of the findings from the analysis. Chapter five represents the summary of findings of the study and draws conclusion. It answers explicit objectives of the research and makes recommendations based on the findings.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This section provides a review of related studies and knowledge by authors and other researchers who have studied various aspects of credit risk on project implementation success. This review is intended to offer a basis for the current work and serve as a literature for further research.

2.2 THEORETICAL FRAMEWORK

2.2.1 Risk Management Model and Process

Several methodologies or a representation in concerns to controlling the occurrence of risks in numerous projects for which management of risk consists of process in other industries. Identification and sorting bases of risk, valuation risk analysis, progress reactions by senior officers toward risk of which are efficiently determined (Smith et al., 2006). These process of management on risk will perceive and define risks uncovered to determine creation of conscious followed decisions with well-coordinated resources, in order to prevent the consequence for complete chance to measures undesirable outcome (Dehdasht et al., 2015). Thus, openness rises with the project risk management which can equipped problems with that initiative processes (Schieg, 2006).

Loosemore et al (2006) explains that working preemptive procedure of observing risk as differing to signifying of responsive basis. The difference which tangled in the built denoted potential risk, but establish a reluctant volatile method. Winch (2010) refer to ideal existence aimed at rounded way to underline that potential risk of educational method in a period, by the same four elements or junctures as Smith et al (2006) and Hillson (2004). In research, the core value of risk process is equal but it manner will slightly change depending on it industry players, these mechanisms illustrated in fig 3 are present. An efficient enactment of the method over it entire lifespan, which begin from development end with conclusion, of most built project required for possibly run through which strictly favorable, for that method to be iterative (Loosemore et al., 2006). PMBOK's model changes of integrating risk process with potential risk analysis. Significance to response of each phase will underscored in ISO 31000, in which will review warrants screens risk piece and adapt the skill.

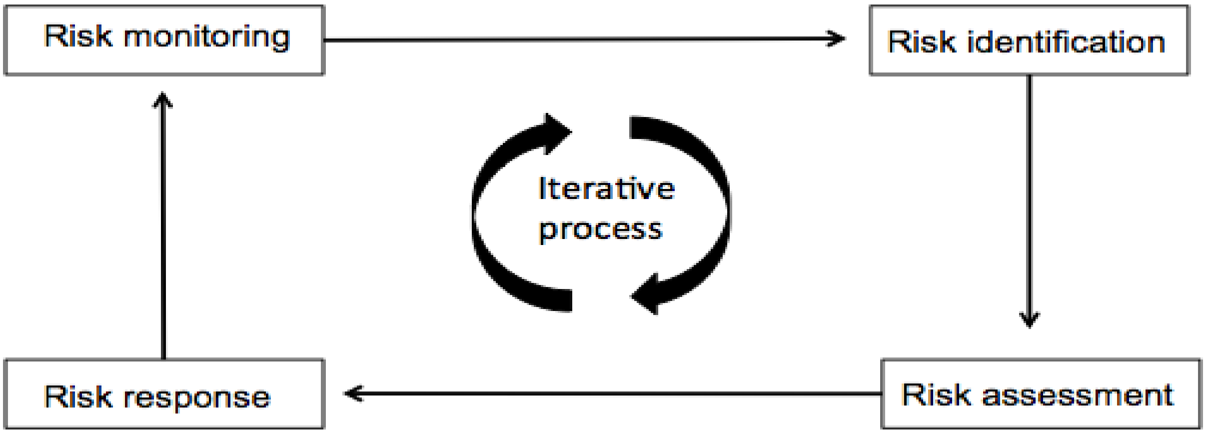


Figure 2.1: The iterative process of Risk Management (Hillson, 2004)

Banking begin with project from being immediately uncovered to event of uncertainty (Schieg, 2006). When risk is implemented from initial stages of necessary that key ideas of alliance of built devices which are subjective throughout the period (Eskesen et al., 2004). Extra explanations and scrutinizing unplay event happenings beginning in the lifecycle of project is that important decision around an event which will appear aiding a considered approach to be definite for approval as timely manner. Which will aid clarify most inner goals set with importance thriving and aiding approximation need, budget and timing (Reilly & Brown, 2004). With preparation of risk in phase aid credentials then decline a likely risks attainment of project (Schieg, 2006).

2.3 DEFINITION OF RISK

Generally, there is no single recognized definition of risk, though it is usually used in banking, insurance and finance, around are numerous means of explaining it and this depends on the person giving the definition (Post, et al., 2007). From cover business perspective, risk is described as the firm's exposure to and vulnerability to loss. In other words, risk is the doubts that influences a system in an undefined manner whereby the concerns are also uncertain but with excessive variability of assessment (Agu, 2016). From another perspective, Hopkin (2017) perceive risk as a blend of the chance of an occasion and its results. It is worth noting that, risk can be defined as actual or potential event which can lessen the prospect of accomplishing business goals (Siayor, 2010).

2.4 COMMERCIAL BANKING RISKS

Commercial banking risk can be categorized into six different types; these are operational risk, liquidity risk, reputational risk, credit risk, market risk and legal risk (Zou, 2014). Any of these risks can create negative impact on the banks' shareholder's equity, market value and liabilities. Liquidity risk is described as the inability of a bank to meet both anticipated and unanticipated present and current cash flow. This type of risk also emerges as result of banks' inability to meet their collateral requirements, it relates to risk of funding which is associated with unforeseen event, for example currency crisis or large charge off (Chakrabarti, 2015; Muriithi, 2016). Market risk however is described as risk that cannot be diversified which comes from a number of sources such as relative values of currencies and interest rate volatility. Banks and financial institutions usually adopt strategies such as hedging, futures among others as mitigation strategies since this risk cannot be completely diversified (Tiru, 2009). Operational risk on the other hand is associated with losses arising from issues relating to inadequacy of failed systems approaches or policies. In other words, errors made by employees, fraud as well as any event that disrupts business operations is captured under this type of risk (Owira, 2011). Reputational risk emerges from negative assessments which may influence the profit and value of the business. It exhibits a diminishing value of the image and brand of the bank (Miklaszewska, 2016).

Legal risk usually occurs when a bank or financial institution fail to comply with regulation of the industry or the jurisdiction in which it operates. It could emerge from tax legislation, new tax status, opinions of the court and regulations. It must be noted that legal risk usually occurs in financial contracts which is distinct from the legal consequences of operational credit, counterparty risk among others. Common examples include environmental regulation which affects the value of real estate properties which cause risk for institutions that engage in lending. From banking activities perspective, management and employees who violate regulations and laws or engage in fraud creates legal risk for their institutions (Nangi, 2013).

Credit risk usually occurs when counterparties of a loan agreement or other credit transactions default indicating that they fail in the repayment of the principal and interest on the agreed time (Nguyen, 2017). Credit risk remain the common and the greatest risk found in the banking industry that erode large proportion of profits and pose great threat to bank performance (Muhamet & Arbana, 2016). Many reasons have been attributed to credit default in the banking industry, in most cases the obligor is found in a financial stressed situation. Moreover, on the part of the obligor, there could be refusal of complying with debt service obligation in the event of fraud legal dispute. Afriyie and Akotey (2012) a bank's credit risk situation can be impaired due to insufficient institutional capacity, ineffective credit policies and guidelines, low capital adequacy and liquidity ratios, government interference as result of compulsory quota lending as well as improper banking supervision on the part of central bank. For the purpose of this study, the subsequent sections of this review will focus on the detail of credit risk.

2.5 CREDIT RISK AND CREDIT RISK MANAGEMENT

According to Basel Committee on Banking Supervision group international banking authority, BCBS (2000), credit risk refers to the potential failure of a counterparty or borrower to honor its obligation as per agreement. Over the years, numerous financial institutions suffered huge losses with number ideas the dominant of such financial crisis has consistently been directly identified as poor risk management portfolios, lack of strict adherence to credit standards by counterparties and borrowers, minimum attention to changes in economic conditions as well as other events leads to the impairment of credit position of counterparties (BCBS, 2000). The objective of managing credit risk is to ensure that banks' credit risk exposure is maintained within a range that could be contained; this is done through the maximization of risk-adjusted rate of returns of banks. Therefore, banks are required to manage their credit risk such that individual credits or transactions as well as those related to the entire portfolio are mitigated. Moreover, much attention must be apportioned to the relationships that exist between credit risk and other class of risks in the banking industry (Mutua, 2015). Essentially, a critical aspect of managing credit risk is the adoption of a comprehensive approach which is necessary to the long-term objective any bank. Loans form a substantial part and serves as the obvious origin of credit risk for most banks. That notwithstanding, throughout the operations of banks, there exist other sources of credit risk; these include trading and banking book, off and on balance sheet items (BCBS, 2000; Glantz, 2003; Bandyopadhyay, 2016). Thus, banks gradually face credit risk through trading in a number financial instruments apart from loans, examples include foreign exchange, trade financing, swaps, futures, options, interbank transactions, bonds, extension of commitment and guarantees.

As credit risk exposure consistently lead in the sources of banking crisis globally, management and supervisors of banks must be guided by past experience and the lessons that such experiences brings. Therefore, banks ought to have strong interest and awareness on the importance of identifying, measuring, monitoring and controlling of credit risk and to determine that there is adequate capital to cushion risks (BCBS, 2000; Sophia, 2013).

In most cases, deposit taking institutions keep little shareholders capital as compared to the total value of assets. This indicates that, under such a circumstance, only lesser proportion of total loans is required to trigger the credit assortment to the edge of distress. From this perspective, the possibility that banks' credit portfolio will fall in value and maybe come to be worthless could be referred to as credit risk, while all measures designed as control mechanisms with the intention of providing protection for banks against dangers related to credit risk exposure is described as credit management process. A substantial part of frameworks and the governance structures of management systems of most banks include processes of analyzing credit risk, grade and quantifying them (Onaolapo, 2012; Ugwoke, 2017; Wolday, 2015). Studies, bank stakeholders and proponents of credit risk management advanced reasons to support credit risk management implementation; notable among them include;

high cost involved in bank financial distress, managerial self-interest and goal appraisal; and imperfection in the capital market. Moreover, the need for avoiding insolvency, considering the probability that ineffective management of credit risk can result in bank financial distress also remain a strong reason for credit risk management.

2.6 BANK CREDIT RISK MANAGEMENT PRINCIPLES

The banking industry have several challenges as a result of serious problems regarding poor lending assessment criteria, lack for both defaulters and counterparties and lack of care to changes in economic conditions and other situations that can result in worsening credit standard of bank counterparties (Basel Committee on Banking Supervision, 2000). In this regard, the Basel Committee on Banking Supervision (2000) prescribes sound principles that ought to be followed in credit risk management. The following are few guidelines for credit risk management:

2.6.1 Establishing an appropriate credit risk environment

The management must have obligation for intermittently revising the substantial credit risk guidelines financial method. The easiness for effectiveness the bank achieve for experiencing risks. Leaders must be accountable with employing risk policy from management and for evolving policies for assessing, observing risk with procedures should reduce risk in the bank's levels portfolio activities. The banks accomplishment inherent credit risk in all services. New Product of banks should go through management processes to be presented or commenced, progress by the management committee.

2.6.2 Operating and a sound credit granting process

Most financial institution work within an exact credit risk processes. These standards must involve suggestion target market strategies to be organize by the banks, which thoughtful of complement, and how structure payment are effected. Banks must establish controls to prevent occurrences insolvents of allied individual with types of capabilities with the balance sheet. Banks should have an established process admitting of individual re-financing of credits existing. Trimmings of credits companies to its related basis, supervised with steps for correct process taken to control distance lending.

2.6.3 Maintaining appropriate credit administration, measurement and monitory process

Financial institutions must put in a structure for relentless direction bearing selections of risk. Financial players put in systems for watching forms of credits of individual, involves shaping it acceptability for desires funds. Financial institute refreshed to cultivate then the processes involve in rating risk. The system should be rated regular with activities of the bank. Financial institute must have structures available for vital news and method that will continuous to measure the inherent off-balance sheet activities. This leadership information system must provide alignment of the credit portfolio, which concentrations on risk. Banks requisite must have system for monitoring the quality of portfolio of risk. Banks should take into contemplation future position of economic conditions with assessing credits and their credit portfolios, must gain their credit risk experiences under stressful conditions.

2.6.4 Ensuring adequate controls over credit risk.

Most banking institute have independent, valuation of risk management processes and outcome such analyses must be connected directly to the board of directors and senior management. Banks should endeavor to the credit-granting role is properly managed and that credit revelations and levels consistent with provident internal process. Banks enforce controls and other process to ensure that exemptions to producers and limits are inform of manner that is appreciated by management. Banks system in place for early corrective action on failed management problem on situations of the same kind.

2.7 LOAN RECOVERY OF COMMERCIAL BANKS

2.7.1 Bad Loans

In the previous years, banks globally needed to manage just couple of instances of bad loans. They were accustomed to taking legal actions against persistent defaulters of loan given by banks. By universal standard, banks' non-performing ought not surpass 10% while such an indication is expected to exceed 26% due to willful defaulters of banks (Muthee, 2016) crossed by 26 percent, for most part because of the expansion in headstrong defaulters in the banks (Muthee, 2016). Recovery in finance literature refers to collecting of amount due. In fund the term recuperation alludes to gathering of sum due, however, this largely depends on the purpose, terms and condition, time and the process of running business. Regularly recuperation relies upon the reason, time and condition; business running procedure. Credit sum is recuperated on portion premise. The chief can settle a portion period on the premise of nature of their business as confirmed by (Howorth, 2003). Recovery of loan is usually done on instalment basis and the period involved can be fixed by the manager considering the nature of the banks (Howorth, 2003).

2.7.2 Rate of loan recovery

Loan recovery rate must be computed in order to estimate unanticipated losses. Loss Given Default (LGD) is a significant parameter when the Basel II advance internal ratings based (IRB) approach is used in the capital requirement computation (Eigen, 2005). Banks that adopt this approach need to estimate loss given default on the basis of appropriate self-provide model. Consequently, these banks are faced with lower capital requirements. Loss given default estimation must take into consideration possible effect of deteriorating economic conditions and the corresponding likely dependency with default probability.

It is required that an entry is made for the recovery of debts (loans) by debiting and crediting accounts receivable, (Eigen ,2005) further notice that when the ratio of recoveries to write offs is high, it may imply that banks write off unrecovered debt too quickly. Such recoveries may come from varied sources thus; voluntary payment of the borrower for part of all principal and interest due, foreclosure of sale of borrower's asset used for collateral; or seizure of borrower's assets, wages and salary to satisfy the debt (Musafiri & Ganesan, 2009).

2.7.3 Legal processes

To recover, non-performing loans, there is the need to secure a permission from the court. Prior to 1966, legal process to recover loans involved a formal law suit filed through a civil court system. Under this circumstance, banks need to details and facts of the case and demand that the borrower is directed by the court to repay the loan to the banks (Awuonyo, 2012). In a case where the loan is unsecured, the bank must ask the court for liquidation of the assets of the firm and share the proceeds to all creditors in accordance with the importance of their claim. However, if the loan is secured, the legal order must request the court to enforce the security interest (collateral) that is available to be sold for the recovery of the debt (Howorth, 2003).

2.7.4 Legal actions

Recovery of bad loans in the financial section is a big issue that banks are facing (Deloof, 2003). As a result, there has been great negative implications including; decline in bank profitability, decline in government revenue and the overall performance of country's' financial sector. This has therefore called for the establishment of systems and measures that will enhance effective and early debts recovery by banks. According to Kimuyu and Omiti (2010), there has been special institution mechanism which has been designed to deal with debt recovery using judicial steps an early settlement of such cases. In this regard, operationalization of such mechanisms must be transparent and informative to everyone without discrimination. (Maina et al,2009) states that banks conditions of lending must offer realistic description of the position the bank wants be in terms of risk-reward scale. Moreover, there is the need to provide enough liberty to responds to great business opportunities while controlling loan risk at the same time controlling loan. Credit is provided to small groups upon the satisfaction that leaders can guarantee for leaders of such groups (Alila et al, 2010). In this approach, there is clear emphasis of responsibilities in the credit appraisal procedure. Including client's selection, appraisal and retrieval of loans while minimizing administrative costs.

2.8 EFFECT OF CREDIT RISK ON PROJECTS

Most built process has several challenging activities that involve wide planning control to be very effective. In the Globe, they have always posed challenges stakeholders, challenges such as: finance can delay entire project, quality control and returns. Overriding costs are especially risky since they can trigger a whole array of new problems, such as delays in project delivery, the hopelessness of additional business support, quality anxieties and finally, project failure (Gatti, 2008). Banking project sector is described for an uneven advantage has essentially brings about experience risk. Industry players have a contingent access to information to manage certain risk in a systematic way, of implementation of effective risk management relation to dealing with project knowledge successful facilitate some built project activities (Gatti, 2008).

2.9 RISK IDENTIFICATION

Risk have debatably standard the greatest processes within the risk management method (Banaitene & Banaitis, 2012). The aim is achieve by guesses of past acknowledgement of source high impact on individual that it occur. The potential risk that are noticed and processed (Smith et al., 2006). The process of identifying possible risk which are manage for it purpose to be accomplish. With the altering project lifecycle with process enduring (Potts, 2008). An identified risk can be understood from previous experiences influence application of activities (Karimiazari et al., 2010). The management descriptions give emphasis to risk to be notice as quick as possible. (Chapman et al,2003) for success to be notice that quick response are applied. The identification of primary phase within management process will have influence on it later phases inside the process for the identification of success (Chapman, 2001).

The bases of strategies should begin on the early project strategies, uncertainties and risks are reputable (Potts, 2008) most often risk are not recognizing with a start of most project given often in the implementation of the project, the documentation of method that is in line early development of project. (Schieg, 2006). The PMBOK bring out the iterative risk identification, implementation of simple are put in place. Moreover, these are discussion that there a sense of an overall significance iterative process to filter analysis made. Most procedures for the constant identification skilled analysis of difference with historical. Essentially, documented risk and undocumented should be made known (Klemetti, 2006). An interviewee with leaders who are experienced solving and contribute project which can interviewed risk factors. The process of using experience of collective factors. Application of processes which are simple for feedback given as well (Mhetre et al., 2016).

(Winch ,2002) explains that identification of risk which is common base on experience Again, the emphasizes producing benefit of a register that is acquainted with some risk perspective. Skitmore and Lyons (2004) explains mutual that as a risk identification tool. Smith et al (2006) essentially brings associates process of forces project focus on activies of risk, again importance of individual biases for well-planned process. Again to enhance the valuation of the source of risk which unsatisfactory collective will experience some unnoticed risk, in which most people use a hired constant. Process of identification of analysis may generally be seen as prevention of effective assessment. (Maytorena et al., 2005).

2.10 RISK ASSESSMENT

Identification of risk can be used for further analyzes. Risk is significantly determining with quantitative approach before response by management. Again the assessment of risk is to prioritize to completely see it importance. (Schieg, 2006). Essentially risk are categories into two, qualitative and quantitative analysis. The earlier process involves interviews while the latter driven methodology is the latter (Banaitene & Banaitis, 2012).

Quantitative analysis of risk explains the possibility of high or low risk. Whereas the assessment involves impact estimation to further analyze risk (Zou et al., 2007). Assessment of risks should be made known to all stakeholders (Schieg, 2006). Most successfully analyzed risk factors are predictable to be enumerated. Each outcome may increase schedule and in the long run reduce productivity. Again these process may be caused by subcontractors, and other individuals players in the industry. (Schatteman et al., 2008).

2.11 RISK RESPONSE

The stakeholders to imply most determined risk fear to be identified. (Mhetre et al., 2016) The process of planning risk response can be explain by PMBOK which condense opportunities on project objectives. Risk response are oblige which monitor the increase or decrease of potential risk. Research bring out strategies to risk mitigation in which they are four, these strategies if put in action will reduce risk. Mills (2001) explains risk and opportunity are in line which gives instance of regular monitor risk. Benefit of regulator of mobility. The additional benefit from the risk regulator measures taken was an increase in people's mobility and in turn their output. Hence, illustrating an example of potential occasion arising from risk.

2.11.1 Avoidance

A significance estimated in a form of avoidance is justified on the seriousness of the risk which involves all project. (Potts, 2008). Changes to plans of makes risk unnoticed. (Klemetti, 2006), the closure of project facilitates risk removal which brings negative impact. Which might include subcontractor which is not accustomed. (PMI, 2000). And extending the scope of the program. (Karimiazari et al., 2010). The avoidance of risk aim, might also be to contractual measure and any other measure. Additional measures that can be considered is procedural changes, regular training development and other choice of approach (Cooper et al., 2005).

2.11.2 Transfer

This response approach involves assigning the risks and instants to third parties who are willing to accept concern for its management and the obligation of the risk (Mhetre et al., 2016). This method is most effective in regards to dealing with financial experience to risk. It includes the use of both contracts and coverage to transfer accountability to other parties, for instance by contractor to subcontractor and often involves payment of risk finest to the party that is taking on the risk and concern of the consequences (PMI, 2000). In order to avoid secondary risk in case the agent (third party) fails to meet compulsions, the transfer should only be done when the agent is in a better situation to manage the risk than the primary (Winch, 2010). The main purpose is to ensure that the risk is owned and accomplished by the party best able to handle the task effectively (Mhetre et al., 2016).

2.11.3 Mitigation and reduction

This method means to alleviate the risk by changing the scope of the project to minimize the likelihood of the detrimental event occurring (Winch, 2010). Implementing risk management early in the project to reduce the prospect of the risk event happening is more effective than annoying to repair the damage and consequences after the risk has passed. The extenuation of risk may be done by adopting less complex processes or moving conditions so that the probability of impression is reduced, other forms of action is adding possessions and extra time to the program (PMI, 2000). Flanagan et al (2007) describes an altered construction method and the use of other materials to reduce impending risks, or executing a new or more detailed planning. Additional reduction policies include possibility planning, quality insurance, separation or relocation of accomplishments and resources. In practice these categories might often overlap in some fashion as in this case where insurance also can be a mitigation strategy, sharing characteristics with risk transfer (Cooper et al., 2005). However, risk reduction can only be used a few times in a project before the project might become unsurmountable (Flanagan et al., 2007).

2.11.4 Acceptance

It is impossible in reality to take advantage of all chances and eradicate all threats to the project, but it is possible to at least be aware of the threats and occasions through the documentation and identification of them. The usage of this strategy is justified when it is not conceivable to respond to the risk by the other strategies, or when the grandness of the risk makes a response difficult (Mhetre et al., 2016). This risk response approach essentially means taking a conscious risk and to deal with the consequences as they occur. This indicates a decision not to change any project plans in order to deal with the risk or pleasing in any other response schemes (Cooper et al., 2005).

2.12 RISK MONITORING

Continuous monitoring and review of potential risks is an important in regards to the implementation of the risk management process. It guarantees new risks are detected and managed. The project manager should monitor a list of the major risks that have been identified for risk treatment action, which should be a primary tool used management meetings (Cooper et al., 2005). This is the final phase of the process and it is equally important as the others. Given that more information emerges one can reassess the probability and impact of the risks, and once the potential risk event has been passed and can be removed from the risk register (Winch, 2010).

2.13 KNOWLEDGE IN RELATION TO RISK MANAGEMENT

The construction industry is a diligence where knowledge is the core proficiency, execution of construction activities requires expert knowledge and experience-based problem-solving solutions. Most of the knowledge in the construction sector is obtained through the firm’s various projects, it is therefore desirable that lessons learned from previous projects is taken and used again in impending projects (Maqsood, 2006). The management of knowledge is a discipline that is associated with risk management, the process of knowledge management both influences employees’ know-how as well as enhancing the knowledge distribution among team members (Rodriguez & Edwards, 2008). The new knowledge that is made within each of the preceding projects is often lost as elaborate parties give up work or move to a new assignment, resultant in a loss of both tacit information and a potential source of realistic advantage. It is only possible to truly reflect on the real consequences of actions when they are evaluated in retrospection (Anumba et al., 2005). A lack of storing, distributing and allocation information and knowledge generated by each project will eventually affect the decision-making process destructively (Serpella et al, 2014). The process of managing knowledge in the construction industry might not be the easiest undertaking given the inherent characteristics of the industry, in which phases are fragmented and temporary in nature (Tan et al., 2010). Construction projects are often essentially complex and filled with ambiguity. Risk- and knowledge management are increasingly becoming a general factor of the project management of construction projects, in a pursuit to efficiently deal with unexpected events and uncertainty (Banaitene & Banaitis, 2012).

2.14 EMPIRCAL REVIEW

Even though most empirical review on effect of credit risk on project implementation success is quite scanty, a survey accessible by Akintoye and Macleod (1997) showed that the majority of independents supposed risk as the likelihood of surprising factors occurring, which could adversely affect the fruitful completion of the project in terms of cost, time and quality. Only one contractor saw risk as an occasion instead of an event that will always have adverse effects. Wang and Yuan (2011) accompanied a study presenting the critical factors affecting risk attitudes of workers in the context of the Chinese construction industry. The factors careful most important where categorized into groupings such as data and experience, contractor's character, individual perception and monetary environment. By deepening the empathetic of the various factors that affect contractors risk attitudes, further provision in regards to decision making can be simplified.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

According to Mugenda and Mugenda (2003), research methodology is plan of action, design, strategy or process that researcher choose and use in order to get the desired consequences. This chapter provides information on the technique to be used in conducting the study. It provides a description of the happenings which are necessary for the completion of the research namely; research design, target population, sample and sampling actions, description of research instruments, validity and reliability of instruments, data collection procedures, data analysis techniques and ethical deliberations while directing the study.

3.2 PHILOSOPHICAL POSITION OF THE STUDY

The term research philosophy recounts to the progress of understanding nature of that of knowledge. Tuli (2010) mentioned that the selection of research process depends on the paradigm that guides the research activity, more explicitly, beliefs about the nature of reality and humankind (ontology), the theory of knowledge that informs the research (epistemology), and how that acquaintance may be gained. Research philosophy contains different assumptions which are very important about the way you view the world in order to position the research. (Saunders et al., 2009). The adopted research view and its conventions influence your studies and how you select your study and how you communicate your research questions.

Ontology deals about how you view the world and construe the atmosphere of reality of the researcher, which could be either impartial or subjective (Saunders et al., 2009). Ontology is distressed with the nature of reality which raises queries of the resolutions researchers have about the way the world activates and the word to discrete views (Saunders et al., 2012). There are four different ontologies: realism, internal practicality, relativism and nominalism.

An epistemological issue dreads the question of what is (or should be) regarded as adequate awareness in improvement (Bryman, 2008). Epistemology is about altered ways of inquiring into the nature of the corporal and social spheres (Easterby-Smith et al., 2012). Easterby-Smith et al (2012) optional two approaches to epistemology – Positivism and Social Constructionism. Positivism is an epistemological position that advocates the application of the methods of the natural sciences to the study of social reality and somewhere else. Positivism entails elements of together a deductive approach and inductive tactic (Bryman, 2008). The positivism approach has the basics of being reductionist, logical, an emphasis on empirical data collection, cause-and-effect oriented and deterministic based on a priori systems (Creswell, 2007).

Objectivism deals about the presence of social entities in the aspect of social actors, whereas, subjectivism portrays that, social wonders are part of the day to day perception of social actors. On the other hand, epistemology deals around the acceptable knowledge creation in certain study; positivism (objectivism) and Interpretivism are the two approaches embraced by the researcher for the development of knowledge (Saunders et al., 2009). Positivism is a natural science stance that deals with the evident social reality of the final research. Interpretivism concerns about directing research about social players (peoples) than objects. In addition, it deduces the day to day accomplishments based on the perception of the researcher (Saunders et al., 2009).

As indicated by Burns and Burns (2008), research is a procedure of efficient enquiry or examination concerning a particular issue or problem that prompts new or enhanced information. Research philosophy suggestions the researcher with a specific course to lead the exploration, if outline of hypotheses, strategies and methods for characterizing information (Collis & Hussey, 2003). As showed by Saunders et (2012), the research philosophy, a researcher outfits comprehends significant assumptions regarding the means in which to assess the globe as these suppositions will reinforce the research strategy and methods the associate selects as share of the strategy. As indicated by Saunders et al. (2003), if a research copies the philosophy of positivism then we might perhaps assume the philosophical posture of the natural researcher and will be functioning by means of a noticeable societal realism, and that the conclusion product of such an investigation can be law-like broad view comparable to those fashioned through the bodily and expected experts. Based on the assumption, the researcher takes a positivism philosophy to lead the study.

3.3 RESEARCH STRATEGY

The commonly research strategy that is employed by researcher are; qualitative and quantitative research strategies. Each strategy is guided by its own different data collection methods (Bryman & Bell, 2007). Quantitative data collection pays different measurement that can be quantifiable, this study mainly constructed based on different quantitative data and numbers. The analysis of this data collection method can be; charts, graphs and statistics to discover, present, describe the association of trends (Saunders et al., 2009). Whereas, qualitative research is a non-numeric data that cannot be quantified, it can also be manipulated based on the manipulation of participants. Denscombe (2003) define the differences between quantitative and qualitative research on the basis of the operational specificity of concepts, hypotheses and approaches of observation. In this study, the research strategy is quantitative research strategy.

3.4 RESEARCH APPROACH

Silverman (2005) argues that methods that take on denotation according to the methodology used. Most methods can be used in either research approach. In Deductive theory the researcher on the basis of what is known about an individual province, deduces a hypothesis that must then be subjected to pragmatic scrutiny (Bryman, 2008). He also added that theory and the hypothesis deduced come first and drive the process of gathering data. In Inductive theory the researcher infers the implication of his or her findings for the theory that prompted the whole exercise (Bryman, 2008). With an inductive stance, theory is the outcome of research. Saunders et al. (2009) defined that inductive approach permits building theory with the principle of allowing the researcher to gain an understanding and to express theories of what is going on from the data collected. This research is based on the deductive approach. In deductive method, a questionnaire forms the basis of the study unlike inductive approach where the researcher explores and build a theory from the information collected.

3.5 RESEARCH DESIGN

Research design involves the planning, organization, collection and analysis of data so as to provide answers to questions such as: what techniques was used second-hand to gather data? What sampling policies and tools was used? And how was time and cost constraints be dealt with? (Malhorta & Birks, 2007). Cooper and Schindler (2014) define research design as the blue print for the research process. It shows precisely how the study was led in technical terms; it explains how the researcher carried out sample selection, the data collection instruments that was used and research actions among other exact tasks. The researcher used the descriptive survey design to gather data relating to the result of credit risk on project implementation accomplishment in Barclays Bank Ghana Limited, Head Office. A descriptive survey aims at describing the distribution of a phenomenon in a population and thereby creating the facts (percentages and frequencies). The descriptive survey was chosen since this is designed to deal more directly with the nature of people's thoughts, sentiments and feelings. According to Saunders et al. (2009) descriptive design is used to file a study phenomenon in its real situation, without the interference of the researcher.

3.6 DATA COLLECTION

3.6.1 Population of the study

Cooper and Schindler (2014) define population as the whole collection of essentials to be deliberate. Mugenda et al (2003) explain that a population is a group of personalities or objects that have the similar form of characteristics. They are the entirety of cases that conform to certain specifications, which defines the elements that are encompassed or excluded in the target group. The population of the study involves of entire employees of Barclays Bank, Head Office. Investigation done by the researcher from the bank shows that total population now stands at about 130 .

3.6.2 Sampling and Sampling Technique

Sampling technique is the process of choosing a sample from the population (Malhotra, 2010). The sampling technique was the most appropriate because the researcher needed the most appropriate workers of the bank who have detailed knowledge of the credit risk on project success of the bank and can thus provide adequate data convenient for research analysis. Saunders et al. (2009) defines sampling design as the process or technique that is used by a researcher to pick a sub group from a population to participate in the study. The subgroup is prudently selected to be illustrative of the whole population with the pertinent features. Each associate or case is referred to as a subject, or a respondent. Sample is a smaller group or sub-group obtained from the easy to get to population (Mugenda & Mugenda, 2003). This sub group is cautiously selected to be representative of the whole population with the relevant characteristics.

Since the researcher does not have the resources to collect data from the entire population of 130 of the bank, the sample size of the study will comprise of forty (40) employees need answers to been workers of credit operation to be selected in Barclays Bank Ltd. The reason for the selection of these respondents for the study was to get inclusive discussion and suggestions from them. In effect, researcher is of conviction that they are best placed to provide relevant data needed to address the research questions. An optimum sample according to Kothari (2003) fulfils the requests of efficiency, representatives, reliability and flexibility.

3.6.3 Sources of Data

According to Ghauri and Gronhaug (2005) the two data sources available for a study include primary and secondary data sources. This study design make use of both primary and secondary sources of data. Primary data for the study was composed with the help of questionnaire. Data from the secondary sources which involve the assembly of information on credit operations of Barclays Bank Ltd. The secondary sources which provided some convenient statistics and information used in supporting the literature review.

3.6.4 Structure of the Questionnaire

As Mugenda and Mugenda (2009) indicated that questionnaires are fit tools for collecting data from individuals who are physically dispersed. According to Kombo (2006), questionnaires are broadly used to obtain information about existing conditions and practices and to make investigations about attitudes and opinions quickly and in the precise form. Questionnaires was used to gather primary data from the selected sample size. The questionnaire was considered as important because they help to understand the details for the respondent attitudes and opinions. The use of questionnaires is encouraged by the fact that they are conventional forward and reach a huge sample. Questionnaires was preferred since they are easy to manage and time saving (Mugenda & Mugenda, 2003). The questionnaire was divided into four sections. Section one of the questionnaire will be intended at taking the general information of the respondents such as gender, age, education among others. Section two, three and four will handled research questions one to three in order of sequence. Each section will be partitioned into four parts namely Part A, B, C and D and will be constructed based on the research objectives.

3.6.5 Distribution of the questionnaire

The researcher personally administer the questionnaires to the respondents. The researcher will seek permission for the respondents individually and separately to participate in the study. Once the permission had been granted, the researcher will brief the respondents individually and separately as to what the study is about in order to get the needed attention, support and co-operation of the respondents. The questionnaires will be hand-delivered to all the respondents by and administered over a period of four (4) days due to the time scale of the study. Respondents will be asked to anonymously complete the survey for immediate collection whereas the time spend with one participant by research will be 15 minutes.

3.7 VALIDITY AND RELIABILITY

A pilot study was done to pre-test the questionnaires and to identify respondents' consistency in picking up the right information compulsory for this research. The piloting was undertaken in some 2 banks which are not among persons to be included in the definite study. Feedbacks received from the pre-test was be incorporated into the questionnaires before managing the final copies. The main aim of piloting was to exam the questionnaire an in the process improve its validity and reliability. The pilot study was also aim at indicating some problems that the researcher could have overlooked. It was also instrumental in determining whether the time given for answering the questions is adequate. Items that respondents found to be equivocal or unable to answer was improved. The researcher revise the survey questionnaire based on proposals of these respondents. The researcher then exclude irrelevant questions and changed vague or problematic ones in order to ensure comprehension and then achieve purpose.

3.8 DATA ANALYISIS

According to Harrits (2011) data analysis can be termed as the act in which data that is collected throughout the research process, are transformed into important information and conclusions. The primary data was collected and coded before analysis. The coding and analysis effected with the aid of the Statistical Package for Social Sciences (SPSS). Descriptive statistics, such as mean, standard deviation and rank score was employed in the exhibition and analysis of results and the chi square will statistical be use. Also, descriptive statistical tools such as mean, standard deviation and rank score convey the significance of the information obtained and as such made the analysis more comprehensible.

3.9 ETHICS

Saunders et al. (2009) state that ethics denotes the correctness of conduct in relation to the rights of those who become the subject of the work. It is essential that the researcher is conscious of ethical issues while carrying out the primary research. Protection of respondents to maintain concealment of collecting data and privacy of the population sample are the most significant substance in data collection process (Saunders et al., 2009). The researcher will present a validation statement at the beginning of the questionnaire with the purpose of make respondents to feel liberated and comfortable while completing the questionnaire. This information will be all the time confidential and the individuals could not be recognizable.

3.10 CONCLUSION

This chapter gives a description of the methods and approaches that are adopted in conducting this study and provides a general framework for this research. The chapter presents details of the research philosophy, research strategy, research approach, research design, target population, sample and sampling procedures, description of research instruments, validity and reliability of instruments, data collection procedures, data analysis techniques and ethical considerations while conducting the study. The next chapter will present the results of the research.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

This chapter provides analysis of the study based on the data collected from questionnaires administered by the researcher to the employees of Barclays Bank, Head Office. The data is presented in relation to assessing the effect of credit risk on project implementation success in Barclays Bank Ghana Limited. The results are directly displayed using tables, pie chart, bar chart, mean, standard deviation and rank score. In all 40 questionnaires were distributed, accurately filled and returned. The 40 responses are analyzed based on the research objectives and questions representing 100.0% response rate. Babbie (2005) points out that for a survey such as this study, a response rate of at least fifty percent (50%) is adequate for analysis and reporting. He further added that a response rate of sixty percent (60%) is good while that of seventy percent (70%) is very good. Therefore, a response rate of 100.0% raises no question for the analysis. Descriptive statistics, such as mean, standard deviation, rank score, pie chart and frequency distribution tables and percentages were employed in the presentation and analysis of results.

4.1.1 Demographic Information

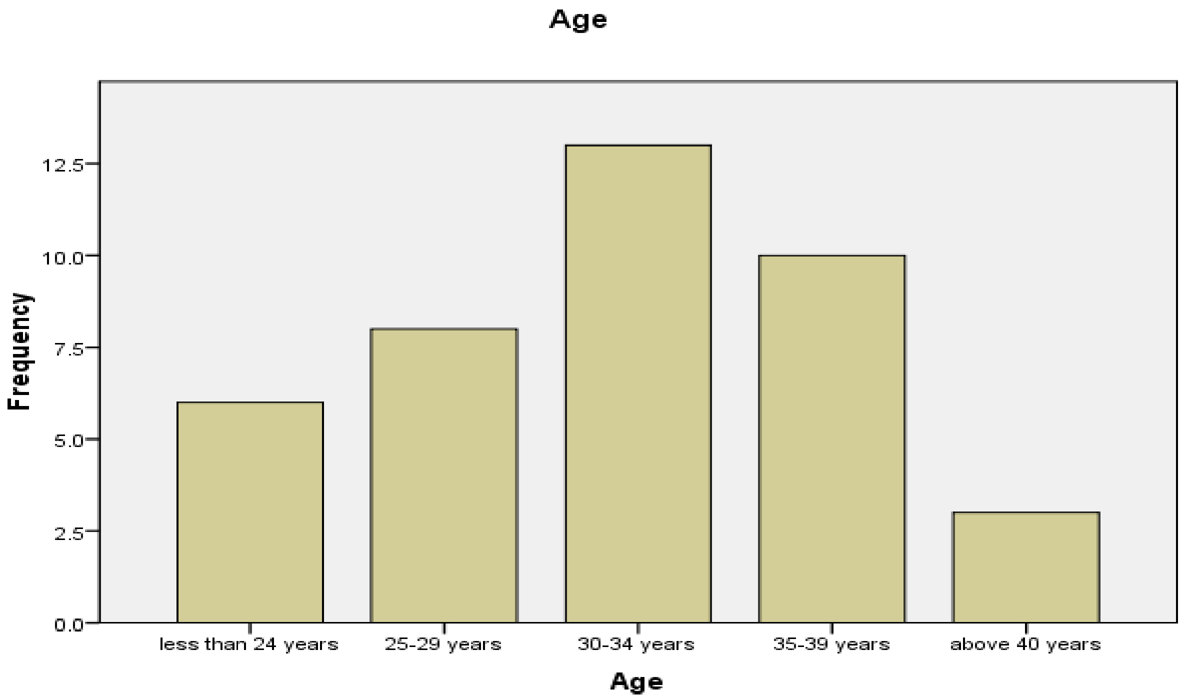
To understand the position of respondents, some biographical information in relation to assessing the effect of credit risk on project implementation success and the objectives of the study as a whole was collected. Below are the results:

Table 4.1: Gender of respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	23	57.5	57.5	57.5
	Female	17	42.5	42.5	100.0
	Total	40	100.0	100.0	

The study gathered data with regards to the gender of the respondents. From Table 4.1,The population of 130 workers of Barclays head office out of 40 respondents from the credit operations department, the males constituted (52.0%, 23) while females constituted (42.5%, 17), indicating that the males outnumbered the females in this study. Males are most likely to be quick Identifies and classification of the risk sources, risk assessment analysis, development of management responses to risk and to control and monitor them (Smith et al., 2006). Identification of risk is arguably recognized as the most crucial step within the risk management process (Banaitene & Banaitis, 2012)

Figure 4.1: Age of respondents:

To comprehend the position of respondents, employees Age information in relation to assessing the effect of credit risk on project implementation success and the objectives of the study as a whole was collected. Below are the results:



The results obtained indicated that out of the total participants of 40 respondents, (32.5%, 13) were within the age group of 30 to 34 years which was the majority. This was followed by (24.0%, 8), (25.0%, 10), (7.5%, 10) and (15.0%, 6) representing 25– 29 years, 35 – 39 years, above 40 years and less than 24 years respectively. This is indicative of the fact that majority of the respondents were youths between 30-34 years and for that reason understood the information required by this study. The age of respondent reveals how matured they have been and also past experiences they have from similar projects (Mhetre et al..,2016). Also, before risks can be managed they must be identified, and knowledge from previous experiences might apply to the current project (Karimiazari et al., 2010) in which age plays a major role.

Marital Status of respondents.

To comprehend the position of respondents, employee's Marital status information in relation to assessing the effect of credit risk on project implementation success and the objectives of the study as a whole was collected. Below are the results:

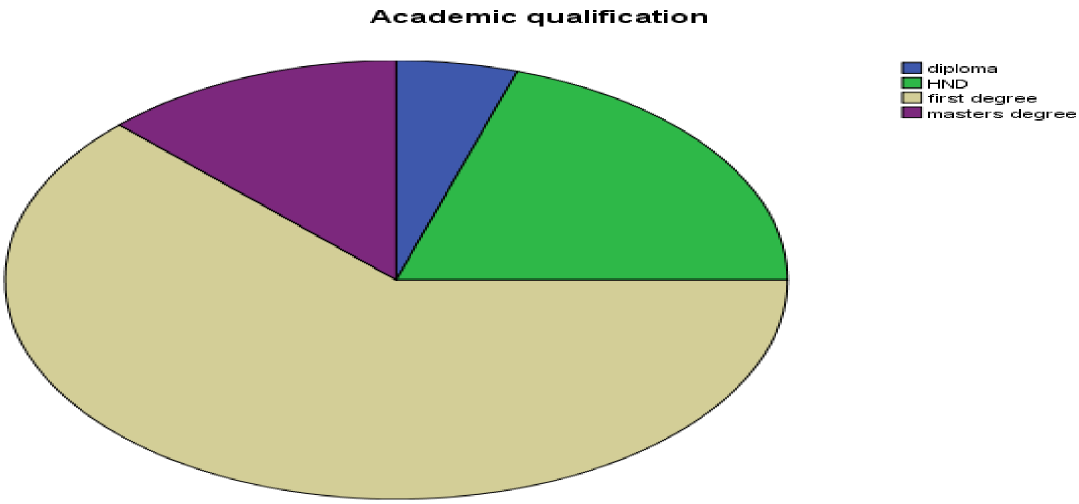
Table 4.2: Marital status of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	10	25.0	25.0	25.0
	Married	27	67.5	67.5	92.5
	Divorced	2	5.0	5.0	97.5
	Widowed	1	2.5	2.5	100.0
	Total	40	100.0	100.0	

According to the results in the table above, most of the respondents (67.5%, 27) were married. Also, (25.0%, 10) were single with (5.0%, 2) divorced and (2.5%, 1) were widowed. This is a clear indication that majority of the subjects were married explaining why most of them were within the age range of -34years, 35-29years and above 40years.

Figure 4.2: Educational qualification of respondents

To comprehend the position of respondents, educational qualification information in relation to assessing the effect of credit risk on project implementation success and the objectives of the study as a whole was collected. Below are the results:



It could be observed that, on the question of the educational qualification of respondents, majority of them (62.5%, 25) had first degree while the least of them (5.0%, 2), (12.5%, 5) and (20.0%, 8) had other qualifications other than Diploma, Master's Degree and HND. It can therefore be concluded that in this study, a higher proportion of the respondents had first degree as their highest level of education indicating that their knowledge was likely to be high. The management of knowledge is a discipline that is associated with risk management, the process of knowledge management both influences employees' know-how as well as enhancing the knowledge distribution among team members (Rodriguez & Edwards, 2008). The education of an individual will increase the knowledge of the team members to success, since knowledge is a powerful tool for excellence.

Table 4.3: how long have you worked at the bank

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 year	5	12.5	12.5	12.5
	2-3 years	8	20.0	20.0	32.5
	3-4 years	19	47.5	47.5	80.0
	above 4 years	8	20.0	20.0	100.0
	Total	40	100.0	100.0	

According to the results above, most of the respondents (47.5%, 19) had been in the Barclay Bank Ghana Limited for 3 – 4 years. The rest had been in the bank for more than 4 years, 2 – 3 years and 1 year or less. These were represented by (20.0%, 8), (20.0%, 8), and (12.5%, 5) respectively. It can therefore be deduced from the results that a greater proportion of the respondents had been at the Barclay Bank Ghana Limited for 3 – 4years. Wang and Yuan (2011) conducted a study presenting the critical factors affecting risk attitudes of contractors in the context of the Chinese construction industry. The factors considered most important where categorized into groupings such as knowledge and experience, contractor's character, personal perception and economic environment. By deepening the understanding of the various factors that affect contractors risk attitudes, further support in regards to decision making can be facilitated. Which in turns means the experience one has gotten in past years with the organization will increase his knowledge and his perception on risk and other related functions in the banking industry.

4.1.2 Principal credit risks of Barclays Bank Ghana Limited

Moreover, the respondents were required to use a 5-point Likert scale anchored on Strongly Agree (5), Agree (4), Neither Agree nor Disagree (3), Disagree (2) and Strongly Disagree (1) to examine the principal credit risks of Barclays Bank Ghana Limited. The means, standard deviations and rank score are presented in Table 4.4.

Table 4.4: Principal processes of the bank

	Descriptive Statistics		
	Mean	Std. Deviation	Rank Score
The bank runs an efficient and effective credit administration which ensures that loan documentation processes are followed according to credit risk management processes.	4.20	.723	1
The bank's credit risk methodologies take into consideration the type of credit, its maturity as well as the financial conditions	4.15	.949	2
The bank has procedures and information systems which facilitate effective monitoring of individual credit facilities.	4.13	.757	3
The bank has methodologies for credit risk measurement which aids the bank to quantify credit risk exposures of individuals who borrow from the bank.	4.12	.757	4
The board ensured that executive management has the capacity to manage the bank's lending activities by recruiting persons with the requisite experience and credentials.	4.08	.859	5
The Board of directors see to the approval and review of credit policies developed by the executive management	4.08	.764	5
Has in place a technical information system to produce data needed by management to conduct accurate analysis to determine the level of credit risks inherent within the various activities of that bank	4.02	.832	6
Senior management ensured that credit-granting activites of the bank were linked to credit standards and credit strategies.	3.95	.749	7
Valid N (listwise)			

It could be concluded from the value of means generated that, 'The bank runs an efficient and effective credit administration which ensures that loan documentation processes are followed according to credit risk management processes' scored the highest mean of (M=4.20; SD=.723) per employees among other factors. The mean score of (M=4.15; SD=.949) was classified among respondents who posited that the bank's credit risk methodologies take into consideration the type of credit, its maturity as well as the financial conditions. It could be seen that the mean score of (M=4.13; SD=.757) from the respondents was "The bank has procedures and information systems which facilitate effective monitoring of individual credit facilities." The other questions had varied mean scores as shown in the Table 4.4. The fourth question was on whether "The bank has methodologies for credit risk measurement which aids the Bank to quantify credit risk exposures of individuals who borrow from the bank", had a mean score of (M=4.12; SD=.747) confirming that respondents that agreed.

The finding is in line with that of Mutu (2015) indicated that the objective of managing credit risk is to ensure that banks' credit risk exposure are maintained within a range that could be contained; this is done through the maximization of risk-adjusted rate of returns of banks. Therefore, banks are required to manage their credit risk such that individual credits or transactions as well as those related to the entire portfolio are mitigated.

A mean mark of (M=4.08; SD=764), and (M=4.08; SD=.859) was computed for the elements "The Board of directors see to the approval and review of credit policies developed by the executive management", and "The board ensured that executive management has the capacity to manage the bank's lending activities by recruiting persons with the requisite experience and credentials" respectively. This displayed that respondents agreed.

Mean score of (M=4.01; SD=.832) was computed for item such as "Has in place a technical information system to produce data needed by management to conduct accurate analysis to determine the level of credit risks inherent within the various activities of that bank". It was the understanding of the respondents that the bank has in place a technical information system to produce data needed by management to conduct accurate analysis to determine the level of credit risks inherent within the various activities of that bank. However, the statement 'Senior management ensured that credit-granting activities of the bank were linked to credit standards and credit strategies' was rated the lowest with a mean score of (M=3.95; SD=.949).

4.1.3 Factors that will reduce credit risks impart on the project success in Barclays Bank

Furthermore, the respondents were required to use a 5-point Likert scale anchored on Strongly Agree (5), Agree (4), Neither Agree nor Disagree (3), Disagree (2) and Strongly Disagree (1) to explore factors that will reduce credit risks on the project success in Barclays Bank. The means, standard deviations and rank score are presented in Table 4.5 below.

Table 4.5 Reduction of credit risk on project success

Descriptive Statistics			
	Mean	Std. Deviation	Rank Score
Screening and monitoring	4.35	.580	2
Credit Rationing	4.25	.742	4
Collateral Requirements	4.40	.810	1
Long-term Customer Relationship	4.00	1.038	7
Lending for certain sectoral economic activities only	4.32	.730	3
Lending for purposes that will provide ability to repay	4.35	.736	2
Small loan amounts	4.10	.810	4
Shorter term loans	4.18	.874	6
Valid N (listwise)			

Based on the conclusion from the value of means generated, “Collateral Requirements” scored the highest mean of (M=4.40; SD=.810) as per respondents among other factors that will reduce credit risks on the project success in Barclays Bank. The mean score of (M=4.35; SD=.580), (M=4.32; SD=.730), (M=4.25; SD=.742) and (M=4.10; SD=.810) was classified among respondents who suggested that the factors will reduce credit risks on the project success in Barclays Bank were screening and monitoring, lending for certain sectoral economic activities only, credit rationing and small loan amounts.

The finding is supported by Raghavan (2003) who suggested that as banks grant loans to customers, they need to make provisions for loan losses in their books. The higher this provision becomes, relative to the size of total loans, the riskier a bank benefits. An increase in the value of the provision for loan losses relative to total loans is an indication that the bank’s assets are becoming grimmer to collect. In effect the types of activities of various banks in Ghana causes higher credit risk and important for them to practice good and effective credit risk management.

Mean score of (M=4.18; SD=.874) was calculated for item such as “Shorter term loans”. It was the view of the respondents that shorter term loans.as one of the factors that will reduce credit risks on the project success in Barclays Bank. Nevertheless, the statement ‘Long-term Customer Relationship’ was rated the lowest with a mean score of (M=4.00; SD=1.038). The results in this study were in line with the results found by BCBS (2000) and Sophia (2013). who reported that as credit risk exposure consistently lead in the sources of banking crisis globally, management and supervisors of banks must be guided by past experience and the lessons that such experiences brings. Therefore, banks ought to have strong interest and awareness on the importance of identifying, measuring, monitoring and controlling of credit risk and to determine that there is adequate capital to cushion risks.

4.1.4 Effect of credit risk on projects implementation success

Additionally, the respondents were required to use a 5-point Likert scale anchored on Strongly Agree (5), Agree (4), Neither Agree nor Disagree (3), Disagree (2) and Strongly Disagree (1) to investigate the effect of credit risk on projects implementation success. The means, standard deviations and rank score are presented in Table 4.6 below.

Table 4.6: Impact of credit risk on project

Descriptive Statistics			
	Mean	Std. Deviation	Rank Score
Inability of the bank to effectively control its credit risk has a substantial adverse result on projects implementation success	4.48	.679	1
Cost and schedule performance are the primary measures of a project's success	4.07	.730	4
A project is said to be successful if it is completed within the planned cost and time	4.45	.639	2
Credit risks is recognized as an important exercise in order to achieve better performance of banking projects	4.00	1.038	5
Success in banking project is indicated by its performance in the achievement of project time, cost, quality, safety and environmental sustainability objectives	4.28	.751	3
Valid N (listwise)			

From the value of means generated, "Inability of the bank to effectively control its credit risk has a substantial adverse result on projects implementation success" scored the highest mean of (M=4.48; SD=.679) On the contrary, the statement "A project is said to be successful if it is completed within the planned cost and time', had a mean score of (M=4.45; SD=.639). This was a clear indication that respondents strongly agree that project was said to be successful if it was completed within the planned cost and time.

A mean mark of (M=4.28; SD=751), and (M=4.07; SD=.730) was computed for the elements “Success in banking project is indicated by its performance in the achievement of project time, cost, quality, safety and environmental sustainability objectives”, and “Cost and schedule performance are the primary measures of a project’s success” respectively. This suggested that respondents totally agreed. On the other hand, the mean score of (M=4.00; SD=1.038) was calculated to be the respondents who agreed that “Credit risks is recognized as an important exercise in order to achieve better performance of banking projects” and was rated the lowest with the mean score. results in this study were in line with the results found by Gatti (2008) who stated that decision makers within the industry need reliant access to information and knowledge in order to manage risks in a sufficient and systematic way. Thus, the implementation of an effective risk management in relation to managing associated project risk knowledge may facilitate successful construction project endeavors.

4.1.5 Fundamental challenges associated with credit risk of Barclays Bank

In the questionnaires obtained from the field, the respondents were required to use a 5-point Likert scale anchored on Strongly Agree (5), Agree (4), Neither Agree nor Disagree (3), Disagree (2) and Strongly Disagree (1) to identify the challenges associated with credit risk of Barclays Bank. The means, standard deviations and rank score are presented in Table 4.7

Table 4.7: Challenges to credit risk

	Descriptive Statistics		
	Mean	Std. Deviation	Rank Score
Ineffective credit policies and guidelines	4.25	.927	2
Projects within the banking sector is characterized as fragmented, temporary and complex which inherently brings upon risk exposure	3.92	.774	7
Due to insufficient institutional capacity	4.17	.874	4
Improper banking supervision on the part of central bank	4.08	.807	5
An inefficient implementation of credit risk is often caused by the lack of formalized procedures	3.92	.997	
The lack of continuity in the different project phases and an inadequate integration of knowledge management and interaction between processes and parties	4.00	.877	6
Lack of strict adherence to credit standards by counterparties and borrowers	4.18	.712	3
Minimum attention to changes in economic conditions as well as poor portfolio risk management	4.37	.740	1
Valid N (listwise)			

It could be observed from the value of means generated that, 'Minimum attention to changes in economic conditions as well as poor portfolio risk management' scored the highest mean of (M=4.37; SD=.740) per the responses from the respondents. The mean score of (M=4.25; SD=.927) was tabulated among respondents who claimed ineffective credit policies and guidelines to be the 2nd highest challenges associated with credit risk of Barclays Bank. It could be seen that the 3rd highest mean score of (M=4.18; SD=.712) from the respondents was "Lack of strict adherence to credit standards by counterparties and borrowers." The other questions had varied mean scores as shown in the Table 4.4. The fourth highest rank score was on whether "Due to insufficient institutional capacity", had a mean score of (M=4.17; SD=.874) indicating that respondents agreed that. A mean mark of (M=4.08; SD=807), and (M=4.00; SD=.877) was computed for the elements "Improper banking supervision on the part of central bank", and "The lack of continuity in the different project phases and an inadequate integration of knowledge management and interaction between processes and parties" respectively, inferring that respondents agreed.

The finding is in line with that of Gatti (2008) who indicated that construction projects are complex human endeavors that entail extensive planning and tight control if they are to be successful. In any industry, they have always posed difficult challenges to the project teams and project stakeholders, Challenges such as: costs overrun, delays in project delivery, quality control and profitability. Overriding costs are especially risky since they can trigger a whole array of new problems, such as delays in project delivery, the impossibility of attracting supplementary financial support, quality concerns and finally, project failure.

Mean score of (M=3.92; SD=.774) and (M=3.03; SD=.997) was computed for item such as "Projects within the banking sector is characterized as fragmented, temporary and complex which inherently brings upon risk exposure" and "An inefficient implementation of credit risk is often caused by the lack of formalized procedures". It can therefore be deduced that Projects within the banking sector was characterized as fragmented, temporary and complex which inherently brings upon risk exposure and an inefficient implementation of credit risk was often caused by the lack of formalized procedures.

Table 4.8: Cross tabulation

A chi-square statistical instrument used for testing relationship between ineffective credit policies and guidelines with projects within the banking sector characterized as fragmented, temporary and complex which inherently brings upon risk exposure.

		Projects within the banking sector is characterized as fragmented, temporary and complex which inherently brings upon risk exposure				
		Disagree	neutral	agree	strongly agree	Total
Ineffective credit policies and guidelines	strongly disagree	0	0	1	0	1
	Disagree	0	2	0	0	2
	Neutral	0	0	1	0	1
	Agree	1	7	2	8	18
	strongly agree	0	1	15	1	17
Total		1	10	19	9	39

Table 4.9: Chi-square testing

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	29.204[a]	12	.004
Likelihood Ratio	32.413	12	.001
Linear-by-Linear Association	1.116	1	.291
N of Valid Cases	39		

From Table 4.9 a Chi Square test was performed, to compare the ineffective credit policies and guidelines of project within the banking sector against the effect of credit risk on project implementation, with a p-value of 0.004 which is less than 0.005. This means that there is a significant relationship between ineffective credit policies and guidelines and projects within the banking sector characterized as fragmented, temporary and complex. That is to say the two variables are related to each other which exposures financial institutions to credit risks. When there is identification of ineffective policies risk is arguably recognized as the most crucial step within the risk management process (Banaitene & Banaitis, 2012) which is mostly characterize with complex projects process. The quality of the primary identification phase within the risk management process has a big impact on the success of later phases within the process (Chapman, 2001).

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter presents the summary of the research work undertaken, the conclusion drawn and the recommendations for consideration and implementation.

5.2 SUMMARY OF FINDINGS

The purpose of this study was to assess the effect of credit risk on project implementation success in Barclays Bank Ghana Limited. The study had four specific objectives, thus; firstly, to examine the principal credit risks of Barclays Bank Ghana Limited; secondly, to explore factors that will reduce credit risks on the project success in Barclays Bank; thirdly, to investigate the effect of credit risk on projects implementation success and finally to identify the fundamental challenges associated with credit risk of Barclays Bank. In this regard, the study adopted quantitative research strategy using primary data obtained through questionnaire administered through respondents. The coding and analysis were executed with the aid of the Statistical Package for Social Sciences where descriptive statistics, such as mean, standard deviation and rank score was used in the presentation and analysis of results. The analysis and discussions were presented following the order in which the specific objectives of the study were stated. The subsequent sections provide a summary of findings of the study in respect of the objectives.

The first objective sought to examine the principal credit risks of Barclays Bank Ghana Limited. It was found that the bank runs an efficient and effective credit administration which ensured that loan documentation processes were followed according to credit risk management processes. Further evidence indicate that the bank's credit risk methodologies take into consideration the type of credit, its maturity as well as the financial conditions. The results showed that the bank has procedures and information systems which facilitated effective monitoring of individual credit facilities. Findings indicate that the bank has methodologies for credit risk measurement which aided them to quantify credit risk exposures of individuals who borrow from the bank. The research revealed that the Board of directors see to the approval and review of credit policies developed by the executive management.

The second objective of the study sought to explore factors that will reduce credit risks on the project success in Barclays Bank. In relation to the objective, the study found that, collateral requirements, screening and monitoring, lending for certain sectoral economic activities only, credit rationing and small loan amounts were the factors as suggested from the respondents.

The third objective of the study sought to investigate the effect of credit risk on projects implementation success. It was gathered that inability of the bank to effectively control its credit risk has a substantial adverse result on projects implementation success. It was found that a project was said to be successful if it was completed within the planned cost and time. Success of project indicated by its performance in the achievement of project time, cost, quality, safety and environmental sustainability objectives. The research revealed that cost and schedule performance were the primary measures of a project's success. Findings of the study revealed that computerization of the accounting services in the bank has reduced time wasted in carrying out banking transactions. Results obtained from the study revealed that success of project is achieve when time, cost, quality are of important essence.

The final objective was to identify the fundamental challenges associated with credit risk of Barclays Bank. There were Minimum attention to changes in economic conditions as well as poor portfolio risk management, Ineffective credit policies and guidelines, lacks strict adherence to credit standards by counterparties and borrowers, due to insufficient institutional capacity and Improper banking supervision on the part of central bank.

5.3 CONCLUSION

Based on the findings of the study, it was evident that Barclays Bank Ghana Limited runs an efficient and effective credit administration which ensures that loan documentation processes are followed according to credit risk management processes. Moreover, the Board ensured executive management has the capacity to manage the bank's lending activities by recruiting persons with the requisite experience and credentials. In addition, incapability of the bank to effectively control its credit risk has a substantial adverse result on projects implementation success because a project is said to be successful if it was completed within the planned cost and time. It can also be concluded that credit risks were recognized as an important exercise in order to achieve better performance of banking projects, thus projects within the banking sector was typified as fragmented, temporary and complex inherently brings upon risk exposure.

5.4 RECOMMENDATIONS

Based on the findings and conclusions of the study, it is recommended that management should:

Firstly, execute an effective credit risk management policy to project which might simplify successful construction project happenings.

Secondly, identify and assess the credit risk to ensure that potential risks are evaluated and managed in a manner, which permits for the overall objectives of the project to be accomplished.

Thirdly, Barclays Bank Ghana Limited should continue to diversify its lending activities and should allocate more funds to the productive sectors of the economy. Private sector businesses should be prioritized and supported accordingly.

Fourthly, credit risk monitoring and supervision efforts should be strengthened by the bank. The bank should ensure that credit officers perform intermittent follow-ups on borrowers to ensure that loans are used for the intended purpose. By this, documents must be double checked to ensure that they are unaffectedly acquired from the appropriate authorities.

Finally, the bank must review its collateral requirements as contained in the credit policy in line with this recommendation and ensure that loan requests without adequate collateral are declined. This would minimize bad loans and improve upon the loan portfolio of the bank.

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APPENDIX
QUESTIONNAIRE

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,

KUMASI, GHANA

MSC. PROJECT MANAGEMENT

INSTITUTE OF DISTANCE LEARNING

RESEARCH TOPIC: ANALYSING THE EFFECT OF CREDIT RISK ON PROJECT IMPLEMENTATION SUCCESS IN BARCLAYS BANK GHANA LIMITED

Dear respondent,

Hubert Nana Adu Akoamah, is carrying out a study on assessing the effect of credit risk on project implementation success in Barclays Bank Ghana Limited under the able supervision of Dr. De-Graft Owusu-Manu. You will be contributing immensely towards the success of this study by responding to this question. You have been selected by chance as a participant in this survey and your cooperation will highly be needed. The information you will provide will be treated with highest confidentiality possible. Therefore, you do not have to worry about it. Honesty is key for the success of the survey. It is important you understand that the information obtained from this survey will be published for academic use ONLY.

Welcome to the survey as you read through and fill the questionnaire in 15 minutes.

Yours faithfully

Researcher

Contact Information:

Researcher: Hubert Nana Adu Akoamah
E-mail: papashee.ha@gmail.com
Tel: 0249576629

Supervisor: Dr. De-Graft Owusu-Manu
E-mail: d.owusumanu@gmail.com
Tel: 0243555882

Section A: Demographic Information

Please respond to the following statements by ticking (√) one answer from each question that applies to your circumstances.

1. Gender?
   I. Male ( )
   II. Female ( )

2. Please indicate your age group?
   1 Less than 24yrs ( )
   2 25-29yrs ( )
   3 30-34yrs ( )
   4 35-39yrs ( )
   5 Above 40 years ( )

3. What is your current marital status?
   I. Single ( )
   II. Married ( )
   III. Divorced ( )
   IV. Widowed ( )

4. What is your academic qualification?
   I. SSSCE ( )
   II. Diploma ( )
   III. HND ( )
   IV. First Degree
   V. Masters Degree ( )
   VI. Others(please state)…………..

5. How long have you been working at the bank?
   5. Less than 1 year ( )
   6. 2-3years ( )
   7. 3-4years ( )
   8. 4 years and above ( )

Section B: Principal credit risks of Barclays Bank Ghana Limited

To what extent do you agree with the following statements on the principal credit risks of Barclays Bank Ghana Limited as observed in your organization? Please indicate so by marking an X or a check mark (√) in the column that appropriately fits your organization

Key: 1=Strongly Disagree, 2= Disagree, 3=Neutral, 4=Agree, 5= Strongly agree

Strongly disagree **Strongly agree**

Principal credit risks of Barclays Bank Ghana Limited

	Questions	**5-point scale**				
1.	The bank has procedures and information systems which facilitate effective monitoring of individual credit facilities.	1	2	3	4	5
2.	The bank has methodologies for credit risk measurement which aids the Bank to quantify credit risk exposures of individuals who borrow from the bank	1	2	3	4	5
3.	The bank runs an efficient and effective credit administration which ensures that loan documentation processes are followed according to credit risk management processes.	1	2	3	4	5
4.	The Board of directors see to the approval and review of credit policies developed by the executive management	1	2	3	4	5
5.	The board ensured that executive management has the capacity to manage the bank's lending activities by recruiting persons with the requisite experience and credentials.	1	2	3	4	5
6.	Has in place a technical information system to produce data needed by management to conduct accurate analysis to determine the level of credit risks inherent within the various activities of that bank	1	2	3	4	5
7.	Senior management ensured that credit-granting activities of the bank were linked to credit standards and credit strategies.	1	2	3	4	5
8.	The bank's credit risk methodologies take into consideration the type of credit, its maturity as well as the financial conditions	1	2	3	4	5

Section C: Factors that will reduce credit risks on the project success in Barclays Bank

To what extent do you agree with the following statements on the factors that will reduce credit risks on the project success in Barclays Bank? Please indicate so by marking an X or a check mark (√) in the column that appropriately fits your organization

Key: 1=Strongly Disagree, 2= Disagree, 3=Neutral, 4=Agree, 5= Strongly agree

Strongly disagree **Strongly agree**

Factors that will reduce credit risks on the project success in Barclays Bank

	Questions	**5-point scale**				
1.	Screening and monitoring	1	2	3	4	5
2.	Credit Rationing	1	2	3	4	5
3.	Collateral Requirements	1	2	3	4	5
4.	Long-term Customer Relationship	1	2	3	4	5
5.	Lending for certain sectoral economic activities only	1	2	3	4	5
6.	Lending for purposes that will provide ability to repay	1	2	3	4	5
7.	Small loan amounts	1	2	3	4	5
8.	Shorter term loans	1	2	3	4	5

Section D: Effect of credit risk on projects implementation success

Strongly agree **Strongly disagree**

Effect of credit risk on projects implementation success

	Questions	**5-point scale**				
1.	Inability of the bank to effectively control its credit risk has a substantial adverse result on projects implementation success	1	2	3	4	5
2.	Cost and schedule performance are the primary measures of a project's success	1	2	3	4	5
3.	A project is said to be successful if it is completed within the planned cost and time	1	2	3	4	5
4.	Credit risks is recognized as an important exercise in order to achieve better performance of banking projects	1	2	3	4	5
5.	Success in banking project is indicated by its performance in the achievement of project time, cost, quality, safety and environmental sustainability objectives	1	2	3	4	5

Section D: Fundamental challenges associated with credit risk of Barclays Bank

To what extent do you agree with the following statements on the challenges associated with credit risk as observed in your bank. Please indicate so by circling or a check mark (√) in the column that appropriately fits your organization. 1=Strongly Disagree, 2= Disagree, 3=Neutral, 4=Agree, 5= Strongly agree

Strongly agree **Strongly disagree**

Challenges associated with credit risk

	Questions	**5-point scale**				
1.	Ineffective credit policies and guidelines	1	2	3	4	5
2.	Projects within the banking sector is characterized as fragmented, temporary and complex which inherently brings upon risk exposure					
3.	Due to insufficient institutional capacity	1	2	3	4	5
4.	Improper banking supervision on the part of central bank	1	2	3	4	5
5.	An inefficient implementation of credit risk is often caused by the lack of formalized procedures	1	2	3	4	5
6.	The lack of continuity in the different project phases and an inadequate integration of knowledge management and interaction between processes and parties	1	2	3	4	5
7.	Lack of strict adherence to credit standards by counterparties and borrowers	1	2	3	4	5
8.	Minimum attention to changes in economic conditions as well as poor portfolio risk management	1	2	3	4	5