

## **Evaluation of Project Failure Causes in a Community Based Organization (CBO): A case study of Pakistan**

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### **ABSTRACT**

The purpose of this research study was to examine the main causes of the project failure in a Community Based Organization (CBO) operating in Khyber Pahtunkhwa (KPK), Pakistan. The current research identified and ranked significant reasons for the project failure. The results explain that the identified 25 Project failure causes are contributing to the project failure few were the more significant contributor and other were less. The research data was collected from the employees and board of directors of the organization. A research study was conducted in one of a development organization (CBO) working with communities in disaster-prone areas in (KPK), Pakistan. The top five highest ranked project failure reasons were poor planning, poor project designing, lack of concrete support and commitment from upper management, poor project management, and dysfunctional decision- making process respectively.

**Keywords:** Project failure, CBO, Employees, Organization,

### **1. INTRODUCTION**

Community Based Organizations (CBOs) considered as voluntary organizations or grassroots level organizations, commonly unregistered and consists of local informal people get the financial resources mainly from members or NGOs. CBOs also received funding from the state directly when the intermediary is available and start communication (Otiso, 2000). In Pakistan mostly CBOs or grassroots level organizations registered and usually received financial resources from the state, members and international donors through NGOs and some CBOs have the capacity to initiate direct donor funding without an intermediary.

CBOs operate through community-centered approach and development process occurs as community participation, readiness of micro-finance, community health project and improvement of infrastructure. CBOs consider as not for profit organizations operating on a local and national level for the welfare of community development (Clark, 1999).

CBOs positively impact the lives of rural community i.e increases in income, reproductive and health improvement, involve in activities of disaster risk reduction, quality education and increasing literacy rate. CBOs play a role of a bridge between citizens and the government and or more concern or responsive than any other agencies.

According to Karanja (1996) CBOs meet target people needs and considering as a key target group for executing development projects at the grass root. CBOs do not only involve in poverty alleviation but also playing a key role in empowering local communities.

According to Hekala (2012) 64% donor funded projects fail a recent McKinsey- Devex survey put forward and findings showed that the two major reasons of project failure were poor project planning and lack of managerial skills. More than 50% of World Bank many projects fail, according to U.S. Meltzer Commission report (2000). Dvir et al (2003) found that lack of planning will probably guarantee failure, but it does not assure success.

According to one study conducted on 97 failure projects the managerial controllable cause involved in project failure (Pinto J.K e tal 1990).

Current research study finds out the main causes/reason behind the project failure in community based organization. A Research study was required because the CBO projects fully or partially failed instead of huge funding and with all necessary resources required for operation. However, major problem CBO faced included not timely completion of projects, planned activities were not achieved accordingly, set quality standard was not achieved, and the community was unsatisfied with project deliverables.

## **2. LITERATURE REVIEW**

International development projects (IDP) are temporary, unique, and multidisciplinary and have at least some features of standard projects. ID projects have a life cycle and face time, cost and quality constraints and specific tool and techniques required for implementation. ID projects, especially focus on social change in the life of poor people and differ in the management literature and practice as well from standard projects (Hirschman, 1967). In the International development project a number of problems weaken the project performance.

These problems defined as “disreputable and critical implementation problems”, some are changeable and others almost intractable. (European Commission, 2007; Gow & Morss, 1988; Ika & Hodgson, 2010; Kwak, 2002). According to Collier (2007, 2008) geography, resource problem, bad governance and conflict are the good share of damage to ID projects as perceived by some observer. Williams (2011) describes that poor project design, lack of project management capacity is responsible for the project failure in ID projects.

ID projects are operating in a larger context and during project tenure, they face severe problem may be economic, political, geographic, socio-cultural, historic, demographic and environmental (Collier, 2007, 2008; Gow & Morss, 1988; Kwak, 2002; Moyo, 2009).

ID projects face institutional and sustainability problems can include corruption on large-scale, capacity building issues, regular costs of projects, lack of political support and organizational capacity to bring sustainable outcomes, donors and recipients lack the performance of implementation, donor’s and implementing countries management systems mismatched, Political influence, donor more emphasize on quick results, and more of the ID projects failure reasons are institutional and not technical. (Eneh, 2009; European Commission, 2007; Gauthier, 2005; Gow & Morss, 1988; Ika & Hodgson, 2010; Ika & Saint Macary, in press; Martens, 2005; Morgan, 1983; Rondinelli, 1983). Due to organizational /managerial nature problem the ID projects often fail to carry out their goals (Ika & Hodgson, 2010; Ika et al., 2012; Kwak, 2002).

Many projects fail due to ineffective planning and management. (Rondinelli, 1976). Most of the According to Williams (2011) Nigerian project failed due to poor design. ID projects fail due to inadequate project design; an unclear description of objectives; beneficiary needs not properly analyzed; Project managers are inconsiderate towards Beneficiaries' needs; a lack of agreement on project aims; stakeholder agendas are different and inconsistent among each other. Personnel lack project management skills; poor stakeholder engagement and management; Project identification and startup delays; hold up during project implementation; Cost overrun; Poor risk management; hard to involve community people due to low education ratio, remoteness and other communication hitches; coordination; monitoring and evaluation failure and many others. (Ahsan & Gunawan, 2010; Bokor, 2011; Diallo & Thuillier, 2004, 2005; Gow & Morss, 1988; Ika & Hodgson, 2010; Ika et al., 2010, 2012; Rondinelli, 1976; Stuckenbruck & Zomorrodian, 1987; Youker, 1999, 2003). Current research study main focus was on organization/managerial problem which lead to project failure in CBO.

### **3. RESEARCH METHOD**

Data was collected through a structured questionnaire method. The questionnaire was filled by the employees and board of directors of the Community based Organization. Data was collected from 35 individuals. The organization is working on different sector like education, Disaster risk reduction and health. The respondents were ranked at 5 likert scale 1 being the least applicable, and 5 for exactly applicable to measure the causes of project failure.

#### **Cronbach alpha:**

The Internal consistency for the Project Failure Causes was checked through Cronbach's alpha which was 0.928. According to Pallant (2001) alpha values higher than 0.7 were considered acceptable. The data show high internal consistency.

**Table No 1:** Reliability Statistics of Project Failure Causes

<b>Variable</b>	<b>Cronbach's Alpha</b>	<b>N of Items</b>
Project Failure Causes	.928	25

## 4. DATA ANALYSIS

### 4.1. Ranking of Project Failure causes

Descriptive statistic was used to rank the project failure causes. The mean value which is below than 2.50 mean that are the weak contributor to the project failure, Mean value between 3.50 and 4.00 means, that is, the moderate contributor and mean values above than 4.00 means that are the strongest contributor the project failure as perceived by the respondents. Table 1 shows that all the 25 project failure causes have values more 2.50 which proof that all causes are the effective contributor to the project failure.

**Table 2:** Project Failure Causes

Causes of Project Failure	Mean	Rank
Poor planning	4.57	1
Poor project designing	4.54	2
Lack of concrete support and commitment from upper management.	4.51	3
Dysfunctional decision making process	4.29	4
Poor project management	4.20	5
Lack of details on the project plans	3.97	6
No ownership of the project	3.97	7
Lack of proper monitoring and evaluation	3.94	8
No risk management conducted	3.91	9
Failure to track progress	3.89	10
Ineffective leadership	3.83	11
Board of director involvement in micro management	3.66	12
Internal control	3.6	13
Poorly defined or understood vision	3.57	14
Inadequate funding	3.41	15
Political and Social Factors (Law and Order, Insurgency, Strikes etc.)	3.31	16
Team issues	3.31	17
Governance issue	3.26	18
Inadequate commitment by employees	3.17	19
Poor change management process	3.17	20
Inaccurate time and effort estimates	3.03	21
Lack of change agent	3.03	22
Reluctant to transparency and accountability	3.03	23
Inadequate senior or midlevel manager	2.97	24
Stakeholder engagement issue	2.94	25

N=35

Table 1 Result shows that Poor planning (mean value 4.57) is the highest project failure cause, Poor project designing (mean value 4.54) is ranked as 2<sup>nd</sup>, Lack of concrete support and commitment from upper management (mean value 4.51) is ranked 3<sup>rd</sup>. Dysfunctional decision making process (mean value 4.29) is ranked 4<sup>th</sup> and Poor project management is ranked 5<sup>th</sup> as perceived by the respondents.

## 5. DISCUSSION

Table 2 shows that the highest ranked project failure causes of CBO were Poor planning, Poor project designing, Lack of concrete support and commitment from upper management, Dysfunctional decision-making process, and Poor project management respectively (Mean value 4.57-4.20). The result showed that these 5 failure causes are the highest contributor to the project failure in Community Based Organization. Each variable is measured at 1 -5 Likert scale and each continuous variable is determined by the mean value.

Planning is the most significant key contributor to project success. First highest rated project failure cause was Poor project planning. Project planning process can be improved by involving all relevant stakeholders like top management, Project staff, beneficiaries, supplier, vendor, and consultant.

2<sup>nd</sup> top most projects failure causes was due to inadequate project design; an unclear description of the objectives; beneficiary needs not properly analyzed; Project manager is inconsiderate towards Beneficiaries' needs; a lack of agreement on project objectives; stakeholder agendas are different and inconsistent among each other.

The 3<sup>rd</sup> top reason of project failure was a lack of concrete support and involvement of top management. Upper-level management must commit and inculcates the culture that the project is valuable and takes proper care of it. Selection of a capable project manager and provision of timely resources to the project is also their role. Upper-level involvement in micro management or over involvement weakens the authority and role of project management and the respect of relevant stakeholders. Upper level restricts their role as a facilitator, not to be the project manager for a project. Projects fail when upper level management interferes with the role of project manager.

The 4<sup>th</sup> highly rated cause by respondents was Dysfunctional Decision making process. The CBO needs to involve relevant stakeholder and especially community members in the decision making process, and take care of their interests. By involving community members in the decision making process the sense of ownership will inculcate which ensure quality and timely completion of the project.

The 5<sup>th</sup> reason of project failure was the lack of project management capacity, lack of skilled personnel in project execution, procurement, or monitoring and evaluation; shortages of project management-trained staff, delays in hiring personnel, or ineffective use of those appointed. CBO has to get in depth knowledge of the project cycle, planning, use of tools and techniques of project management, monitoring and evaluation.

## 6. CONCLUSIONS & RECOMMENDATIONS

The study contributes to the project management literature on the causes of project failure in Community Based Organization working in disaster prone area/emergency response. The study proved that 25 identified reasons are contributing to the project failure. The study concludes that Poor planning, Poor project designing, Lack of concrete support and commitment from upper management, Dysfunctional decision-making process, and poor project management were the highest contributor to the project failure in CBO while stakeholder engagement issue was the least contributor to all failures causes.

In Pakistan mostly emergency/ developmental project of disaster is not successfully completed. Some are partially failed and even some are fully failed at the community level. Due to this research, most of the organization will get the answer to the question why their project failed instead of huge funding, in the presence of valuables physical and human resources. The result may generalize to the other CBOs working in the same region and other regions of the country as well.

It is recommended that for successful implementation of the project give more focus to the project plan, ensure maximum support and commitment from upper management. The project must be designed while keeping in view all aspects of the project and include relevant stakeholders. Ensure excellent project management skills, fair and participatory decision-making process. The manager has to delegate clear project objective, encourage employees to solve their problem and encourage innovative ideas also understand that employees have potential to take an ever demanding task.

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