

Project Failure and Challenges of Project Management in Ghana

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Abstract

Having talked about project success, it is only fair to highlight what constitutes project failure. Researchers increasingly measure success by the impact on the organization rather than just meeting the triple constraints. Despite having been executed as planned, within schedule, on budget and according to performance goals, some projects turn out to be failures. Such projects failed to produce actual benefits to end-users considering they are a core part of project success determination. Another angle is the failure to generate adequate revenue to the organization in question (Dvir, Raz & Shenhar, 2003). In examining some of the causes of project failures, Attarzadeh and Ow (2008) espoused that software managers often have to monitor and manage many projects concurrently. Unfortunately, while some projects are completed successfully, others are not completed on time and some are cancelled. According to them, some of the reasons for project failure are lack of user involvement; lack of planning; incomplete requirements; lack of resources; and incorrect cost estimation among other factors. Even though there are several project planning and scheduling techniques, not all of them are appropriate for every project and this leads to some projects failing in the end (Damoah, 2015). However, it is the position of this research that, just as literature is not conclusive on what constitutes project success, it is not surprising that project failure is also relatively dependent on which stakeholder is assessing it.

Keywords: Project Failure, Project Challenges, Project Management

I. INTRODUCTION

The position of this study on this issue is no different from the earlier assertions by scholars that project success has no definite definition and it is multi-dimensional with different levels of analysis (Serrado & Turner, 2015). This study incorporates the notable critical success factors for projects in its questionnaire to ascertain the differences and similarities in donor or locally funded projects for MMDAs in Ghana. The study sought to identify the influence of project delays or failures in some cases among the MMDAs in Ghana for either donor or locally funded projects. The ultimate goal of this research is to illustrate a model to guide what determines project success, the critical success factors for either donor or locally funded projects in the MMDAs of Ghana.

II. LITERATURE REVIEW

A. Challenges of Project Management in Ghana

A number of factors have contributed to the failure of projects in Ghana. Projects normally carried out by the government usually delay and are unable to achieve its objectives.

B. Lack of Project Management Skills

Previously, the focus of development in Ghana centered on infrastructural development in the areas of agriculture, irrigation, and transportation (Ahadzie & Amoa-Mensah, 2010). Later, this development agenda shifted to construction for the manufacturing, services and communications industries (Ahadzie & Amoa-Mensah, 2010). Notwithstanding, Ghana still lags behind in project management due to the lack of knowledge and unfamiliarity with the requisite tools for new techniques in the growing field of project management in Ghana (Bryde, 2008; Sonuga, Aliboh & Oloke, 2002). Although excess money, time and other materials are pumped into public projects, the projects still record high rates of failure because of poor PM practices, poor integrated planning and control systems, poor measures of accountability and limited transparency (Ahadzie & Amoa-Mensah, 2010). Besides these factors, other important factors include a prolonged project proposal endorsement process, poor administrative systems, lack of project ownership on the part of beneficiaries, poor cost and time estimation among others (Fortune & White, 2006; Ika, 2012). In Ghana, for instance, a study by Damian (2012) showed that the reason for project failure in the district was because the actors involved in the projects lacked the skill and abilities to ensure the successful implementation of the project.

C. Lack of Top Management Support

This is one factor that has accounted for a lot of project failures in Ghana (Damoah, 2015). Mostly when the top management of the organization fails to take various actions that will enhance the project, the outcome of the project is disastrous (Ibid, 2015). In a study on the causes of project failure on Electricity Company of Ghana (ECG) about 58% of the respondents attested to the fact that lack of top management support was the reason why a lot of projects carried out by ECG fail (Bunyaminu & Mahama, 2016). This finding is in sync with the research by Fortune and White (2006), which cited senior management support as the critical success factor with the most citations (39 articles out of 63 publications).

D. Unclearness of the Project Requirements

Unclearness of the project requirement has been found to be a factor that affects the success of the project. It was found that, when the project requirements are not properly spelled out, it is difficult to complete projects (Amponsah, 2012). Unclearness of project requirements could be as a result of different stakeholders' viewpoint.

E. Weak Funding

The Ghanaian public sector is characterized by a lack of infrastructural service and poor management of the few existing projects due to limited resources and poor incentives for public service officials to deliver effectively and efficiently (Kulshreshtha, 2008). Kulshreshtha further argues that, for the successful delivery of public services, the public officials must be well compensated and the need for transparency and accountability should be strengthened.

Poor funding arrangements also affect the success of projects. A number of studies have shown that a lack of financial resources has slowed and, as well, has caused a number of projects to fail in developing projects, especially in Ghana (Amponsah, 2012). Sometimes such funding comes very late from government and, in view of this, the project has to continue for a long time thereby going beyond the stipulated time frame (Amponsah, 2012). This is especially the case for the District Assembly Common Funds (DA CF) from the government (Mensah, 2007). More so, the revenue generating ability of MMDAs has been found to be poor in certain areas. This, therefore, hinders the ability of the MMDAs to finish its projects within the stipulated time as well as within the agreed scope. For instance, a study by Mensah (2005) found that, after a survey of six MMDAs, the project of implementing the medium term development plan failed due to poor funding of the project. In a similar vein, in the study of the factors that hinder project execution in the Atwima Nwabiagya District of Ghana, poor funding was one of the key determinants of the failure of projects in the Assembly (Damian, 2012). In a study in South Africa on the reason for the failure of projects, the researchers concluded the lack of funding caused community projects to fail during implementation (Ika, 2012).

F. Lack of Proper Planning

Lack of proper planning is also a factor that inhibits the successful completion of projects. Planning of the project is associated with using a step by step procedure to help achieve the aims and aspiration of the project (Damian, 2012). Poor planning does not provide any coherent mechanism by which the project would be implemented. Therefore employers and team members at certain points of the projects do not have a clear direction as what to do, when and how (Bunyaminu & Mahama, 2016). This, therefore, hinders the success rate of most projects in Ghana. In the case of ECG, more than 605 of the respondents for the study recognized lack of proper planning as one of the major determinants of project failures in the organization (Ibid, 2016).

G. Poor Communication

Communication involves the transfer of information from one person to the other. In the project management process communication is a key driver on the extent to which the project achieves its success. Studies have found that poor communication among stakeholders in a project is one of the main reasons why projects fail (Ika, 2012). Lack of effective communication implies that most of the specifications, requirements, and understanding needed by all stakeholders of the projects tend to be poor (Bunyaminu & Mahama, 2016). For instance, a study by Bunyaminu and Mahama (2016) revealed that lack of effective communication was one of the key factors that accounted for the poor success rate of projects at ECG. This suggests that effective communication channels must be created in order to enhance the performance of projects.

H. Lack of Proper Control Mechanisms

Inadequate control mechanism during projects does not allow those in control of the projects to identify any default during the project implementation phase. Due to poor control mechanisms, employees and teams on the project do not provide the necessary governance to ensure projects are carried out based on certain criteria (Mensah, 2007). Key

indicators to check performance are usually unavailable and these normally cause projects to fail: it was found to be a major reason why projects failed at ECG (Bunyaminu & Mahama, 2016). Through a survey of six District Assemblies, the problem of Medium-Term Development Plans (MTDPs) was identified. Mensah (2007) argues that implementation problems include weak institutional structures, inadequate human and financial resources of the MMDAs, chieftaincy and land disputes, low levels of commitment by stakeholders, and ineffective teamwork; and these contributed to project failures in the District Assemblies.

I. Improper Management of Funds

Another major reason for poor project management in Ghana is the improper management of project funding. In a study on the effect of management practices on building project performance, Mensah (2006) noted that some contractors, out of desperation, bid for certain projects even in the face of unfavourable foreseen eventualities. Therefore when there happens to be delays in the release of funds for the project, project performance is threatened. Notwithstanding the plethora of literature on project management and its critical success factors across the globe, there seems to be little or no documentation on the project management practices and critical success factors for projects executed by the MMDAs in Ghana (Amponsah, 2012). The dearth of empirical studies on the success of project management in Ghana is further highlighted by Ofori (2013) in his work on project management practices and critical success factors using Ghana as a case study. A look at literature reveals that, in spite of the several reported cases of project failure in Ghana, little research has been devoted to the subject area, especially in the context of local government in developing countries. Thus, this research seeks to close that gap in literature as far as the local government perspective is concerned.

III. CONCLUSION

Project failure is also relatively dependent on which stakeholder is assessing it. Professor Stephen Addai, a member of the advisory council of PMI Ghana chapter and former Rector of Ghana Institute of Management and Public Administration (GIMPA), in an interview with PMI Ghana chapter, says that the success of a project largely depends on planning. Another certified project management professional, Mr. Ken Ashigbey, the managing director of Graphic Communications Group discovered every project he spent 72% of time planning turned out to be successful. Mr. Ashigbey, who has considerable experience in managing projects as a certified project management professional in Ghana, further adds that PMP members in the country should be professional to portray the difference between the professionals and non-professionals (PMI 2018, Ghana Chapter).

Although the study constructs on planning may not be exhaustive, it is recommended that MMDAs pay close attention to planning in order to increase the project success rate. How much planning is needed should, however, be determined by the type and nature of the project in question as well as how far the Work Breakdown Structure (WBS) has to be decomposed (Ray & Sanderson, 2001). For instance, MMDAs must consider the end-users, the funding agency or agencies, the project duration among other project goals in order to decide the level of planning required. However, R2 values for both models indicate that there are some factors that significantly predict project success besides the traditional project management practices outlined in this study (Amponsah, 2014; Ofori, 2006).

With regards to the influences of project delay or failure among MMDAs in Ghana, various management and administrative practices have the most significant impact. This is followed by problems with the release of funds and resources is a major factor for causing project delay or failure among MMDAs in Ghana (Amponsah, 2012; 2014; Amade et al., 2015; Damoah, 2015; Ika, 2012; Okereke, 2017). The change in government and political interference are both major influences of project delay or failure among MMDAs. Studies by Ofori (2013) and Damoah et al. (2015) have confirmed the influences of change in government on project delay or failure. This follows the nature of Ghana's socio-political environment, which portrays each government's unwillingness to continue previous projects by the preceding government. Each government seeks to start its own projects in a bid to gain popularity, favour, and acceptance among electorates in succeeding election periods (Amponsah, 2012; Ofori, 2006).

The final objective of this study was to compare and contrast the critical success factors for donor projects and locally funded projects by MMDAs in Ghana. The findings reveal more convergence in almost all variables considered for this study. The critical success factors for both donor and locally funded projects are virtually the same considering the outcome from the analysis. For example, there is no statistically significant difference between donor and locally funded projects as far as the release of funding is concerned. This implies that whatever practices make donor funded projects successful are the same for locally funded projects and vice versa. However, donor funded projects are relatively more likely to succeed than locally funded projects (GEF/SGP Report, 2012). Considering the source of

funding as a major influence of project delay or failure among MMDAs, donor funded projects usually have readily available funds for the said projects; thus, would have a higher success rate than locally funded projects on the score of funding (GEF/SGP Report, 2012). In the case of locally funded projects, funding is usually from internally generated funds or government allocation to the various MMDAs, which is mostly delayed or inadequate (Amponsah, 2012; 2014). In addition, the possibility of change in government may affect the continuous allocation of funds for the on-going project(s) started by the preceding government; likewise, poor planning may cause a project to end up with an inadequate budget (Ofori, 2013; Damoah et al., 2015).

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