

THE ISSUES AND CHALLENGES OF PROJECT MANAGEMENT AND EVALUATION IN NIGERIA: A THEORETICAL PERSPECTIVE

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Abstract

The study examined the issues and challenges of project management and evaluation in Nigeria. The study revealed that the problem of project management and evaluation is occasioned by poor funding, corruption, inadequate equipment to execute the projects, absence of technical expertise, poor project analysis, inability to implement the formulated policies, economic and political instability and environmental problems. Hence, the study concluded that the issue of project management and evaluation in Nigeria had not been significantly achieved as a result of internal and external variables. The study recommended that effective and efficient research institutes should be established towards developing locally construction materials which will serve as a substitute for foreign products. The bureaucracy that has entrenched in all government businesses should be controlled as far as government projects are concerned, so as not to become inefficient and unproductive. Stringent rules and regulations should be put in place to eliminate sharp practices and promote professionalism in design and construction firms in the country. Project management and evaluation offices should be established across in all the government institutions with the aim of monitoring and controlling the projects embarked upon by various government departments, agencies and parastatals in Nigeria. Thus, this will enhance efficient and effective application of project management and evaluation tools and techniques.

Keywords: Issues challenges, project management, Nigeria, theoretical perspective.

Introduction

Serious concern has been expressed about public projects that have been abandoned in various parts of the country, after huge financial mobilizations. Various factors have been adduced for this unhealthy scenario, the most notable being poor project analysis and management. Another problem facing the sector includes phenomenal increase in prices of the inputs accessioned by dearth of building materials locally; and, difficulties in

importation of foreign alternatives. Olateju et al (2011) posited that in Nigeria, the implementation of modern project management methods and techniques is not yet well established and this has resulted into failure of public institutions and their contractors in performing their duties concerning the budget, the specifications and the deadlines of projects.

Studies such as David (2003) and Fubara (2005) have identified social and political systems, cultural blocks and lack of financial support as barriers to successful project planning and execution in Nigeria. Project management techniques also include the planning, organizing directing, and controlling activities in addition to motivating team members, which is usually the most expensive resource on the project (Harvey, 2002). There are two basic planning and control techniques utilized in project management. These are Project Evaluation and Review Technique (PERT) and Critical Path Method (CPM). These techniques involve the combination of interrelated activities that must be executed in a certain order for its completion. These interrelated activities involve planning, scheduling and controlling (Clifford & Erick, 2003). Hence, these techniques are used in modern project management for dealing with the problem confronting Nigerian economy.

An empirical study conducted by David (2003) reveals that project management methods in various organizations showed that there are problems in applying project management theories in practice in measuring the project management techniques. In his conclusion, he stated that there is need for the project management experts to provide leadership through the development of valid and useful indicators for assessing various project. Ibenta (2012) posits that the creative concept of project management is universal and generic and this cuts across all cultural, national and linguistic barriers. Some corporate cultures are much more supportive of project techniques than others.

Hence, top managers, who plan to introduce the project management discipline or wish to improve existing project performance, must pay attention to cultural, structural, practical and personal. The work of Harvey (2002) pointed out that there is a problem with the existing traditional project management approach which was based on the computational planning and control model used for large projects. These models are used modern project management techniques. These techniques have led to the development of new products which are now increasingly used in productive industries. Thus, it is against this background that this study attempts to assess the issues of project management and evaluation in Nigeria.

Conceptual Issues

The works of Wysocki (2009) and Olateju et al, (2011) have confirmed that application of modern project management method and techniques has a great potential on public institutions. Arnamoldi et al (2004) observed that application of project management strategy in the public sector in Nigeria was as a result of pressure on Government at all level to abandon bureaucratic culture. The author studied the projects carried out in the Italian Treasury Ministry using project management methodology and discovered that proper implementation of project management confirms avoiding project failure. Thus, communication and the definition of project control system is also necessary. He however,

stated that project management and evaluation method needs to be modified and specifically tailored towards the needs of public institutions.

In their various studies by White (2001) and Fortune (2002) examined current project management practices in the public sector, for example, in United Kingdom, they collected data from 236 project managers in some public sectors. The result of the study revealed that 41% of the reported projects were judged to be completely successful (using time, budget and specification), though some drawbacks were reported. Hence, conceptualization according to Idoro (2009) refers to the development of the initial goal and technical specification for a project. In this first task, the scope of work is determined to be a necessary recourse (people, money, material and machine). The purpose is to identify important organization, contributors or stakeholders assigned to such projects. Consequently, feasibility study is conducted at this stage to investigate whether the project can be continued or not.

Planning is the stage in which detailed specifications, schematic schedules and other plans are developed. It is also a stage where the project solution is further developed in as much detail as possible and steps necessary to meet the project's objective are put in place. At this stage the individual pieces of the project called work packages are broken down, individual assignment made, and the process for completion clearly delineated project schedule, the actual work and the estimate cost of completion are also identified. Anything that might pose a threat to the successful completion of the project is also identified at this stage. Finally, the entire project stakeholder must be identified at this stage of the project so as to establish a communication plan that describes information needed and the delivery method to be used to keep stakeholders informed (Patal, 2008).

Project Management Tools and Techniques

Different tools and techniques are used in managing projects for a desirable outcome. Some of these tools and techniques are Work Breakdown Structure, Gantt Charts, PRINCE 2, Project Networks (Critical Path Method and Programmes Evaluation and Review Techniques), Project sensitivity Analysis, Cost Benefit Analysis, Graphic Evaluation and Review Techniques (GERT), and Project Software. Work Breakdown Structure (WBS) deals with breaking down of the projects into manageable individual components in a hierarchical structure. Such a structure defines tasks that can be completed independently of other tasks, facilitate resource allocation, assignment of responsibilities and measurement and control of project. Wysocki (2009) also observed that it is a variable tool for defining work packages and developing and tracking the cost and schedules for the project.

WBS provides a common framework for the natural development of the overall planning and control of a project and is the basis for dividing work into definable increments from which the statement of work can be developed including the scheduling of the project. It shows graphical representation of the duration of tasks against the progression of time. It was developed by Henry Gantt in 1915 purposely for monitoring project's progression and tracking. Gantt charts have become common techniques for representing the phases and activities of project Work Breakdown Structure (WBS) so they can be understood by a wide audience all over the world (Wysocki, 2009).

The study conducted by Ibenta (2012) posits that PRINC 2 which connotes Project in Controlled Environment 2 is a process based method for effective project management. It is a *de-fact-to* standard used extensively by the UK Government and is widely recognized in the private and public sectors both in the UK and internationally. Its features include, focus on business justification, division of project into manageable team. PRINC 2 basically describes product based planning, change control techniques and quality review technique. Project Sensitivity Analysis determines which variables have the most potential to affect project. Variables include, task duration, success rate and costs, risk, lags between predecessors and successors, project duration, total project cost and so on. It is also useful in decision-making under uncertainty and risk. Cost Benefit Analysis (CBA) is one of the most widely accepted and applied methods for project appraisal for large scale infrastructure in the public and private sector. CBA is a prescriptive method that provides guidance on the criteria to take account in decision making, ensuring that the net aggregate benefits to society out-weigh net aggregate costs (Petel, 2008).

Graphical Evaluation and Review Technique (GERT) is a network analysis technique used in project management that allows probabilities treatment of both network logic and activity duration estimates. This is a useful management tool for planning, coordinating, and controlling complex projects (Westland, 2006). The key objective of GERT is to evaluate on the network logic and estimate duration of the activity and derive inference about some activities that may not be performed. GERT can be used with a complimentary network analysis evaluation techniques used in project management such as CPM and PERT. Critical Path Method is also a project network analysis technique used to determine which sequence of activities (path) has the least amount of scheduling flexibility and therefore will most likely determine when the project can be completed. Programme Evaluation and Review Technique (PERT) is an event-probability based network analysis system generally used in projects where activities and their duration are difficult to define. PERT is often used in large programmes where the project involves numerous organizations at widely different locations programmed where the project involves numerous organizations at widely different locations.

In fact, management is central to all other constituents of the actualization apparatus. Several project management techniques have been developed to help contractors' complete projects on time and eliminate the cost associated with delays. They include the Gant Projects Chart (GPC), Critical Path Method (CPC) and Programme Evaluation and Review Technique (PERT) (Fubara, 1998 & Agundu, 2000). A good GPC shows the activities and events with time matrix that permit comparisons and relationship be worked out and readily inspected. This is particularly useful in consideration of projects because the constitute activities can easily be broken down into manageable components. Nonetheless, it does not directly show dependent relationships between the given tasks. The CPM involves systematic planning, scheduling, and controlling of projects. It underscores certain steps (operations), which are considered necessary to complete the entire project, which are conscientiously identified and shown in a graph (line chart) called network. The network indicates the order in which the operations can be undertaken comprehensively or the activities that must follow each other.

Issues and Challenges of Project Management in Nigeria

Major projects involve the use of heavy-duty machines and clients are mostly governments or their agencies who are not so prompt in paying for completed jobs, not to talk of negotiating contract variations occasioned by delays as a result of equipment breakdown; these relate to inflation, interest rate, fiscal measures, and other political exigencies, with their toll on contract responsibility. The study carried out by Abbasi and Al-Mhaaramah (2001) states that a case in point is the Steel Rolling Mill at Ajaokuta. It is well over two decades since Nigeria entered into an agreement with the Russians. Various governments have come and gone; policies have evolved and changed with time; negotiations and renegotiations have been done over and over; and interest, foreign exchange and inflation rates fluctuations have brought pressures to bear on the project cost outlay, yet there is no visibly progress. A contractor caught in this kind of web may go bankrupt except for extraordinary intervention (Ibenta, 2005).

Faulty forecasting of project duration is sometimes influenced by the desire to win a contract under competitive bidding (due process). It then happens that a contractor after giving every optimistic time estimate has won the contract, but thereafter he faces the reality of project implementation. Faulty costing also arises which bring about untold logistic complications in the system. Such errors made include the choice of staff to handle key positions; the choice of method of implementation; arrangement for sourcing of funds and guarantee of cash flow; framework for control and evaluation work process/progress, with special reference to information flow, labor problems, and installed safety gadgets/procedures (Dalong, 2006).

Where an appropriate project network (schedule) is on ground, even if it is being meticulously followed, the faculty scheduling would still impede project actualization. Furthermore, various materials may not arrive at the expected time, not because orders were not placed in time but owing to extraneous factors. The work of David (2003) reveals that if this happens frequently then the whole schedule procedure could be thrown off balance to the initial mobilization fee, subsequent payments (cash flows) are usually out of phase with progress of work, sometimes forcing some contractors to stop work.

Conclusion and Recommendations

The upsurge of indigenous construction companies in Nigeria has been widely criticized; because, they are generally of low capacity compared to the foreign counterparts. They are also most susceptible to the retrogressive tendencies associated with the factors underscored by the study. Hence, the study recommends that Government should step up its mercenaries in place in order to ensure effective project management and control. The bureaucracy that has entrenched in all government businesses should be controlled as far as all government projects are concerned, so as not to become inefficient and unproductive. Project management offices should be established across all the government institutions with the aim of managing, monitoring and controlling the projects embarked upon by various organs of government in Nigeria. This will enhance efficient and effective application of project management tools and techniques. Adequate project management training should be given to employee in charge of projects; this would increase the knowledge of the employee about different PM tools and techniques available for appropriate choice. Also, professionals should be employed for proper and adequate application of project management tools and techniques. Proper application of PM tools

and techniques can serve as a vehicle for change. This will constitute a vibrant training ground for future managers and skilled workers; and, serve as an effective means of bringing about administrative reform in public institutions. Major government projects that are very complex should be awarded to expatriate firms that are willing to partner with reputable Nigerian firms, so that with time, there could be transfer of technology. Stringent rules and regulations should be put in place to eliminate sharp practices and promote professionalism in design and construction works.

Contribution to Knowledge

The study contributes to knowledge by identifying some of the issues and challenges of project management and evaluation in Nigeria. This is likely to be occasioned by poor funding, corruption at all levels, inadequate equipment to execute the projects, absence of technical expertise, poor project analysis, inability to implement the formulated policies, economic and political instability and environmental challenges

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