

The Determinants of Project Performance: Evidence from Social Sector of Pakistan

Ajid Ur Rehman

Assistant Professor, Riphah International University, Islamabad
ajid.rehman@riphah.edu.pk

Shahzad Hussain

PhD Finance, SZABIST
shahzadhussainpeace@gmail.com

Tanveer Ahmad

Faculty, Kohat University of Science and Technology (KUST)
tanveerah87@gmail.com

Nasir Abbas

PhD Scholar, Riphah International University, Islamabad
nasirabbass@hotmail.com

Abdul Waheed

PhD Scholar, Foundation University, Islamabad
waheed.furc@gmail.com

Abstract

The current case study examines the determinants of a health project CMAM-Kohistan performance, funded by UNICEF. The study considered the key project characteristics. The results reveal that participative management, the role of project manager, monitoring system, team member competency and external environment are the key determinants of project performance. On the contrary, the characteristics of the project inadequately contribute to shape the project performance.

Key Words: Project Success, critical success factors, Social Sector

Introduction

There is an obsessive need of project management for organizations in such a dynamic and competitive global environment. All types of organizations which include nonprofit, for profit or government organization are breaking down their activities into small projects. But unexpectedly the project management literature is up to some extent unable to provide the definition of successful project i.e. what are critical success factors that make a project successful. Project management literature did not completely elaborate the concept of project success. On other hand, practitioner used the word failure, a vague word, without having deep understanding of it (Rae & Eden, 2002). Shenhar and Wideman (2000) concluded that differences exist in business and project management literature upon the understanding of success. Scholars are working in project management from last few decades i.e. since 1960. But they did not discover a set of factors or procedures, which can be used for project success. In recent years, scholars are keenly interested in critical success/failure factors. Project management literature suggested that critical success factors of project depend upon the life cycle stages. However,

the main problem with project success factors is that either they are explained in very general terms or some time elaborated in a specific context. The effectiveness of project management is based on in-depth understanding and knowledge of critical CSF'S as well as their measurement criteria and the interaction among various critical factors (Belassi & Tukel, 1996). There still so many examples of projects exist that exceed their budget, running late or failure to meet objectives. There exist many examples where project management tools, techniques and procedures were used to keep the project on track. Expectedly, future research will focus on the relationship between critical success factors and measurement technique along with human element in project management.

Project management is a procedure of managing projects and its deliverable with the aim to achieve output within the time and budget located. Project management includes the identification of requirement, setting of smart objectives, allocation of time and budget; balance the demands from various stake holders and to ensure the achievement of common goals/objectives.

A point of serious concerns for organization is to adopt a structure and a scientific way for managing the projects. Otherwise, organizations would find themselves adrift in the ocean. It is very difficult for organizations to properly implement projects with the limitation of time, scope, quality and deliver the required result, without applying scientific approach. There should a framework and a defined set for procedures to carry out activities. Thus, project management is creating structure and managing the projects commitment to deliver an output. The organization ought to follow those PMBOK method's in order to achieve control over the project environment (external and internal) and to make certain that project deliverables are being managed (Thia & Sewierczik, 2010).

The present globalization has put the managers into dynamics and competitive environment and managers are confronting "triple constraints" problem, which includes the competing demand of time, scope and quality. How well the managers manage these constraints will determine the project success. Organization would find it difficult to keep hold over the environment, for them the environment would be more unpredictable, which automatically effect project performance. Thus, project management is both essential to the success of the project (Müller & Turner, 2007).

Introduction of organization

The Peoples Empowerment and Consulting Enterprise (PEACE) is nonprofit organization. PEACE was registered as welfare organization in February 2006 under the societies act XXI of 1860. This organization was established to empower communities based on principle of mutual respect which is free from all types of discrimination i.e. gender, religion, cast and political identity. PEACE is engaged in different social activities that include community development, social mobilization, and education. PEACE has more than 700 staff with established offices in different areas which include Islamabad, Mardan, Nowshehra, Swabi, Buner, D.I.Khan, Tank and Swat and head office in Peshawar. PEACE consists of four-tiered structure i.e. Development experts at the leadership level, Sector Specialist at the management level, qualified and experience staff at the implementation level, and internees/volunteers at the grass root level.

PEACE has a vision of developing sustainable model to improve poor people lifestyle and bring a positive change in their lives through participatory approach. To achieve its vision, PEACE is putting all its efforts to create an enabling environment for society. PEACE is working with small Community based organization (CBOs) to help women to solve their problems under participatory approach, in collaboration with governmental and nongovernmental organizations.

Specific Scenario

PEACE had carried out a project on health i.e. CMAM (Community based management of acute malnutrition) funded by UNICEF in Kohistan. The duration of project was six months. PEACE had not performed well despite the vast experience in Health. This study is conducted with the aim to find out those factors which had influenced the project performance.

Literature review

The Critical success factors in project management

Over the last three decades, people are searching for CSFs in project management. Since 1960's scholars analyzed the root causes of project failure and success. Rubin and Seeling (1967) investigated the impact of project manager's experience on the success and failure of project. The research claimed that project manager's experience contributes less in project success or failure. Pinto and Mantal (1990) identified three aspects of the project management which can be used as benchmark for measuring the success or failure of a project. These aspects of project management consist of implementation, the perceived value of the project and client satisfaction with the final product. Later on, researchers focused to seek out those factors which contribute to the success of project i.e. time, cost, technical performance and customer satisfaction. Thus, success of a project can be defined as, to perform an activity within allocated budget, allocated span of time, proper technical performance and customer satisfaction (Hawk, 2006). Thia and Swierczek (2010) suggested simple tools of measuring project performance to assess project success. Those measures include the project objective, project schedule and project performance. Hughes, Tippett, and Thomas (2004) recommended seven specific standards for measuring project success. Five of these are frequently used: technical performance, efficiency of execution, customer satisfaction, personal growth, organizational ability and business performance.

The assessment criteria for project depend upon the nature of business and evaluator's criteria. However, comprehensive success criteria should incorporate different interests and opinions of all the stake holders. Thus, the project needs a multi-dimensional/multi-dimensional criteria approach (Pinto & Mantel, 1990). Dvir et al. (1998) suggested that project success factors are not universally applicable, because different projects are affected by different sets of success. Thus, a project specific approach is suitable in theory and practice of project management. Belassi and Tukel (1996) grouped critical success factors into four areas: external environment, project manager and team members, organization and the project. The better evaluation of the project will be based on the identification of these factors. Once critical factors are identified then it will be linked to the project success or failure. The identification of this cause-effect relation may contribute to project performance.

Thia and Swierczek (2010) Claimed that external stability, manager competencies, member competencies, implementation and completion stages have a significant positive impact over the project success criteria. External stability and organization support influence the implementation process of project in both positive and negative way. But implementation stage plays a key role in determining the success of projects. The project managers play a crucial role in success and failure of a project. The role of leadership/Project manager is one of the key CSFs of a project. The project significance attached by project manager to success criteria and rate of project success were examined based on the types of project, industry and characteristic of project manager. A web-based survey of 959 responses showed that success rate may vary from industry to industry and the project performance is being affected by project complexity, age, nationality, gender and qualification of the project manager. In addition, an organization hires project manager based on his competency and

attitude towards work. So that project manager can recognize and implement the appropriated critical success factors (Müller & Turner, 2007).

A debatable issue and global requirements are to modify project management procedures. The underpinning assumption of global requirement is that different types of projects require different approaches, and project managers' selection with appropriate competencies (Müller & Turner, 2007). The increasing trend of projects and project management approaches are creating a massive challenge for project managers (Müller & Turner, 2007). Assessing global needs, the Project Management Institute (PMI) has developed various set of procedures for each industry. Jugdev and Müller (2005) suggested two components of a project success.

- 1) Those independent elements of the project which can be influenced to enhance the likelihood of success.
- 2) The measures through which project outcomes can be assessed. These are dependent variable.

In this globalized world, employees are more aware of their importance and rights and no one can exploit them. This has created a big challenge for employers. Employers use different techniques to resolve this problem. Some of them are the followers of "Participative Management". Participatory management is not a simple concept. This concept is a developed by a serious of debate by the researchers in this field. Differences of opinion exist on participative management among scholars. Participative management is related to active participation of employee/staff not only in the design of organization's activities. But also keep them involved in organizational policy, strategy and operations. It is necessary in order to avoid confusing terms and in particularly to link them more precisely. "It indicates that the degree to which any organization may facilitate the greater involvement of non-managerial staff in decision-making is inevitably limited and will be contingent on the complex interplay of a number of organizational variables".

However, an influential hard view of participation in commercial section is that great involvement of the staff will lead to efficiency, whilst motive of more profit can be achieved (Holden & Beardwell, 1994). The significant contribution of NGOs in social development especially in under develops countries and donor's pressures have compelled them for in-depth understanding of management and its different important areas. Participative management approach is best suitable for NGOs which are more concerned with the promotion of participation and empowerment of beneficiaries (Campbell & Terwilliger, 1987). Campbell insists that such management style is mostly related with bottom up development/participative development approach. NGOs require a new professionalism by changing the fundamental values, attitude and behavior of NGO staff, so that beneficiaries are empowered truly.

Roche (1992) argues that decentralized system is a suitable organizational design for sustaining micro development. The decentralized structure works efficiently in Simi-autonomous and self-managed federate units along with cooperative learning. Participative approach should involve field staff in planning stages. Who normally have closest contact with beneficiaries; in short, NGOs must follow participative approach in order to have wider impact. Pinto and Slevin (1989) discovered, project duration effected by environmental factors. They identified few factors that can affect a project at all phases of life cycle like weather or social instability. These factors some time effect in such an extensively worse manner and that lead to project termination.

Project manager and team members play a key role in project success. These factors are the backbone of

a project. Thus, these factors not only have an effect over project performance, but they also have an impact on client satisfaction level (Procaccino & Verner, 2006). A prerequisite for successful project is to select a project manager who has enough technical and administrative skills. Moreover, these technical and administrative skills are helpful for overall improvement of the governance of the project (Waheed & Malik, 2019).

Hypothesis

H1: In a project, the characteristic of project affect project success.

H2: In a project, Participative approach affects project success.

H3: In a project, the project manager's competency affects to project success.

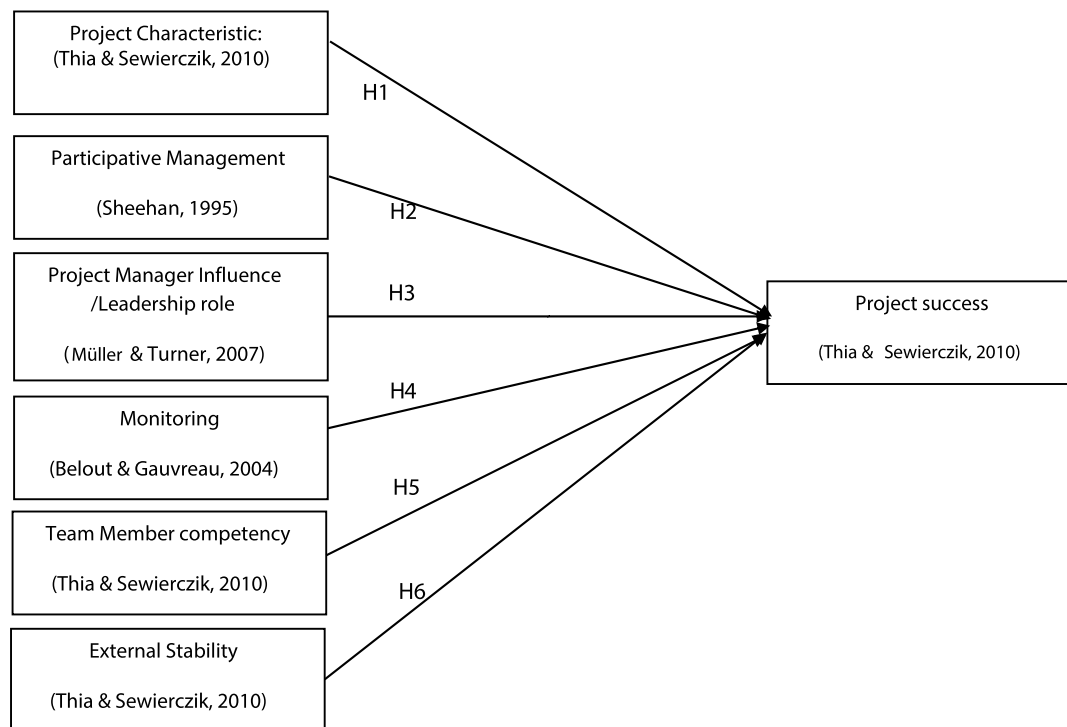
H4: In a project, the monitoring system affects project success.

H5: In a project, team member's competencies affect project success.

H6: In a project, external environment affects project success.

Research Methodology

Figure 1: Conceptual Framework



Operationalization of variables

The study tends to examine the relationship between critical success factors of the project, as proposed by literature, and project success in a real scenario of PEACE health project CMAM-Kohistan, KPK, Pakistan. The critical success factors of the study include, project characteristic, participative management, project manager influence, monitoring, team member competencies and external stability. Project success is the dependent variable.

Project Success

According to Kerzner (2003), project success can be measured by completion within allocated time, budget and meeting specific performance.

Project characteristics

In the previous studies, project characteristics have been overlooked as critical success factors although so many projects have been failed due this factor. Belassi and Tukel (1996) suggested the Project target, Project value, financial control, Budget authority, Uniqueness of project activities, Type of project & project life cycle are included in project characteristics.

Participative Management

Participative management is related to Staff Empowerment, Better downward accountability & Promoting democracy.

Project Manager Influence /Leadership role

Project manager performance is based on different aspects of project manager personality. Aspects of personality include age, gender, qualification, experience and nationality.

Monitoring

The monitoring system of an organization plays an important role. The monitoring schedule for a project varies from organization to organization. Mostly common schedule for monitoring a project is after one month, three months, semiannually and annually.

Team Member competency

The competencies of project team are measured by technical background, communication skills, troubleshooting, commitment, problem-solving and teamwork.

External environment

External environment can be measured by the level of stability, in terms of political, economical, social, legal and technological aspects.

Unit of analysis and sample size

The aim of research is to find out those reasons which have affected PEACE project (CMAM-kohistan). For this purpose, the study developed a model based on literature and after scanning the real environment through observations and employees' opinions.

The study was conducted with the objective to find out that was influenced due to study's model which consists of project characteristic, participative approach, project manager influence, monitoring system, team member competency and external environment or there were some other reasons for

below average performance. The study's model was applied to real situation in order to assess their relationship more in-depth and discover that either these were the main causes of CMAM-Kohistan for bad performance. The research target population includes all those employees who have been working in CMAM-Project of PEACE in Kohistan. The study took a sample of 25 employees. The study is based on structured questioner and conducted semi-structure interviews from 25 employees.

Results and discussion

This core objective of the study is to discover those critical success factors suggested by project management literature, which may affect an NGO project. So, for this purpose, the study took a case of PEACE organization to find out the existence and significant contribution of these critical success factors in a real context. The study question is: why did not PEACE perform well in CMAM-kohistan. Therefore, interviews were conducted on semi-structure style to find out the causes of bad performance.

Project Characteristic

The role of project characteristic in CMAM-kohistan project has been of minimal significance. There are so many reasons. The main purpose of NGO project is social development which includes education, health etc. So, these kinds of projects are not complex in nature; because, neither they have problem of budget constraints nor any extensive need of budgetary control.

As employee-A said in response of how project characteristics influenced CMAM-kohistan project, "The project activities were so simple, as field workers were only identifying newborn babies and on the very next day we would have to distribute kits among them. However, the project was unique for local community, because none of the social organizations had practiced it before".

Therefore, project performance was being influenced up to some extent by project characteristics. But overall project characteristics had a minimum role in CMAM-kohistan project. The results are in contrast with Müller and Turner (2007).

Participative Management

Participative management plays a key role in a project in general and more specifically in NGO projects. This study confirmed that participative development is not possible without participatory management. In NGO's projects field staff mostly consists of local people. Who have a rich understanding of their local problems and mind set of the people. A project coordinator will not be able to take a good decision without keeping lower staff feedback.

As said by employee-X: "Local people should be empowered and involved in decision making. In earth quack of 2005, local staff had done three times better than non-local staff. Local staff members should be empowered because they have a rich insight. We had tried our level best to keep them in the loop for every decision of CMAM-kohistan project".

Although perception and opinion of the team leader was a little bit different. According to Employee-Y, "Staff in CMAM-kohistan project was being empowered up to such level that it was more difficult even for the program manager to control it. The reasons were that program manager did not keep boundaries with his subordinates, absence of a proper hierarchal system and the stake holders were bypassed."

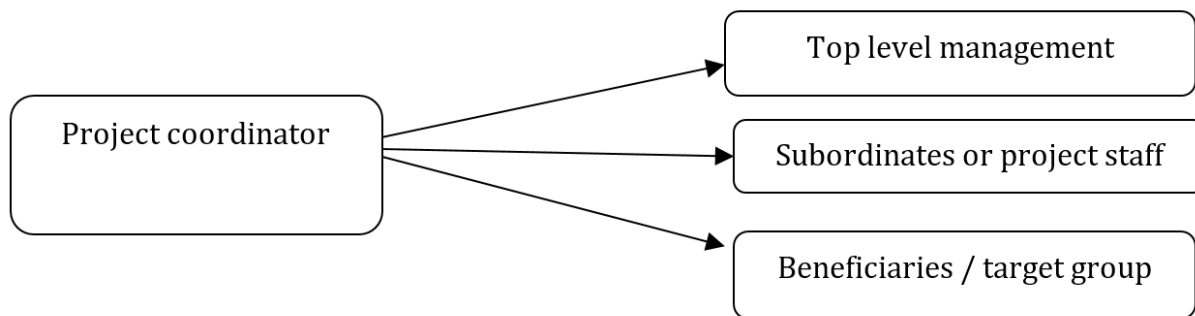
According to an employee-Z of CMAM-Kohistan, "Abaseen foundation project coordinator had done well. The reason behind his success was he came to Kohistan one month before starting the project. He scanned the environment and met all the stake holders and took them in confident". Thus, the study suggests that unnecessary independence of employees, poor hierarchal system and

avoiding stake holders had badly affected the performance of CMAM-kohistan project. Results of the study are robust with Shehaan, (2007).

Project Manager Influence /Leadership role/project coordinator

The project manager is a backbone of a project. The project coordinator should be a visionary, technically sound and should have good communication skills. The project coordinator in an NGO coordinates at three levels-the top management, the project staff and beneficiaries.

Figure 2: Job description of PC



The qualification, experience and gender of a project coordinator influenced project success while, on other hand, the nationality had less impact on the project performance, especially, in case of CMAM-kohistan. In this specific context gender factors influenced up to a large extent.

According to employee-D, "PC should be visionary person. He should be technically sound. He ought to have Team building skills. He should have the ability to motivate his team members. PC should have enough skills of Coordination and networking. Project coordination should have to follow organization values. Although our project coordinator has all these skills, but I don't know why he didn't perform well. The reason may be the hard area".

According to employee-Y of CMAM-kohistan, the project coordinator was an experienced and qualified person. In addition to this, he has good communication skills. But this is not enough. The actual facts were different that he had done only survey-projects before this project and he had no idea of ground realities. He had taken it for granted. He was a wise person. He believed that donor may compromise on project performance due to the reason of hard area. He was mentally prepared for failure with strong reasons. If we take an example of Abaseen foundation project coordinator, he was not only responsible to UNICEF but also to the managing director, while our PC was only responsible to UNICEF. Although Abaseen's PC did not perform well, if we compare PEACE and Abaseen foundation the target was achieved 20% and 40% respectively. The main reason was that they met all the stake holders one month before starting the project. In his 1st speech to the staff, project coordinator said that we are not responsible for the whole Kohistan social development. Just relax and don't take any pressure. Don't take panic, this is Kohistan. Don't worry at all! Thus qualification, experience and coordination with upper or lower staff are not adequate for project success. The attitude/vision of a PC is the main factor that has affected project performance of CMAM-Kohistan.

Monitoring

Monitoring plays a key role in the success of a project. In case of CMAM-kohistan the project was not monitored closely. The reason was the lack of infrastructure; head office team was unable to verify the data collected by field staff. The main role of monitoring was not just limited to inspection, but it also used a supporting and gap spotting tool, which could add significance value to the project

performance.

According to employee-J, "In every project, monitoring has a key role. But the head office intentionally or unintentionally did not keep it in consideration. One of the main reasons, I have in my mind that the project was closed for three months and all the activities were stopped, that's why head office didn't focus on this critical part of a project life cycle." Lack of monitoring was another significant reason of CMAM-kohistan project's poor performance.

Team Member competency

Team members are the people who can make the project performance better. Unfortunately, team of CMAM-kohistan was not competent enough or if they were competent then there was problem of wrong person for the wrong job. According to an employee-J, "In CMAM kohistan project either wrong or incompetent people were selected for a task. For example, an MBA degree holder can't serve the community. He believes that I would set in the office instead of going to field. In CMAM-kohistan team 70% people were incompetent. While 30% were up to the mark. We should choose those people who can deal with community like Khalid Kanju (team leader). Technically, the team member should be competent. There is no role of education. Mazhar had done well". Team member's incompetency influenced the CMAM-kohistan project performance badly.

External Stability

The external stability plays a key role in a project success. In case of Kohistan, external stability had obsessively affected the project's performance. All activities were stopped for three months due to the resistance of local community. Employee-L said, "External environment had a crucial role on project performance due to which our project didn't perform well. The project was closed for three months due to the resistance of local community".

Project performance

The completion of a project within allocated time, cost and achievement of desirable outcomes is considered a successful project. In case of Kohistan the project was ended within allocated time and spent less cost over it, but the achievement was only 20%. Therefore, all the three factors should be kept in consideration for project success.

According to an employee-X, "In CMAM-kohistan project, we achieved only 20% percent of the desirable performance.

Conclusion

We investigated the determinants of Project performance of a project (CMAM-Kohistan) of an organization (PEACE) funded by UNICEF and discovered some interesting factors and issues which had influenced over CMAM-kohistan project. We confirmed that participative management influenced the project performance up to large extent. The study discovered that project coordinator of CMAM-kohistan had not taken in confidence the local community due to their resistance of the project activities which were stopped for three months. The study revealed that due to the lack of infrastructure and education the local community was more conservative minded. They highly resisted those projects where there is female involvement. The study also confirmed that employee participation needs a good leadership. Otherwise, it would not work. The conclusion is in line with Sheehan Jr and Leadership (1999)

We also suggest that due to the lack of external stability i.e. law and order situation leads to bad performance. During the interviews some of the respondents unfolded the fact that local people had threatened us and demanded to close down the project. This issue has also a great impact over the performance of the project. The study confirmed that monitoring had a crucial role in any project. But, due to the lack of infrastructure and loose grasp of the head office on CMAM-kohistan project have not

produced a remarkable outcome. The study discovered the project characteristics included budget constraints, budget control, uniqueness and complexity of activity had a very little bit impact over project performance. Mostly, NGO projects are simple in nature and with no complexity. The results for external stability and monitoring are robust, while project characteristics are in contradiction with the findings of Thia and Sewierczik (2010). In addition to this, the study confirmed that incompetent team members had created so many hurdles in project success. The study found out that in CMAM-kohistan project, people were wrongly selected for their jobs i.e. they didn't follow the rule of right person for the right job. The results are robust to the findings of Belout and Gauvreau (2004).

The study suggests that leader/manager's attitude and vision contribute to the success of a project while, on the other hand, experience, qualification and gender have a little influence. In CMAM-kohistan the project coordinator had neither critically screened the environment nor taken into confidence the local stake holders. He had taken everything for granted. According to a respondent, "our project coordinator was mentally ready for failure with strong justifications". The results are robust with the findings of Muller and Turner (2007).

References

- Belassi, W., & Tukel, O. I. (1996). A new framework for determining critical success/failure factors in projects. *International journal of project management*, 14(3), 141-151.
- Belout, A., & Gauvreau, C. (2004). Factors influencing project success: the impact of human resource management. *International journal of project management*, 22(1), 1-11.
- Campbell, R. H., & Terwilliger, R. B. (1987). The SAGA approach to automated project management. In *Advanced Programming Environments* (pp. 142-155). Springer, Berlin, Heidelberg.
- Cooke-Davies, T. (2002). The "real" success factors on projects. *International journal of project management*, 20(3), 185-190.
- De Wit, A. (1988). Measurement of project success. *International journal of project management*, 6(3), 164-170.
- Dvir, D., Lipovetsky, S., Shenhar, A., & Tishler, A. (1998). In search of project classification: a non-universal approach to project success factors. *Research policy*, 27(9), 915-935.
- Hawk, D. (2006). Conditions of Success: a platform for international construction development. *Construction Management and Economics*, 24(7), 735-742.
- Holden, L., & Beardwell, I. (1994). *Human resource management: A contemporary perspective*. Pitman.
- Hollings, A. (1995). Human Resource Management: A Contemporary Perspective. *Employee Relations*, 17(6), 71-73.
- Jugdev, K., & Müller, R. (2005). A retrospective look at our evolving understanding of project success. *Project management journal*, 36(4), 19-31.
- Kerzner, H. (2003). Strategic planning for a project office. *Project Management Journal*, 34(2), 13-25.
- Müller, R., & Turner, R. (2007). The influence of project managers on project success criteria and project success by type of project. *European management journal*, 25(4), 298-309.
- Pinto, J. K., & Mantel, S. J. (1990). The causes of project failure. *IEEE transactions on engineering management*, 37(4), 269-276.

- Pinto, J. K., & Slevin, D. P. (1989). Critical success factors in R&D projects. *Research-technology management*, 32(1), 31-35.
- Procaccino, J. D., & Verner, J. M. (2006). Software project managers and project success: An exploratory study. *Journal of Systems and Software*, 79(11), 1541-1551.
- Rae, T., & Eden, C. (2000). *On project success and failure in major engineering projects*. Strathclyde Graduate Business School.
- Roche, C. (1992). It's Not Size that Matters: ACORD's Experience in Africa'. *Making a Difference: NGOs and Development in a Changing World*, London: Earth-scan.
- Rubin, I. M., & Seelig, W. (1967). Experience as a factor in the selection and performance of project managers. *IEEE Transactions on Engineering Management*, (3), 131-135.
- Sheehan Jr, R. M. (1999). Achieving growth and high quality by strategic intent. *Nonprofit Management and Leadership*, 9(4), 413-428.
- Shenhar, A. J., & Wideman, R. M. (2000, October). Optimizing project success by matching PM style with project type. In *Project Management Forum*.
- Thi, C. H., & Swierczek, F. W. (2010). Critical success factors in project management: implication from Vietnam. *Asia Pacific Business Review*, 16(4), 567-589.
- Waheed, A., & Malik, Q. A. (2019). Board characteristics, ownership concentration and firms' performance. *South Asian Journal of Business Studies*.