

**FACTORS INFLUENCING IMPLEMENTATION OF PROJECTS IN  
STATE OWNED SUGAR FIRMS IN KENYA: THE CASE OF SOUTH  
NYANZA SUGAR COMPANY LIMITED.**

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**BY**

**SAMSON MBAYI SIGANDA**

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**A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL FULFILMENT OF  
THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF  
ARTS IN PROJECT PLANNING AND MANAGEMENT,  
UNIVERSITY OF NAIROBI.**

**2012**

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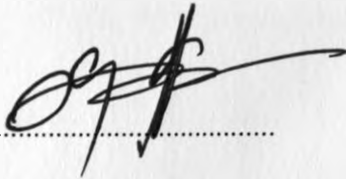
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## DECLARATION

This research project report is my original work and has never been presented for the award of any degree in any other University.



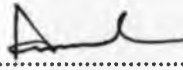
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13/11/2012

**DATE**

This research project report has been submitted for examination with my approval as the University supervisor.



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13/11/2012

**DATE**

## **DEDICATION**

I dedicate this project report to my father Esau Siganda for his undying support and understanding throughout the study.

## ACKNOWLEDGEMENT

I would like to pay special tribute to my supervisor, Mr. Joseph Oluoch Awino for his personal concern and excellent academic advice to me in the achievement of this report. Equally I wish to extend my gratitude to the staff and management of SonySugar for according me the opportunity and cooperation to conduct this study in SonySugar Company Limited.

The study could not have been completed in good time were it not for the considerable understanding and moral support from my spouse Joan Nyanya who kept on encouraging me in spite of the very demanding official work I was also undertaking. Finally I must sincerely acknowledge the efforts of Owuor Eliud Onyango, Stephen Awuonda, Ettyang A.R. Everlynn and David Simbeyo who gave me invaluable moral and technical support during the pursuit of this study.

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## LIST OF ABBREVIATIONS AND ACRONYMS

C02	Carbondioxide
COMESA	Common Market for East and Southern Africa
CPAR	Country Procurement Assessment Report
EAC	East African Corporation
ENA	Extra Neutral Alcohol
ERP	Enterprise Resource Planning
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GoK	Government of Kenya
ICDC	Industrial Commercial & Development Corporation
ICT	Information Communication Technology
IDB	Industrial Development Bank
IDB	Industrial Development Bank
KSI	Kenya Sugar Industry
MGI	Mehta Group International
MGI	Mehta Group International
MSC	Mumias Sugar Company Limited
MW	Mega Watts
NCB	National Competitive Bidding
RET	Renewable Energy Technologies
SIT	Sugar Investment Trust
SonySugar	South Nyanza Sugar Company Limited

SPSS	Statistical Package for Social Scientists
TARDA	Tana and Athi River Development Authority
TCD	Tonnes of Sugarcane Crushed per Day
UK	United Kingdom
US	United States

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## ABSTRACT

The Kenyan sugar industry has been undergoing changes in an effort to diversify their product line and strengthen their revenue base in the current turbulent business environment also threatened by the COMESA rules. As such a number of sugar companies have invested in implementation of various projects to expedite diversification process so as to attain projected performance and achieve their missions. This study was therefore set to investigate the factors influencing the implementation of such projects in state owned firms within the Kenyan sugar industry by focussing on SonySugar Company Limited in Migori County, Kenya.

This was necessitated by challenges facing Implementation of Projects in the sugar industry. The study intended to answer the following questions: How does the Financing influence the Implementation of Projects in SonySugar Company Limited? Does the Public Procurement System in Kenya, influence the Implementation of Projects at SonySugar Company Limited? How does the Management Structure influence the Implementation of Projects at SonySugar Company Limited? What is the influence of the Personnel Competency on the Implementation of Projects at SonySugar Company Limited? And whether the Environment is Suitable to sustain the Implementation of Projects at SonySugar Company Limited.

In the literature review, relevant studies in the area were analyzed to identify study gaps. The literature review finalized with the theoretical literature and the researcher's conceptualization of the study variables. The study was carried out at the project management and other divisions that dealt with projects in the company where the staff acted as the respondents. Other respondents were the top management in the company. The research utilised descriptive survey design in which stratified random sampling technique was employed in selecting a suitable sample size from the target population. The data collection instruments used were interviews and questionnaires which contained both closed and open ended questions. Prior to the main research, a pilot study was carried out to pre-test the instruments to enhance validity and reliability. Then the data was collected and analysed both qualitatively and quantitatively. The results were then presented inform of frequency tables and percentages for interpretation, discussion, conclusions and recommendations.

The major findings were that the key determinants to successful Implementation of Projects in SonySugar Company Limited are having people who are competent to handle project implementation process, suitable Environmental orientations for the projects, Management system that is sound and proactive, Financing process which should be spelt out clearly and the Procurement system which is flexible.

Based on the findings, the study recommends that the management of SonySugar Company Limited to improve on the Personnel Competency with emphasis on relevant projects skills, Environmental orientation through culture change programs coupled with effective and timely communication addressing the link between strategic issues and strategies in place to attain projected performance, Management Structures for effective corporate government, Financing through effective financial modelling for proposed projects and the Procurement process in order to enhance their project management systems.

## CHAPTER ONE

### INTRODUCTION

#### 1.1. Background to the Study

Sugar industry worldwide has potential of implementing various projects alongside the main product sugar with sugarcane as the main source of raw material, (Deepchand, 2000). The scope and nature of benefits arising from sugar diversification and using the by-products in the implementation of other projects such as Ethanol, Co-generation etc are wide and varied. They range from tangible elements such as soil preservation, employment, net export earnings, quasi Foreign Direct Investment (FDI) flows, foreign exchange availability, avoidance of imports of fossil fuels, carbon sequestration, assignments for the service industry, cheaper electricity for the economy, lower levels of pollution load and budget savings, to very qualitative elements such as broadening of ownership, social stability and greenery for the tourism sector, (Government of Mauritius, 2005).

However, the international sugar market has been showing different characteristics in the 21st century. World food demand is twice as much as three decades ago; less developed countries need to increase their production by one and a half times to simply meet the requirements of their increasing population, (Amas 1998). Increased production calls for diversification through implementation of various projects using cane juice and sugar production by-products. The energy problem is another issue which is facing the industry and will require more emphasis in planning this century. Implementation of Ethanol project from cane juice and molasses is a step towards addressing the energy issues. World energy consumption has grown to such an extent

that what is spent on oil is as much as all the expenditures on oil over the last 100 years. It is in this context that the rationality of the sugar industry diversification has been defined. New trends in biotechnology, the search for new materials, the preference for renewable products of natural origin and other development opportunities have emerged that can raise the added value of raw materials from 5 to 20 times, depending on process complexity and efficiency, (Amas, 1998).

Diversification achieved through implementation of various projects is a risk reduction strategy that involves adding products, services, locations, markets and customers to a company's portfolio. Diversification, driven by implementation of various projects is the process of investing a portfolio across different asset classes in varying proportions depending on an investor's time horizon, risk tolerance, and goals, (Ansoff and McDonnell, 2006). While diversification does not assure or guarantee better performance and cannot eliminate the risk of investment losses, this approach does help alleviate some of the speculation that is often involved with investing. Diversification provides a framework for rebalancing the portfolio that can help an investor maintain an appropriate level of risk based on their time horizon, goals, and risk tolerance, (Beckhard and Harris, 2007). By combining asset classes, volatility is reduced. This helps to smooth returns and limit losses due to overexposure to volatile market segments. In short, implementation of various projects enables the investor to achieve higher returns with less risk and volatility, (Ansoff and McDonnell, 2006).

The various sugar producing countries currently produce more than fifty commercial products arising from various implemented plants (projects). One hectare of cane may produce 100 tonnes of green matter every year, which is more than twice the agricultural yield of most other

commercial crops. Its total dry matter content has a fuel equivalent of about 10 to 20 tonnes of oil, (Deepchand, 2005. World market prices for raw sugar averaged over US 10 cents per pound (c/lb) from 1990-98, but only 7.32 c/lb from 1999 to date. Brazil's competitive position is a result of a number of natural factors (available land and a favourable climate) but it is also helped by low labour costs, access to capital and sharp recent currency devaluation. Brazil's sugar industry supplies ethanol (~50% of cane) domestic sugar (~25%) and export sugar (~25%) markets as well as co-generated electricity to diversify its revenue base, (Hildebrand, 2002).

Today four UK factories process around 7.5 million tonnes of beet annually and produce 2.3 million tonnes of products, 25% reduction of energy used to make a tonne of sugar since 1990, implementation of innovative manufacturing processes generate co-products including tomatoes, electricity, animal feed, bio-ethanol, lime and topsoil. This has been achieved through prudent investment and industry restructuring initiatives to improve productivity and finance implementation of various projects in the sugar industry. Today, the UK beet sugar industry makes a total economic contribution of around £800 million to the UK's GDP each year, whilst providing up to 13,000 jobs throughout the supply chain. Over 3,000 growers situated in the East of England produce 7,500,000 tonnes of sugar beet each year, (UK Beet Sustainability report, 2011).

Turning to Africa there is substantial new and renewable energy resources which are by – products of sugar, most of which are under-exploited. Only about 7% of Africa's enormous hydro potential has been harnessed. Existing estimates of hydro potential do not include small, mini and micro hydro opportunities, which are also significant. Geothermal energy potential



stands at 9000MW, but only about 60MW has been exploited in Kenya, (Stephen and Waeni, 2003). Estimates further indicate that a significant proportion of current electricity generation in 16 Eastern and Southern African countries could be met by implementation of bagasse-based cogeneration projects in the sugar industry. In Kenya, the sugar industry is a major contributor to the agricultural sector which is the mainstay of the economy and supports livelihoods of at least 25% of the Kenyan population. The subsector accounts for about 15% of the agricultural GDP, is the dominant employer and source of livelihoods for most households in Western Kenya comprising Nyanza, Rift Valley and Western Provinces. In 2008/2009, the industry produced close to 520,000 tonnes of sugar operating at 56 percent of the installed capacity. The industry has the potential of producing over 1 million tonnes of sugar if operated at 89 percent of the installed capacity. This would meet the domestic needs, currently standing at about 700,000 tonnes, and provide a sustained surplus for export, (KSI, 2010).

By February 2014 (Standard newspaper of 15/10/2011), the industry will begin operating under a liberalized trade regime after the COMESA safeguard measures lapse. In such environment, the industry will have to enhance its competitiveness along the entire value chain and reduce production costs by at least 39% to be in line with EAC partner states and COMESA sugar producing countries, (KSI, 2010). Although there are eight sugar mills in production, industry sources indicate that only West Kenya, Mumias and Kibos and Allied Industries would survive if the safeguards were to be lifted now because they can produce sugar at costs similar to other COMESA countries. These factories are equipped with modern facilities that can process sugarcane efficiently.

Today, Mumias Sugar Company (MSC) is the biggest sugar manufacturing company in East and Central Africa. The company envisages becoming the first genuinely multinational sugar company in Africa. With the end of COMESA safeguards, there will be sweet fortune for Mumias as it expands operations plans, acquisitions and sets eyes on the African market, (Republic of Kenya, 2003). In recent developments, MSC has extended its product line and is now the first sugar company in East and Central Africa to produce fortified sugar. This is as a result of changing consumer needs, is aimed at addressing, correcting, and preventing the known nutrient deficiencies amongst the Kenyan population. In 2004, Mumias Sugar undertook an aggressive growth strategy of which diversification was key. This was part of the company's vision of being a world class producer of sugar and energy. The company implemented and subsequently commissioned a 38 MW cogeneration plant which saw the company contribute to electricity sector by selling 26 MW to the National Grid, (Republic of Kenya, 2003). In a bid to assure its future and shareholder value the company has implemented other projects such as ethanol plant, bottled water and CO<sub>2</sub>. The ethanol project is valued at US \$42 million and will provide an output of 25 million litres per annum, up from its current 80,000 ton of molasses. This is expected to bring the company an additional Kshs. 1 billion in revenue. The project to be financed 50% debt and 50% equity will produce Extra Neutral Alcohol (ENA) from molasses. MSC has a capacity of producing 22 million litres annually from 80,000 tons molasses. The plant will also be configured to produce Anhydrous Alcohol (AA) for blending with petrol to produce gasohol for vehicles, (Republic of Kenya, 2001).

South Nyanza Sugar Company (SonySugar) Ltd, also is a manufacturing firm engaged in cane growing and processing of mill white sugar. It was established under an Act of Parliament as a

State Corporation in 1976 with the objective of increasing national sugar production, creating employment opportunities and enhancing regional development. SonySugar is located in Awendo District, Migori County in Nyanza Province in Kenya. The company is owned by the Government of Kenya (GoK) as the major shareholder (98.8%), Industrial Commercial and Development Corporation (ICDC), Industrial Development Bank (IDB) and Mehta Group International (MGI) as the minority shareholders. The company has a crushing capacity of 3,000 tonnes of sugarcane per day (TCD). 70% of sugar cane supply to the factory comes from the contracted out growers cane farmers while 30% come from Company's nucleus estate (Maua, 2009). The company is in the process of implementing various projects so as to remain competitive after removal of COMESA safeguards in 2014.

## **1.2. Statement of the Problem**

For a long time SonySugar had been one – trick cronies, betting its future in a single product, a single location and even a single customer. In other words the company has depended on one product, sugar, as the main product line for revenue generation, (Ministry of Agriculture and Natural Resources, 2001). Over-dependent on sugar production poses a great threat to the very survival of organization particularly in the face of increasing regional and global competition especially after removal of COMESA safeguards which protects its industry by limiting its imports from COMESA countries to 220000 up to 2014 when it will face unlimited export of sugar from these countries (KSI, 2010). The cost of producing one tonne of sugar has been rising over time and cannot be sustainably met by the revenue generated from sugar sales alone. With sugar cane as the main source of raw material, the company has the potential to produce sugar and sugar-based products, bagasse and bagasse-based products and molasses and molasses

based-products. Moreover sugar prices in Kenya need to drop by at least 39% to be in line with COMESA levels. Such a price drop in less than 2 years is drastic and requires major cost reduction strategies for the organization, (KSI, 2009).

At the moment, the company is facing several other challenges including capacity underutilization, lack of regular factory maintenance, poor transport infrastructure, political interference, high cost of inputs, rising competition and accumulation of large debts. Consequently a number of projects have been proposed for implementation while some are ongoing to enhance efficiency, diversification and competitive edge in the market. These projects range from Enterprise Resource Planning (ERP), Co-generation, Ethanol production, Briquetting/chip board production, Bridge/Roads constructions, and others for optimization such as: Vertical Crystallizer project, 80 Ton Vacuum pan project and Cane juice clarifier, (SonySugar Project Database 1995 to 2012).

A keen evaluation of the progress in the implementation of these projects shows that none of the above mentioned projects have been accomplished within the stipulated time frame. Despite the heavy investment in terms of capital running into hundreds of millions, most of these projects are running up to eight years past the deadline, for example, ERP was to run between 2002 - 2006, its still on today, Vertical Crystallizer project 2003 – 2005- not complete, 80 Ton Vacuum pan project 2004 – 2005- not complete, Cane juice clarifier, 2004 – 2006-still running, some are yet to commence with completion dating back to 9 years e.g. Co-generation-power gen, 2003 – 2010, Briquettes/chip board production, 2005 – 2010, still others have stalled e.g. Initial (Willow) computerisation project, 1995 – 2000 and Ethanol project which was to start in 2004 and is still at feasibility stage. (SonySugar project database 1995 to 2012, ) (see appendix 2)

With this kind of projects implementation challenges running up to 13 years down the line, it's apparent that SonySugar is likely to fail in the achievement of the envisaged efficiency, effectiveness; diversification, competitiveness and cost reduction that would have cushioned it at the expiry of COMESA safeguards by 2014. Therefore the current study sought to examine the factors influencing the implementation of projects in SonySugar Company limited by assessing the financing of the projects, the procurement system, project management structures, personnel competency and environmental suitability of the proposed projects.

### **1.3. Purpose of the Study**

The purpose of this study was to examine the factors influencing implementation of projects in state owned sugar firms in Kenya, by specifically addressing the proposed and ongoing projects in South Nyanza Sugar Company Limited in Migori County.

### **1.4. Objectives of the Study**

The study sought to achieve the following objectives:

1. To examine the influence of Financing on the Implementation of Projects in SonySugar Company limited.
2. To determine the how Public Procurement System influence the Implementation of Projects in SonySugar Company Limited.
3. To establish the influence of Project Management Structures on Implementation of Projects in SonySugar Company Limited.
4. To investigate the influence of Personnel Competency on the Implementation of Projects in SonySugar Company Limited.

5. To assess whether the Environment provided in SonySugar Company limited is suitable for the Implementation of the proposed Projects.

### **1.5. Research Questions**

The study sort to answer the following questions:

1. How does Financing affect the Implementation of Projects in SonySugar Company Limited?
2. How does the Public Procurement System influence the Implementation of Projects at SonySugar Company Limited?
3. What is the effect of the projects Management Structure on the Implementation of Projects at SonySugar Company Limited?
4. What is the influence of personnel competency on the implementation of projects at SonySugar Company Limited?
5. How does the Environment in SonySugar Company limited suitable for the Implementation of Projects at SonySugar Company Limited?

### **1.6. Significance of the Study**

The researcher hoped that the study would be of importance to a number of stake holders, for instance: for the management of SonySugar Company Limited and the sugar industry in general the study would be a great pointer to project management issues. These issues include the requisites of successful project management, the critical success factors in project management, challenges affecting project implementation and success and the best practices in project management.

The findings of the current study would assist the government and policy makers in identifying the critical areas in the sugar industry which requires monitoring and evaluation, adjustment of the guiding principles especially the bureaucratic procurement procedures and formulation of better and sustainable policies to fast track the implementation of proposed projects. Further the study would add onto the existing literature on project management especially in the context of the sugar industry.

### **1.7. Delimitation of the Study**

The study was carried out in South Nyanza Sugar Company Limited which is a state owned sugar firm in Kenya Migori County with a population of 1200 permanent staff according to human resource records. Out of this, about 169 staff were involved in projects implementation.

### **1.8. Limitations of the Study**

True to any research undertaking, the researcher faced challenges of time and funds to be adequately expeditious in the study. However, all this notwithstanding, all epistemological studies face certain challenges which this study was not entirely immune to. These are issues to do with validity and reliability in the study which included, the fact that the instruments used and data capture would be 100% accurate and sufficient and at the level of data collection, it would also be beyond the researcher to fully eliminate problems of maturation (biological and psychological problems among subjects which influence research findings). The researcher dealt with these problems by honing the best skills in the development of data collection instruments, working closely with supervisors and consulting widely and making further research in areas that are not clear.

### **1.9. Basic Assumptions of the Study**

This study was based on the assumptions that the respondents picked from the study would cooperate, would be honest and provide correct information to the questions in the questionnaires during the data collection phase, and that the management in the organization would allow access to the organization during the study and avail any further information deemed relevant for success of the project.

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### **1.10. Definition of Significant Terms as used in the Study**

#### **Environmental Suitability**

This is the organizational fit based on culture, size and infrastructure to accommodate the implementation of the projects.

#### **Factors**

The challenges hindering the implementation of the projects.

#### **Financing**

The financial capability in terms of designing, planning, acquisition of resources, beginning, controlling, managing and operationalizing of the projects.

#### **Implementation**

The process of putting in place the project in operation.

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#### **Management Structures**

These are the standards, processes, procedures, resources, regulations and policies that have been put in place to lead into the implementation of the project.



### **Personnel Competency**

This is the ability of the organization to provided relevant technical capacity skills to sustain the Implementation of Projects.

### **Projects**

These are strategies and programmes that have been put in place in the Kenyan sugar industry to diversify(through projects implementation) its product line and revenue base.

### **Public Procurement System.**

This is the acquisition of all the materials required to implement the projects.

### **State owned sugar firms**

Sugar producing organizations that are under the management of Government of Kenya.

## **1.11. Organisation of the Study**

This study was organized in five chapters with each chapter covering relevant sections/stages of the research work from the background of the study, problem conceptualization through to data collection, analysis and report writing. Specifically, chapter one gave a brief introduction of the research study by background information on project management and the sugar industry. The chapter explored statement of the research problem, the purpose of the study, the objectives of the study, importance of the study to the various parties, scope and limitation / delimitation of the study and the assumptions of the study. Chapter two covered the relevant literature to the study by other scholars who have carried out research or published books and journals in the same field of study.

This chapter reviews the relevant literature in relation to the stated problem presented in the study. The chapter demonstrates the relevance of the study in the broad field of project management. Chapter three described the research methodology which covered the methods and procedures to be used in conducting the study. The chapter explained the research design, target population, sample size and sampling techniques, piloting, data collection procedures, analysis and presentation of results. Chapter four dealt with the study findings and interpretations with the chapter five winding up with the summary of the findings, conclusions and recommendations.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1. Introduction**

This chapter reviews literature under the following thematic topics and subtopics: overview of project implementation, influence of financing on the implementation of projects, the influence of the procurement process on the implementation of projects, the influence of management structure on the implementation of projects, the influence of personnel competency on the implementation of project and the environmental suitability and its impact on the implementation of projects in organizations. The section further presents other studies that have been done in the area and the gaps identified by the current study, the relevant theory and the manner in which it informs the current study and finalizes with the conceptualization of the variables and a summary of the literature review.

#### **2.2. Overview of Implementation of Projects**

Implementation of a project is the step where all the proper planned activities are put into action. The process begins and includes many different phases beginning with project planning phase that requires a plan of the tasks of the project. The second one is the project design phase that consists of the creation of system design comprising of application designing, database designing and the data communication design, (Waldersee and Sheather, 1996) The other phases in the project implementation process consists of create and unit test phase, integration test phase, training phase, and finally, the close out phase. Finally the project scope should be clearly known. Keep a record of when the project implementation process starts and finishes. The main

thing to do before the implementation of a project is to predetermine and discuss the project budget and the estimated time, and the manpower required to finish the project, (Schaap, 2006).

To ensure successful project implementation, the project should have people who are dedicated more to create the situations of the successful project implementation. Before the project implementation process starts, ensure you have all factors of project process written or recorded on paper. This will make the project implementation process easier to manage, and useful for similar projects in future. Project monitoring is also an important thing to make sure that activities are implemented as per planned, (Schaap, 2006) This assists the project implementers to check how well they are getting their objectives. Perceived benefits are the end products that can be used to judge the success of the whole system. If the perceived benefits like easier communication, networking, and system integration, timely, relevant, complete and useful information are not realised, then the system will be perceived to have failed. Planning spans a whole project period. It begins with the project planning activities determine the organization's strategy and identifies the projects. Within the framework of a few fixed constraints, project plans evolve with the lifecycle. The constraints are time and money so each project has a clear deadline and a tight budget, (Currie, 1995).

As observed by Moran (1998) plans fall into one of the two categories: vision without substance and a budget without vision. The identified problems of vision without substance are vagueness of future vision, lack of institutional vision, current position and time. Identified issues of budget without vision are questions as to what problem is being solved, what are the priorities and definition of the roles and responsibilities. With projects being advocated for and financed by

donors, budget without vision is likely to be the project plan. Maciaszek (2001) has suggested some planning models and methods for project implementation. Further, Aineruhanga (2004) observes that planning as a tool can help in reducing waste by identifying the pre-requisites conditions for successful project implementation rather than “rushing” into a complex strategy without having first finalized the required policy.

Three reasons are identified for poor project planning in organisations. These are; failure to address risk management in time, lack of justification for business systems to the full and lack of involvement of the top management, (Knott and Dawson, 1999) which is due to the diversity of the implementation environments. Also, as noted by Bannister and Remenyi (2004), when it comes to complex decisions, managers often rely on methods which do not fall within the traditional boundaries of so-called rational decision making. It is observed that managers sometimes base decisions on acts of faith, gut instinct or blind faith. As noted by Harindranath, (2003) though developing countries commit a sizable amount of economic resources to projects, for them to reap maximum benefits, projects need careful planning and coordination prior to implementation and use otherwise trial and error methods of implementation that characterise most government projects applications will only succeed in the wastage of scarce resources.

### **2.3. Financing and Implementation of Projects**

Financial constraints in the public sector are the leading cause to delays, abandonment or project failures in Kenya. The Ministry of Finance which manages public resources have rigid bureaucratic procedures which in most cases subject government implementing ministries to incur huge financial losses and penalties due to failure to commit financial bargain. Technical

officers in charge of finance, accounting, auditing, budgeting, all fall under the Ministry of Finance. Preparation of Bill of Quantities, project supervisions, control of contractors, certification of projects' completion, is undertaken by the Ministry of Public Works. Project implementation entails decisive execution of well designed and deliberate activities to meet the stated goals, (Newman and Conrad, 2000).

Project implementation process involves preparing, deployment, maintaining and use of the final product. When project implementation process is structured, customized and organized into consistent project implementation steps, all conditions required for creation of a responsive project management environment are met, and project manager can start implementing a project, (Schaap, 2006). The project facilities quality can be assessed after careful evaluation of the infrastructure to determine technical functionality. For example if the facilities were for networking different departments, the question may be whether this has been achieved successfully. This will involve a technical and user evaluation of the functional communication systems. For instance if a projects was supposed to improve on the information system quality, this can only be determined by evaluating the information they generate. For information on budgeting purposes, the question might be whether the information system can generate accurate and timely financial information, (Gichoya, 2005).

In achieving project success, the single most important activity that project managers engage in is planning. This involves detailed, systematic, team-involved plans which are the only foundation for project success. And when real-world events conspire to change the plan, project managers must make a new one to reflect the changes. So planning and replanning must be a

way of life for project managers. Nwachukwu et al (2010) emphasized the need of understanding the systems concept which involves recognizing and integrating all the sub-systems whose activities may jeopardise the stated project goals. This refers to agencies or organizations having several linkages and any commission or omission will directly interfere with the ultimate goals of the implementing agency.

Roy (2007) points out that 85 – 90 % of the projects fail to deliver on time, on budget and to the quality of performance expected due to lack of a valid business case justifying the project, objectives not properly defined and agreed, lack of communication and stake holders management, outcomes / benefited not properly defined in measurable terms, lack of quality control, poor estimation of duration and cost, inadequate definition and acceptance of roles and insufficient planning and coordination of resources. Project failure can be traced to poor decisions which result more often than from poor decision – making processes by the project manager and staff. An important issue in understanding the decision context is determining which comes first, the objectives or the decision. In project management it is best to begin with objectives because projects are managed according to a set of predefined objectives. Therefore it is important that all of the appropriate objectives are considered up front. Appropriated objectives are those that are essential for the success of the project, (Dinsmore, 2006).

In-appropriate objectives are those that are tangential or irrelevant to the project's success therefore inappropriate objectives will result in in-appropriate choices for what could be key decision. On the other hand, when appropriate objectives are developed, decisions can be aligned with the objectives. Research has shown that when decisions context is specified and appropriate objectives align with the context, decision makers know what the situation is and exactly why

they care about making a decision in that situation. The project manager as the decision maker should view the decision context as one of the key cornerstones for project success, (Kerzner, 2003).

#### **2.4. Public Procurement System and Implementation of Projects**

Carrying out procurement efficiently under projects is critical to good project implementation, to the attainment of the objectives of the projects and to their sustainability. The organization as part of its developmental role, is interested in strengthening its capacity to administer procurement in an effective and transparent way as part of sound governance and good project management, (Bosen, 2005). In this context, project teams are required as an integral part of project preparation and appraisal, to make an assessment of the capacity of the project implementing agency or project implementation unit to administer procurement. This more general procurement capacity assessment is of paramount importance in programmatic approaches, including joint assessments with other financiers. The assessment should look into the organizational aspects, skills of the staff, quality and adequacy of supporting and control systems, and suitability of the laws, rules and regulations applicable to the agency, (Country Procurement Assessment Report [CPAR], 2002).

This aspect of the review should consist of: (a) a quick verification to ensure that the applicable procurement laws and regulations will enable the institution to carry out acceptable procurement; and (b) an assessment of the quality of internal procurement practices of the implementing agency or agencies and their conformity with procurement practices acceptable to the organization. The legal corporate status of the agency (government department, government autonomous agency, commercial enterprise, etc. - ownership), laws and regulations applicable to



the agency and any exceptions to the law that need to be included in the process, acceptability of rules and procedures for National Competitive Bidding (NCB) and other procurement methods and existing internal procurement procedures, regulations or procurement manuals for clarity, consistency and predictability, (Bosen, 2005)

Procurement cycle management includes a review of the general quality and timeliness with which the agency or institution handles each phase of the procurement cycle. The key elements are: procurement planning, preparation of bidding documents, management of bidding process from advertisement to bid opening, bid evaluation, contract award, preparation and signing of contract, contract management during implementation, including dispute resolution methods, general handling of procurement cycle (duration, actors, reviews). Further a review of the organizational structure of the procurement unit, how responsibilities are allocated, its reporting relationships, its decision-making authority and whether it has the capacity to handle the proposed procurement plan for the project in addition to its other routine duties if any. Specific items to review are, organization of procurement unit and allocation of functions, internal procedural manuals and instructions and historical compliance, (CPAR, 2002).

Another critical success factor is the support and control systems which deal with services and control mechanisms that provide checks and balances in the system. The independence and credibility of procurement audits and the quality of internal controls are critical to the reliability of the system. Specific items to be considered are procurement oversight and auditing, internal technical and administrative controls code of professional behaviour and ethics and special anticorruption initiatives, (Bosen, 2005). The team should take particular note of the availability, quality, security and completeness of procurement records and files. In addition to overall data

on procurement capacity assessment numbers, types, values and dates of contracts awarded and names of awardees, procuring organizations should maintain for all contracts, a record which includes, inter alia, public notices of bidding opportunities, bidding documents and addenda, bid opening information, bid evaluation reports, formal appeals by bidders and outcomes, signed contract documents and addenda and amendments, records on claims and dispute resolutions, records of time taken to complete key steps in the process and comprehensive disbursement data, (Boynton and Zmud, 1999).

The quality and quantity of the staff the unit are essential to good procurement administration. The assessment should determine in general whether sufficient qualified staff are available to carry out the normal procurement tasks assigned to them, (Balogun and Hailey, 2000). There should be a determination whether the existing staff have relevant knowledge of the disciplines and the capacity required for carrying out the proposed procurement plan under the project. It is also necessary to examine the actual performance of the procurement unit as evidenced by whether timely decisions are taken, how often contract award decisions are protested or overturned, whether adequate records are maintained and similar indicators, and to try to identify the underlying causes for any areas of bad performance, (Boynton and Zmud, 1999). Poor procurement quality often results from underlying factors inherent in the society or in the organization carrying out procurement. Such factors include, the degree to which high levels in the government and state corporations promote a culture of accountability, the reputation of the procurement entities/personnel, the salary structure of procurement staff versus comparable salaries in the private sector, the degree to which the procurement unit and the institution are free from political or other interference, the existence of capable procurement staff the presence of

clear written standards, procedures and delegations of authority and responsibility and the soundness of the agency's budgetary and financial management systems, (CPAR, 2002).

According to Kiseru (Daily Nation Wednesday August 15, 2012) on “procurement rules placing road blocks in way of state corporations”, public procurement system needs an overhaul. First, we need to come up with a new system for state corporations involved in commerce. A parastatal that operates in an environment where prices change frequently and at short notice, where procurement decisions have to be made quickly in response to fast changing market conditions, cannot survive under the stifling conditions of the current regime. How can an organisation survive under a system where procurement decisions are routinely contested, and where disappointed vendors/contractors can drag you into lengthy appeals? (Kiseru, 2012).

## **2.5. Project Management Structures and Implementation of Projects**

Project managers and project team members are committed to controlling and monitoring project implementation process. Project team helps run project evaluation process which precedes project implementation process. Project evaluation process includes performing a complete analysis of customer's needs, requirements and results in forming the definition of one or more projects to be implemented. This entails creation of a customizable framework that helps project managers to set up and manage project implementation stages. Customization of project implementation process framework lets leverage the use of management standards, policies and procedures and ensures that management expectations and plans for project implementation stages are properly outlined and applied, (Waldersee and Sheather, 1996).

The implementation of projects in the organization continues to be affected by a set of issues including among others: Technical and administrative problems in the implementation process - issues arise in the implementation of a technical program when the project's responsible parties or other related parties are not fully informed on the Government and cooperation policies, procedures, and modalities for planning, developing and implementing the projects, or the cash transfer, procurement, and monitoring & evaluating systems. Because projects are finite endeavours with limited time, money, and other resources available, they must be kept moving toward completion, (Young, 2010). Since most team members have lots of other priorities, it's up to the project manager to keep their attention on project deliverables and deadlines. Regular status checks, meetings, and reminders are essential. All project deliverables and all project activities must be visualized and communicated in vivid detail. In short, the project manager and project team must create a tangible picture of the finished deliverables in the minds of everyone involved so that all effort is focused in the same direction. According to Owuor, E.O (2011), realistic project schedules should always be developed and adhered to in order to ensure timely completion of projects.

Barriers to implementation of projects include decentralized decision making in the organization and program guidance lack of leadership support for program implementation, and low priority for some of the projects. While the management of various organizational projects as a change process is a constant experience, knowledge and awareness about many of the critical issues involved in the management of such a process is often lacking in those responsible for its progress (Young, 2010). Clearly, if organizations are ever to experience a greater level of success in their development efforts, managers and executives need to have a better framework

for thinking about the proposed projects and an understanding of the key issues which accompany projects management. Proper project management has been linked to the organization's competitiveness and response to changes in the environment. Ansoff and McDonnell (2006), state that strategic changes arises out of the need for organizations to exploit existing or emerging opportunities and deal with threats in the market. It is crucial that organizations seek to create a competitive advantage and wherever possible innovate to improve their competitive positions. This implies the readiness to change within the organization and the ability to implement the proposed changes.

## **2.6. Personnel Competency and Implementation of Projects.**

The implementation of project has been likened to individuals, for example organizations like individuals have a speed at which they operate best. This speed reflects the degree to which the organization can absorb major changes which are required in the process while minimizing dysfunctional activities, (Wirick, 2009).Also, an organization's speed of is variable and can fluctuate dramatically based on specific circumstances. But at any point in time, an organization's capacity to effectively assimilate transition it encounters is determined by its level of resilience and the speed of change adopted to fully implement the projects. To increase an organization's speed of change one needs to look at project implementation differently. The two major pre-requisite for project management are pain and remedy. Pain management provides motivation to pull away from the present while remedy selling provides the motivation to proceed to the desired state.

Whenever a strategic change requires significant discontinuities in the culture and/or power structure of the organization, time, costs, and dysfunctions will be saved if management takes the

process gradually. A desirable first step, which is preliminary to strategy planning and implementation, is to prepare the ground through a series of measures aimed at minimizing the start up resistance, marshalling a power base sufficient to give the change momentum and continuity, preparing a detailed plan for the change process which assigns responsibilities, resources, steps and interactions through which the change will be carried out and designed into the plan behavioural features which optimize the acceptance and support for the new strategies and capabilities, (Ansoff and McDonnell, 2006).

The magnitude of the implementation process also matters; Huczynski and Buchana (2003) noted that one way of distinguishing different types of projects is to consider how deeply the project penetrates the organization. What one finds in most organizations is a number of change initiatives being progressed simultaneously, at different levels. This classification does not lead to an argument that "all projects are deep changes". Deep change is appropriate when dealing with 'deep problems' while 'fine tuning' is a more appropriate response to minor problems.

Conner (2003) suggests that the cost effectiveness of the projects needs to be evaluated since major organizational change is too disruptive, time consuming and expensive to approach lightly. Managers must justify the risk and resources of attempting significant project only if they feel that their part of the organization will slip competitively or miss critical opportunities unless the change goals are achieved. Engaging minor changes has no such restrictions, but a manager should not undertake major project unless the organization cannot afford to fail at the implementation.

Different stages in a project management may require different styles of managing the process. Clear direction may be vital to motivate a desire or create a readiness to implement the whole process, whilst participation or intervention may be more helpful in gaining wider commitment across the organization, and developing capabilities to identify blockages to project implementation and success then plan and implement specific action programs. However barriers to program adoption include low levels of funding, and lack of program guidance, program complexity, lack of training and support, lack of program materials, inconsistent staffing and inadequate support. Organizational barriers included a lack of financial resources, transient staff populations and turnover, organization wide scheduling and program changes all results in high levels of organizational turbulence further hindering project implementation, (Glasgow, Lichtenstein and Marcus, 2003).

### **2.7. Environmental Suitability and Implementation of Projects.**

Barriers to implementation include lack of fit between the program goals and the organization's mission and usual practices, lack of adequate and prevention infrastructure. As a result a host of external factors influence an organization's choice of direction and action and ultimately, its organizational structure and internal processes. These factors, which constitute the external environment, can be divided into three interrelated categories, that is, factors in the remote environment, factors in the industry environment and factors in the operating environment (Pearce and Robinson, 2003). There are different approaches to managing change some are sudden, planned and incremental. Kazmi (2002) says that change is not linear and therefore cannot be worked on a mathematical formula basis with a set of variables that will yield a fixed answer for their combination. Aosa (2006) points out the necessity of carrying out change within

the context of unique environmental challenges within Africa. Therefore strategic change is context and environmental dependent, and there is no one best way.

Most of the forces of project implementation can be traced to some fundamental forces of change which includes growth of capital intensive manufacturing, accelerated tempo of new technology the concentrated patterns of consumption and neo-protectionism era (Burnes, 2004). Political and Social events occur due to changes in political ideologies and inclinations over time and convergence of cultures and social systems. Globalization of markets and operations arise because of improved communication, similarities in technological infrastructure, similarities of consumer demand and life style patterns. These have led to growing incidence of strategic alliances and joint ventures.

Increase in size, complexity and specialization of organizations is another factor. Most organizations have grown in size and increasingly utilizing specialized technology. These changes require new organization structures and skills for cooperation and coordination. Greater strategic awareness and skills of managers and employees require changes in the scope of their jobs and call for strategic development and growth of the company, (Wirick, 2009).

## **2.8. Empirical Literature**

A report from the Republic of Kenya: Budget Outlook Paper, (2009) indicates that during the financial year 2008/2009 the Government of Kenya released Ksh 627 billion from the Consolidated Fund for both Recurrent and Development Services (Kenya National Audit Office, 2010) and in the financial year 2011/2012 the development expenditures amounted to Ksh 398.6



billion out of the total budget of Ksh 1.155 trillion. The development expenditure in 2009/2010 financial year amounted to Ksh 219.1 billion representing about 8 percent of Gross Domestic Product (GDP). The outlays meant to support critical infrastructure that will spur investments in the private sector in key projects identified under the Medium Term Plan of the Kenya Vision 2030. The financial performance exhibit low levels of funding, late exchequer releases, long and complex procurement processes, poor planning and lack of harmonisation in government operations have dealt negative impact on the implementation of public sector projects in Kenya.

In identifying and analyzing constraining factors on the implementation of public sector projects in Kenya, (Nwachukwu, Ibeawuchi & Okoli, 2010) argues that project implementation process involves coordination, controlling, organizing efforts employed to utilization of limited resources and that successful implementation of projects has a significant effect on the economic growth of any economy. The paper conceptualized the understanding of project management as a system consisting of interrelated sub-systems, the relative success test criteria, success implementation factors, role of the project manager and aspects of project management tools and techniques.

The key findings were that there exist direct or proximate factors while others are indirect or underlying issues which inhibit the overall successful implementation of projects. There exist scanty documented data on the performance of public sector projects in Kenya due to exclusive role of implementation, supervision, monitoring and control and even auditing of government projects which are solely done by public officers only. The factors identified included capacity, institutional, financial, client involvement, project management tools and techniques, monitoring and control, communication, risk management, and inappropriate systems and methods.

Further empirical data on the challenges facing the implementation of the projects in the government has been addressed from the different authors. The Budget Outlook Paper summarizes the level of government financial investment in various projects running since 2008 to 2012. The report indicates that the implementation process has been hampered by low funding, late exchequer disbursements, long and complex procurement processes, poor planning and in ability to harmonize government operations.

## **2.9. Theoretical Literature**

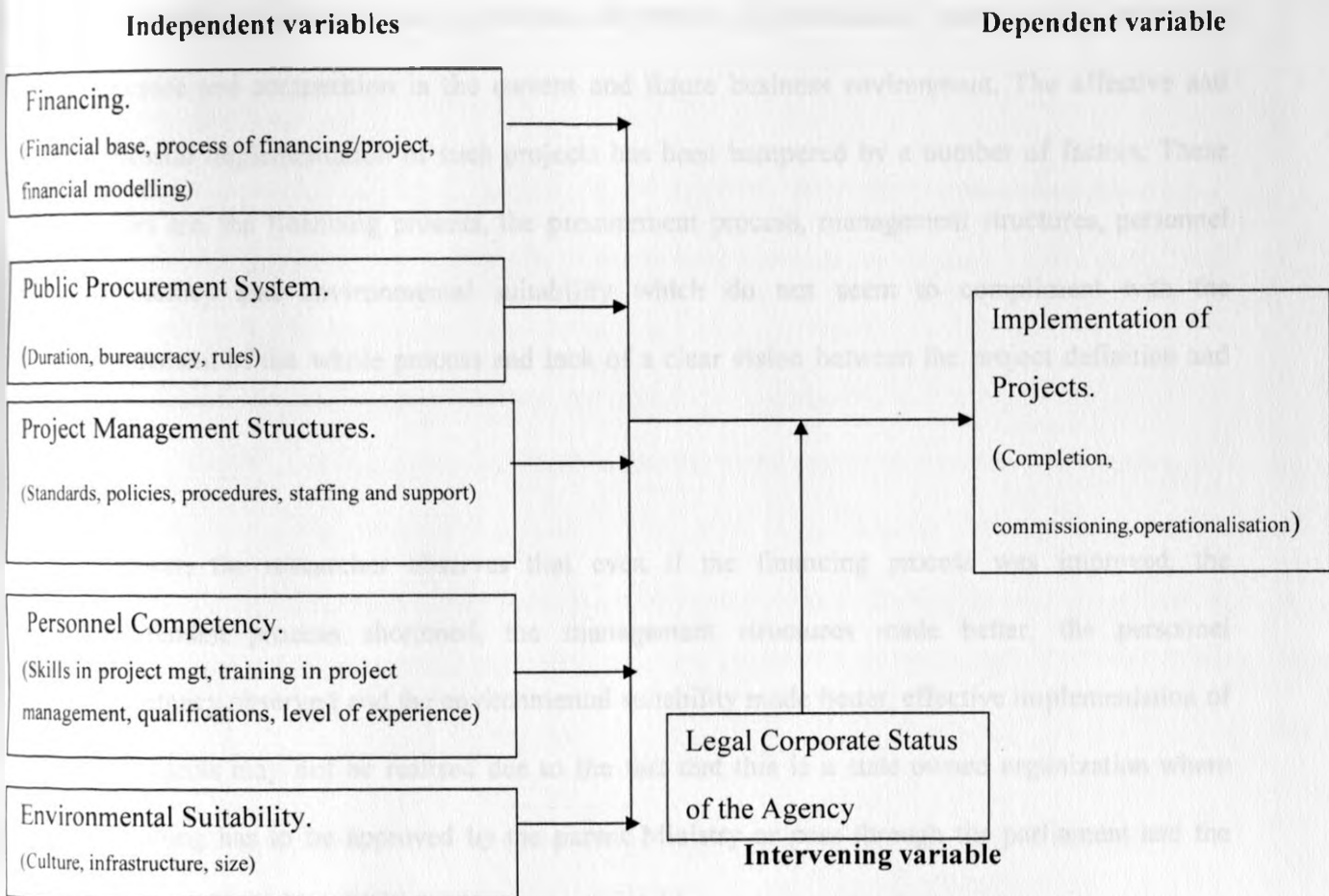
The study was premised on the complexity theory by Anderson (1999). According to the complexity theory, critically interacting components self-organize to form potentially evolving structures exhibiting a hierarchy of emergent system properties. This theory takes the view that systems are best regarded as wholes, and studied as such, rejecting the traditional emphasis on simplification and reduction as inadequate techniques on which to base this sort of scientific work. The approaches used in complexity theory are based on a number of new mathematical techniques, originating from fields as diverse as physics, biology, artificial intelligence, politics and telecommunications, and this interdisciplinary viewpoint is the crucial aspect, reflecting the general applicability of the theory to systems in all areas, (Anderson, 1999).

Complexity theory has been used extensively in the field of project management and organizational studies. It is used in these domains for understanding how organizations or firms adapt to their environments. The theory treats organizations and firms as collections of strategies and structures. When the organization or firm shares the properties of other complex adaptive

systems which is often defined as consisting of a small number of relatively simple and partially connected structures, they are more likely to adapt to their environment and, thus, survive.

In project management systems are described as being complex, because they have numerous internal elements, dynamic, because their global behaviour is governed by local interactions between the elements, and dissipative, because they have to consume energy to maintain stable global patterns. The system has to exchange (dissipate) energy, or matter, with other systems in order to acquire and maintain self - organised stable patterns. These sort of criteria can also be employed as restructuring the objectives and goals of a project to move a system of simpler form towards self-organized complexity. This may allow the projects to achieve the benefits in innovation, survival and adaptability that occur in natural complex systems, (Beckhard and Harris, 2007).

## 2.10. Conceptual Framework



**Figure 1. Conceptual Frame Work**

Independent variables are those variables which are systematically varied by the researcher. On the other hand, dependent variables are those variables whose values are presumed to depend on the effects of the independent variables, (Mugenda and Mugenda, 2003). In this case, financing process, procurement process, the management structures, personnel competency and the environmental suitability are the independent variables while project implementation is the dependent variable.

The researcher's argument is that, a number of projects have been proposed for implementation in Sony Sugar Company Ltd to enhance its product diversification, operation and enable its relevance and competition in the current and future business environment. The effective and successful implementation of such projects has been hampered by a number of factors. These factors are, the financing process, the procurement process, management structures, personnel competency and environmental suitability which do not seem to compliment with the requirement of the whole process and lack of a clear vision between the project definition and success.

However, the researcher observes that even if the financing process was improved, the procurement process shortened, the management structures made better, the personnel competency observed and the environmental suitability made better, effective implementation of the projects may not be realised due to the fact that this is a state owned organization where everything has to be approved by the parent Ministry or pass through the parliament and the economic dynamics which are always unpredictable.

### **2.11. Summary of Literature**

Previous studies have tried to evaluate the performance of the various projects from a general perspective; however there have been no concrete conclusions or consensus regarding the same under the sugar industry. This study bridges the gap by addressing the bureaucratic procedures involved the process of the projects implementation especially the financing, procurement cycles, the quality of work, skills and expertise required in the implementation process and the process of data capture which entails the entire process.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1. Introduction.**

This chapter sets out various stages and phases that were followed in completing the study. It involved a blueprint for the collection, measurement and analysis of data. In this stage, most decisions about how the research was executed and how respondents were approached, as well as when, where and how the research was completed was highlighted. Therefore in this section the research identified the procedures and techniques that were used in the collection, processing and analysis of data. Specifically the following subsections were included; research design, target population, sampling design, data collection instruments, data collection procedures and finally data analysis.

#### **3.2. Research Design.**

Research design refers to the way the study is designed, that is, the method used to carry out the research. Quantitative and qualitative were the two main methods used in this research. A quantitative approach is strongly linked to deductive testing of theories through hypotheses, while a qualitative approach to research is generally concerned with inductive testing (Saunders 2003). This research was conducted through a descriptive survey design whose objective was to describe the state of affairs as it exists. It involves collecting information by interviewing or administering a questionnaire to a sample of individuals (Orodho, 2003). In addition, Kerlinger(1969) states that descriptive studies are not only restricted to fact finding, but may often result in the formulation of important principals of knowledge and solutions to significant problems. This study sought to investigate the factors influencing implementation of projects in

the Kenyan state owned sugar firms by specifically focussing on SonySugar Company Limited. Descriptive survey design was chosen as it enabled the researcher to collect, measure and analyse data in order to generate answers to the research questions on phenomenon that would otherwise be unclear. In-depth understanding of the area of study as it is emerged and assisted in meeting the objectives of this study.

### **3.3. Target Population.**

Target population in statistics is the specific population about which information is desired. According to Ngechu (2004), a population is a well defined or set of people, services, elements, events, group of things or households that are being investigated. This definition ensures that population of interest is homogeneous. Population studies also called census are more representative because everyone has an equal chance to be included in the final sample that is drawn according to Mugenda and Mugenda (2003).

The target population of this study were the staff working at the project management division and other areas in SonySugar who are charged with the responsibility of project planning, implementation and evaluation in the company. This is because they are conversant with projects and the changes that are taking place within the organization. The population characteristic was as summarized in table 3.1 below:

**Table 3.1: Target Population**

Sections	Population	Percentage (%)
Top management	12	7.1
Middle level management/ project office	60	35.5
Operational staff handling various projects	97	57.4
<b>Total</b>	<b>169</b>	<b>100</b>

#### **3.4. Sample Size and Sampling Procedures.**

The sampling plan describes the sampling unit, sampling frame, sampling procedures and the sample size for the study. The sampling frame describes the list of all population units from which the sample were selected (Cooper and Schindler, 2003). Sample of responding staff was drawn from 169 targeted population. Kotler (2001) argues that if well chosen, samples of about 30% of a population can often give good reliability findings. In addition, Mugenda and Mugenda (2003) states that in stratified sampling where population within each strata is known, a sample of 30% is adequate representation for data collection. Therefore, from the above population of 169, a sample of 30% from within each group in proportions that each group bear to the population as a whole was taken using stratified random sampling which gave each item in the population an equal probability of being selected.

The selection was done as follows:



**Table 3.2: Sample Size**

<b>Sections</b>	<b>Population (Frequency)</b>	<b>Sample Ratio</b>	<b>Sample</b>
Top management	12	0.3	4
Middle level management / project office	60	0.3	18
Operational staff handling various projects.	97	0.3	29
<b>Total</b>	<b>169</b>	<b>0.3</b>	<b>51</b>

### 3.5. Research Instruments.

With respect to project implementation, this study utilized observation and questionnaires in data collection. The questionnaires designed in this study comprised of two sections. The first part included the demographic and operational characteristics designed to determine fundamental issues including the demographic characteristics of the respondents. The second part was devoted to the questions on the factors influencing project implementation where the five variables of the study were put into focus.

### **3.5.1. Piloting the Research Instrument.**

Prior to the main research, the researcher pre-tested the instrument to enhance its validity and reliability. A relatively small sample was chosen from the population. In this research 10 employees chosen from the sample were chosen to participate who were not included in the sample chosen for the study. This increased the validity and reliability of the instruments where necessary corrections of the instrument were made before the actual research.

### **3.5.2. Instrument Validity.**

The study adopted content validity which indicated whether the test items represented in the instrument were designed to measure the research objectives. The pilot study assisted in determining accuracy, clarity and suitability of the instruments. It also helped to identify inadequate and ambiguous items such that those that fail to measure the variables they are intended were modified or disregarded completely and new item added. Gall (1996) points out that content experts help determine content validity. To ensure validity, the instruments used in the study were examined by the supervisor and other academic experts in the department.

### **3.5.3. Instrument Reliability.**

Reliability is a measure of degree to which a particular measuring procedure provides consistent results or data after a repeated trial (Gay 1992). To gauge test-retest reliability, the test was

administered twice at two different points in time (In this case a difference of two weeks was allowed to pass before the treatment was applied to the same respondents). This kind of reliability was used to assess the consistency of a test across time. This type of reliability assumes that there were no changes in the quality or construct being measured. Spearman rank order correlation ( $r$ ) was used to compute the correlation coefficient to establish the degree to which there was consistency in eliciting similar response every time the instrument was administered. The advantages of this coefficient are that, if calculation is to be done by hand, it is easier to calculate, and can be used for any data that can be ranked - which includes quantitative data.

### **3.6. Data Collection Procedures.**

Data was collected using self-administered questionnaires. Nevertheless, where it proves difficult for the respondents to complete the questionnaires immediately, the researcher left them with the respondents and came to pick them up later. The structured questions were used in an effort to conserve time and money as well as to facilitate in easier analysis as they are in immediate usable form; while the unstructured questions were used so as to encourage the respondent to give an in-depth and response without feeling held back in revealing of information. Each questionnaire was coded and only the researcher had to know which person responded. The coding technique was only used for the purpose of matching returned, completed questionnaires with those delivered to the organizations.

### **3.7. Data Analysis Techniques.**

Before processing the responses, the completed questionnaires were edited for completeness and consistency. The data was then coded to enable the responses to be grouped into various

categories. The data collected was both quantitative and qualitative. Quantitative data was analyzed by descriptive analysis, while qualitative was analyzed through content analysis. This is used when one has sets of existing written or visual documentation which require grouping (Carol, 2007). The descriptive statistical tools helped the researcher to describe the data and determine the extent of its use. The findings were presented using frequency tables in form of percentages and frequencies for interpretation. Cooper and Schindler (2003) notes that the use of percentages is important for two reasons; first they simplify data by reducing all the numbers to range between 0 and 100. Second, they translate the data into a standard form with a base of 100 for relative comparisons.

The Likert scale was used to rate the extent to which Sonysugar Company Ltd faces different challenges in its project implementation process. Data analysis SPSS's descriptive were used to analyse the mean score and standard deviation and inferential statistics like correlation analysis was used to test strength of the effect of environmental factors on implementation of projects in the company, factor analysis was used to extract the public procurement system factors that greatly affected the implementation of projects at Sony sugar company while a regression model was established to group the independent variables according to their specific level of effect on the dependent variable. Microsoft Excel was used to give percentage, means scores, and frequencies.

### **3.8. Ethical Considerations.**

The researcher observed confidentiality on the information gotten from the questionnaires by ensuring that information from each respondent did not pass to third parties. The researcher

asked the respondents not to write their names on the questionnaires. Once respondents were identified, their informed consent was sort before the questionnaires were administered. The researcher and his assistants personally identified themselves before the respondents were informed of the intention of the research being for academic purpose only.

Table 3.3: Operationalization of variables

Objective	Variable	Indicators	Measurement	Scale	Data Collection Method	Data analysis
To examine the influence of financing on implementation of projects in SonySugar company limited.	Financing(i)	Financial base, financial process	The financial capability of the organization and sources for the project, the bureaucratic procedures to be followed during the acquisition of finances for the various projects.	Ratio and nominal	Questionnaire	SPSS
To determine the influence of public procurement system on implementation of projects in SonySugar Company Ltd.	Public procurement system (ii)	Duration, bureaucracy, rules	Bidding documents, tendering process, bid evaluation, dissemination of information. levels of approvals	Ratio and nominal	Questionnaire	SPSS
Establish the influence of project management structures on implementation of projects in SonySugar Company Ltd.	Project management structures (iii)	standards, policies, procedures, staffing and support	clear written standards, delegation of authority, policies, adequate support	Ratio and nominal	Questionnaire	SPSS

To investigate the influence of personnel competency on implementation of projects in SonySugar company Ltd.	Personnel competency (iv)	Skills in project mgt, training in project management, qualifications, level of experience.	Capacity to sustained effective implementation, skills, training, experience and qualifications.	Ratio and nominal	Questionnaire	Envivo.
To assess the environmental suitability and its influence on implementation of projects in SonySugar Company Ltd.	Environmental suitability (v)	Culture, infrastructure, size	Infrastructure to sustain growth, flexibility of the culture, enough space.	Ratio and nominal	Questionnaire	SPSS, excel

## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION

#### 4.1. Introduction.

This chapter presents analysis and interpretation of the data that was obtained on the investigation into the factors influencing implementation of projects in SonySugar Company Limited in Migori County, Kenya. A descriptive survey design was used in this study.

#### 4.2. Response Return Rate

The research was conducted on a sample of 51 respondents drawn from the project office and other divisions that majorly dealt with mentioned projects in the company, this comprised of the top management, middle level management and the operational staff. Out of the total sample 41 questionnaires were returned duly filled, making a response rate of 80.4% which is an adequate response rate for statistical reporting. According to Mugenda and Mugenda (1999), a response rate of 50% and above is good for statistical analysis.

This creditable response rate was enhanced after the researcher personally administered the questionnaires, followed up with the research assistants and made further visits to remind the respondents to fill-in the questionnaires. This study made use of frequencies (absolute and relative) on single response questions. On multiple response questions, the study used Likert scale in collecting and analyzing the data whereby a scale of 5 points were used in computing the means and standard deviations and finally the measures of central tendency were used. These were then presented in tables as appropriate with explanations given in prose.



### 4.3. Demographic data.

This section presents data on age, gender, designation, academic qualification and the duration on work of the respondents in SonySugar Company limited.

**Table 4.1: Distribution of respondents by age.**

Age	No. of Respondents	Percentage (%)
21 – 30 years	5	12
31 – 40 years	17	41
41 – 50 years	7	18
51 and above	12	29
<b>Total</b>	<b>41</b>	<b>100</b>

From the table above, the data shows that most of the staff involved in projects implementation are in the age bracket of 31 – 40 years followed by those who are in the bracket of 50 years and above with those who are in the age bracket of 41 to 50 year ranking in the third position. This means that the staff involved in projects implementation in Sonysugar are mainly in the age bracket of 30 to above 50 years with those who are less than 30 years ranking lowest.

**Table 4.2: Gender Distribution of the respondents**

Gender	Frequency	Percentage (%)
Male	31	75
Female	10	25
<b>Total</b>	<b>41</b>	<b>100</b>

Table 4.2 shows that the gender distribution of the projects implementation team in SonySugar is mainly composed of men with the female category taking a distance 25 %. This implies that there is gender biasness in the distribution of employee's in SonySugar which is biased towards the male population.

**Table 4.3: Designation and academic qualifications.**

	Post Graduate		Graduate		Diploma/certificate	
	Freq.	Perc. (%)	Freq.	Perc. (%)	Freq.	Perc. (%)
Senior Management	14	34	6	14	0	0
Middle-level Management	3	8	4	9	1	3
Operational-level	1	2	5	12	7	18
<b>Total</b>	<b>18</b>	<b>44</b>	<b>15</b>	<b>35</b>	<b>8</b>	<b>21</b>

On the basis of professional qualifications, the projects implementation team in SonySugar seem to be competent enough since most of the senior managers have acquired post graduate qualifications which qualifies them for the posts. They are further followed by those who have acquired undergraduate qualifications at the same level. Further the people who are supposed to provide hands on expertise during the implementation of the projects are mainly diploma/certificate holders who are mainly trained on the technical aspects in the industry with

the under graduate category ranking lowest in the same category. This implies the project implementation team are adequately equipped without laying more emphasis on the relevant skills that are required on project implementation and management.

**Table 4.4: Duration of working in SonySugar.**

	<b>Frequency</b>	<b>Percentage (%)</b>
Less than 1 year	2	5
1-5 years	21	50
6-10 years	14	35
Over10 years	4	10
<b>Total</b>	<b>41</b>	<b>100</b>

From table 4.4, most of the respondents were employed in Sony sugar five years ago, followed by those who have worked with the company for the last 10 years, then the ones who have been with the organization for over ten years ranked third with those who have worked for less than one year rating lowest at 5 %. This implies that most of the projects were proposed in the absence of the current project management team.

#### **4.4. Influence of Financing on Implementation of Projects.**

The researcher indentified some financial factors affecting implementation of projects in general and requested the respondent to rate their level of agreement with the factor based on the mean response and standard deviations on a likert scale.

**Table 4.5: Financial Factors influencing Project Implementation at SonySugar Company**

<b>Influencing factor</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Mean</b>	<b>SD</b>
The organization has put in place effective financial guide.	12	15	6	3	5	4.03	1.158
Sourcing of funds for the projects simple(project financing model)	18	3	5	2	13	3.03	0.959
There is proper financial records management systems on projects.	0	26	6	3	6	3.85	0.779
The project budget is predetermined and discussed before the commencement of the projects.	3	6	8	13	11	3.21	1.151
The project monitoring and evaluation process have ensured that all the activities are carried out as planned with the budget.	17	15	4	0	5	4.00	1.000

**Key**

1. Strongly disagree, 2. Disagree, 3. Not sure, 4. Agree, 5. Strongly agree

From table 4.5 failure of the management in the organization to put in place effective financial guidelines for the projects had a mean score of 4.03 and a standard deviation of 1.158 where the most of respondents (15) disagreed with the current financial framework. Poor monitoring and evaluation process that are meant to ensure that all the activities are carried out as budgeted for had a mean score of 4.00 and a standard deviation of 1.000 showing that most of the respondents strongly disagreed with the project monitoring and evaluation criteria used in the organization.

Management of financial records for the projects had a mean of 3.85, SD.779, and financial planning and budgeting of the projects scored a mean of 3.21, SD 1.15 and the process of sourcing funds for the projects is not clear at a mean rating of 3.03 SD.959. In other words, there were no effective financial guidelines, monitoring and evaluating criteria was poor, management of financial records on project management was weak and unclear frame work on the financial aspects that are required for the effective implementation of the projects was lacking in SonySugar Company Limited which has been worsened by poor sourcing strategies.

The other comments given on the effect of financing processes on the implementation of projects at SonySugar were that, there is a very big disconnect between the financial criteria and the implementation process where some of the projects are proposed without a clear plan on the financial sources of such projects. SonySugar being a parastatal has to follow a defined procedure in acquiring funds for various projects which are bureaucratic and tedious in nature thus leading to delay and postponement of such projects which is one of the greatest impediments to the implementation process of the proposed projects.

#### **4.5. The influence of Public Procurement System on Implementation of Projects.**

The procurement cycle in SonySugar begins from the user departments in this case being the proposers of the projects which undergo various numerous stages before acceptance and approval. After the projects have been approved, a blue print of the proposed projects is sent to the procurement department which then advertises the tender on the news paper mainly the Nation and Standard which are nationwide news papers, the tendering process takes a minimum

of 21 days where by all suppliers who are interested in the process submit their proposals or quotations, after which the tender opening session follows where all the suppliers who have met the minimum requirement of submitting on time are named. Then the evaluation process begins where the tender documents are taken through process to ensure that they meet the standards spelt out. After which the winning suppliers are advertised again in the news paper where any supplier who is not satisfied with the process is given the chances to appeal. If no appeals are received within 14 days the tender is awarded to the winning suppliers. Then the delivery process begins which may take a minimum of one month depending on the type of services or goods provided.

SonySugar being a government body is restricted by the public procurement act to follow certain specific criteria in its procurement process which is subject to specific rules and policies covering how the relevant decisions are made. This system covers how organization advertises for suppliers, the grounds on which it chooses suppliers, and the way in which it measures and enforces the specifications to be met by suppliers in order to take advantage of competition between suppliers and to reduce the risk of corruption and maximise on lowest bidder based on the best quality. This means that all the procurements processes must be done within the guidance of the public procurement act which is very bureaucratic in nature and elaborate hence slowing down the implementation of projects in the organization.

This section covered findings on questions posed to respondents to determine the extent to which the predetermined factors influence project implementation (public procurement factors). Measures of central tendency (mean) and a measure of variation (standard deviation) was used to

analyze the data. The range of “not at all” (1) to a “very great extent” (5) on a likert scale was used. Scores of “not at all/small extent” taken to present a variable which had a mean score of 0-2.4 on the continuous likert scale ( $0 \leq SE < 2.4$ ), moderate extent  $2.5 \leq ME < 3.4$ , great extent and very great extent  $3.5 \leq GE < 5.0$ . A deviation of  $>1$  implies a significant difference on the impact of the variables among the respondents. An analytical model was established through descriptive statistics. The results were established as shown in table 4.6.

**Key; SE – small extent, ME – moderate extent and GE – great extent.**

**Table 4.6: The influence of Public Procurement on Implementation of Project.**

Influencing factor	1	2	3	4	5	Mean	SD
Bid processing functions are dully signed.	13	16	6	2	4	3.13	0.781
Appropriate information on procurement is adequately disseminated.	20	14	5	0	2	4.23	1.164
Contracting authority is reasonably delegated.	0	26	6	3	6	3.75	1.152
Government approvals required before contracts have been made effective.	2	13	13	8	5	3.31	0.958
The hierarchy of the sources of procurement rules is well established.	18	15	4	0	4	4.10	1.160

From the above findings, dissemination of appropriate information on procurement is poor at a mean of 4.23 and SD of 1.164, with most of the respondents disagreeing at a response rate of 20, establishment of hierarchy of the sources of procurement had a mean score of 4.10 with a standard deviation of 1.160, delegation of the contracting authority during the procurement process has a mean of 3.75 and a SD of 1.152, government approvals required at the budgeting and project initiation stage had a mean of 3.31, SD 0.958 and finally ensuring that bid processing functions were dully signed scored mean 3.13 and SD 0.781. This means that dissemination of appropriate information on procurement, establishment of hierarchy of the sources of procurement processes, delegation of the contracting authority during the procurement process, approval of the procurement process by government influences project implementation to a great extent whereas monitoring of the bidding processes functions are the factors affecting the implementation of projects in SonySugar to a moderate extent.

The identified factors were further subjected to a principal component analysis (factor) model to test the most significant procurement factors to the implementation of projects in SonySugar Company Limited. The output was as follows.

#### Factor analysis

**Table 4.7: Total Variance Explained**

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.200	27.494	27.494	2.200	27.494	27.494



2	1.831	22.893	50.388	1.831	22.893	50.388
3	1.313	16.414	66.802	1.313	16.414	66.802
4	.868	10.855	77.657			
5	.629	7.867	85.524			

Extraction Method: Principal Component Analysis.

Through application of Principal Component Analysis in table 4.7, three components were extracted. The initial Eigen values showed that the first factor explained 27.5% of the variance, the second factor 22.9% of the variance, and a third factor 16.4% of the variance. The fourth and fifth factors had Eigen values of below one and therefore were ignored.

As one good rule of thumb for determining the key factors, is the "Eigen value greater than 1" criteria, the study considered the first three factors as they had Eigen values > 1, and the final factor solution represented 66.8% of the variance in the data. The loadings listed under the "Factor" headings represent a correlation between that item and the overall factor. Thus, dissemination of information on procurement, hierarchy of sources of procurement rules and approvals of the procurement process by the government are the major determinants of project implementations at SonySugar Company Limited.

Asked to rate the frequency of revision of the procurement processes for the proposed projects, the respondents indicated that this is done at the whims of top management which drags on for a long time. In fact majority of the respondents indicated that they have never witnessed a review

of the system for the time they have been working with the organization, never been reviewed at all.

Asked to give suggestions on the best way to improve on the procurement process, the respondents observed that the government needs to reduce of the requirements laid out in the public procurement act and make the process flexible so as to assist in fast tracking the process which is seen as the greatest impediment to project implementation. Further they argued that the management in the organization should come up with sustainable framework in the procurement process which can help in managing the projects to meet the estimated deadlines. Finally the respondents added that the procurement process should be consultative where all the stakeholders are allowed to give ideas and views on their opinions on the process of implementing the projects.

Finally the respondents observed that there was a big disconnect between the procurement process and implementation of the proposed projects where the argument was that most of the projects are proposed without a clear plan on how to source for the requirements, how to finance and the running costs that may be required to facilitate the process. The process on implementation requires that there is a continuous consultation between the user departments and the procurement department and this seems to be a problem because in most cases the procurement department in the organization works past the scheduled time frame which then slows down the process of implementation.

#### 4.6. The influence of Management structures on Implementation of Projects.

The researcher identified a number of management factors influencing project implementation in organization. The respondents were expected to answer in a likert scale structure where measures of central tendency were used to measure the extent to which they agreed or disagreed with the statements as affecting project implementation at SonySugar Company. The response was as follows.

**Table 4.8: The influence of management structures on Implementation of Projects.**

	SD	D	U	A	SA	Mean	SD
The management has ensured the existence of experienced and capable staff in the project management office.	11	10	2	8	10	3.15	1.531
There are clear written standards and delegation of authority in the project management office.	17	15	1	6	2	3.85	.988
The standards and policies required in the implementation process have been put in place.	21	8	4	5	3	3.41	1.044
The project management	15	13	3	5	5	3.30	1.031

team is aware of all the procedures and requirements in the project implementation process.							
The top management in the organization provides adequate support for the implementation of the projects.	18	13	5	3	2	3.62	1.127

From table 4.8, availability of clear written standards and delegation of authority in the project management office ranked highest with a mean of 3.85 and a SD of .988, provision of adequate support by the top management team for the implementation of the project came second with a mean of 3.62, SD-1.127, putting in place the standards and policies that are required in the process on implementation ranked third with a means score of 3.41, SD - 1.044. Making the project management team aware of all the procedures and requirement in the implementation process had a mean rating of 3.30 and SD of 1.031 with existence of experienced and capable staff ranking lowest at a mean rating of 3.15 and SD of 1.531.

Based on the earlier argument that 0-2.4 on the continuous likert scale ( $0 \leq SE < 2.4$ ), moderate extent  $2.5 \leq ME < 3.4$ , great extent and very great extent  $3.5 \leq GE < 5.0$ . A deviation of  $> 1$  implies a significant difference on impact of the variable among respondent, the results then implies that availability of clear written standards and delegation of authority in the project management

influenced project implementation to a great extent while putting in place the standards and policies that are required in the process on implementation, making the project management team aware of all the procedures and requirement in the implementation process and ensuring the existence of experienced and capable staff influenced project implementation in SonySugar company to a moderate extent.

To further understand the project management structures within SonySugar Company, the researcher sought information on the quality of services provided on contracts management. The response is presented as shown in the table below:

**Table 4.9: Quality of Contract Management**

<b>Quality</b>	<b>Frequency</b>	<b>Percentage (%)</b>
High	14	34
Average	20	49
low	7	17
<b>Total</b>	<b>41</b>	<b>100</b>

In terms of contract management the respondents observed that it was average with most of them citing minimum support from the management structures. This implies that the management system in SonySugar is not doing enough in the process of project implementation which has led to the high level of project implementation failures experienced so far. This is further shown by the respondent's response on the rating of the kind of managerial support they receive from the top management. The respondents said that the projects were just proposed on paper and after that very few have been mentioned in meetings for implementation which are always left at the same stage if any challenge is identified in the process of implementation.

**4.7. The influence of Personnel Competency on Implementation of Projects.**

The first item on the effect of personnel competency on project implementation tested on the personnel capacity provided to manage and implement the proposed projects. The respondents observed that the organizational man power on the proposed projects was relatively adequate at a response rate of 55 % with those who felt that the organization was lacking adequate man power ranking closely at 45 %. This implies that the project management team in the organization is not confident that the current man power can sustain the project implementation process in the organization. The response is presented as follows:

**Table 4.10: Personnel Competency and Implementation of Projects.**

	<b>Frequency</b>	<b>Percentage (%)</b>
Yes	23	55
No	18	45
<b>Total</b>	<b>41</b>	<b>100</b>

From table 4.10, there is clear indications that there is a relatively adequate man power in the project office. However, effective project implementation is mainly contrainted by lack of relevant skills in project management. At the same time the organization does not offer or source for training of the project team in this area. Instead they rely on skills that are either borrowed from colleagues else where or manuals in which case most of them may not be in a position to understand well.

Another challenge is seen in the area of having to run so many projects at the same. This has been caused by the fact that most of the projects have been piled up for a long time from a back

log of previous projects which should have been completed or started. One of the respondent said that *'when many projects are run at the same time, there is likely hood that the project team will have a divided attention impeding on the relevant skills as project team will be drawn from other departments'*. This further comes with fatigue which then compromises on the quality of services provided by the projects implementation team.

With such a back log of pending projects there is a likelihood that the project team may loose the motivation to work on some of them having created a mind set that most of the projects are never implemented within the stipulated time, they are likely to go – slow even on projects that require immidiate action deepening the situation further and therefore creating a picture that projects that are proposed at SonySugar are never completed or are just on paper.

Having joined the organization on different job descriptions, the project management team have found them selves in dilema having to seek for ways of empowering themselves from an individual capacity in order to participate in the project implementation process where some of them have had to further their studies in different institutions of higher learning in order to acquire skills in project management. Their job descriptions/roles have not been clearly defined in respect to various projects to be implemented and therefore they have to work past their level of competency in order to give results which is paramount at the end of it. Lack of a clear frame work of what is expected of the team has been worsened by the fact that most of them are assigned their duties on the assumptions that they will learn on the job or rather they will be trained by colleagues who may have some understanding of such projects.

Although there is some form of reviewing and revising the job descriptions in the organization, this is never done regularly and is not based on needs assessment. This is presented in the table below.

**Table 4.11: Revision of job description.**

Revision of job description	Frequency	Percentage (%)
Regularly	6	15
un predictable	33	80
Never	2	5
<b>Total</b>	<b>41</b>	<b>100</b>

The respondent observed that job description excersises in the organization are quite unpredictable and mostly they are done as a formality which covers the whole company and not done as per the training needs of the staff especially the project management team which seems inept to carry out their duties effectively. Very rear job reviews have been dedicated to equip the team with relevant skills in project management. For the few whose descriptions have never been reviewed, the study shows that they are in the category of those who have been working with the organization for five years and below hence no such exercise has been carried out during this period.

With lack of relevant skills in project implementaion, the organization has resorted to sub-contracting and hiring consulants which has widened its reccurent expediture and created a situation of human resources under utilization. With this the same old challenges that the



organization was trying to solve have increased and even created a financial burden and time spend in formulating the proposed projects where the organization pays for salaries that have not been worked for and meeting the cost of out sourcing/ subcontracting services, some of the projects involve heavy investment in terms of capital but have stalled tying the company's resources.

Overall, the respondents were optimistic that personnel competency is paramount to project management and implementation and it supercedes all other factors. That the organization can provide everything that is required for the projects to kick off but unless there is adequate and relevant man power in place the objectives of putting these projects in place may never be realised. They strongly emphasised the need for the organization to invest heavily on its project management team and ensure that the duties and responsibilities are assigned accordingly once capability has been established without putting pressure on the performance of the officers.

#### **4.8. The influence of Environmental Suitability on Implementation of Projects.**

The researcher identified statements on environmental factors affecting the implementation of projects. These environmental factors were correlated in order to test the strength of effect on the implementation of projects in the organization using Pearson product-moment correlation coefficient. The Pearson product-moment correlation coefficient (or Pearson correlation coefficient for short) is a measure of the strength of a linear relationship between two variables and is denoted by  $r$ . The Pearson correlation coefficient,  $r$ , can take a range of values from +1 to -1. A value closer to +1 indicates a strong relationship. The Pearson correlation is +1 in the case of a perfect positive (increasing) linear relationship (correlation). A value closer to -1 denotes a

weak relationship, that is, as in the case of a perfect decreasing (negative) linear relationship (anti-correlation). The correlation matrix was presented as shown below:

**Table 4.12: Environmental factors and Implementation of Projects.**

	Project implementation	X2	X3	X4	X5
X1	0.77743				
X2	0.88149	1			
X3	0.78226	0.04545	1		
X4	0.40507	0.10036	0.39563	1	
X5	0.12490	0.40507	0.05997	0.78226	1

**Key**

X1 – Presence of infrastructure to sustain project implementation.

X2 – Flexible organizational culture for effective implementation of projects (culture change).

X3 – Enough space for new projects

X4 – Capacity to sustain the magnitude of project implementation process.

X5 – Organisation goals and objectives are in line with project implementation goals.

From table 4.12, flexible organizational culture had an r value of 0.88149, provision of enough spaces for the new projects and presence of infrastructure to sustain project implementation had an r value of 0.77743 have a strong relationships with project implementation where as having the capacity to sustain the development of the new projects had a moderate relationship with the implementation of the projects with goals and objectives in the organization having a weak relationship with project implementation. This implies that whereas SonySugar Company has

enough space for the new projects, the right infrastructure to sustain the projects with a moderate capacity to sustain project implementation, there exists an inflexible organizational culture with an inertia effect to the implementation of the projects. At the same time the goals and objectives of the organizations are not in tandem with the proposed projects otherwise they would not have dragged on for that long if they were.

Asked to give their opinion of the relationship between environmental suitability of the proposed projects, the respondents said that there was a culture change problem where there had to adopt new skills and programmes in executing their jobs which in most cases required training, induction and orientation hence caused some form of resistance to project implementation in the company. Another angle was brought about by fear of the unknown where most of the respondents feared that with the introduction on the new projects in the organization, most of them would lose their jobs. There is also inflexible organizational culture which has not been able to drive the change of culture campaigns from the top management hence causing laxity among the project implementation team. Finally the organization is lacking the capacity to drive major projects. This being a parastatal there is a lot of internal and external interference in the implementation process where powerful individuals have vested interests especially in the process of procurement and appointment of the projects evaluation teams which impedes on the integrity of the organization and quality services delivered and slows down the whole process of implementation.

**4.9. Summary of the key factors to Implementation of Projects in SonySugar Company.**

In order to establish the factors that are paramount to project implementation in the organization, the researcher established a regression model where all the key factors under each variable were tested to determine the specific effect they had on the dependent variable. These factors were as follows:

**Table 4.13: Key factors for Implementation of Projects.**

<b>Factor</b>	<b>Variable</b>
Effective financial guidelines.	Project Financing.
Dissemination of appropriate information.	Public Procurement System.
Clear written standards and delegation of authority.	Project Management Structure.
Lack of relevant skills in project management.	Personnel Competency.
Flexible organizational culture (culture change).	Environmental Suitability.

Results were presented as shown below:

**Table 4.14: Model Summary**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	0.210a	0.163	-0.068	0.86085

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.210a	0.163	-0.068	0.86085

Predictors: (Constant), effective financial guidelines, dissemination of appropriate information, clear written standards and delegation of authority, lack of relevant skills in project management and flexible organizational culture.

Analysis in table above shows that the coefficient of determination (the percentage variation in the dependent variable being explained by the changes in the independent variables)  $R^2$  equals 0.163, that is, effective financial guidelines, dissemination of appropriate information, clear written standards and delegation of authority, lack of relevant skills in project management and flexible organizational culture explain 16.3 % of the variance in the implementation of projects in SonySugar Company Limited.

**Table 4.15: ANOVA (Analysis of Variance)**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.035	8	0.129	0.729	0.000a
	Residual	5.324	30	0.177		
	Total	6.359	38			

- a. Predictors: (Constant), effective financial guidelines, dissemination of appropriate information, clear written standards and delegation of authority, lack of relevant skills in project management and flexible organizational culture
- b. Dependent Variable: implementation of projects

The F statistic is the regression mean square (MSR) divided by the residual mean square (MSE). Since the significance value of the F statistic is 0.729 larger than the p-value at 0.05 and the level of significance is 0.000 which is less than the p-value at 0.05. This implies that this model is statistical significant.

**Table 4.16: Regression Coefficients results**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	0.881	0.572		1.539	0.0134
Lack of relevant skills in project management	0.97	0.065	0.275	1.488	0.0147
Flexible organizational culture	0.95	0.086	0.059	0.293	0.0002
Clear written standards and delegation of authority	0.82	0.099	0.180	0.952	0.0349
Effective financial guidelines	0.79	0.080	-0.029	0.126	0.0900

Dissemination of appropriate information	0.52	0.087	0.128	0.600	0.553
a. Dependent Variable: implementation of projects					

From the regression model, the p – values i.e lack of relevant skills in project management – 0.0147, flexible organizational culture – 0.0002, clear written standards and delegation of authority- 0.0349 are statistically significant (<0.05) where as effective financial guidelines - 0.0900, Dissemination of appropriate information- 0.553 are insignificant (>0.05).

This difference was caused by the difference in the number of respondent who chose the factors. Therefore the number of respodents who voted for the factors decreased from those who voted for relevant skills in projects management to dissemination of appropriate information. Some of the factors in this table contradicts the earlier conclusion (ANOVA table) that the chosen model is significant, this is because in the ANOVA table the model considered the entire sample size of 41 which definitely was larger than all the other samples which voted for the specific factors.

**Regression equation**

The unstandardized (B) coefficients are the coefficients of the estimated regression model. A simple summary of the above output is that the fitted line is

$$Y = 0.881c + 0.97X_1 + 0.95X_2 + .82X_3 + .79X_4 + .52X_5$$

Where,

Y = Implementation of projects

C = constant

X<sub>1</sub>= Lack of relevant skills in project management – personnel competency.

X2 = Flexible organizational culture – environmental suitability.

X3 = Clear written standards and delegation of authority –project management structures.

X4 = Effective financial guidelines – Project financing.

X5 = Dissemination of appropriate information – public procurement system.

In other words, when all these factors are held constant, implementation of projects at SonySugar can be effective at 0.88. unit increase personnel competency would improve on the implementation of the projects by 0.97, unit change on the environmental orientation especially change in the organization culture improves the implementation of the projects by 0.95, unit change in management structures of the organization leads to 0.82 improvement on the implementation or projects at SonySugar, unit increase in the financing on the projects leads to a 0.79 increase in the implementation of the projects and finally unit enhancement of the procurement system in the organization leads to 0.52 enhancement in the implementation of the project. Therefore the management of SonySugar Company needs to improve on the personnell competency, environmental orientation, managemngt structures, financing and the procurement process in order to enhance their project management systems.



## CHAPTER FIVE

### SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1. Introduction

This section summarises, concludes and makes recommendation on the findings of the study on the factors influencing the implementation of projects in state owned sugar firms in Kenya. The study was carried out in SonySugar Company Limited.

#### 5.2. Summary of the Findings.

It is clear that the management in SonySugar has challenges in putting in place effective financial guidelines to guide the project management team in the implementation of the projects. The other key aspects in financing of projects where the organization has failed are monitoring and evaluation process to direct all the activities that are required to accomplish the projects, management of the records which is very poor and lack of clear frame work on all the basic financial requisites of the projects. Further there is a very big disconnect between the sources of funds for some of the projects and the proposed plan and finally the bureaucratic nature of financial acquisition of funds impedes the progress of most of the projects due to the time taken to make approvals and recommendations.

The procurement process of the materials and services that are required for the implementation of the projects goes through the various stages as per the public procurement act. This form of procurement is quite restrictive and does not give certain people who are charged with the implementation process the power to do certain things without consultation and the approval of a higher authority and therefore even if there are certain glaring mishaps or oversights or just

delay, they have to be subjected to all these process which is also bureaucratic and takes a lot of time. An oversight in something like specifications of the materials required can take up to one year to correct and hence slowing down the process.

Dissemination of information on the procurement of materials and services required during the implementation process underpins all the other key factors in the procurement procedure which is seemingly being managed poorly in SonySugar. This is worsened by the poor establishment of the sources of procurement rules, the management's inability to delegate the contracting authority for the various projects, the requirement by government that all the procedures and proposed projects must be approved by the parent ministry and lack effective monitoring tools for the bidding process.

Frequency of revision of the procurement processes proposed shows that most of the procurement missions are suggested by the top management in the organization who then reviews/submit the missions at their own whims which does not have a clear plan on how frequent and the procedure that requires to be followed. Some of the schedules are reviewed when an issue is brought up concerning the proposed projects while others have never been reviewed at all and even after reviewing, the process of putting in place the proposed changes takes a lot of time and in most cases they are simply left at that as such, the respondents were of the opinion that the procurement process needs to be shortened by allowing certain decisions to be taken at the functional level as long proper guidelines have been put in place.

The government should review the public procurement act and reduce on the areas that make the procedures complex and bureaucratic in order to create space for flexible decision making which

can remove the backlog of procedures hence fast tracking the proposed projects. With the current stand of proposed projects which are still in progress or on paper, the organization may run into big losses in terms of finances and wastage of time and man power.

The respondent crowned the effect of public procurement system on the implementation of projects by arguing that currently the organization does not have proper guidelines in place as check to the arising issues on the implementation of the proposed projects since there is no proper plans to check on oversights, lapses and a clear plan on the procurement process especially when obstacles are realized in the course of implementation.

The management systems charged with the implementation of the projects seemed to have failed since they have not provided clear written standards and delegation of authorities. The project team does not have an understanding of their specific responsibilities in the implementation of the projects. At the same time there is lack of clear standards and policies to guide the project implementation process. The process of implementing various projects is further worsened by lack of proper channels of communication and dispensation of information. The project management teams does not understand how communication and information is past in the company and therefore there is a lot of sluggishness with everybody expecting any information concerning the projects be passed through the hierarchy of authority which seems to have failed. Commenting on the quality of contract management, the respondent rated this at an average level where they indicated that most of the projects are never mentioned in important meetings except on occasional basis especially when issues that are relevant to any projects is mentioned. Most of

the proposed project have either stalled or failed to start and the management seems to have forgotten about them.

There is a relatively adequate man power for the implementation of the proposed projects. At the same time most of the project management team in SonySugar are in their most productive stages in their lives and therefore there is likelihood that they will try and give their best in terms of job performance and output. The organization has adopted a culture of gender biasness where most of its employees are men. The professional qualification of the project team is not in tandem with their various levels or job groups for which they have categorised and the total man power is relatively adequate. In terms of job experience, the project management team have been with the organization long enough to have acquired skills in project implementation.

The projects management team does not have the skills that are required in implementation of projects. Those who are charged with the implementation of the projects had qualifications that were relevant in other areas and so this has been one of the biggest challenge the team has had to deal with. The situation has been worsened by the fact that the organization does offer or source for training for the project team in this area. Instead they rely on skills that are either borrowed from colleagues elsewhere or manuals in which case most them may not be in a position to understand well.

With a backlog of projects running up 13 years past the dead lines, the project team has found its self in a state of confusion where they have been forced to run a number of projects at the same time. Bearing in mind that the process of implementing these projects requires different skills,

they have been put in a situation where they have to struggle to equip themselves with the various specific skills that are required in the implementation process. This has put them under a lot of pressure and therefore comprising on their performance, quality of services and out put. In the end the company has found it self in a state of confusion where some of the projects have had to be stopped to give way for simpler ones, others have stalled completely while others are still lying on paper.

The projects team have had to source for skills in project management by enrolling in the varous institutions of higher learning in order for them to be equiped with the basic skill of project management. Due to lack of competency of the staff at the project office, the organization has resorted to hiring consultants or sub-contracting for experts to assist in the implimentation of the projects which is significant on the financial expenditures on the organization. Not even job reviews in the organization have been able to address this issues since this is very rear and in most cases it is not based on the training needs of the staff espically the project management team. The respondents were of the opinion that personel competency in the implementation of projects in SonySugar company supercedes all other factors and therefore the organization should take a critical assesment of the project team's skills and training needs.

On the basis of environmental orientation of the organization, the study established that, there is enough space to accommodate the implementation of the proposed projects and the right infrastructure with a moderate capacity to sustain project implementation. However there exists an inflexible culture in the organization which seems to have slowed down the process with a glaring disconnect between the objectives and goals of the organization. There is also the fear of

the unknown where there is a feeling that with the full implementation of the projects, job losses will be experienced. Finally the organization is lacking a clear plan and capacity to drive the implementation of the projects.

### **5.3. Conclusions.**

Financing of projects has been of the biggest hindrance to project implementation at SonySugar Company. This is because of ineffective financial guidelines which do not give clear direction on the sources of the funds, the process of monitoring and evaluation, the procedures that are to be followed when sourcing for funding and the bureaucratic procedures which require various stages of approval leading to delays in the implementation process.

SonySugar Company is subject the public procurement system where in all its procurement procedures, rules and guidelines employed must match the requirements of the public procurement act. The act guides the company from the drawing up the specifications for the various services and materials required, advertisement, tendering process, evaluation and choosing suppliers and finally on the delivery of the goods. This procedure is very bureaucratic and time consuming since most of the processes requires the approval of a number people in the company therefore slowing down on the project implementation process. Further there is poor dissemination of information of procurement issues which has been made worse by the hierarchy of the procurement process, lack proper channels of delegation of authority and ineffective monitoring and evaluation tools in the procurement process.

The management structures have failed to ensure that there are clear standards, guidelines and policies to guide the implementation of projects in SonySugar. There is also no clear delegation

of authorities and the projects team is in state of confusion with a backlog of so many projects in waiting. Assignment of duties is another key area where the management had failed since the project team does not have a clear job description to identify and distinguish them with their specific roles in the process of implementing the projects.

Experience in any work place is key to performance since one of the criteria used in the selection of employees for a job is the work experience in terms of the number of years one has been working in a similar position or the same environment, the assumption is that for those who have the relevant work experience when being hired, the process of induction and orientation into the new job is very easy as he or she understands most of the issues very fast and his or her training needs tends to be minimal and specific hence reducing on the organizations expenditure.

For the personnel working on projects, the biggest challenge they are faced with is having the relevant skills to perform their duties. Most of them are experienced in other areas despite the fact that they have worked with the organization long enough to have acquired these skills through experience which is the best way to equip employees with the required skills. And therefore the organization has resorted to hiring consultants or sub-contracting which has added on its financial expenditures.

Gender biasness in the organization could have greatly contributed to the failure in the implementation of the projects as the male project management teams may look down up on their female colleagues and fail to include them in key decision making processes. Women are known to be observant, committed and keen in carrying out their duties and so if they are not

made part of the process, they may feel dominated by their male counter parts and therefore will tend to hold back on the ability to deliver or give ideas which could be essential in enhancing the implementation of the projects. Training needs of the project team has not been addressed and even after working in the department for long enough, the team is still inept in the implementation of the projects since training is carried out rarely and is not focussed on the defficiencies of the personnel involved in projects implementation.

Although there is infrastructure in place and space to accomodate the implementation of the projects, there exists a big challenge with the organizational cultuire which has tended to resits the changes that comes with the implementaion and full operation of the projects. There exists the fear of the unknown where most of the project management team seem to slow down the process of implementing some of the projects because they feel that they will loose their jobs or the will be rendered irrelevant with the full operation of the proposed projects. Overallly the key determinants of succesfull implementation of projects in SonySugar are having people who are competent to handle the process, suitable envirnmental orientations for the projects, management systems that is sound and proactive in handling projects, the process of financing which should be spelt out clearly and the procurement system which is flexible.

#### **5.4. Recommendations.**

Based on the findings, the study recommends that:

A proper financial guideline be drawn in the company with a clear direction on the sourcing of funds for the projects, the process of monitoring and evaluation of the financial process be enhanced and the delays that are realised as a result of bureacacy be addressed.



The government should give the autonomy of procuring requirements for the materials to the management under guidelines to reduce on the procurement process which seems to slow down the process of implementation. The management to improve on the provision of information on procurement matters, delegation of authority and the monitoring and evaluation process.

The management in the organization should ensure that there are proper standard, guidelines and policies governing the process of implimentation of the projects with line of authority in the various responsibilities to be carried out by the projects team. Duties should be defined clearly and provision of direction where neccessary to improve on the management structures in the organization.

Since the current project management teams seem incompetent in carrying out the implementation of the projects, the organization should consider hiring new employees with hands on experience from other organizations. The new employees can also train their old colleagues in the as well. The human resource management team should look keenly into the issue of gender balancing when hiring or assigning duties and posting the employees to the various departments. This will create an environment of diverse consultation and generation and sharing of ideas which can be important to the successful implementation of the projects.

The review of the job description for the project teams and training needs should be looked into as a matter of agency in the mean time the organization should hire more staff with relevant experience from other organizations to assist in the implementation process and train the current

team. The organization should train the project team as a matter of priority and then establish a formula that will ensure that all the pending projects have been carried out.

The organization needs to address the issues of inertia to change as a result of organization's resistance to change and provide motivational talks and seminars with the staff so as to ensure that they understand and appreciate the need for the change that comes with the implementation of the projects.

### **5.5. Recommended Areas for Further Studies**

The following are the areas where further study is recommended:

- (i) The relationship between systems changes and implementation of projects in organisations.
- (ii) The impact of failed projects in the sugar industry on stakeholders.
- (iii) Factors influencing project success in public entities.

### **5.6. Contribution of Knowledge**

The researcher carried out extensive review of literature on the factors influencing implementation of projects but could not find a concrete conclusion or consensus regarding the same under the sugar industry specifically state owned sugar firms in Kenya. This study therefore contributes

knowledge in this area of implementation of projects in relation to the projects planned for implementation in state owned sugar firms especially in Kenya.

The study further informs the government which is the main body under which the sugar industry operates by highlighting on areas that require consideration when formulating and signing policies that are meant to affect the operation of the sugar sub-sector. For instance the study has pointed out on the major hindrances to the implementation of some of the projects that are meant to meet certain guidelines like the COMESA deadlines which will have a direct impact on the operations of the sugar sub-sector upon expiry of the safe guards by end of February 2014.

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## APPENDICES

### APPENDIX I: QUESTIONNAIRE

#### Section 1: Background information (Tick where appropriate)

- Age: 21 – 30 years
- 31 – 40 years
- 41 – 50 years
- 51 and above
- Gender:            Male             Female
- Designation:        Senior Manager
- Middle-level Manager
- Operational-level
- Academic qualification:    Post Graduate
- Graduate
- Diploma/certificate

For how long have you worked in this company?

- Less than 1 year            [   ]
- 1-5 years                      [   ]
- 6-10 years                     [   ]
- Over 10 years                 [   ]

#### Section B: Projects Financing Process

1. Indicate using a tick (✓) the extent to which you agree or disagree with the following statements.

Statement	SA	A	U	D	SD
The organization has put in place effective financial guide lines ensure proper planning where all the requirements have been spelled out.					
The organization has put in place effective financial design comprising of sourcing of funds, designing and the data communication design to drive the project implementation process in the organization.					
The financial records management systems in the organization are in tandem with the implementation process which ensures the beginning and completion the projects					
The project budget, the estimated time and man power are predetermined and discussed before the commencement of the projects					
The project monitoring and evaluation process have ensured that all the activities are carried out as planned with the budget					

Any other comment?

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**Section C: The Public Procurement Process**

Describe general organization of procurement unit for the proposed projects

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What are the rules/procedures regarding the procurement of the projects in this organization?

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1. Indicate using a tick (✓) the extent to which you agree or disagree with the following statements.

Statement	SA	A	U	D	SD
Key functions are assigned and duly signed - Planning - Preparation of Bidding Documents - Bidding Process Management (Advertising, Printing and Publication, Responses to Questions/Clarifications, Prebid Conference) - Bid Opening - Bid Evaluation - Contract Preparation - Contract Management - Quality Control and Inspection - Transport, Insurance - Custom Clearances and Expediting					
Appropriate information on procurement is adequately disseminated (i.e. procurement staff are aware of updated rules and thresholds, and other issues relevant to their assigned responsibilities)					
Contracting authority is reasonably delegated (i.e. there are no unnecessary levels of approvals or cumbersome procedures)					
Government approvals required before contracts have been made effective					
The hierarchy of the sources of procurement rules is well established					

Frequency of procurement supervision missions proposed: One every \_\_\_\_ months (includes special procurement supervision for post-review/audits.

Give suggestions on the best way to improve on the procurement process of the projects in the company.

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What is your opinion on the procurement process and the implementation in the organization?

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**Section D: Project Management Structures**

Indicate using a tick (  ) the extent to which you agree or disagree with the following statements.

Statement	SA	A	U	D	SD
The management has ensured the existence of experienced and capable staff in the project management office					
There are clear written standards and delegation of authority in the project management office					
The standards and policies required in the implementation process have been put in place					
The project management team is aware of all the procedures and requirements in the project implementation process					
the top management in the organization provides adequate support for the implementation of the projects					

Quality of contract mgmt. High (  ) Average (  ) low (  )

Describe the kind of support you receive from the management to propel the implementation of the projects.

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**Section E: Personnel Competency.**

Does the organization have the capacity to sustained effective implementation of the projects in terms of personnel competency? Yes ( ) No ( )

Explain further depending on your response for the above question

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What is your job description?

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Have they been revised, Yes ( ) No ( )

Do you understand what is required of you in this department? Yes ( ) No ( )

Explain,

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Do you think you have the relevant skills, training, experience and qualifications to effectively participate in the implementation of the project in organization? Yes ( )

No ( ).

Do you get adequate technical and managerial training? Yes ( ) No ( ).

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Is there sufficient man power in this department to drive the proposed projects in this company?

Yes ( ) No ( )

Explain further,

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Give suggestions on the best way the management to improve on the implementation of projects based on the organizational capacity.

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**Section F: Environmental Suitability**

1. Indicate using a tick (✓) the extent to which you agree or disagree with the following statements.

Statement	SA	A	U	D	SD
The organization has the infrastructure to sustain the growth, diversity and change that comes with the implementation of the projects					
The organizational culture is flexible enough to ensure effective implementation of the projects					
The organization has enough space to cater for the implementation of the projects					
The organization has the capacity to sustain the magnitude of the implementation process of the projects					
The organization goals and objectives are in tandem with the goals of the projects.					

Any other?

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**APPENDIX II: RUNNING PROJECTS IN SONYSUGAR.**

<b>Project to be undertaken</b>	<b>Year of project idea.</b>	<b>Capital allocation.</b>	<b>Expected year of completion.</b>	<b>Remarks.</b>
Computerisation(Willow) project 1	1995	Approx-50M	2000	Stalled
ERP Project 2.	2002	Approx-200M	2004	On going
Co-generation-power gen.	2003	Approx-1B	2010	Yet to start
Ethanol production.	2004	Approx-1.5B	2010	On going
Briquetting/chip board.	2005	Approx-30M	2010	Yet to start
Bridge/roads constructions.	2004	Approx-12.3M	2006	On going
Vertical Crystallizer project.	2003	Approx-72.5M	2005	On going
80 Ton Vacuum pan project.	2004	Approx-80.6M	2005	On going
Cane juice clarifier.	2004	Approx-50M	2006	On going



# NATIONAL COUNCIL FOR SCIENCE AND TECHNOLOGY

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Website: www.ncst.go.ke

Our Ref:

NCST/RCD/14/012/1471

Date:

25<sup>th</sup> October, 2012

Samson Mbayi Siganda  
University of Nairobi  
Kisii Campus  
P.O.Box 2461  
KISII



## RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on **“Factors influencing implementation of projects in state owned sugar firms in Kenya. The case of South Nyanza Sugar Company limited, Migori County.”** I am pleased to inform you that you have been authorized to undertake research in **Nyanza Province** for a period ending **31<sup>st</sup> December, 2012.**

You are advised to report to the **Chief Executive Officer, South Nyanza Sugar Company Limited** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.

**DR.M.K.RUGUTT, PhD, HSC**  
**DEPUTY COUNCIL SECRETARY**



Copy to:

The Chief Executive Officer  
South Nyanza Sugar Company Limited

THIS IS TO CERTIFY THAT:

Prof./Dr./Mr./Mrs./Miss/Institution

Samson Mbayi Siganda

Of (Address) University of Nairobi

Kisii Campus

P.O BOX 2461

KISII

Has been permitted to conduct research in

Location

Awendo

District

Nyanza

Province



On the topic: Factors influencing implementation

Of projects in state owned firms in Kenya. The case

Of South Nyanza Sugar Company Limited, Migori

County.

Applicant's Signature

Secretary National Council for Science and Technology

For a period ending: 31<sup>st</sup> December 2012

**CONDITIONS**

1. You must report to the District Commissioner and the District Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit
2. Government Officers will not be interviewed with-out prior appointment.
3. No questionnaire will be used unless it has been approved.
4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.
5. You are required to submit at least two(2)/four(4) bound copies of your final report for Kenyans and non-Kenyans respectively
6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice



REPUBLIC OF KENYA

**RESEARCH CLEARANCE PERMIT**

GPK60553mt10/2011

(CONDITIONS - see back page)



## South Nyanza Sugar Company Limited

**SONYSUGAR**

Simply The Sweetest



Wednesday, February 1, 2012

Mr. Samson Mbayi  
Accountant Creditors  
P. O. Box 107 - 40405  
**SARE AWENDO**

Dear Sir,

### **Re: Authority to conduct Research Study**

Reference is made to your letter regarding the above subject matter dated January 31, 2012.

We are pleased to inform you that Management has approved your request to carry out research study in the Company.

Please note that you will be required to provide a copy of the research work to the undersigned upon completion of the study.

Further note that the research you are to conduct is for Academic Purpose only.

Arrange therefore to report to the undersigned for placement.

Thank you,

Yours faithfully

**For: South Nyanza Sugar Company Ltd.**

Maurice O. Odhiambo

**Human Resource Development Manager (Ag)**