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Abstract

The purpose of this study was to examine the influence of project identification and initiation practices on the success of Constituency Development Fund (CDF) construction projects in Kenya. The study was pegged on Theory of Constraints. The target population were the project team implementing construction projects. The Counties were randomly selected from the regional boundaries and a minimum of three constituencies were randomly picked from each County. The unit of analysis was taken to be the completed and ongoing CDF construction projects and the unit of observation was the project team consisting of CDF staff and CDF committee members as well as project team members. Stratified random sampling was used to sample the CDF projects. Purposive sampling was used when getting information from the experts. Data was collected using questionnaires. The coefficient of determination showed that project identification and initiation explain 43.4% of success of CDF projects. The study found out that project identification and initiation practices have a positive and significant effect on the Success of CDF Construction Projects in Kenya ($\beta=0.519$, $p=0.000$) The Beta coefficients results showed that a unit increase in identification and initiation practices lead to an increase of 0.519 in success of CDF construction projects. Regression of coefficients results after moderation showed that the interaction between project identification and initiation practices and project environment significantly influenced the success of CDF construction projects, ($\beta=0.076$, $p=0.000$), therefore, project environment moderates the relationship between project identification and initiation practices and success of CDF construction projects in Kenya.

Keywords: *Project Identification, Initiation Practices, Success of CDF Construction Projects*

1.0 Introduction

1.1 Background of the Study

According to Leach (2014), every project must pass through the five Project cycle phases which include: identification and initiation phase, planning phase, implementation phase, monitoring and control phase and project closure phase. Project initiation is the creation of sound guideline for management of a project by identifying key elements and determining the steps to be followed to achieve objectives. Initiation is the first phase of the project lifecycle where the project's value and feasibility are measured. Project managers typically use value indicated in the business case and feasibility study as tools to decide whether or not to pursue a project.

Project identification is a process of evaluating proposed individual project or group of projects, and then choosing them so that the objectives of the organization will be achieved (Meredith & Mantel, 2003). Projects should be linked to the right goals and impact at least one of the major stakeholder's issues e.g. business growth acceleration, cost reduction, social impact, or cash flow improvement. (Dinesh Kumar, Saranga, Ramírez-Márquez & Nowicki, 2007). A good project identification is a process itself, if properly carried out, the potential benefits to beneficiaries can improve substantially (Pande, Neuman, & Cavanagh, 2000).

Business Case Document justifies the need for the project initiation practice and it includes an estimate of potential financial benefits while Feasibility Study is an evaluation of the project's goals, timeline and costs to determine if the project should be executed (PMI, 2013). Feasibility study balances the requirements of the project with available resources to see if pursuing the project makes sense. Projects that pass these two tests can be assigned to a project team or designated project office. At initiation, the timelines are defined and the persons responsible for each action are identified. The end result of initiation is a project proposal that acknowledges an existing problem, a proposed solution and how it will be executed. The output of this stage is a project charter whose purpose is to outline the business case, the approval and committed resources (PMI, 2013). This is the stage where stakeholders are identified; briefed on the scope and objectives and their expectations are taken into account.

CDF projects in Kenya have gained prominence in the last few years due to the fact that it has reduced government bureaucracy, weakened inefficiencies and ineffectiveness associated with central government and above all aligned development projects to local people priority needs. However, concerns have been raised with regard to the separation of powers, with MP doubling as legislators and implementers of the development projects. The absence of adequate checks and balances due to lack of independent oversight authority have made CDF project more vulnerable to corruption and wastage of funds (Ongoya & Lumalla, 2005).

According to Thomas, Delisle, Jugdev, and Buckle (2001), 30% of all projects are canceled midstream, while over 50% of completed projects end in up to 190% over budget and 220% late because of the poor handling of the project identification process. Projects follow a predictable pattern or life cycle. A project life cycle consists of several stages during which deliverables are created and end with approval of the deliverables. The project life cycle process may vary along the deliberate and emergent continuum. The entire cycle in a construction project begins with identifying the project which is meant to meet an identified need.

1.2 Statement of the Problem

Project failures are estimated to cost hundreds of billions of euros yearly (McManus & Wood-Harper, 2008) and are not limited to any specific region or industry. Research has shown that project methodologies provide more predictable project success than projects that do not use one, (Lehtonen & Martinsuo, 2006; Wells, 2012). Project life cycle practices is one such project methodology.

The construction industry is a major determinant of the economy of any country worldwide contributing to around 10% of the global GDP (Amoa-Abban & Allotey, 2014). The resources utilized in this industry add to 50% of the world resources. With such an impact on the world economy and resources, it is prudent that activities within this industry need be efficiently and effectively planned to ensure project success (Ramabodu & Verster, 2013).

Constituency Development Fund was introduced in Kenya in 2003 as one of the devolved funds. Every constituency received an annual amount for its development activities. Later on, the funds were increased depending on the population, size, poverty level and geographical size of each constituency. Despite the above increment in the funds disbursed to various constituencies, most of the CDF funded projects were not completed successfully. Audit reports by the Auditor General Office and civil society indicated that there was an increased case of stalled projects funded by constituency development committees across the country.

Despite the existence of the devolved funds, internal inefficiencies in their management have made them not to achieve the desired results. For instance, Wanjiru (2008) documents that poverty levels have increased from 56% in 2002 to 60% in 2008, public service delivery has failed, inequalities in resource distribution prevails and funds meant for community use have been looted by corrupt civil servants and politicians. Even though each constituency under the umbrella of constituency development fund committee (CDFC) is responsible for the management of CDF and is the vehicle of disbursing funds to the grass root level, the management faces varied drawbacks.

From the foregoing it is clear that limited research has been done on the project cycle practices that may influence the performance of CDF construction projects. This study seeks to establish the processes that need to be correctly managed to ensure success in undertaking CDF construction projects in Kenya.

1.3 Specific Objectives

- i. To examine the influence of project identification and initiation practices on the success of CDF construction projects in Kenya
- ii. To establish the moderating effect of project environment on the relationship between project identification, initiation practices and the success of CDF construction projects in Kenya

2.0 Literature Review

2.1 Theoretical Review

2.1.1 Theory of Constraints

Theory of constraints helps in identifying the most important bottleneck in the processes and systems for the purpose of improving performance. Theory of constraints is based on the fact that there is most often only one aspect of that system that is limiting its ability to achieve more of its goals. For any system to attain any significant improvement that constraint must be identified and the whole system must be managed with it in mind. This theory is based on five steps which

include; identify the system constraints; decide how to exploit the system constraints; subordinate everything else to the above decision; elevate the system constraints; and if in the previous steps a constraint has been broken, go back to the first step, and do not allow inertia to cause a system's constraint (Rand, 2000).

To ensure project success, project managers need to be continually on the lookout for critical constraints and identify opportunities where constraints can be removed or mitigated. Project managers should therefore, identify and manage constraints in all phases of the project and aim to reduce the levels of complexity and uncertainty, in order to minimize the potential for delays, cost blowouts, scope creep and poor quality. The secret to success lies in managing these constraints and the system as it interacts with these constraints, to get the best out of the whole system (Tulasi & Rao, 2012).

Parker, Nixon and Harrington (2012) adds to this, suggesting that removal of the key constraints frees up substantial capacity and removes wasteful costs. The Theory of Constraints as a process of continual improvement encourages project managers to identify constraints at each stage of the project and implement measures to address these constraints (Parker, Nicholas & Isharyanto, 2015). Theory of Constraints supports initiation, planning, implementation and closure and their influence on the success of the CDF construction projects in Kenya.

2.2 Empirical Review

The first phase in the construction project is that of identification and initiation. In this phase, the feasibility and the viability of project delivery takes place. The principles in this phase includes: identifying the project, determining the project goals and objectives, determining preliminary materials required for the project, conducting soil tests, conducting a survey, determining the level of equipment and personnel required, developing a budget and schedule, identifying the project team, and conducting an environmental impact assessment, among others (Ofori, 2014).

According to Jacob & MClelland (2001) project initiation is a critical phase in project management. It starts with a joint meeting of project stakeholders to clearly understand objectives, deliverables and criteria of project success during project selection, the need and viability for the project is defined and justified. At this stage, the desired outcomes and benefits are specifically outlined, quantified and agreed upon. The project plan is drafted detailing activities to be executed to meet the triple constraints as well as the expected goals and benefits (Harvard University School of Management, 2007).

Kimenyi, (2005) and Ravallion and Chen, (2005) expressed that, a community development project starts with the identification of a need or the realization that there is a need. In Kenya, this concurs with the CDF policy on project identification, as section 23 (2, 3 &4) of the CDF Act, 2003 revised 2007 provide guidelines on how to identify a project. The Act requires that location meetings be held and the forum used to select projects to be submitted to the CDFC before onward transmission for funding. This allows sharing of the vision through need assessment, followed by group discussion analysis.

2.3 Conceptual Framework

According to Kombo and Tromp (2009), a concept is an abstract or general idea inferred or derived from specific instances. The conceptual for the study established the relationship between project initiation & identification, managing project environment and project success

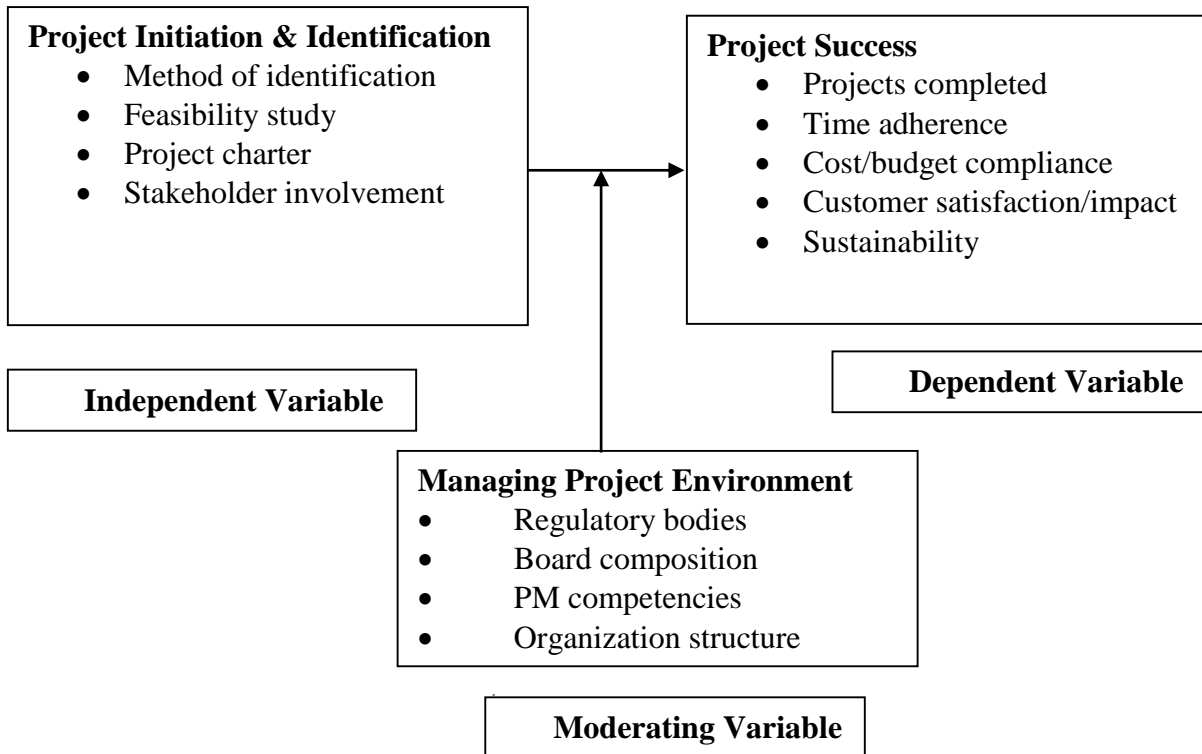


Figure 1: Conceptual Framework

3.0 Research Methodology

The target population were the project team implementing construction projects. The Counties were randomly selected from the regional boundaries and a minimum of three constituencies were randomly picked from each County. The unit of analysis was taken to be the completed and ongoing CDF construction projects and the unit of observation was the project team consisting of CDF staff and CDF committee members as well as project team members. Stratified random sampling was used to sample the CDF projects. Purposive sampling was used when getting information from the experts. Data was collected using questionnaires.

The simple linear regression that was used to link the dependent and the independent variable is as shown below.

$$Y = \alpha + \beta_1 x_1$$

Where;

Y=Success of CDF Construction Projects

x_1 = Project Identification and Initiation Practices

α =Constant

β_1 =Coefficient of Project Identification and Initiation Practices

4.0 Research Results and Discussion

4.1 Regression Analysis

4.1.1 Model Summary

The results in Table 1 present the fitness of model used in explaining the relationship between project identification and initiation and success of CDF projects. The coefficient of determination also known as the R-square of 0.434 means that project identification and initiation explain 43.4% of success of CDF projects.

Table 1: Model Fitness for the Regression

Indicator	Coefficient
R	0.659
R Square	0.434
Adjusted R Square	0.432
Std. Error of the Estimate	0.43355

4.1.2 Analysis of Variance (ANOVA)

Table 2 provides the results on the analysis of the variance (ANOVA). The results indicate F calculated statistic of 232.948 which was greater than f critical (3.48) implying that the model was statistically significant and with goodness of fit of the model. This was also supported by the reported $p=0.00$ which was less than 0.05 significance level.

Table 2: Analysis of Variance

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	43.787	1	43.787	232.948	.000
Residual	57.143	304	.188		
Total	100.930	305			

4.1.3 Beta Coefficients

Regression of coefficients results in Table 3 indicates that with no identification and initiation practices, success of CDF construction projects performance at 1.818 units. The table shows that a unit increase in identification and initiation practices leads to an increase in success of CDF construction projects by 0.519 units.

Table 3: Regression of Coefficients

Model	Unstandardized Coefficients		Standardize d Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.818	.137		13.235	.000
Project Identification and Initiation Practices	.519	.034	.659	15.263	.000

Dependent Variable: Success of CDF Construction Projects

The specific model is;

$$\text{Success of CDF Construction Projects} = 1.818 + 0.519x_1$$

Where; x_1 = Project Identification and Initiation Practices

4.1.4 Moderation Effect of Project Environment

Regression of coefficients results after moderation in table 4 shows that the interaction between project identification and initiation practices and moderating variable (project environment) significantly influenced the success of CDF construction projects.

Table 4: Moderation Effect of Project Environment

Model	Unstandardized		Standardized	t	Sig.
	Coefficients				
	B	Std. Error	Beta		
(Constant)	2.211	.099		22.249	.000
X_1X_6	.076	.010	.605	7.555	.000
Project Environment	.149	.057	.211	2.636	.009

Dependent Variable: Success of CDF Construction Projects

X_1 = Project Identification and Initiation Practices

X_6 = Project Environment

5.0 Conclusion

From the results findings, the study concluded that there was significant relationship between project identification and initiation practices and the success of CDF construction projects in Kenya and that project environment moderates the relationship between project identification and initiation practices and success of CDF construction projects in Kenya.

6.0 Recommendation

The study recommends that community needs should be well identified and the community members be involved in the identification of the project. Many proposals on projects should be considered before settling on best available project. The projects should be approved by the community and addressed specific need in the constituency. A feasibility study should be carried out to show the viability of the project. The feasibility study report be availed to the stakeholders. The study recommends that feasibility study be carried out by an external consulting company. A project charter be development and should involve the project manager and the team members. The project charter should clearly state the project objectives. The charter should be clear on the deliverables of the project. The study also recommends that stakeholders of the project be identified and their roles in the project clearly spelt out. Stakeholders be involved at various stages of the project. Stakeholders needs and expectations be identified at the start of the project.

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