

**The Causes of Low Success Rate of Public Sector Projects ss Compared to the Private Sector In Ghana-
The Study Area of Greater Accra Region**

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ABSTRACT

The purpose of the study was to investigate the causes of low success rates of completion of projects in both public and private sectors in Ghana, the study area of Greater Accra Region. The project intends to analyze how the setting project of goals, project scope, project budget, monitoring and feedback, meeting stakeholders' expectations and project management practice influence completion of projects in both public and private sectors. The study used descriptive survey research design and adopted both qualitative and quantitative techniques of data collection and analysis. The study adopted the stratified sampling procedure and census sampling technique to identify the sample size for the study. A sample size of 200 was used. The researcher was able to administer 158 fully completed questionnaires and used descriptive and regression statistics to analyse the data collected. Measures of central tendency and correlation analysis were used to establish an interaction between the independent and dependent variables. The researcher used tables and interpretations to present the data. The study concludes that monitoring and feedback are the determinant factors influencing completion of projects. Setting project goals was the second most significant factor influencing the completion of projects; and scope of project and project budget were the least significant factors influencing completion of projects. The study recommends that the stakeholders and government should seek to make the selection criteria for the bidding of projects to firms that have the technical and human capacity and resources to undertake projects. This selection should also be based on experience rather than the promotion of local firms, that the stakeholders and government should adopt stringent measures which would arrest the spending

within budget.

Key Words: Project Management, Success factors, Project goals, Project budget, Monitoring and Feedback

Introduction

On the whole only a few studies in project management literature concentrate on the critical factors that affect success or failure. Many of the studies generate lists of critical success factors which vary in its scope and purpose. Success factors are usually listed as very general factors or very specific factors affecting only a particular project Belassi and Tukul (2012). When there is no comprehensive list to serve as a guide, it becomes difficult for both project managers and researchers to assess or evaluate projects based on these factors.

According to McCoy (2009), a standardized definition of project success does not exist nor an accepted methodology for measuring it. Project success is measured in subjective and objective ways and it means different things to different people (Freeman & Beale, 2009).

Success on a project means that certain expectations for a given participant were met, whether owner, planner, engineer, contractor or operator. However, these expectations may be

different for each participant (Sanvido et al. 1990)

The critical success factors (CSFs) are more useful in decision-making support, so player-based research studies should be conducted. Architectural, engineering and construction (AEC) firms are main players in the design and construction stages of building projects, and their decisions can significantly affect performance of building projects (Forcada, et al., 2008).

However, if projects fail to meet the expected outcomes as outlined above in terms of cost, quality, stakeholders' satisfaction, and time it will then be termed as a failure. The interest of the researcher in this study is to find out "The causes of low success rate of public sector projects as compared to the private sector in Ghana"

Problem Statement

Despite the long history of monumental projects with much civilization and half a century of

building project management discipline, project performance is alarmingly low. Most studies have shown that projects are not completed on time, are over budgeted, and even when completed are not able to meet management or customer expectations (Shennar & Dvir, 2007) in most cases. According to Standish Group report only 28% of projects are successful, 23% are failures, and 49% provided only partial answers, with an average fulfillment of 67% of the features defined at project initiation (Standish Group, 2001).

Critical success factor (CSFs) has become a gauge by which project managers can evaluate their companies. CSFs allowed the company to implement standard organizational management skills to improve the company and project performance Alias, et al. (2014). Rockart (2009) mentioned that to ensure future success, a company and its industry should identify its CSFs. Thus, CSFs are for any business, the limited number of areas in which result, if they are satisfactory, will ensure competitive performance of the organization (Rockart, 2009).

The private sector with limited number of resources and human capacity has managed its businesses with much care and bringing in considerable profit. The issue is that most of the private sector projects are successful whilst the public sector projects either fail, are abandoned or just moderately successful. Therefore, the problem is that, the public sector projects are not as successful in project implementation as private sector and the study seeks to investigate the causes of low success rate of projects in the public sector.

Purpose of the Study

The main purpose of this study is to contribute to literature and to the practice of project management in Ghana by providing a benchmark by which projects in the private sector could be compared to the public sectors in terms of their success rate.

Hypotheses

The proposed hypotheses of the study examined the relationship between factors that contribute to effective project implementation (independent variable) and successful completion of projects (dependent variable) as

well as the success rate in both the public and the private sector. The hypotheses were as follows;

H₁: Successful completion of projects depend on the goals set by stakeholders

H₂: Working within the defined scope of project influence the successful completion of projects

H₃: To what extent does spending within project budget affect the successful completion of projects?

H₄: Effective monitoring and feedback influence successful completion of projects

H₅: To what extent does top management support influence successful completion of projects?

H₆: Good project management practice influence project success in both the public and private sector?

Methodology

The research design for this study is descriptive quantitative inquiry. A quantitative methodology aligns also with the fact that majority of research undertaken in construction management, project management, engineering, and property assessment uses quantitative methodology. The research methodology adopted for this study comprises of two-way

analysis of variance (ANOVA) to compare the success rate of the public and private sector projects in Ghana (Ofori, 2006); and correlation method to show the relationship between the dependent and independent variables and chi-test to test the hypotheses. This study took the form of a self administered survey using a 5 Likert-scale.

The study envisaged a population of about 200 participants working as project management professionals who undertake projects in various organizations within the Greater Accra Region of Ghana in both the private and public sector. The categories of projects undertaken were completed, abandoned, or stalled projects within the past 10 years.

The probable expected target sample size of this quantitative study is 90%, giving a target sample size of about 180 respondents (Cohen, et al., 2011). The sample size adopted ensured a class of normal distribution for parametric analysis such as correlation (Triola, 2009).

A multi-sectional questionnaire was designed and sent to various respondents. Due to the importance and need to detect and determine weaknesses in the instrument that was applied

in the research study, the self administered questionnaire was pre-tested before distributing to the whole sample.

The study comprised three statistical analyses; correlation analysis, one- way analysis of the variance (ANOVA) and Chi-square test. All the statistical analyses will be parametric methods assuming the data set to be normally distributed (Triola, 2009).

Findings and Discussion

Descriptive Statistics

Table 1: Descriptive Statistics for the variables

Militating Factors	Public Sector = 78		Private Sector =80	
	Mean	Std	Mean	Std
Insufficient Funds	4.938	0.362	2.935	0.762
Unclear Scope	2.370	0.232	2.250	0.251
Insufficient Time	2.045	0.512	4.649	0.512
Ambitious Goals	4.572	0.527	4.748	0.461
Lack of Project Management	2.051	0.073	2.151	0.091

Source: Research Survey, 2015

Table 1, shows descriptive results and reveals that, the highest mean score considered by the public sector are 4.938 and 4.572 for insufficient funds and ambitious goals respectively and as

considered by the respondents as the pressing factors causing project failure, while the highest mean score for private sector are 4.748 and 4.649 respectively for ambitious goals and insufficient funds respectively.

On the other hand, there seems to be a general perception among the respondents that other factors such as scope of project, project budgeting and lack of project management managers are below the average level.

Correlation Analysis

Table 2: Correlation of Militating Factors and Completion of Projects

Factors	Insufficient Funds		Unclear Scope		Insufficient Time		Ambitious Goals		Lack of Project Management	
	Pub	Prv	Pu	Prv	Pub	Prv	Pub	Prv	Pub	Prv
Insufficient Funds	1.00	1.00								
Unclear Scope	0.71	0.48	1.00	1.00						
Insufficient Time	0.72	0.48	0.5	0.7	1.00	1.00				
Ambitious Goals	0.6	0.4	0.7	0.7	0.5	0.6	1.00	1.00		
Lack of Project Management	0.64	0.44	0.5	0.6	0.4	0.5	0.4	0.7	1.00	1.00
Completion of Projects	0.72	0.49	0.4	0.4	0.6	0.6	0.4	0.7	0.46	0.42

Source: Research Survey, 2015

The result in Table 2 depicted that the public sector considered insufficient funds and

ambiguous goals as the most significant factors correlation at 0.72 (p<.000) and 0.68 (p<.000) as they relate to the successful project completion respectively, while the private sector considered ambitious goals and insufficient time as the most significant militating factors correlation at 0.71 (p<.000) and 0.62 (p<.000) with completion of projects respectively. The rest of the factors such unclear goals and lack of project management managers are however considered as less significant as they correlate with successful completion of projects in both sectors.

Regression Analysis

Test of Hypothesis Using the Chi- Square

Table 3: Chi-square presentation

Factors	Agreed	Disagreed	R-Total
Setting Project Goals	116	30	146
Scope of Project	78	33	111
Project Budgeting	75	35	110
Monitoring and feed back	119	25	144
Meeting Stakeholders' expectation	89	29	118
Project management Practice	88	40	128
Column Total	565	192	757

Source: Research Survey, 2015

As shown in Table 3, the chi-square test was used to reject or accept the null hypothesis Hi1,

Hi2, Hi3, Hi4, Hi5 and Hi6 that are setting project goals, scope of project, project budget, monitoring and feedback, meeting stakeholders' expectation and project management practice have a positive and significant impact on the successful completion of projects, against the null hypothesis H01, H02, H03, H04, H05 and H06 that are setting project goals, scope of project, project budget, monitoring and feedback, meeting stakeholders' expectation and project management practice has no positive and significant impact on the successful completion of project.

Test statistic = $\sum(O - E)^2 / E$ where O= observed value,

E= expected value, \sum = sum
 Expected value = Row total x Column total / Observed total

Degree of freedom = (Row - 1) (Column - 1)
 = (2 - 1) (3 - 1)
 = 1 x 2
 = 2

(α , df) where α = significance level and df = degree of freedom

Table 4. Calculation for chi-square

O	E	E-O	(O -E) ²	(O -E) ² /E
116	146 x 565 / 360			
	= 229.14	113.14	12,800.66	55.87
30	146 x 192 / 360			
	= 77.87	47.87	2,291.54	29.43
78	111 x 565 / 360			
	= 174.21	96.21	9,256.36	53.13
	111 x 192 / 360			

	= 59.20	26.20	686.44	11.60
75	$110 \times 565 / 360$			
	= 172.64	97.64	9,533.57	55.22
35	$110 \times 192 / 360$			
	= 58.67	23.67	560.27	9.55
119	$144 \times 565 / 360$			
	= 226.00	107.00	11,449.00	50.66
25	$144 \times 192 / 360$			
	= 76.80	51.80	2,683.24	34.94
89	$118 \times 565 / 360$			
	= 185.19	96.19	9,252.52	49.96
29	$118 \times 192 / 360$			
	= 62.93	33.93	1,151.24	18.29
88	$128 \times 565 / 360$			
	= 200.89	112.89	12,744.15	63.44
40	$128 \times 192 / 360$			
	= 68.27	28.27	799.19	11.71

Source: Research Survey, 2015

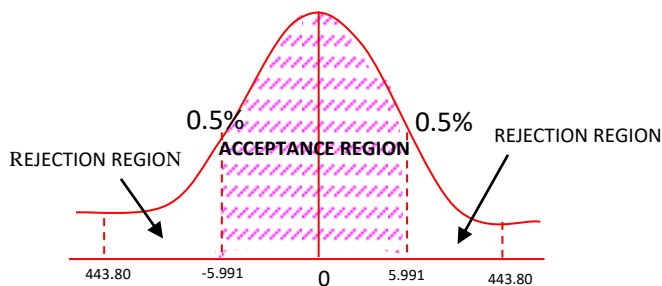
Therefore, (0.05, 2)

5.991 → T- critical

$H_1: -5.991 \leq X \leq 5.991$

$H_0: -5.991 \leq X \leq 5.991$

Figure 1 Normal distribution curve



The study rejects the null hypothesis that, null hypothesis H_{1a} , H_{2a} , H_{3a} , H_{4a} , H_{5a} and H_{6a} that are setting project goals, scope of project, project budget, monitoring and feedback, meeting

stakeholders' expectation and project management practice has no positive and significant impact on the successful completion of project since T- calculated which is 443.80 is more than T - critical which is 5.991 and hence falls in the rejection region.

The study therefore concludes that, H_{10} , H_{20} , H_{30} , H_{40} , H_{50} and H_{60} that are setting project goals, scope of project, project budget, monitoring and feedback, meeting stakeholders' expectation and project management practice have a positive and significant impact on the successful completion of projects in both the public and private sectors.

Conclusion

Organisations and stakeholders in both the public and private sectors invest huge sums of capital into all kinds of projects with expectations of getting value for their money from the final product. In other words, such organisations and stakeholders' have high expectations. Further, both public and private

sector projects entail and consume huge figures in terms of finances, materials, human capital and technology.

The study suggests the need to apply all the project cost control mechanisms proactively. First and foremost, accurate and realistic preliminary estimates should be prepared by professionals like the Quantity Surveyors, Cost Engineers, Mechanical and Electrical Engineers. This process should be undertaken even as the developments of designs unfold. The information so arrived at should be communicated to the client and developer in order to confirm availability of funding.

The other issue is budgeting. Project budgets should be prepared and this should depict the approved financial plan of the operations, indicating the amounts required for achieving assigned targets and the expected value of the work. Variance Analysis and financial appraisals should form a critical component of the contract management and administration. Other cost control tools like Earned Value Analysis when applied in construction projects

assists to determine the cost performance of a project.

The study suggests that organisations or developers, once they receive communication regarding cost estimates of the proposed project, should without delay confirm availability of adequate funds to undertake the project and in what arrangement the funds will be forthcoming. The client should facilitate adequate and sufficient funds to the project and ensure the deal with unexpected delay in payments to the consultant as work progresses on site. This enables consultants to organize their operations and activities as well as prepare the projects cash flow requirements.

The study suggests that Project scope should entail as realistic time period as is practicable for the duration required in construction the project. The project scope should bear in mind the list of resources i.e. work force, materials, machines since they correspond to the project. Different program scheduling tools should be applied depending on the size, nature and complexity of the project. CPM scheduling tool should be applied where there is ability to identify the

critical path or the longest path of work through the network which predicts the earliest date that the project can be completed. PERT would best be suited in highly uncertain individual activity durations estimate.

To forestall delays in the delivering of projects on schedule, projects that are not delivered on schedule should attract a penalty and this should either be included in the bid document or a law should be enacted in Ghana to that effect as practiced elsewhere in the world.

With regard to recruiting and selection of experienced project managers, the study suggests Pre-qualification Method. This model evaluates project manager's competence which ensures only quality people are invited to participate in the appointment process for the project. Multi Criteria Evaluation Model is another one suggested for consultants' selection. The model entails consideration of many important consultants' attributes like competence and sufficiency of contractors in financial capacity, bid price/cost, technical capacity, managerial ability, past experience in

terms of size and complexity of projects and current workload.

On the aspect of constant changes to project designs, the study suggests that this should be kept to the minimum possible number. This could be achieved through allocating sufficient and reasonable time period for development of project designs. Approvals of the designs with the clients and other relevant stakeholders should be obtained before commencement of implementation of the project.

In addition, the organisations should confirm that they engage and consult the services of qualified persons to undertake the project designs. This would ensure that quality project designs are provided and adopted in project sites. Short cuts in approvals, in monitoring of ongoing projects should also be discouraged and adherence to specifications is suggested so as to guarantee high quality end product that is satisfactory to the organisations and other stakeholders in general.

The present research will contribute to the field of study in project management by integrating knowledge about critical success factors as well

as what is known about critical success factors. By getting to know the success factors perceived to be the most influential factors in ensuring successful project completion on schedule in both public and private sectors.

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