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# Effects of Project Failure and Abandonment

David Ackah

*Texila's School of Business Management (SOBM)* | *Texila American University*

*Email: drackah@ipmp.edu.gh* | drdavidackah@gmail.com

***Abstract***

*The research is to find out from the general public, project management practitioners and contractors what they perceive as the effects of the Ghanaian government's project failure on the key stakeholders of such projects. However, in line with the aims and objectives of this study, effects are restricted to only the negative ones. Therefore, there is a need to review prior studies in this subject area. This will provide justification for the research findings and recommendations. Many effects of project failure have been cited in management and project management literature; however, a review of the literature indicates that the effects are specific to specific projects and/or specific industries. For instance, research into causes and effects of project failure in Malaysian construction industry by Sambasivan and Soon (2007) identified six (6) main effects. These were: time overrun cost overrun, disputes, arbitration, litigation and total abandonment. The study, which used a questionnaire survey to collect data from clients, consultants and contractors, concluded that there is a direct correlation between causes of project failure and the effects of project failure. That is to say, the effects of the project failure could be traced to specific causes of the project failure.*

*Keywords: Project Management Practitioners, Effects Of Project Failure*

## 1.0 INTRODUCTION

A study into the effects of construction delays on project delivery in Nigeria also found similar effects even though the respondents were different (Aibinu & Jagboro, 2002). The respondents (quantity surveyors, architects and engineers, and contractors) who were surveyed provided the following: time overrun, cost overrun, dispute, arbitration and litigation, and total abandonment. A survey investigation into material and equipment procurement delays in 22 highway projects in Nepal found that there was a negative impact on the projects (Manavazhia & Adhikarib, 2002). A study into significant factors causing and effects of delays in Iranian construction projects identified six (6) major effects: time overrun, cost overrun, disputes, arbitration, total abandonment, and litigation (Pourrostam & Ismail, 2011).

In development projects, Ayodele and Alabi (2011) identified wasted resources and loss of tax revenue by the government and other stakeholders associated with such projects as the main effects of abandonment. Similarly, Ngacho and Das (2014) identified economic and social effects of the general populace – although they did not specify the effects. In real property projects, the effect of abandonment is lowering of the value of the properties within the neighbourhood (Efenudu, 2010). In an assessment of the causes and effects of abandoned development projects in real property values in Nigeria, Woka and Miebaka (2014) identified eight (8) effects: it affects the real property total values reduction; it affects the total income receivable from real property; it becomes a disappointment to the owner and the populace; it increases the negative effects of environmental issues on the real property and the built environment; it negatively reduces the motivation to attract investment in real properties; it becomes a waste of financial and material resources; employment opportunities in real property and other sectors are impacted negatively; and it deprives the government of the expected revenue from property tax.

When looking at Malaysian housing projects' abandonment, Abdullah at al. (2014) found that the main effect of abandoned projects is that house buyers will still pay for houses before they handed over at a later date. Along the Spanish coast, the abandonment of urbanisation projects affects the environment in the form of visual effects, landscape modification, biodiversity decrease and increased pollution (Carrero et al., 2009). Carrero et al. (2009) further identified the socio-economic effects as unemployment, conflicts between public administration and private sector, loss of economic value of the area, marginalisation of the population and transfer of cost between the private and public sector.

From the literature, it can be said that there is a common trend that these studies follow: similar effects are associated with projects when they fail (Sambasivan & Soon, 2007; Enshssi et al., 2009).

However, the relative importance is dependent on who is looking at it, as studies show that different respondents have different views when it comes to the relative importance of particular factors (Kometa et al., 1994; Aibinu & Jagboro, 2002; Sambasivan & Soon, 2007, Pourrostam & Ismail, 2011).

Even though none of the previous research has looked into effects in relation to stakeholders, those carried out in relation to project completion show that the effects are not the same and that they have relative importance (Aibinu & Jagboro, 2002; Sambasivan & Soon, 2007, Pourrostam & Ismail, 2011). Thus, they have varied weights. In other words, different respondents have different perceptions about those that are of high importance and vice versa. Thus, the question here is: Will respondents from Ghana follow the same trend? Therefore, this study follows the same method to find out which of these effects are more important.

In addition, because there are no earlier studies on effects of project failure on stakeholders, there is no literature to use as a guide; however, as earlier stated, Ghanaian government projects have a strong stakeholder base and as such any failure will have effects on the key stakeholders. However, the severity of the effects on these set(s) of stakeholders might not necessarily be the same. Therefore, this study wishes identify and evaluate the key stakeholders who are the most affected by Ghanaian government projects failure. Therefore, the next question is: Which of these key stakeholders are affected most when Ghanaian government projects fail?

## 2.0 THEORETICAL FRAMEWORK

This section discusses the theoretical block(s) that underpin this study. Specifically, it intends to achieve two main objectives. Firstly, it discusses the theories upon which this study is based, by trying to show how it fits into the research topic, and provides justification for the choice by linking it with previous research that used the theory. The main aim is to describe the theoretical blocks upon which this study is based. This will help the researcher to develop a theoretical framework for the research.

### 2.1.1 Stakeholder Theory

In this study and others that have been reviewed in this section, stakeholder theory is approached from a project management perspective. In the past, stakeholder theory was rarely used in project management research. However, growing research into the subject matter in recent years as a result of writers becoming more aware of the various stakeholders associated with projects has seen extant research being carried out using stakeholder theory. In fact, in the past decade, research into project management and project failure has been conducted using stakeholder theory (e.g. Saebo et al., 2011; Axelsson et al., 2012). In line with these prior studies, this study therefore adopts stakeholder theory as the principal underlying theory. Specifically, this study uses stakeholder theory to analyse the various stakeholders associated with Ghanaian government projects. Like most government projects, the Ghanaian government's projects have a strong stakeholder base and as such this theory captures all stakeholders in under this study. However, other theories were considered before the choice of stakeholder theory was made.

Stakeholder theory was first propounded by Freeman (1984), although some writers credit the first definition and concept with the internal memo report of the Stanford Research Institute (SRI) in 1963, which defined stakeholders as those groups without whose support the organization would cease to exist (Fontaine et al., 2006). The foundations of the theory claim that firms have "an ethical duty to stakeholders above and beyond what is required by law and, in particular, ethical duties that require the firm to operate in ways that will foreseeably reduce long-term profits" (Heath & Norman, 2004, p.249). A stakeholder is any organisation or individual who can affect or is affected by the achievement of the organisation's objectives (Freeman, 1984). According to Freeman (1984), organisations have various stakeholders whose activities impact on them and vice versa. The stakeholders include governments, investors, suppliers, employees, and customers. These stakeholders contribute inputs to the organisation and expect outputs from it (Donaldson & Preston, 1995), and will act for or against a focal organisation depending on whether their interests are affected positively or negatively. Stakeholder theory further argues that all persons or groups participating in a firm's activities do so to obtain benefits (Freeman, 1984).

There have been major debates about the theory over the years, especially during the 1990s. Authors have provided different views about the theory by criticising Freeman's Stakeholder Theory, and different arguments and counter arguments have been presented. For instance, the Standford definition, which is the genesis of stakeholder theory, has been criticised as being too narrow; however, Freeman's definition also suffers from being too broad (Olander, 2007). Lu et al. (2013) specifically criticise Freeman's definition of the term stakeholder as being unambiguously open to include virtually anyone. In sharp contrast to Freeman's definition, Clarkson (1994) offers a very narrow definition to the stakeholder definition debate – which asserts that stakeholders are only those who bear some level of risk as a result of having invested in the firm in the form of capital, human or financial resources, or any form of valuable investment, or those who are placed at risk as a result of the firm's activities (Clarkson, 1994 as cited by Lu et al. 2013).

Goodpaster (1991) contends that stakeholder theory introduces ethics into management, and that the stakeholder idea is typically offered as a way of integrating ethical values into management decision-making. In view of this, Goodpaster offers two approaches to stakeholder theory – the stakeholder analysis and stakeholder synthesis. He then classified the decision-making process of a company or an individual into six sequential steps, namely: perception, analysis, synthesis, choice, action, and learning. He argues that the stakeholder theory as postulated by Freeman (1984) only refers to stakeholder analysis and as such ends at the analysis stage. This implies that, in the practical or real world, organisations ignore stakeholders when choices and decisions are being made as well as when implementing them. Goodpaster (1991) asserts that, even though decision-makers identify the affected parties in every option and determine their positive and negative impacts; nevertheless, this information is not considered further during the decision-making process or the implementation stage of a company.

Furthermore, positive and negative effects on comparatively less powerful stakeholders may be ignored in the synthesis, choice and action phase. On the other hand, stakeholder synthesis includes: the synthesis, choice and action phase of the decision-making process. Under stakeholder synthesis, stakeholders are only taken into account if they are powerful enough to affect the goals of shareholders. Based on this argument, Goodpaster splits stakeholders into two groups – multi-fiduciary stakeholders and strategic stakeholders. The multi-fiduciary stakeholder means ethics without business and the strategic stakeholder synthesis means business without ethics. Goodpaster argues that managers who pursue the multi-fiduciary stakeholder orientation face opposition from advocates of the strategic stakeholder orientation. This clearly indicates that there can be a strong defence for the multi-fiduciary orientation on the basis of ethics, and he therefore calls this inconsistent and refers to the situation as the stakeholder paradox.

Freeman (1994) rejects Goodpaster's (1991) 'stakeholder paradox' claim by criticising the idea of non-fiduciary obligations surrounding a fiduciary relationship, and therefore refers to this as 'moral obligation'. In an attempt to explain 'moral obligation', Freeman appeals to the 'nemo dat principle' – shareholders cannot expect managers to disobey reasonable community standards of ethics. He argues further that, although corporate law mandates managers to manage firms in the interests of shareholders, this corporate law is not the law that governs organisations and that there are other laws and regulatory bodies in the USA such as the Foreign Corrupt Practices Act, the Securities Exchange Commission, the Environmental Protection Agency and others that govern organisations.

Although Freeman rejects Goodpaster's stakeholder analysis preposition and his 'stakeholder paradox', he welcomes his interpretation of strategic stakeholder orientation, but not in the context of 'business without ethics'. Donaldson and Preston (1995) offer four (4) these to the stakeholder theory debate – descriptive/empirical, instrumental, normative and managerial. They contend that the first three are aspects of the theory, and that these aspects are quite different but they are mutually supportive. The normative part serves as the basis upon which all other aspects of the theory are grounded. First and foremost, the theory describes the corporation as a collection of co-operative and competitive interests who possess an intrinsic or inherent value. They argue further that this can be tested for descriptive accuracy. Secondly, the instrumental aspect of the theory provides a link between means to an end. This provides a framework by which to test the possibility of existence of a connection between stakeholder management practice and corporate performance management achievement goals.

Thirdly, stakeholder theory is normative, in that it prescribes how the world would be, and it describes how organisations should treat their stakeholders. In order to attain this, they make two assumptions – one, stakeholders are individuals or groups; they are identified by their interests in the corporation and have lawful interests in corporate activity. Two, stakeholders' interests have an intrinsic value in nature and as such stakeholders deserve consideration for their own sake without necessarily furthering the interests of some other group such as shareholders. Lastly, the authors opine that stakeholder theory is managerial in nature.

Jensen (2001) criticises the theory by arguing that it fails to show how managers will be able to make decisions that will make stakeholders satisfied given that various stakeholders of a corporation have different interests/stakes in the focal organisation. For him, it is highly impossible for corporate managers to maximise more than one corporate direction. He argues that goal-directed behaviour requires an idiosyncratic valued objective function. As a result of this, Jensen contends that stakeholder theory may best help the interests of managers and directors. Taking directors and managers' bonuses for instance, he is of the opinion that once this is attached to performance, they will pursue short-term goals that will maximise their chances of getting a 'fat' bonus at the expense of the numerous stakeholders that are associated with the company. He also links change of personal management interests to the class of stakeholder(s) being served. In view of this, Jensen contends that firm value maximisation is meaningless if a group and/or any of the stakeholder(s) is ignored, and suggests a better alternative to firm value maximisation, which is called the Enlightened Value Maximisation or the Enlightened Stakeholder Theory. The theory is similar to the stakeholder theory except that it offers a criterion for making a trade-off among the various stakeholders with competing interests. For example, whilst stakeholder theory allows managers and directors to freely decide which one of the stakeholders' interests to serve at one particular point in time without offering a criterion for making the trade-off, the enlightened stakeholder theory prescribes one firm objective that serves the interests of all stakeholders – long-term value maximisation.

Nonetheless, despite these diverse opinions about the theory, there is a common thread that runs through various definitions: stakeholders have an interest in the focal organisation and will act for or against a focal organisation depending on whether their interests are being affected positively or negatively (Freeman, 1984; Donaldson & Preston, 1995; Atkinson et al., 1997; Rowley & Moldoveanu, 2003).

#### 2.1.1.1 Stakeholder Analysis

Thompson (2009) identified two steps that must be followed to manage stakeholders. Firstly, there should be stakeholder analysis, which is crucial in managing stakeholders. This involves the identification of stakeholders of the project. The next step is to work out their power, influence and interest. This identification helps to know on whom to focus and how to deal with each group (Davis, 2014). Then development of a good understanding of the most important stakeholders should be worked out to win their support.

The second step is management of the stakeholders. This can be done through making a 'Planning Tool' (Thompson, 2009). After this, communication is most important. In order to communicate effectively with stakeholders, Yang (2014) asserts that stakeholders have to be grouped according to their interests. This is discussed in detail in the next sub-section.

One study into stakeholder analysis indicates that there is no one method for stakeholder analysis is perfect; the selection of analytical perspective is an art with extensive considerations of 'when, what, and how' to choose methods to achieve the project objectives (Yang, 2014). This implies that stakeholder analysis and identification of method(s) to be used must be project-specific. The next sub-section provides some of the methods that have been used in the past.

#### 2.1.1.2 Stakeholder Identification

Alexander and Stevens (2002) provide practical guidance for identifying stakeholders. This begins with the identification of project leaders. In this approach, managers assist performing organisation(s) in listing all the various parties and/or people who will be involved in the implementation of projects. This is done on the basis of decision levels and hierarchies that exist in the organisational structure. Sharp et al. (1999) present a methodology where the first step is to define a 'stakeholders' baseline' formed by stakeholder groups such as users, developers, legislators and decision-makers. They further evaluate who the suppliers and clients are, and then identify which of those stakeholders in the baseline interacts with the other. In this way, identification is concluded when all groups in the baseline are analysed. In a

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similar way, Robertson (2000) and Alexander and Robertson (2004) present a model that describes diverse stakeholder types using 'the onion model' and locate each type in one of the 'onion levels' (rings). They work with producers, consumers, sponsors, influencers and consultants and others as stakeholder types. They explain how each type must be identified in the model, and then included in each concentric circle. However, they posit that this approach does not take into consideration the work context of the project.

However, these procedures have been criticised for being more of a practical than of a theoretical framework that can be used in stakeholder identification (Ballejos & Montagna, 2008). In line with this criticism, Mok et al. (2015) assert that the foundation for stakeholder identification and prioritisation is not strong due to the limited cognition of project managers and incomplete stakeholder boundaries. Despite this criticism levelled against stakeholder identification procedures, other stakeholder theories have successfully been used in stakeholder identification by researchers. One popular stakeholder theory for such purpose is the Stakeholder Salience Theory proposed by Mitchell et al. (1997). The work of Elias et al. (2002), Pan (2005) and Olander (2007) is notable in project failure research – they have successfully applied the theory in identifying stakeholders in their studies.

In the theory, Mitchell et al. (1997) identify three main criteria – stakeholders' power (ability to influence the firm), legitimacy (relationship between stakeholder and the firm based on contracts and legal title), and urgency (the degree to which managerial delay in attending to the claim is unacceptable to stakeholders). They call these criteria stakeholder salience (power, legitimacy and urgency), and are of the view that a stakeholder should possess at least one of these attributes, but they further opine that managers tend to pay more attention to those who possess all three attributes.

In view of these stakeholder attributes, Mitchell et al. (1997) further categorised stakeholders into seven groups: (1) Dormant stakeholders – they possess the power to impose their will but do not have any legitimate relationship or urgent claim, and their power remains unused; (2) Discretionary stakeholders – they possess legitimacy but have no power or urgent claims, therefore there is no absolute pressure for management to engage in an active relationship; however, they may choose to do so; (3) Demanding stakeholders – they have an urgent claim but no power or legitimate relationship; this is bothersome but does not warrant more than passing management attention; (4) Dominant stakeholders – they have power and legitimacy and therefore their actions bother management; (5) Dangerous stakeholders – possess power and urgency but have no legitimacy; they are coercive and have the possibility of being violent, hence, 'dangerous'; (6) Dependent stakeholders – possess legitimacy and urgency but have no power, therefore they depend on others for power to carry on their will; and (7) Definitive stakeholders – have power and legitimacy; they are normally part of the organisation's dominant coalition and therefore if their claim(s) is urgent, management gives priority to them. The figure below gives a clear picture of the various stakeholder categories identified by Mitchell et al.

Stakeholder identification is very crucial for the success of every project (Ballejos & Montagna, 2008). However, studies over the years show that researchers have not reached a consensus on the process and procedures for their identification. This indicates that researchers have not reached a consensus as to the criteria and/or method or approach to be used. It can therefore be said that this is so because of the differences that exist across different projects and that no project is similar to another (Suderland, 2004; Kersner, 1993, 2009). However, most of these criteria are drawn from Freeman (1984) and Mitchel et al. (1997). Even though researchers have not come to an agreement about this process, many procedures and theories have been proposed. Some have used stakeholder attributes such as types, roles (Robertson, 2000; Alexander & Robertson, 2004; Ballejos & Montagna, 2008), influence or power (Ballejos & Montagna, 2008) and interest, or stakeholder salience (Mitchell et al., 1997).

#### 2.1.1.3 Stakeholder Mapping

This is a strategy used in identification of the various stakeholders associated with a particular company and/or its project. Specifically, it identifies stakeholders by 'mapping' the organisation and/or project to all the individuals and groups of individuals who are connected to the project. Like the stakeholder matrix, stakeholder mapping traces stakeholders with either the interest and/or the power to influence a project.

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2.1.1.4 Stakeholder Matrix

Ballejos and Montagna (2008) grouped stakeholders into four quadrants (stakeholder matrix) according to their power or influence and their interest. The first quadrant (A) consists of stakeholders who have high interest and high power to influence projects. The points of view and goals of these stakeholders need to be understood more, especially their objection to anything in the project. They require much time and attention in order to grasp their needs (Ballejos & Montagna, 2008, p.288). The second quadrant (B) consists of stakeholders who have a high level of interest in the project but their influence is very low. However, they can be a valuable source of information when they agree on the projects. In government projects, they are normally the citizens who concern themselves with the project deliverables (Diallo & Thuillier, 2004).

The third quadrant (C) consists of those stakeholders who have high power to influence the project but are less interested in the project. These stakeholders therefore do not pay particular attention to the project's details, because they consider that these details do not affect them. However, their needs and requirements need to be met if a project is to be successful. In some circumstances, they are the sources for financing the project and therefore their approval of the project is paramount. In this case, enough information about the project needs to be given to them in order to avoid them being obstacles to it. Such stakeholders include government and government agencies, regulatory bodies and industry regulators.

The last quadrant (D) consists of stakeholders who have little interest and minimum or no power to influence the project and as such little attention needs to be given to these sets of stakeholders. However, they still need to be given information about projects when necessary. The figure below gives a full picture of the stakeholder matrix grid.

2.1.1.5 Stakeholder Dynamics

Stakeholder theorists and researchers (Atkinson et al., 1999; Haughey ca, 2008; Yuttapongsontorn et al., 2008) have concentrated on individual stakeholder(s). However, studying individual stakeholders in isolation is being over-simplistic about the reality of the subject matter (Pouloudi & Whitley, 1997), in that stakeholders rarely act in isolation (Pan, 2005; Pan & Pan, 2006; Saebo et al., 2011). As Mitchel et al. (1997) put it, and as echoed by Ballejos and Montagna (2008) and Saebo et al. (2011), stakeholders' salience differs from one stakeholder to another, and, as a result, those stakeholders with less salience often seek the support of those who have much salience in order to make their claims heard. In order to do this, they form coalitions to influence organisations and/or projects. This indicates that stakeholders can interact to influence project performance and, as such, attention needs to be given to various coalition groups during project management (Missonier & Loufrani-Fedida, 2014). Yang (2014, p.482) refers to this interaction among stakeholders as a "social network".

Moreover, stakeholders' interests and power change over time throughout project life cycles (Freeman, 1984; Aaltonen et al., 2008; Saebo et al., 2011; Missonier & Loufrani-Fedida, 2014), depending on the strategic issue under consideration (Freeeman, 1984). Different stakeholders' interests might change – interest can be low or high or none, depending on how it is being affected (Pan & Pan, 2006). Further, the mix of stakeholders of a particular project may change over time – some may join whilst others leave – due to many reasons, such as not being interested in the project anymore (Elias, 2002, p.304). It can be argued that, because those stakeholders who are not powerful enough could seek claims through others (Mitchell et al., 1997) and could also form coalitions to influence the project (Pan, 2005; Pan & Pan, 2006; Saebo et al., 2011), they are dynamic and as such stakeholders should not only be managed as individual(s) but should also be managed as collective units.

Stakeholder theory has been applied in economics, politics, management, and law, among other areas. In this study, stakeholder theory is approached from a project management perspective. The next sub-section, 2.8.2, discusses stakeholder theory and project management in detail by highlighting the importance of stakeholders' management in the implementation of projects, and how this theory applies to the case being studied.

2.1.2 Stakeholders and Project Management

In every project, there are numerous stakeholders whose activities can affect or be affected by the project and who therefore have interest in the deliverables or output of the project (Haughey ca, 2008).

In other words, stakeholders can impact the output of the project or can affect or be affected by the project (Olander, 2007; Heravi et al. 2015). From a project management perspective, project stakeholders are persons or groups of persons who have a vested interest in the success of the project and the environment within which the project operates (McElroy & Mills, 2000; Post et al., 2002). However, like the Standford definition, this (McElroy & Mills, 2000; Post et al., 2002) also suffers from being too narrow (Olander, 2007). Project Management Institute (PMI) adopts Freeman's (1984) definition and defines project stakeholders as individuals and organisations that are actively involved in the project or whose interests may be affected as a result of project execution or completion (PMI, 2004). However, the PMI definition is also too broad (Olander, 2007). Mulenburg (2007) describes a stakeholder as anyone who has a stake in the project's outcome and for him 'stake' in this context refers to interest.

However, stake and interest are different, and authors have not been able to provide a sound and clear understanding of the terms 'interests' and 'stakes' in their literature (Yuttapongsontorn et al., 2008). However, stakeholders' interests appear in diverse forms – they have influence or can influence the focal organisation (Freeman, 1984), they have power, legal and moral rights (Carroll, 1993), desired end states (Frooman, 1999), legitimacy and urgency (Rowley, 2004, as cited by Yuttapongsontorn et al., 2008), they have power, legitimacy and urgency (Mitchell et al., 1997). Stakeholder(s)' interest can either be direct or indirect; depending on the interest they have in the project in question (Mulenburg, 2007; Haughey ca, 2008).

Based on the role of the stakeholders associated with companies as postulated by Freeman (1984), Donaldson and Preston (1995), Rowley and Moldoveanu (2003), and Mulenburg (2007), it can be argued that the success of every project is largely dependent on these stakeholders, and as such the need to manage them well at all levels of the project life cycle is very crucial (Pan, 2005; Pan & Pan, 2006; Heravi et al. 2015). Project success and failure can therefore be linked to the perceptions of stakeholders about the value created by the project and the nature of the relationship that exists between the various stakeholders and the project team (Bourne, 2008). Thus, individuals and institutions that have stakes in the projects need to be explicitly managed in order to bring about project success (Missonier & Loufrani-Fedida, 2014). This implies that, if the value being created by the project team is perceived by the project stakeholders as unable to create value or conforming to their satisfaction (Toor & Ogunlana, 2010), then the project will be seen as a failure and vice versa.

These stakeholders can be categorised into two groups – internal and external (Olander, 2007). As the names suggest, internal stakeholders are those stakeholders who are directly involved in the implementation of the project. External stakeholders, on the other hand, are those stakeholders who are not directly involved in the implementation of the project. Mulenburg (2007) shares a similar view but goes further to add a third category. According to Mulenburg (2007), the three stakeholder groups are: (i) stakeholders within the project organisation: senior management, sponsor, customers, and users. These stakeholders define the need and requirements for the project. They control the traditional project constraints of cost, time and scope. This includes the organisation of senior management, the sponsor and possibly others who by their position may influence the project. They are senior management who approve and provide resources needed for the project.

In most projects, they are the end-users of the deliverables of the project or clients of the projects who act on behalf of the end-users; (ii) stakeholders within the project: these include the project manager, core team members, vendors and suppliers, and support staff. This is where the actual players of the project can be found. They are those who work directly in the project, carrying out the actual work of the project. They are very important stakeholders who make the deliverables come to pass; and (iii) stakeholders from outside organisations: regulators, licensing agencies, pressure groups, etc. They are indirectly involved in the project or the performing organisation. They do not participate in the project work. They are, however, relevant to the project's success because of their potential impact and/or influence on the project. In the UK and most developed countries, these stakeholders are as important as those who are directly involved in projects, as there are a lot of regulations and pressure groups which can influence the outcome of projects. This implies that efforts should be made to actively manage important stakeholders (Saebo et al., 2011).

In order to manage these stakeholders to bring about maximum co-operation in the project life cycle, all stakeholders who are directly involved must be part of the goal and objective setting and must be part of the planning of the project, and this must happen before the commencement of every project (Mulenburg, 2007; Bourne, 2008; Haughey, 2008). Stakeholders often become interested in projects when they actively contribute to goal and objective setting and, if this happens, it can improve business performance (Haughey, 2008). Seeking the views of stakeholders is therefore very crucial to the performance of the project (Haughey, 2008). Further, stakeholders are not always keen to participate in the project but engaging them at all stages of the project life cycle helps to bring about project success. Mulenburg (2007), Bourne (2008) and Haughey (2008) recommend that project managers should ensure that there is a good relationship among all stakeholders at all levels of the project life cycle.

In the case of Ghana and developing countries in general, the project management's ability to bring on board the various key players is very crucial; this is especially so in government projects, which have a strong stakeholder base. Most stakeholders provide resources for such projects and as such they tend to give guidance and orders as to how such projects should be managed (see World Bank, 2013; Fabian & Amir, 2011; Ghana Budget, 2013).

### 2.1.3 Stakeholder Theory and Government Project Failure

Stakeholder theory was first used in the private sector context (Axelsson et al., 2012). Nevertheless, many writers have applied it in a government or public context in recent years (e.g. Elias et al., 2002; Pan, 2005; Pan & Pan, 2006; Flak & Nordheim, 2006; Sæbø et al., 2011). For instance, Elias et al. (2002) use the stakeholder framework to highlight Research and Development (R & D) project management in New Zealand. In the study, they identify 10 stakeholders: special interest group, citizen action, community, media, financial, internal, government, supplier, legal & political and consumer.

This approach has also been used by Pan (2005) to highlight why poor analysis of the stakeholders of Singapore's e-procurement system project (E-PRO) was abandoned. Olander (2007) uses stakeholder theory to analyse stakeholder impact in construction project management. In an attempt to understand the dynamics of stakeholders in Norwegian government e-participation initiatives, Sæbø et al. (2011) identify politicians, administrators, consumers, activists and vendors as the stakeholders of these government projects.

## 3.0 RESULT DISCUSSION

The study found that there are numerous possible effects of Ghanaian government project failure. In all, 26 effects were identified, and they are: it slows down economic growth, loss of revenue by state, unemployment, bad image for government, collapse of local businesses, cost escalation, government sector underdevelopment, loss of foreign aid/grants, discourages investment, stricter donor regulations, loss of election, financial institutions lose confidence in the state, loss of revenue by the citizens, lack of capacity, sub-standard infrastructure, it slow down citizens' human empowerment, loss of worker hours, pollution, armed robbery and theft, relocation of services, denial of citizens' basic rights, loss of properties, emotional stress on citizens, accidents and deaths, imprisonment, and abandonment of homes. However, from the interviewees' point of view and based on the analysis, it is clear that, whilst some of the effects are associated with specific projects and/or industries, some cut across all government projects. In addition, the study revealed that some of these effects are direct whilst others are indirect. Furthermore, some of the effects are inter-related – thus, they are related and cannot be separated from one another. This is fully discussed under the effects in this sub-section by highlighting these links. Nonetheless, the study's participants (Contractors, PMP and General Public) agreed that the degree of importance (influence) of the effects differs.

Accordingly, the contractors ranked cost escalation as the biggest effect of Ghanaian government project failure; this is followed by unemployment, loss of revenue by the state, government sector underdevelopment and bad image for the government respectively. PMP ranked slowdown of economic growth as the biggest effect of Ghanaian government project failure; this is followed by discouraging investment, loss of revenue by state, collapse of local businesses and cost escalation respectively. The general public also ranked slowdown of economic growth as the biggest effect of Ghanaian government project failure; this is followed by loss of election, collapse of local business, unemployment and loss of revenue by state respectively. Even though the three categories of participants ranked them differently, a hypothesis testing of the degree of agreement in their ranking indicated that there is a high degree of agreement among them.

The top 10overall rankings for the effects in the order of importance are as follows: it slows down economic growth, loss of revenue by state, unemployment, cost escalation, bad image for government, collapse of local businesses, government sector underdevelopment, loss foreign aids/grants, discourages investment and stricter donor regulations.

*1. It slows down economic growth*

It was found that the number one effect of Ghanaian government project failure is the slowdown of economic growth. When projects fail, economic development is retarded in the country. It was observed that the ultimate aim of Ghanaian government projects is to improve the socio-economic standards of the general public, and so failure implies that these two main developmental goals are affected. Ghana is a typical example of a developing country and as such infrastructural development is paramount to economic growth and stability, as indicated in Chapter one; hence, failure slows down economic growth and this has subsequent effects on the economic well-being of Ghana's citizens. Accordingly, this gives the government a bad image, hence, affecting the party in power's chances of winning the next general election.

This finding is not surprising as earlier researchers have argued that projects are intended to create goods and/or services in the form of 'physical or soft' products for the enhancement of citizens' livelihoods (Ahsan & Gunawan, 2010, Ngacho & Das, 2014; Yang, 2014). In the case of Development Projects, Ngacho and Das (2014) specifically argue that they are able to create both economic wealth and social services in such countries, as well as having negative impacts, and these are mainly on the general populace. The suggestion is that the purpose of the projects and their effects as a result of failure are directly linked. Thus, if the purpose of government projects is to enhance the life of the general populace in the form of economic wealth, then failure implies that this economic development would be slowed down, hence, affecting the economic well-being of the citizens.

*2. Loss of revenue by state*

As indicated in Chapter five, if Ghanaian government projects fail, this results in the state losing huge sums of tax-payers' money and/or donors' money. Money is lost through abandonment of projects and delays in them. Accordingly, this has direct effects on the general public and indirect effects on the government. The study's participants perceived strongly that, if the state loses this money, it affects the well-being of its citizens as monies that are supposed to be used elsewhere have to be channelled back into such projects in order to complete them. Ultimately, it is the general public who will bear the last negative effects. This finding suggests that, even though the direct effects of Ghanaian government projects failure are in the form of loss of money, the indirect effects are the suffering of the ordinary citizens and the fact that the government will have to look elsewhere for money to make up the losses, hence affecting its financial capabilities.

*3. Unemployment*

The study found that Ghanaian government project failure has huge effects on the employment situation in the country. For instance, the interviewees argued that Ghanaian government projects create both direct and indirect jobs. Specifically, interviewees were of the view that, in most cases, entrepreneurs specifically create jobs in 'project areas' to meet demand for certain products which it is assumed will arise due to the project implementation. In this case, if such projects fail, the entrepreneur loses out and the employees are sacked. It was also found that, if projects are delayed as a result of delays in payments, some workers, especially labourers, are laid off until the money is paid. If the project is subsequently abandoned, they will not be called back. The country already has high unemployment problems – to the extent that there is an Unemployed Graduates Association of Ghana (UGAG) (Modern Ghana, 2015). Thus, failure of government projects compounds the phenomenon. As a result, the study found that this sometimes leads to social vices such as armed robbery and theft, as the unemployed want to use unlawful means to 'earn' a living. As indicated in the previous chapter, these situations sometimes have negative psychological effects on citizens.

*4. Cost escalation*

According to the findings, interviewees perceived that cost escalation comes in different ways. The study found that one major way is increment of project cost as a result of payment delays. It was further found that failed projects' contracts are often re-written and given to another contractor. This means that the whole bidding for and awarding of the project will start afresh, and this leads to increments in the original prices for the whole project. In addition, cost escalation can occur on the part of the contractor, due to price fluctuation as a consequence of an unstable currency. The Ghana cedi has depreciated against the US dollar in excess of 100% in less than two years and this affects the cost of Ghanaian government projects (Bawumia, 2015). This was echoed in the 'True State of the Nation Address' organised by the minority leader in parliament on 9th March, 2015 (Ghanaweb, 2015; GNA, 2015; Asempa FM, 2015). This has direct and indirect effects on the government, the general public, contractors and other project management practitioners, as they have to adjust to these cost fluctuations. Respondents perceived that sometimes the local communities have to bear some of these costs – thus, projects are partly funded by local communities.

Cost escalation has been researched in project management literature but not in the context of effects of projects on stakeholders. Thus, previous literature has discussed effects of project failure on the project's completion. For instance, Sambasivan and Soon (2007) identified cost overrun as an effect of project failure in the Malaysian construction industry. Similarly, studies by Manavazhia and Adhikarib (2002) and Pourrostam and Ismail (2011) on material and equipment procurement delays in highway projects in Nepal and effects of delays in Iranian construction projects respectively identified cost overrun as one of the effects of such project failure. Nonetheless, this research takes a different dimension by looking at it from effects on the key stakeholders associated with Ghanaian government projects – this effect has knock-on effects on both the general public of Ghana and the government.

*5. Bad image for government*

As indicated in under the data analysis in Chapter five, interview participants vehemently perceived that Ghanaian government project failure leads to a bad image for the government. The implication is that the government is in charge of the projects and therefore failure means that the government is not performing well. Respondents perceived that, in Ghana, the illiteracy rate is very high and thus most people do not understand who is supposed to execute government projects. They have no knowledge of who the project manager is, and what a technocrat is; thus, all they know is that the project 'belongs' to the government and as such any failure is caused by the government. It was further found that the general public have this perception because politicians involve themselves in project execution and make 'big' campaign promises about projects they have no influence in bringing to the local area. Therefore, the citizens feel betrayed by the sitting government and the nation as a whole and so speak against the government, hence making the government unpopular.

Accordingly, this leads to a bad image for the government, hence leading to it losing the next general election. This is supported by earlier assertions by Goodman and Love (1980) that government policies are often translated into programmes and projects. This suggests that government project failure implies that the government is failing. This is a unique finding for both project management literature and literature about the Ghanaian context, as prior literature has not mentioned it.

*6. Collapse of local businesses*

Directly related to unemployment is collapse of local business. The study revealed that local businesses operating alongside projects collapse as soon as the projects fail. Some of these businesses have been operating before the commencement of the projects, whilst others are created alongside them. Further, some projects are given to local businesses to boost their capacity, and therefore any form of failure often leads to their collapse. The respondents perceived that, at times, these local businesses borrow money from financial institutions to boost their chances of executing such projects and, as such, failure leads to their businesses going bankrupt in some extreme cases. Some of these business people end up in court and in prison. This finding is in agreement with earlier research conducted by Adams

(2008), which concluded that business people in developing economies sometimes end up bankrupt as a result of project failure.

*7. Government sector underdevelopment*

The study found that Ghanaian government project failure leads to underdevelopment of the public sector. The respondents are of the view that, if government projects fail, the sector in which the projects are implemented is not important, as the failure will retard public sector development overall. Thus, the public sector development becomes retarded as the public sector project is a panacea to a country's development, as espoused by Eichengreen (1994), Eichengreen (1996), and Eichengreen and Vazquez (1999). Their studies suggest that public sector projects are inevitable in national development. This finding is not surprising as the phenomenon under study pertains to the government or public sector projects.

This is in agreement with Goodman and Love's (1980) assertion that government policies are often translated into programmes and projects, and therefore public projects are key in the development of every economy. Similarly, this result confirms Eichengreen (1994), Eichengreen (1996), and Eichengreen and Vazquez's (1999) work, which argued that public projects are inevitable in the development of any economy. Further, this finding is in agreement with earlier research by Pinto (2013), which found that project-based work has become a critical component of global industrial activity, and therefore failure of Ghanaian government projects implies that the sector's development will suffer, hence, the entire country's development will suffer. Thus, public sector development through projects is a panacea to the developmental needs of the citizens of Ghana.

*8. Loss of foreign aid/grants*

It was revealed that sometimes foreign donors are unwilling to release funds or continue to fund Ghanaian government projects due to project failure. Participants were of the view that the Ghanaian government often lost foreign aid if it had experienced project failure in the past. Further, most of the projects are executed in phases, and the progress of the first phase determines the release of the subsequence phase's funds, so, if the earlier phase fails, donors are unwilling to release the remainder of the funds. This finding is similar to an earlier statement made by the Daily Graphic (2007) and the study of Amponsah (2013), which concluded that donor agencies are reluctant to provide aid for infrastructure projects due to previous disappointing project outcomes. They argue that this has resulted in donor apathy towards projects in the country (World Bank report, 2007; Amponsah, 2013). Similarly, Fabian and Amir (2011) found that the Chad-Cameroon Pipeline project was abandoned due to the World Bank's withdrawal of funding.

*9. Discourages investment*

The research found that Ghanaian government project failure leads to the discouragement of investment – both local and foreign investment. This is because most of these investments depend on these projects – hence, failure means investment has to stop. For example, it was revealed that a large number of companies depend on electricity to function, so, if government projects are focusing on electrification of certain areas and there is a fluctuating power supply, this means that these investors will not move to these areas. Further, projects such are construction of roads, which are solely constructed by the government or in partnership with the government, are crucial to development in rural areas and therefore, if these projects fail, investors have no option than to pull out. Accordingly, the implication is that it is the ordinary citizens who lose out as this withdrawal of investment affects their livelihoods both direct and indirectly. Directly, it increases unemployment, and indirectly, it creates social vices in such communities. Further, this affects the Gross Domestic Product and growth rate, and this has an adverse effect on the government as well as on the citizens.

*10. Stricter donor regulations*

The findings revealed that Ghanaian government project failure leads to stricter donor regulations. For example, before it releases funds, the government would have to pay what is called 'counterpart funding' and 'commitment fees'. Counterpart funding means that the Ghanaian government would have to pay part of the full cost of the project; however, it would want to see to it that such funds were available before it released its own. The commitment fee, on the other hand, is a fee that the Ghanaian government needs to commit to the projects before donors release their part of the funding.

In addition, it was found that, due to project failure in the country, donor partners monitor Ghanaian government projects closely to see to it that their funds are being used for their intended purposes. Further, due to this persistent project failure on the part of the government, they do not release the funds in full – they release as and when they inspect the progress of the projects and are satisfied with it. In most circumstances, they appoint their own representative, who will be on-site to monitor the project, as indicated in Chapter five. Media reports and discussions in the country have highlighted this issue. For instance, the "Dwaso Nsem" programme discussed on Adom FM on 5th of June 2015 disclosed that the World Diabetes Association had to withhold further funding of its programme on diabetes as a result of project failure (Adom FM, 2015). However, it is clear that this finding provides a local-specific context to the discussion, as the above were only media reports and discussions, and therefore it represents an academic contribution to the literature on the subject.

### 5.4.1 Grouping of the Effects

The 26 factors identified as possible effects of Ghanaian government project failure were classified into four groups – namely, economic, social, political and psychological. These four themes were arrived at from the interview analysis with the use of thematic and content analysis with the help of NVivo 10 software, as discussed in the method chapter. In the group ranking analysis, contractors and PMP unanimously agreed that economic effect is the biggest effect of Ghanaian government project failure; this is followed by political, social and psychological effects respectively. The general public was, however, of the opinion that political effect is the biggest effect of Ghanaian government project failure, followed by economic, social and psychological effects respectively. This result reflects the perceptions that different categories of stakeholder group hold. The differences in perception by PMP and contractors versus the general public are not surprising. The general public ranking of political effects as the number one effect is a total reflection of how the general public have voted for political parties and governments in the past (Bawumia, 2015). The general public vote based on two main issues in Ghana – ethnic and religious, and project implementation. Interviewees perceived that most Ghanaians are illiterate and do not understand economic issues such as interest rates, inflation, budget deficits, government borrowing, or GDP, and therefore the only way they judge the performance of the government is on its ability to implement projects. The next sub-sections discuss these four groupings in detail. These groupings are arranged in descending order.

*1. Economic*

Economic factors were unanimously rated as the number one effect by contractors and PMP and number two by the general public; and they were number one overall. In fact, seven of the first 10 individual effects were economic effects. The reason for the general public not ranking economic factors as number one but two is perhaps due to how they judge political parties and government on the basis of successful project implementation, as indicated in preceding sections. When projects fail, economic activities are affected and this has direct effects on the key stakeholders associated with such projects. These effects are: loss of revenue by state, government sector underdevelopment, collapse of local businesses, it slows down economic growth, loss of foreign aid/grants, financial institutions lose confidence in the state, unemployment, loss of revenue by the citizens, cost escalation, loss of worker hours, discourages investment, and loss of properties.

Like development projects, the ultimate aim of Ghanaian government projects is to improve the socio-economic standards of the general public (Ahsan & Gunawan, 2010; Ngacho & Das, 2014; Yang, 2014), and so failure implies that these two main developmental goals are affected. Ghana is a typical example of a developing country and as such infrastructural development is paramount to economic growth and stability; hence, failure implies that it will affect the whole country and its populace economically.

*2. Social*

Social effects were ranked overall as number two. It was found that Ghanaian government project failure contributes to a number of social effects such as: it slows down citizens' human empowerment, stricter donor regulations, lack of capacity, sub-standard infrastructure, relocation of services, accidents and deaths, denial of citizens' basic rights, armed robbery and theft, abandonment of homes, and pollution. It was found that, like many developing countries' projects, Ghanaian government projects are meant to provide infrastructure and other social amenities such as water and healthcare, and therefore failure implies that the citizens are denied such amenities. It emerged that these effects are sometimes in the form of teenage pregnancy or children dropping-out of school; hence, creating a long-chain of social vices. For example, if an education facility such as the building of classroom blocks fails, prospective students are denied their basic right to education provision, as enshrined in the constitution, which leads to young people being on the streets and creating problems. Some may become pregnant (teenage pregnancy), and give birth to children who have no proper care and education; these new children may turn to social vices in the community and a continuous downwards spiral emerges. Moreover, it also emerged that these social effects are intertwined and/or one leads to another and therefore it becomes cyclical in nature.

It was found that most people in the country cannot afford many social amenities and therefore rely on the government for such provisions, and so failure of such facilities has a direct impact on the citizens as a whole. Earlier studies have concluded that projects such as developmental projects are meant to provide goods and services to enhance the life of the citizens of the implementing countries (Ahsan & Gunawan, 2010; Ngacho & Das, 2014; Yang, 2014); therefore, this finding confirms these studies. Although the effects part has not been fully discussed, a deduction can be made from these prior studies and this research. The deduction is that, if these projects are meant to help the general populace to improve their social life, then failure will definitely affect them socially.

*3. Political*

As discussed in a previous section (causes), Ghanaian government projects are highly 'political', and therefore the political implication of project failure is huge, according to the interviewees. Accordingly, the study revealed two main effects – bad image for the government and losing of general elections. The study also revealed that, apart from tribal and religious reasons, the other main reason for a government losing an election in the country is project performance, especially in the rural areas where most of the residents are illiterate. It was further revealed that most of the populace do not understand issues such as economic growth rate, GDP, inflation, fiscal and monetary policies and other economic indicators – all that they are interested in is seeing projects in their communities, and therefore, if government projects fail, it dents the image of the party which is in power. This can lead to that party losing the next general election.

*4. Psychological*

The study found out that the psychological effects of Ghanaian government project failure is huge; however, people rarely discuss this. Moreover, these psychological effects are often not direct; for example, if a project fails, one of the direct effects is that people lose their business and, if they lose their business, it affects their psyche. Sometimes, they lose hope in life. Further, if they go bankrupt, it has a negative psychological impact on them for the rest of their life. It was revealed that, in some instances, people are imprisoned because they default on the bank loans they have secured to embark on projects. This finding provides a unique dimension to project management literature, as previous literature has not discussed these effects. It also provides a country-specific context to the literature.

## 4.0 AFFECTED STAKEHOLDERS OF GHANAIAN GOVERNMENT PROJECT FAILURE AND ABANDONED

Although prior literature had not specifically looked at the stakeholders who are affected the most, it had indicated that government projects are purposely implemented to create wealth for the general populace, and therefore the finding is not surprising. The logic is that, if government projects are executed purposely to improve the well-being of the citizenry, as espoused by Ahsan and Gunawan (2010), Ngacho and Das (2014), and Yang (2014), then any failure will have effects on the citizens. This section discusses the most affected key stakeholders of Ghanaian government project failure. This is presented in order of the most affected to the least affected. The results indicate that the most affected stakeholders of Ghanaian government project failure are the citizens/general public, as shown in Table 18. This is followed by government, contractors, local businesses, financial institutions, consultants, and donor agencies respectively.

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This result is not surprising as the ultimate purpose of government projects is to improve the life of the citizens in the form of 'physical and soft' benefits, as Ahsan and Gunawan (2010) put it. This finding also confirms Ngacho and Das's (2014) argument that, in the case of Development Projects, the purpose is to create both economic wealth and social services in implementation countries; and therefore the project failure have negative impact on the general populace. Even though Ngacho and Das's (2014) study was restricted to development projects, their finding can be likened to Ghanaian government projects to some extent, in that some Ghanaian government projects are development projects. In fact, this finding is in line with Yang (2014), who equates stakeholders to the community or the public – even though, Yang's study was in urban development projects. Yang (2014) further asserts that failure of such projects has both direct and indirect effects on the general populace – however, Yang did not find these specific direct and indirect effects. Therefore, like these studies, when Ghanaian government projects (of which both development and urban projects are part) fail, this would have negative effects on the general populace in particular.

The government came second; again, this finding is not surprising. As stated by the research objective, the projects under study are government projects, whether at local or central government level, as defined in the literature review chapter. This implies that the project 'belongs' to the government and, as such, whatever the project outcome; it will have a significant impact on the government. This result could also be attributed to the nature of politics in Ghana. As indicated by most interviewees, projects can influence general election results for both the government and the opposition parties. That is, projects influence how voters vote. This result also attests to the Institute of Economic Affairs, Ghana (IEA) debate organised in 2012 prior to the 2012 general elections, which showed that electoral success could be attributed to project success (Ghanaweb, 2012).

*Contractors came third* – contractors are the direct implementers of Ghanaian government projects and as such any failure will affect them. It came out that sometimes contractors lose their capital through Ghanaian government project failure. When contractors are unable to pay for materials bought on credit for projects, they are sometimes arrested for default of payment. This not only results in them losing money, but they are sometime imprisoned for default of payments of loans and credit facilities. It was found that, in Ghana, financial institutions are able to arrest their clients for default of payment and if they are unable to pay or agree on a better payment plan, they are kept behind bars until their families are able to pay for them.

*Fourthly, local businesses* – it was found that local communities, including their businesses, are also key stakeholders who could be affected by Ghanaian government projects. These local businesses are not the same as contractors; they are the businesses around the project sites. They are mainly small- and medium-size business which operates within the project's environs. It was revealed that, when projects are being implemented, a lot of people set up new businesses or move their businesses to such places, so that when the project starts, they can meet demands arising from it. If it is a big project like the building of dams and roads, some even buy and/or build properties, so that they can rent them out to the workers or 'to people who will want to live in the area after the project has been completed. Thus, if such projects fail to materialise, then such businesses collapse.

*Next is a financial institution* – financial institutions provide financial support to Ghanaian government projects. It was revealed that, in Ghana and many other developing countries, financial institutions have to raise certificates of payment and other payment on behalf of the government and sometime they lend to the government in cash; therefore, if such projects fail, they have to chase the government for a long time to obtain their money. This puts a strain on these financial institutions meeting their targets (Bawumia, 2015). Most often, it means that they are unable to lend more to individual customers, who are perceived as being riskier (Bawumia, 2015).

*Consultants come next* – it was found that consultants provide the technical advice and monitoring services to executors of Ghanaian government projects and therefore could influence Ghanaian government project performance; as such, failure will affect them.

*Lastly, donor agencies* – donor agencies and donor countries are those who provide funding in the form of cash and in kind. This was ranked last perhaps because failure of Ghanaian government projects does not have a direct effect on them.

Again, as discussed in the preceding sections, these findings provide an academic and practical dimension to the literature. From the above discussion, it can be deduced that literature on these effects is rare and the little available is mainly in the form of reports and lecture proceedings (see Bawumia, 2015).

## 6.0 CONCLUSION

The third objective of this study was to identify the effects of Ghanaian government project failure on key stakeholders associated with such projects and their relative importance. The study identified 26 possible effects of Ghanaian government projects failure on key stakeholders. These are: it slows down economic growth, loss of revenue by state, unemployment, bad image for government, collapse of local businesses, cost escalation, government sector underdevelopment, loss of foreign aid/grants, discourages investment, stricter donor regulations, loss of election, financial institutions lose confidence in the state, loss of revenue by the citizens, lack of capacity, sub-standard infrastructure, it slow down citizens' human empowerment, loss of worker hours, pollution, armed robbery and theft, relocation of services, denial of citizens' basic rights, loss of properties, emotional stress on citizens, accidents and deaths, imprisonment, and abandonment of homes. The findings indicate that, whilst some of the effects are associated with specific projects and/or industry, others cut across all government projects. For example, whilst teenage pregnancy is linked directly to educational project failure, loss of a general election by the incumbent party in government is general to all government project failure.

Furthermore, the study revealed that some of these effects are direct whilst others are indirect. Thus, the findings show that the effects are interrelated and sequential – one effect could lead to another effect and in that order. For example, if the direct effect of government project failure is unemployment, the indirect effects would be social vices such as armed robbery and theft, and lack of capacity (human resources).

In addition, the study ranked all these effects using the average mean in order to find out the most important (severe) effects of Ghanaian government project failure on key stakeholders associated with such projects. The findings indicated that the three categories of the study's participants agreed that the top 10effects of Ghanaian government project failure on key stakeholders are: it slows down economic growth; loss of revenue by state; unemployment; cost escalation; bad image for government; collapse of local businesses; government sector underdevelopment; loss foreign aids/grants, discourages investment; and stricter donor regulations.

In the group rankings, contractors and PMP unanimously agreed that economic effect is the biggest effect of Ghanaian government project failure; this is followed by political, social and psychological effects respectively. The general public was, however, of the opinion that political effect is the biggest effect of such failure, followed by economic, social and psychological respectively. Overall, economic effects were ranked number one, followed by social, political and psychological effects respectively.

Furthermore, the study intended to find out the key stakeholders who are affected the most by Ghanaian government project failure. The findings showed that the most affected stakeholders are the general public, followed by the government, contractors, local businesses, financial institutions, consultants, and donor agencies respectively.

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