

# SUCCESS AND FAILURE OF PROJECTS: A STAKEHOLDER'S OUTLOOK IN THE WAKE OF CRISES

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## ABSTRACT

*The uniqueness of projects presents trends linked to unexpected disruptions that threaten progress and timely achievement. The recent declaration of complete or partial lockdown across the globe subsequent to the spike of Covid 19 crises from 2020 have restricted movement of goods and people, which in most cases led to complete shutdown or postponement of projects across various sectors. This empirical study evaluates the criteria for the success or failure of projects amid crises in selected projects in the Eastern Cape Province. Using the post positivist approach, the study gathered data from respondents using closed-ended and opened-ended questionnaires. The sample consists of respondents from various projects in the Eastern Cape Province. The data were analyzed using the MoonStat Software. The findings of this study revealed that the most prominent impacts of crises are the deferment of projects and demotivation of team members. The findings highlighted some of the motives that lead to project failure, including lack of involvement of experts in the project team, lack of considering contingency measures in the planning stage, change in plan by project owners, incorrect cost estimation and movement restrictions caused by crises. The study also sheds light on the contemporary planning and control techniques that will allow project managers to ensure project success. It also sheds light on the consequences of unexpected crises, which include time overrun and cost overrun in addition to financial implications. Finally, the study recommends that project managers can improve motivation among their teams through good supervision, providing training, and incentivising hard work.*

**Keywords:** Crisis management, Change, Project teams, Uncertainties, Incentives.

## INTRODUCTION AND BACKGROUND

A project is a composite, non-routine, temporary endeavour limited by time, budget, resources, and performance specifications aimed at meeting the needs of the beneficiaries. Project management is a set of tools, techniques, and knowledge that, when applied, helps to achieve the three main constraints of scope, cost, and time that majorly cost delay for the completion of projects. Nevertheless, literature shows that projects were not able to complete on time and over cost, not fulfilled the scope because of growing complexity caused by various uncertainties and looming crises. These calls project managers to reform and embrace various principles, techniques, and theories that can enable them to succeed and avoid failure in their projects in times of crisis. Employing multiple approaches and theories can lead to better chance of project success. Recently, The Oliver Reginald Tambo District a remarkable decrease in projects

completion due to factors ranging from socio-economic, political, and pandemic constraints. This empirical study assesses the most prominent criteria for success and failure of projects focusing on private projects throughout the district. The study also sheds light on the contemporary majors that can enable project managers to achieve success and avoid failures. It also sheds light on the consequences of unexpected crises, which include time overrun and cost overrun in addition to financial implications.

### **Problem Statement**

The significance of establishing a constraint-free project cannot be over-emphasized. However, many projects are still overwhelmed by delays and cost overruns, and some are even abandoned due to many crises, some predicted and others unpredicted, which can often be traced to lack of identification and aptly factors that lead to success or failure of a project. When a constraint is not accurately identified during scheduling, subsequent delays become inevitable. In the aftermath of crises, projects are becoming more and more technically complex and logistically challenging, leading many projects to a standstill. Each project is unique. Despite project planning, execution, and monitoring, significant differences in project types could give rise to unpredicted gainsays. To eliminate crisis faced by projects due to poor leadership and lack of understanding of project management techniques, project managers need to understand various theories and techniques that can assist in addressing the issues. These challenges manifest themselves in different industries and in a variety of ways. In most cases, the disappointing results are only realised at the end of the project if the above-mentioned problems remain unresolved.

In the In the O R Tambo District, several projects were not completed for various reasons (Rogerson, 2018). Many variables have a positive impact on project, but they also influence trust, which in turn affects project success. The role played by the project manager, the project team, and the project stakeholders can tremendously avert crises posed by internal and external factors and ensure success in a project. From 2020, the O R Tambo District witnessed the problem of delays in completing construction projects in a timely manner. There is a considerable delay in construction projects that elicits research of this nature to address the problem and recommend possible solutions that can assist project organisations throughout the district. This research also considers possible factors responsible for project successes. Identifying these factors could bring about a solution to reducing the number of failed projects within the O R Tambo District.

*H<sub>1</sub>: There is a statistically significant relationship between project failure and crises*

*H<sub>2</sub>: There is no statistically significant relationship between project success and crises*

### **LITERATURE REVIEW**

This section seeks to review the relevant literature related to the study. It entails the selection of available documents on the subject matter, which contain information ideas, data, and evidence written from a particular standpoint to fulfil certain aims or express certain views on the nature of the topic and how it is to be investigated, and the effective evaluation of the information in relation to the research being proposed. The review of literature is aimed at appraising, encapsulating, comparing, and contrasting, and correlating various scholarly books, research articles, and other relevant sources that were directly related to the current research (Oztemel &

Gursev, 2020). The pivotal rationale of reviewing literature is to allow the researcher to survey the research that has been conducted previously on the topic and the gaps that need to be redressed.

Review of literature in this study shows that past studies primarily focused on understanding the various types of constraint that influence project without broad consideration to their relationship with success or failure of project especially at the grassroot level and projects that are not directly related to government. Although these projects are not governmental, they often are affected by policies that originated from political processes. Evidence abounds that recognising what constitutes success or failure in project management has remained dim, and so far, what can be concluded from most studies on project success and failure is that notwithstanding their frequent usage, there are still disagreements on how best to define success and failure. Because of this, Imam & Zaheer (2021) alluded that success or failure must be defined based on elements that linked with the project. Therefore, a perspective-based understanding of project success and failure has been undertaken in the literature review.

There is no consensus, no common definitions of success or failure in project management, rather the comprehensive understanding of these terms will arise from the accomplishments undertaken during the life cycle of specific projects, and based on stakeholder definitions, and measurements. Therefore, the divergence of sizes and complexities in projects creates an extra uniqueness for any individual project. This uniqueness makes the instrument through which stakeholders interpret success and failure. Therefore, contemporary project management sought to explain and measure success exclusively using the triple criteria of time, cost, and scope (Song et al., 2021).

An empirical study conducted by Imam & Zaheer (2021) revealed that there is a correlation between the amount of project planning and project success. 'It is popularly said that failing to plan is planning to fail'. Therefore, planning at the crest of the causes of project managers success. In a similar study, Kirmizi & Kocaoglu (2021), highlight the correlation between project success and planning. According to their findings, the cause of project failure could be due to the lack of participation of project managers in the strategic planning of the project.

In a divergent study, Tengan & Aigbavboa (2021) attributed the causes of project success and failure to monitoring and evaluation of construction projects in Ghana. According to the researchers, there is a correlation between project success and project failure and monitoring and evaluation of a project from its conception to its commissioning.

Like many districts, O R Tambo District has several projects Companies spread throughout its five municipalities, and these Companies play a major role in the development of the district. Project industry is vast and is regarded one of the key drivers of economy (Amoatey et al., 2015). It offers substantial employment opportunities through direct and indirect job creation (Haug et al., 2019). This industry also provides the infrastructure and other facilities that are necessary for other sectors of the South African economy to thrive, and therefore it is vital to progress and develop. Although the industry consists of the private and public sectors, private sector infrastructure projects are more dominant around the O R Tambo district than public ones, and recently South Africa continues to witness projects failure due to unexpected crisis (Tshidavhu & Khatleli, 2020). This elicits the question: What are the factors that account for these failures?

Factors that may cause project failure can be influenced by external variables. These could be political, economic, social, technological, and legal courses (Abulhakim & Adeleke, 2019).

Besides these external environments, there are internal influences that can halt projects (Harris et al., 2021). Similarly et al. (2021), indicate that most projects fail to achieve their expected objectives due to certain internal factors entirely neglected in their evaluation of cost performance in South African project industries. The findings argued that cost overruns affect project progress. The cost overrun in the private sector was believed to be more than those in the public sector and that the various sectors of the countries perform differently based on circumstance they operate. On this note, the researchers emphasised that project managers should focus on procurement methods to avoid the cost overrun of a project.

Most often, projects can be considered failures when they fail to meet their target cost, time, or scope (Tshidavhu & Khatleli, 2020). On the contrary, Ika (2012) revealed that projects may be completed within their targeted time, cost, and scope criteria but still be considered as failures, stressing that it is paramount to consider failure beyond these benchmarks and include targets such as the expectations of stakeholders and the benefits that the project added to society among standards for determining project failure.

At this stage, this study focuses on assessing the main factors that influence projects and examining the relationship between these factors in the O.R Tambo District based on data collected from stakeholders in the region. The findings of this research have been envisaged to provide information on the various factors responsible for project success and failure in the O R Tambo District. This will enable private project managers with background knowledge capable of assisting them to plan, organise, monitor, and control their projects from the initiation phase to the commissioning phase.

## **Underpinning Theoretical Framework**

Parker et al. (2015) contend that the discipline of project management lacks a rich theoretical foundation. Therefore, there is no one accepted theory that inclusively underpin projects (Koskela, 2008). Furthermore, Mitrev et al. (2016) suggested that a one-size-fits-all approach is not appropriate for project management discipline and unequivocally found fault with project management exponents who proposed one applicable theory. Maqbool et al. (2017) concluded that project success depends on multiple factors. Considering this, project managers must employ various theories to ensure success, and emphasize the need for flexibility based on project circumstances. The need to be flexible or change project management plans and methodologies based on changing circumstances cannot be overemphasized.

## **The Two-Factor Motivational Theory**

For this study, the researchers adopted the two-factor motivation theory to underpin the study. The two-factor motivational theory can be used to advance project team motivation and job satisfaction. The underlying principles of this theory can play an important role in improving motivation for the project team. According to Herzberg's Motivation Theory, there are two factors that an organization can adjust to influence motivation at work (Naada & Nani, 2021).

These factors are as follows:

**Motivators:** This can encourage employees to work harder.

**Hygiene factors:** These will not encourage employees to work harder, but they will cause them to become unmotivated if they are not present.

Project managers can adopt this theory to achieve the best performance from their team. Furthermore, the presence of motivators will cause the project team to work harder toward achieving the project goals, and they are found within the actual job itself. On the other hand, the absence of hygiene factors will cause the project team to work less hard. Hygiene factors are not present in the actual project itself, but in the external environment that surrounds it.

## The Contingency Theory

Contingency theory is another theoretical framework adopted by researchers. This theory was introduced in 1964 by Fiedler as a leadership effectiveness model. Fiedler (1964) coined the notion that contingency signifies a need for flexibility. Fiedler (1964) asserts that the more control leaders exert in determining situational factors, the more effective they will be.

At best, the contingency theory is an organisational theory that suggests that there is no best way to organise an organisation, or to lead an organisation, and no single approach will work in all circumstances. However, the optimal course of action depends on either the internal or external situation. Therefore, project managers should be flexible in selecting and adapting plans to suit the situation in their project. The more approaches employed, the higher the achievable levels of effectiveness and efficiency of the project output.

## METHODOLOGY

The purpose of this case study is to assess the causes of success and failure in the wake of the crisis in the O R Tambo District. A questionnaire was administered to project stakeholders including project managers, project team, and project beneficiaries. The questionnaire consists of two parts. Part A gathers information on the demographic information of the participants. Part B contains assessment questions on success and failure factors in projects during the time of crises. The Part B of the questionnaire consists of open-ended and closed-ended questions.

The researchers adopted the pragmatic paradigm for the study. According to Spano et al. (2020), research paradigm is an extensive school of thought, world view, or framework that guides research and practice in a field. In summary, a paradigm is best described as a whole system of thinking (Guetterman & Creswell, 2015). Although positivism contends that there is an objective reality out there to be studied, captured, and understood, the pragmatism paradigm claimed that reality can never be fully appropriated, but only approximated (Hillert, 2014).

Since the pragmatic approach relates with a mixed approach, the data collected was done by means of an instrument which consisted of both open-ended and closed-ended questionnaires. All ethical elements were observed, viz. Respect for the participants, confidentiality, voluntary participation that they could withdraw from the research study at any point in the study, and anonymity and confidentiality policies were strictly adhered to.

The researchers constructed knowledge claims through ethnographic design and observation of behaviour based on pragmatic perspectives with the drive to establish the criteria that lead to success or failure in projects In the O R Tambo District.

## Sample and Procedures

In this study, 98 project stakeholders consisting of project managers and project teams participated in this study. The data collected represent various challenges that projects face in the O R Tambo Districts. The questionnaire responses were analysed in line with the pragmatic approach using the Statistical Package for the Social Sciences (SPSS) software and MoonStats statistical software program for statistical analysis and excerpts to capture additional information to support the statistical findings. The instrument itemises options rated on a 5-point Likert scale fixed by 1 =Strongly Disagree to 5 =Strongly Agree.

The researchers used mean, standard deviations, and skewness to translate the responses that emerged.

## FINDINGS

The presentation of findings of this case study included interpretations that address the objectives of the study and in line with the literature reviewed and theories adopted by the researchers. This part of the study explains the demographic data of the respondents, including their age groups, qualifications, and year of experience in the industry.

<b>Variable</b>	<b>Category</b>	<b>Frequency</b>	<b>Percentage %</b>
Gender:	Male	91	92,86
	Female	7	7,14
Age	Below 25	3	3,9
	Between 25-35	41	53,9
	Between 36-45	25	32,9
	45 years and above	7	9,2
Qualification	Did not attend School	2	2,6
	Grade 12	62	81,6
	Have Certificate in Project Management related course	12	15,8
Years of Experience:	below 5 Years	31	40,8
	Between 6-9	22	28,9
	Between 10-14	16	21,1
	15 and above	7	9,2

As appears in Table 1 above, the majority 92.86 of the respondents are males. This finding is not astonishing because construction companies are not very attractive to women in the Xhosa tradition. 53.9% of the respondents fall between the age of 25-35 and this constitutes about 32.9% of the cumulative. Due to the participants who did not respond to age, the total number of responses in this category did not reach 98. The most dominant age category is the 36-45 age range. Regarding the qualifications, the majority of the 81.6 respondents were from project teams and had only a grade 12 qualification. The working experience question in this study shows that most of the respondents had less than 5 years' experience in the industry and only 9.2% of the project teams have more than 15 years of industry experience.

Analysis of variance (ANOVA) is performed to determine whether the variables contribute to the success or failure of the projects In the O R Tambo District. Descriptive statistics are used to summarise the variables in a dataset. Below is an explanation of each of the columns in the table above.

**Variable:** Name of each variable for which descriptive statistics have been calculated.

**N:** The number of cases for each variable.

**Mean:** The average value of the variable.

**Std. Dev:** The standard deviation is an indication of how closely values are clustered around the mean.

**Skewness:** An indication if the distributions of values are symmetrical or not. If skewness is larger than 0, the distribution is positively skewed, i.e., there are fewer cases above the mean than below the mean. If skewness is smaller than 0, the distribution is negatively skewed, i.e., there are more cases above the mean than below.

The findings in this study indicate that the variable with the highest score from the failure factors of the projects is the change of order by the owner during construction, the mean score in this category is (M=3.88, SD=1.26, SK -0.96) and the lowest is obtaining the permit (M=2.12, SD=1.11, SK=1.53) as indicated in Table 2.

<b>Failure Variables</b>				
<b>Variable</b>	<b>Number of Cases</b>	<b>Mean</b>	<b>Std.D</b>	<b>Skewness</b>
Obtaining Permits	98	2.12	1.11	1.53
Change order by owner during construction	98	3.88	1.26	-0.96
Legal disputes	98	3.00	1.25	0.26
Difficulties in financing	98	2.51	1.33	0.94
<b>Success Variables</b>				
Effective communication	98	2.84	1.40	0.07
Decision Making	98	4.04	1.21	-1.15
Teamwork	98	3.69	1.21	-0.84

However, decision making emerged with the highest score (M=4.04, SD=1.12, SK=1.15) among the variables that contribute to success in projects and effective communication has the lowest score (M=2.84, SD=1.40, SK=0.07) as indicated in Table 2.

In line with the findings of this study, the change orders of the owner's during construction are the most dominant cause of failure of the projects in the O R Tambo District. Respondents highlight that *"this kind of setback not only delays the projects but leads to non-compensable delays to our detriment of the project team"*. This factor is very common in private projects because private owners have the habit of changing plans for various reasons.

One of the reasons why delays caused by obtaining permits to proceed with construction is not very common in the district is that it signifies that Government interference in land issues is not too stringent to have a negative impact on projects around the areas studied. Delays associated with permits are more common when dealing with large and complex projects in larger cities (Johnson & Babu, 2020).

Another important cause of project failure is difficulty in financing the project. This factor is associated with cash flow difficulties, budget overruns, and schedule delays. This may factor may arise due to excessive cost and time overruns that can lead to project failures.

In most cases, project managers lack the required management skills. Also, the demographic finding in this study indicates that some managers are trained project managers by profession, yet they cannot apply the basic project theories and techniques. Poor communication is also one of the major human factors that cause a project to fail. Effective communication can tremendously assist the project team in achieving project objectives (Muszyńska, 2018), and

active communication planning can help project managers minimize the level of uncertainty and provide clarity and information that each stakeholder may require (Parker et al., 2017).

The significance of decision making as the success variable with the highest score in this study cannot be overemphasised. Among project managers, everyday responsibilities are to take the lead in making decisions about their projects. The choices made and the actions and inactions of a manager have direct effect on projects. Problems in decision making are one of the challenges a Project Manager cannot avoid. Some decisions may be considered insignificant but getting them right can contribute to success or failure in a project.

Project team commitment is among the determining factors in any project and failures can occur based on lack of teamwork and project participants' commitment to the project. Wrong selection of project team and lack of motivation among them can cost a project hugely. In this sense, a project manager should learn to apply motivation theories to bolster motivation among team members to ensure success and avoid failure.

## CONCLUSION

In this study, project owners emerged as the main reason why projects fail in the OR Tambo region, and effective and rational decision making was found to be the main cause of project success. The outcome of this case study and the feedback of responses gathered from 98 respondents indicated that the factors that cause project failure are unavoidable, hence project managers and there is no best way or doctrinaire theory to be used in all circumstances to avert failure in the wake of crises. Therefore, project managers should employ various approaches and theories that can enable them to succeed. Other important issues that must not be overlooked are the quality of the project team and the team spirit among the team members. The findings show that the experience and experience of the project manager can demotivate the project team. Lack of consideration of contingency measures at the planning stage, change of plan by project owners, incorrect cost estimate, and movement restrictions caused by crises were the main causes of project failure in the O R Tambo District. This study established that there is a statistically significant relationship between the dependent variables and the independent variables examined in the study. Finally, the study recommends that project managers can improve motivation among their teams through good supervision, providing training, and incentivising hard work, and implementing the theories highlighted in the literature reviewed which will enable project firms not only to avert looming crises but to succeed in their project against in the wake of turbulent crisis or pandemic.

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