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EVALUATION OF PROJECT FAILURES IN THE PUBLIC SECTOR IN NIGERIA

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Abstract: This work is on evaluation of project failures in the public sector in Nigeria. The objectives of the study are to; analyze the effect of poor project management on public sector projects, determine the effect of unsupportive government policies on the public sector projects and determine the extent to which cost variations arising from inflation will contribute to public sector project failures in Nigeria. This research work adopted the descriptive survey design. The population of this study is up of some selected Government Ministries and Departments. The sampling method used for the study is convenience sampling with a sample size of 100 government workers. The retrieved copies of questionnaire were analysed using simple percentage and frequency counts with the aid of the software SPSS version 20. The result of the study revealed that Price inflation does significantly affect the causes of project failures in the Nigerian public sector, it also found that poor management does significantly affect causes of project failures in the Nigerian public sector, it finally revealed that unsupportive government policies do significantly affect causes of project failures in the Nigerian public sector. The study recommended that proper cost projection with consideration for the inflation rate should be done by the government, government functionaries should sharpen their skills from time to time through further education, especially project management skills and that government should consider the public by enacting policies that will be favorable to the public generally.

Keywords: Project, Failures, Nigerian, Public sector

Introduction

1.1 Background of the Study

In nearly every part of human life, there are contracts amongst individuals or parties. Globally, for construction work to be executed in a successful manner, it is a usual thing for the parties that are involved to enter into a contractual agreement, this helps all the parties that are involved in the contract agreement to know their rights and their obligations throughout the period of the project (Fisk, 2009). It is imperative that the contractual agreement, in respective of the type and form of the contract, should affirm plainly the tasks and gain of all parties to the contract without any form of ambiguity (Thomas & Napolitan, 2015). Government projects of any country are of immense importance to the citizens and residents of that nation as it forms part of the building blocks that

support national growth. The successful execution of projects serves as a visible indicator of development in a country (Hanachor, 2013). Despite this, in developing countries such as Nigeria, the majority of projects embarked on by the government are classified as failed projects (Hanachor, 2013).

According to PMI (Project Management Institute PMBOK) guide (2013), a project is a temporary endeavor that is aimed at creating a unique result. Note (2015) however, defines a project as a series of unique and related activities with a goal that must be achieved at a set time, within its cost constraints, and in accordance with set specifications. There is no clear-cut definition for project failure, and there seem to be differences in its acceptable definition. Amachree (1988) defines project failure as the incapability of a project to be completed within its set time, cost and quality specifications. Nzekwe et al. (2015) however suggest that regardless of a project's completion time and cost, it can still be considered as failure if the project does not fulfil its required purpose. In addition, many studies agree that cost overruns, time overruns, and substandard quality are the primary causes of project failure (Turner, 1993; Atkinson, 1999; Belout and Gauvrean, 2004). Other causes include poor planning, variation of project design and scope, inflation, contractor competence, inadequate cost estimation, and policy changes, just to mention a few (Cousillas et al., 2010; Nzekweet al., 2015). The causes of project failure are numerous both in developed and developing nations, and studies have indicated that large amounts of funds have been lost by governments as a result of failed projects (Fabian and Amir, 2011; Damoah, 2015). These factors which lead to project failure consequently lead to stagnant growth in national development (Nweze, 2016).

In order to curb these menace, various authors have recommended more investigation into the causes and effects of projects failure, especially in developing countries such as Nigeria (Damoah, 2015; Taherdoost and Keshavarzsalehc, 2016). Globally, of course, project failure has resulted in the loss of large amounts of funds. Information system projects in the UK, power generation projects in Africa, and construction projects in Asia are few examples that have experienced failure (Heeks, 2006; Fabian and Amir, 2011; Okereke, 2017; Shahhossein et al., 2018). An example is the Abuja Federal Capital City $460 million Security Closed Circuit security (CCTV) project and United Kingdom Home Office where £750 million e-boarder scheme whose contract was awarded in 2007 and terminated as a failed project in 2010 (Alami, 2016). The rate of project failure in developing countries has been found to be higher than the rate in developed countries (Ogwueleka, 2011; Damoah, 2015) thereby creating the need to embark on more development projects. These projects, however, experience several challenges such as inefficient planning (Akande et al., 2018a), cost variation (Aziz, 2013), and difficult stakeholders (Rajablu et al., 2015). Currently in Nigeria, the rate of project failure is alarming, and these failed projects have high financial implications (Akande et al., 2018b) which consequently reduce the rate of development.

In Nigeria today, the practice of returning unexhausted budgeted funds to the national coffer at the end of each financial year by government ministries and agencies have left projects with inadequate funds during these periods, and in turn, increasing the likelihood of project failure. On a different note, the problem of poor financial capacity is not limited to the government. Contractors involved in government projects are also a major contributory factor to project failure as many contractors are not financially capable of executing these projects. As contained in the Nigerian procurement act, every contractor must have the required capital outlay to execute the project before a bid is submitted. Regardless of this principle, contracts are awarded to contractors who lack the capacity to execute the required project, hence, increasing the problem of project failure. Budgetary detriments have been linked to a high rate of project failures in Nigeria (Botchkarev, 2015).

Poor Contracting and Contractor Practices Contractor-related causes of project failure have also been linked to the growing number of project failures in Nigeria. Poor contracting practices linked to poor contracts agreed upon with contractors, contractors' deliberate non-performance on awarded contractors, and embezzlement of allocated budgets to contractors have seen sub-par delivery of projects, late deliveries and the all-dreaded abandonment and failure of public projects across all states within Nigeria (Uyo, 2019). The contracting challenges that contribute to failures have been linked to nepotism and tribalism in awarding of contracts in a rather biased manner which has led to high failures. Frequent Design Scope Changes and Errors On the other hand, persistent changes made to the established design, errors and defective designs push forward for implementation have been established to be closely impactful on the failure of projects in Nigeria (Dosumu & Aigbavboa, 2017). Similarly, design changes and errors increase the costs of the projects, delay implementation and impede on the successful implementation of building projects in Nigeria (Onungwa, et al., 2017; Dosumu & Aigbavboa, 2017). These 'design change' related impacts have led to project failures in several public projects across Nigeria. Anigbogu and Shwarka (2011) further said that up to 50% of all projects in Nigeria fail before commencement due to design issues. Socio-Cultural and Political Interferences Socio-cultural interferences through conflicts and incessant opposition to public projects have been established to confer impediments to project completion in Nigeria. Similarly, the lack of continuity in projects established which has seen succeeding governments fail to allocate funds for completion of projects started by their predecessors (Nweze, 2016). Such a lack of coherence in the political class towards development more so, the implementation of projects has seen projects fail across Nigeria. For instance, the Gas Revolution Industrial Park, Ogidigben in Delta State and the Gelegale Seaport in Edo State, have both failed to start despite the preparedness of the foreign and local governments towards the projects (Yusuf, 2018; Okoromadu, 2019). This is because of the conflicts and sabotage caused by them on the implementation of these two projects. Poor Leadership and Corruption Poor leadership and corruption in the design, contracting, estimation and implementation of projects have seen projects balloon in costs, rack up time overrun become too costly for governments across Nigeria which have led to abandonment and failure (Sonuga et al. 2002). Corrupt public servants who embezzle funds, engage in dubious contracts for self-gain have led to financial issues which have caused failures, stalling of projects, delays and abandonments across infrastructural projects.

1.2 Statement of the problem

Conflicts and disputes seem to be a never-ending story within the construction industry, and there are many terms used to define and describe these problems, such as delay in delivery, increased project cost, reduced productivity, loss of profit, or damaged professional or business relationship (Love et al, 2011). Globally, the two most common causes of disputes have been identified as failure to properly administer the contract, and failure to understand and comply with its contractual obligations by the employer or contractor due to variation in costs of raw materials, unsteady cost of manufactured materials, soaring cost of machineries, lowest bidding procurement procedures, poor project site management or poor cost control, delays between design and procurement phases, incorrect or inappropriate methods of cost estimation, additional work, improper planning, and unsupportive government policies (Arcadis, 2015).

Hence, a paradigm shift in focus from dispute resolution methods to variation in construction contracts is imperative to avoid costly contingencies and adversarial negotiations. In this scenario, studying contractual language used in standard form contracts to understand its impact on disputes will prove consequential. It is

important to note that no studies have been conducted on the causes and effects of variation in construction contracts in Nigeria both internationally and locally.

1.3 Objectives of the study

The main objective of this study is the evaluation of project failures in the public sector in Nigeria

The specific objectives are:

1. To analyze the effect of poor project management on public sector projects in Nigeria.
2. To determine the effect of unsupportive government policies on the public sector projects in Nigeria.
3. To determine the extent to which cost variations arising from inflation will contribute to public sector project failures in Nigeria.

1.4 Research questions

1. What are the effects of inflation on Public Sector projects in Nigeria?
2. What is the effect of poor project management on public sector projects in Nigeria?
3. What is the effect of unsupportive government policies on public sector projects in Nigeria?

1.5 Statement of Hypothesis

H_{O1}: Price inflation does not significantly affect Project failures in Nigeria.

H_{O2}: Poor project management does not significantly affect failures of public sector projects in Nigeria.

H_{O3}: Unsupportive government policies does not significantly affect public sector project failures in Nigeria.

1.6 Scope of the Study

This study covered the Evaluation of Project Failures in the Public Sector in Nigeria in terms of price inflation, poor project management, and unsupportive government policies. To achieve the full purpose of this study some selected government agencies will be used for analysis.

Review of Related Literature

2.1 Conceptual Framework

Over the years, Nigeria has been characterized by unscrupulous politicians, corruption and mismanagement which led to extended periods of economic stagnation, high poverty levels and decay in public infrastructure (Okonjo-iweala and Osafo-kwaako, 2007). The lack of consistent upgrade of public infrastructure and the failure of several infrastructure projects have also led to severe infrastructural challenges with serious adverse effect on private sector activities. But attempts to gain a clear understanding of the concept of project failure have been difficult. With the unending debate over what constitutes success, it is understandable why the concept of failure or lack of success has become very contentious. Pinto and Mantel (1990) are of the opinion that the difficulties associated with crafting a proper definition of project failure could be attributed to a general lack of consensus on the concept, absence of credible empirical studies on the systematic causes of failure, the taxonomy of project failure and the life cycle of a project. Since the inception of project management, there has been an increasing interest in knowing the difference between what makes project succeed and what makes project fails and, in some cases, abandoned. Different studies examined what and why project failed. For instance, the shortfall in meeting a client‟ project expectation either with regards to completion-time, quality and cost by a contractor is adjudged project failure. Other researchers such as Nzekwe, et al., (2015); Elsokhn and Othman (2014), and Othman (2013) shared this same opinion. Meanwhile, in the view of Otim et al., (2016) project failure could be due to improper planning and poor management of resources. O'Flaherty (1993) while reflecting on property development projects suggests that project failure could arise from the failure of an owner or developer ceasing to provide the required

maintenance management to a developed property. Whilst some projects are considered successful, others are found to fail to meet their objectives. Cleland and Kocaoglu (1981) while referring to factors contributing to project success posited that various forms of conflict arise during a project which makes the ability to manage conflict as one of the key project success factors. As it is imperative to manage conflict in projects, thus, the selection of project manager for project management is supposed to include conflict management which is crucial to project success. In line with this view, Verzuh (2012) highlights the importance of the project manager‟s selection and the use of risk management techniques to prevent project failure.

2.2 Theoretical Framework

Although projects are said to have failed when they fail to meet their budgeted cost, time, scope or quality, Ika (2012) however insists that projects may be completed within their estimated time and cost, and to the specified scope and quality but still be regarded as having failed essentially because the definition of project failure is influenced by how failure is defined among the project stakeholders, the nature of the project in question and the stage under review in the life cycle of the project. It is therefore crucial to look beyond the existing criteria of time, cost, scope and quality when seeking to determine whether a project has failed. Factors such as the aspiration and satisfaction of stakeholders, benefits to the community or project sponsor should be considered when determining the status of a project in terms of success or failure. Nelson (2005) support this view by arguing that project usefulness, value to society and learning potential should be of utmost concern when evaluating the status of a project. Project failure therefore exceeds the inability of a project to meet its stipulated targets; it includes the failure to satisfy the goals of stakeholders in terms of functionality and post-completion performance. The functionality goals, ecstatic values and stakeholder satisfaction often envisaged at the commencement of infrastructure projects in Nigeria have not been realized in majority of public interest projects scattered across Nigeria because of incessant project failures (Ayodele and Alabi, 2011). Over thirty years ago, Osemenan (1987) posited that Nigeria has become the world's junk-yard of failed projects estimated at billions of naira while years later, Kotangora (1993) further buttressed the fact by stating that there are about 400 failed projects costing in excess of three hundred billion naira located across Nigeria. This number has since escalated. Review of existing literature on the subject of public infrastructure project failure indicates that corruption, absence of project management expertise, inexperienced personnel and absence of relevant skills are some of the reasons for the failure of most public sector projects in Nigeria. Specifically, a study conducted by Olalusi and Otunola (2012) revealed that incorrect estimation, insufficient planning, lack of risk management know-how, dearth of skilled personnel, poor knowledge of the work requirement as well as corruption are some of the key reasons for the failure of public projects in Nigeria. Similarly, Oyewobi, Ganiyu, Oke, Ola-awo and Shitu (2011) stated that the causes of unprofessional project management practices in Nigeria are attributable to corruption and financial gratification. Furthermore, Igbokwe-Ibeto (2012) studied factors affecting local government infrastructure projects in Nigeria and concluded that corruption, delays in budget releases, delays in payment of performance certificates, community eruption, labour unrest, inaccurate assessment of the project environment and contractor incompetence are the fundamental causes of project failure in Nigeria. Many scholars have also cited inconsistency in government policies as one of the major causes of infrastructure project failure in Nigeria. Policy inconsistency in this regard mainly refers to frequent changes in leadership (Efenudu, 2010), which brings about discontinuation of existing projects and programmes, and the resort to self-conceptualized projects. Although this was more common during the military era, democratic governments in recent years have however continued to

practice this antidevelopmental tendency with attendant adverse implications for Nigeria's infrastructural and economic development. Ubani et al (2010) performed a research to determine variation factors of project plans and the role of such factors in the failure of projects in Nigeria. The study identified design errors, management challenges and resource allocation difficulties as the prominent variation factors which significantly contribute to infrastructure project failure in Nigeria. Considering the emphasis being laid on inadequate budgetary provision and insufficient resource allocation, it is pertinent to highlight the provisions of Section 4 (2) (b) of the Nigerian Public Procurement Act 2007 which stipulates that 'all procurement shall be based only on procurement plans supported by prior budgetary appropriations; and no procurement proceedings shall be formalized until the procuring entity has ensured that funds are available to meet the procurement obligations. This means therefore that contracts should only be awarded if funds are available at the procurement stage, implying that inadequate budgetary provision should not be a reason for project failure in Nigeria, but according to several researchers including Ewa (2013), numerous government infrastructure projects have failed due to paucity of funds. But the fact however remains that variation of costs often render all initial funding arrangements put together for a project useless as an increase in costs ultimately makes available funds inadequate for the completion of the project. Akindoyeni (1989) observes that there is the penchant for some designers to make adjustments during design in order to please the client without taking into consideration the effect of those adjustments on the project cost and schedule. He further categorized changes as either project development changes or scope growth changes. Project development changes are changes which are required to implement the scope as presently defined, while scope growth changes are changes that completely modify the projects original scope which is the scope that was approved prior to the commencement of the design phase. These changes though unavoidable sometimes, usually add cost and time to the previous design which eventually pose serious threats to the success of the project. Another cause of infrastructure project failure in Nigeria aside from variation occasioned by inadequate scope description and documentation is the reluctance (usually midway into the project) of financial institutions involved in providing funding to contractors to make such funds available due to the fear and possibility that the project might not be implemented as envisaged, thereby stalling the project.

2.3 Empirical Review

Although, the selection of a competent project manager and conflict management is important to project success, it could be argued that they are not the only variables to be considered. It has therefore been realized that other factors could be involved. The rationale for project success thus led to constant search for critical success factors among researchers commenced. Among these are Kerzner (2013) who stated that project success also depends on the behavior of the top management of the parent organization and the customer‟s organization and not just on the actions of the project manager and his team. Meanwhile, Shtub et al. (1994) found that some of the important factors influencing project success are: definition and understanding of the project mission and goals support of top management, project planning and control, consultation with the client or project user, human relations, communications, technical competencies of the project team‟s members, use of adequate technology, and management of contingencies. In spite of possibilities of project success observed in both private and several public projects, around the world, there seems to be a widespread of project failure and abandonment across Nigeria especially in the building sector. Osemenan (1987) reported that Nigeria has become the "world‟s junk-yard of abandoned and failed projects worth billions of naira. Kotangora (1993) asserted that in Nigeria, there are about 4000 uncompleted or abandoned project belonging to the Federal Government of Nigeria with an estimated

cost of above N300 billion ($834M). The building and construction industry plays a very dominant role in the economy of any nation (Nwachukwu and Emoh, 2011). A healthy economy usually experiences an increase in building and construction activities, but in a depressed economy, the incidence of project abandonment and construction failures tends to be more prevalent. Because of the significance contribution of building any deficiency or shortcoming in its effective provision will hamper not just a sector but will cut across several sectors (Ayodele and Alabi, 2011), hence, building abandonment diminishes the values of developed properties located close and within an area.

Alinaitwa, (2008) asserted that lack of proper and in-depth feasibility studies; inadequate supervision and faulty designs are the leading cause of project failures. In a related submission Othman, (2013) and Benjamin, (2006) attributed project failures to misappropriation of project funds. Other cause of project failure and abandonment include but not limited to under estimation by contractors (Chitkara, 2005); poor planning and management (Otim, Alinatiwe, Tindiwensi, & Kerali, 2016, chitkara, 2005); inflation leading to huge variations (Tushabomwe, 2006); lack of adequate professional training (Tushabomwe, 2006); poor communication between project team and client/stakeholders (Otim et al, 2013; Love et al, 2011); source of project finance (Nguyen et al, 2013; Idoro & Patunola-Ajayi, 2009;Alinaitwa, 2008); poor monitoring and tracking of project deliverables (Alinaitwa, 2008); poor perfoemnce of subcontarctors (Nguyen et al, 2013), Challenges of government Bureaucracy (Ling et al, 2010). Otim, Alinatiwe, Tindiwensi, & Kerali, (2016) and Akindoyeni (1989) qualitatively reasoned that some of the causes of project abandonment and construction failure in Nigeria are deaths of client, inability of client to attract fund and lack of good planning. Studies conducted by Idoro & Patunola-Ajayi, (2009); social and political systems and cultural blocks was recognized as barriers to successful project planning and execution in Nigerian public sector.

2.4 Causes of Project Failures

A critical analysis of the situation has identified some factors that are responsible for project failures in Nigeria. Some of the factors are:

2.4.1 Poor project management and inefficient resource allocation:

The lack of sound Project Management by sponsors or contractors often leads to construction delays and extra costs for both parties. In addition to the problems that occur during construction, poor project management had in the past resulted in a completed facility that failed to meet the specified quality and functionality requirements, failed to produce the intended products, or could not be operated for its intended life (El-Rufai, 2012).

Most infrastructure projects in Nigeria have failed due to poor project management and ineffective resource allocation. Infrastructure development is a construction process whereby an organization assumes responsibility for a project, delegates a team to build it and initiates systems such as tools, equipment, processes and procedures with which the work can be completed. This dovetails into three fundamental elements requiring execution and control, which may be symbolized by 3 Ps: the project outcome (product), the tools, technology and management systems (process) and the team to deliver the project (people).

2.4.2 Bureaucracy, corruption and inaccurate cost estimate:

The Nigerian public service is characterized by a very high level of official bureaucracy which seriously hinders infrastructure delivery in Nigeria. This bottleneck is prevalent in the areas of appropriation, procurement, documentation, approvals and fund release. Given that government agencies are often charged with the responsibility of initiating and

monitoring ongoing projects, officials capitalize on this authority to exploit the process by conniving with contractors to manipulate cost estimates and document false progress report to favor contractors, and receive kickbacks, thereby ensuring the failure of most infrastructure projects. Bribery and corruption are regarded by most Nigerians as a custom even with the ongoing crusade
against corruption since the return to democracy in 1999. Delays and cost overruns are part of the consequences of excessive bureaucracy and corruption, for instance, contractors often purposely overstate the time and cost requirements of a project, falsify time sheets, utilize cheaper or defective materials, and sometimes deliberately omit specifications in order to reap illegitimate financial benefits (Sohail and Cavil, 2009). Further stressing the impact of excessive bureaucracy and corruption on project development, Szeffel (1998) is of the opinion that corruption alters the capacity for institutional performance in the context of administrative efficiency, undermines managerial effectiveness and redirects resources from regional, country, and global development to individual interest.

The role of corruption in project failure in Nigeria is so severe to the extent that in an effort to ensure the success of bids submitted; contractors sometimes buy out information from the client quantity surveyor to ensure that the lowest tender figure is submitted (Odeyinka and Yusuf, 1997). The effect of this is that infrastructure projects are often awarded to companies that do not have the technical capability to deliver on the project. Such practices have been found to be responsible for so many failed projects.

2.4.3 Contractor Non-performance and deficient contracting practices:

Another recurring theme in this study was the issue of deficient contracting practices in Nigeria and frequent cases of contractor non-performance. A major factor linking both subjects and which has caused immense harm to Nigeria's infrastructural development is nepotism. Nepotism and tribalism have significantly undermined Nigeria's contracting process such that the best contractors do not always get the job, rather contracts are awarded based on ethnic and sectional considerations, resulting in many failed projects.

Equally, contracting practices in Nigeria is highly deficient. Usually, a contract document should contain every aspect of the job to be done and this should include payment terms, pricing, service levels, etc. This has not been the case in Nigeria. Several cases exist of projects that failed because the entire project scenario was not captured in the original contract documentation and as such disputes could not easily be resolved. The absence of relevant specifications in the contract tends to encourage disagreements followed by prolonged negotiations and avoidable change orders which entail new budgets and schedules, practically leading to delays, cost overrun, and failure. Most government agencies in Nigeria lack an ethical tender system that should ordinarily assist in developing a draft of the most suitable contract type for the specific project taking into cognizance the peculiarities of the envisaged project. The absence of such a tender system which should explicitly define the terms and conditions that would govern the project and spell out penalties in the event of delays, in addition to specifying the party that would bear cost overruns has led to a situation whereby contractors tend to be at ease with their non-performance knowing that there are no means of checkmating their unprofessional activities. The use of generic contract templates in contract administration in Nigeria also contributes to project failure as no preparation is made to envisage and tackle operational challenges when they arise.

2.4.5 Lack of experience, knowledge and technical competence:

The construction industry in Nigeria is suffering from an acute shortage of skilled manpower. This is because Nigeria has been experiencing a brain drain for some decades, with highly skilled personnel migrating to

developed countries in search of more rewarding opportunities. The consequence of this trend is that Nigeria has had to depend on expatriates from other countries to execute infrastructural projects. This comes at highly exorbitant costs and poses a major challenge to the government's quest to implement high-impact projects which are often complex. Also within the country, there has been a huge movement of construction professionals from the public to the private sector and this limits the capacity of government agencies to properly oversee project development, with the government now having to rely mainly on the services of private consultants whose services constitute a huge financial burden on the government. A critical contributory factor to infrastructure project failure is therefore the inability of local professionals and government personnel to deliver on highly complex projects even when they give the project their best, owing to a huge skills gap that threatens the economic and technological advancement of the country.

2.4.6 Poor design, frequent design changes and design error:

Other major reasons for infrastructure project failure in Nigeria include errors in design, defective design and frequent changes in design. Given that design is the core basis for the implementation of a project, errors in design mean that the project is bound to fail as the execution team may apply wrong techniques for achieving the wrong deliverables and any effort to correct the mistake midway into the project is likely to increase costs and cause delays which could bring about project failure. Many other projects have also failed in Nigeria because designs were done without proper assessment of site conditions and during the course of the project, the actual site conditions often pose a challenge to the construction team, necessitating additional work, revision of project scope, and sometimes total contract revision. This often creates an obstacle to the success of the project and has led to project failure in cases where it was not well managed.

Most construction companies operating in Nigeria have been found to lack value management skills which are integral in obtaining the best cost-effective design options while guarantying quality and outcomes that meet the expectations of project stakeholders, and this has significantly contributed to the failure of many projects.

2.4.7 Political instability and community interference:

The lack of continuity in government policy has also been of adverse effect on Nigeria's infrastructural drive. History has shown that successive governments in Nigeria tend to discontinue projects started by their predecessors (Fubera, 1985). The underlying reason behind this trend is that contracts are usually awarded to cronies and such contracts are awarded purely to serve political purposes. As infrastructure contracts are normally inflated, incoming governments prefer to initiate their own projects and receive kickbacks rather than continue funding existing projects (Nwachukwu, 1988). This discourages private sector participation in infrastructure development in Nigeria. There are other politically related reasons for the discontinuation of projects in Nigeria and this includes rising inflation which affects the price of raw materials and increases the funds required to complete a project severalfold following changes in government. When the cost of such projects are reviewed upward many times by successive governments, such that the amount of money required to complete them is much higher than the amount required to deliver a new project, the tendency is to abandon them, hence such projects are regarded as having failed.

Communities playing host to projects often play a vital role in their success or failure. Such communities sometimes sabotage the project by making various kinds of demands from the government and contractors. Construction companies are sometimes required to appoint indigenes of the community as subcontractors or to include influential community leaders on the payroll of the company even when such persons are not meant to

perform work of any kind during the project. Failure to meet this litany of demands sometimes leads to disruption of ongoing work, vandalization of equipment, theft of materials and abduction of expatriate workers by community youth groups. This attitude by host communities has put a stop to many infrastructure projects in Nigeria.

2.4.10 Poor communication and leadership:

Poor communication and leadership between government agencies in Nigeria and contractors has been found to be of a detrimental effect on many projects and has caused the revocation of contracts by the government, with attendant litigation which has led to the termination or failure of a number of projects. Effective communication is necessary for the success of any project. Sound communication practice helps to enhance teamwork and ensure better collaboration whereas poor communication results in misunderstanding, delays and disputes. There are many hindrances to effective communication in the Nigerian construction industry and these include unclear communication objectives, unclear channels of communication, ineffective reporting system and ineffective communication between the key parties involved in a project. Because construction is a highly fragmented, dynamic and dissimilar sector, effective communication is vital for the success of projects in terms of performance objectives such as productivity, profitability and re-work opportunities (Dainty et al, 2006). Project details are communicated by means of drawings, contract documents, addenda and specifications; hence the absence of vital tools and mediums for effective communication has impacted negatively on the construction industry in Nigeria and accounts for many failed infrastructure projects.

Methodology

3.1 Research Design

A research design is a plan that guides the researcher in the various stages of the research process. Research design may be experimental, case study or an observation. This research work adopted the descriptive survey design. The descriptive survey design deals with the systematic collection of facts from a target audience or population. This design was adopted by the researcher because it will help to ascertain the causes of project failure in government establishments in Nigeria.

3.2Population of the study

The population of this study will be made up of some selected Government Ministries and Departments.

3.3 Sample and Sampling Technique

A sample is the subset of the population selected for a study. Sampling deals with selecting a sample. The sampling method to be used for the study is convenience sampling with a sample size of 100 government workers. The sample for this study was drawn from the population of the study.

3.4 Research Instruments

The research instrument that will be used for this study is questionnaire. The questionnaire was selected by the researcher because it had the capability of eliciting factual data from a given population. The questionnaire will be titled: “Evaluation of causes of project failures in the Nigerian Public Sector”. The questionnaire will be divided into two (2) sections covering the research questions raised in chapter one of the study. The various sections are as follows:

Section A: Bio-data of the respondents

Section B: The causes and effects of variation in construction contracts in Nigeria.

3.5 Validity and reliability of the instrument

The research instrument will be validated by the project supervisor. The instrument will be prepared by the researcher and submitted to the project supervisor for scrutiny. The corrections made by the supervisor will be carefully incorporated by the researcher in order for the instrument to be valid.

The reliability of the instrument will be done by the researcher through the test-retest method. That is to say, the instrument will be pre-tested twice before proceeding to administer the instrument to the respondents. On reliability correlation testing using SPSS, Cronbach's alpha value will be obtained. The closeness of this value to 1 indicates that the instrument is very reliable.

3.6 Method of analysis

The retrieved copies of questionnaire were analysed using simple percentage and frequency counts with the aid of the software SPSS version 20. This statistical tool was selected by the researcher because of its simplicity and relevance to the research work.

4.1 Data Analysis and Result Presentation

Table 4.1: Responses on the effects of price inflation on variation of construction contracts in Nigeria

S/N	Question	No. of Respondents/ Percentage (%)				
		SA	**A**	**D**	**SD**	**NS**
1	Poor project management and inefficient resource allocation:	58 (59.8%)	24 (24.7%)	6 (6.2%)	6 (6.2%)	3 (3.1%)
2	Lack of financial capacity and delays in payment	35 (36.1%)	47 (48.5%)	6 (6.2%)	6 (6.2%)	3 3.1%)
3	Poor communication and leadership	33 (34.0%)	38 (39.2%)	8 (8.3%)	12 (12.4%)	6 (6.2%)
4	Contractor Non-performance and deficient contracting practices:	44 (45.4%)	28 (28.9%)	6 (6.2%)	6 (6.2%)	3 (3.1%)
5	Bureaucracy, corruption and inaccurate cost estimate	40 (41.2%)	31 (32.0%)	8 (8.3%)	12 (12.4%)	6 (6.2%)

The table 4.1 above shows that response on the effects of price inflation on variation of construction contracts in Nigeria and indicates that 59.8% strongly agreed that price inflation do lead to variation of construction contracts in Nigeria, Agree 24.7%, Disagree 6.2%, Strongly Disagree 6.2%, Not sure 3.1%. Increase in the prices of building materials can lead to variation of construction contracts in Nigeria, 36.1% strongly agree, 48.5% agree, 6.2% disagree, 6.2% strongly disagree, 3.1% not sure. Fluctuations in the prices of building materials can lead to variation of construction contracts in Nigeria, 34.0% strongly agree, 39.2% agree, 8.3% disagree, 12.4% strongly disagree, 6.2% not sure. Poor price negotiation skills can lead to variation of construction contracts in Nigeria, 45.4% strongly agree, agree 28.9%, 6.2%) disagree, 6.2% strongly disagree, 3.1% not sure. Unstable national inflation rate can lead to variation of construction contracts in Nigeria, 41.2% strongly agree, 32.0% agree, 8.3% disagree, 12.4% strongly disagree, not sure 6.2%.

Table 4.2: Responses on the effect of poor management on causes of project failures in Nigeria

S/N	Question	No. of Respondents/ Percentage (%)

		SA	A	D	SD	NS
1	Lack of experience, knowledge and technical competence	40 (41.2%)	31 (32.0%)	8 (8.3%)	12 (12.4%)	6 (6.2%)
2	Poor project management and inefficient resource allocation:	35 (36.1%)	47 (48.5%)	6 (6.2%)	6 (6.2%)	3 3.1%)
3	Political instability and community interference	58 (59.8%)	24 (24.7%)	6 (6.2%)	6 (6.2%)	3 (3.1%)
4	Poor design, frequent design changes and design error	35 (36.1%)	47 (48.5%)	6 (6.2%)	6 (6.2%)	3 3.1%)
5	Poor monitoring and scope tracking	33 (34.0%)	38 (39.2%)	8 (8.3%)	12 (12.4%)	6 (6.2%)

The table 4.2 above shows that response on the effect of poor management on variation of construction contracts in Nigeria, and it shows that 41.2% Strongly Agree that poor management do lead to variation of construction contracts in Nigeria, 32.0% agree and 8.3% disagree while 12.4% Strongly disagree and 6.2% were not sure; Inability to manage conflict effectively can lead to variation of construction contracts in Nigeria, 36.1% strongly agree, 48.5% agree, 6.2% disagree, 6.2% strongly disagree, 3.1% not sure. Poor supervisory abilities can lead to variation of construction contracts in Nigeria, 59.8% strongly agree, 24.7% agree, 6.2% disagree, 6.2% strongly disagree, 3.1% not sure. Faulty decision making can lead to variation of construction contracts in Nigeria, 36.1% strongly agree, 48.5% agree, 6.2% disagree, 6.2% strongly disagree, 3.1% not sure. Poor knowledge of the industry can lead to variation of construction contracts in Nigeria, 34.0% strongly agree, 39.2% agree, disagree 8.3%, 12.4% strongly disagree, 6.2% not sure.

Table 4.3: response on the effect of unsupportive government policies on the variation of construction contracts in Nigeria

S/N	Statement	No. of Respondents/ Percentage (%)				
		SA	**A**	**D**	**SD**	**NS**
1	Unsupportive government can lead to policies on the variation of construction contracts	35 (36.1%)	47 (48.5%)	6 (6.2%)	6 (6.2%)	3 3.1%)
2	Unsupportive government policies can lead to delays of construction contracts	33 (34.0%)	38 (39.2%)	8 (8.3%)	12 (12.4%)	6 (6.2%)
3	Increase of value added tax can lead to variation of construction contracts in Nigeria	44 (45.4%)	28 (28.9%)	6 (6.2%)	6 (6.2%)	3 (3.1%)
4	High exchange rate can lead to variation of construction contracts in Nigeria	40 (41.2%)	31 (32.0%)	8 (8.3%)	12 (12.4%)	6 (6.2%)

5	Deregulation policies can lead to variation of construction contracts in Nigeria	35 (36.1%)	47 (48.5%)	6 (6.2%)	6 (6.2%)	3 3.1%)

Source: Filed Survey, 2019

The table 4.3 above shows response on the effect of unsupportive government policies on the variation of construction contracts in Nigeria and indicates that 36.1% strongly agree that unsupportive government can lead to policies on the variation of construction contracts, 48.5% agree, 6.2% disagree, 6.2% strongly disagree, 3.1% not sure. Unsupportive government policies can lead to delays of construction contracts, 34.0% strongly agree, 39.2% agree, 8.3% disagree, 12.4% strongly disagree, 6.2% not sure. Increase of value added tax can lead to variation of construction contracts in Nigeria, 45.4% strongly agree, agree 28.9%, 6.2%) disagree, 6.2% strongly disagree, 3.1% not sure. High exchange rate can lead to variation of construction contracts in Nigeria, 41.2% strongly agree, 32.0% agree, 8.3% disagree, 12.4% strongly disagree, not sure 6.2%. Deregulation policies can lead to variation of construction contracts in Nigeria, 36.1% strongly agree, 48.5% agree, 6.2% disagree, strongly disagree 6.2%, 3.1%not sure.

4.2 Testing of Hypotheses

Hypothesis One

H_{O1}: Price inflation does not significantly affect the causes of project failures in public sectors in Nigeria.

Table 4.2.1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.885[a]	.783	.710	2.983

Source: SPSS Version 20

a. Predictors: (Constant), Price inflation

b. Dependent Variable: Variation of construction contracts

Model Testing and Interpretation

The result of hypothesis one tested shows that the R correlation coefficient is 0.885 signified that there is a very strong relationship between price inflation and variation of construction contracts. The degree to which the independent variables explain the dependent variables called coefficient of determination which is represented by R^2 shows that 78.3% of the variation in variation of construction contracts can be explained by price inflation. Hence, the Adjusted R^2 is 71.0%. This explains that the independent variables specified in the model can explain only about 71.0% of the variations in the dependent variable. With the linear regression model, the error of estimate is low with a value of about 2.983. The regression sum of square 96.100 is more than the residual sum of squares 26.700, which means that more of the variation in the dependent variable is explained by the model; hence variation explained that the model is not due to chance.

It is said that auto-correlation assumption is that a succeeding values of the random variable (u) are temporary independent; Auto-correlation usually indicated that an important part of the variation of the dependent variable has not been explained and it is usually dictated by Durbin Watson (DW) statistics. The acceptable value for the Durbin Watson Statistic is 2 but it permits a range of 0.2. The Durbin-Watson Statistic is 1.455 and since it falls within the acceptable range, the model is free from autocorrelation and is reliable. We conclude that the model shows positive serial autocorrelation. Thus, the constant or intercept is -4.500. This implies that when all the

model parameters are zero, there will still be an effect of -4.500 on variation of construction contracts. This is accounted for by other factors not specified in the model. Based on above information that the estimated regression model is represented as follows:

Variation of construction contracts = -4.500 + 3.100 Price inflation + μ

However, the significance value (p-value) of 0.046 is less than 0.05, the model is significant. Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted. We therefore conclude that price inflation does significantly affect variation of construction contracts in Nigeria.

Table 4.2.2: ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	96.100	1	96.100	47.335	.000[b]
Residual	26.700	103	1.455		
Total	122.800	104			

Source: SPSS Version 20

The study also conducted ANOVA (i.e. analysis of variance) to determine the extent to which the Independent and dependent variable relates with each other, and the result showed that P-value Obtained (i.e.is 0.000) was lower than the 5% level of significance specified in SPSS software for this analysis, therefore, according to the decision rule, the Alternate hypothesis will be accepted, while the Null hypothesis will be rejected. This implies that price inflation does significantly affect variation of construction contracts in Nigeria.

Hypothesis Two

H_{O2}: Poor management does not significantly affect causes of project failures in public sectors in Nigeria.

Table 4.2.3: Model Summary[b]

Model	R	R Square	Adjusted R square	Std Error of the Estimate
1	.853[a]	.727	.636	3.578

Source: SPSS Version 20

a. Predictors: (Constant), Poor management

b. Dependent Variable: Variation of construction contracts

Model Testing and Interpretation

From hypothesis two, the R correlation coefficient is 0.853 signified that there is a very strong relationship between poor management and variation of construction contracts. The degree to which the independent variables explain the dependent variables called coefficient of determination which is represented by R^2 shows that 72.7% of the variation in variation of construction contracts can be explained by poor management. Hence, the Adjusted R^2 is 63.6%. This explains that the independent variables specified in the model can explain only about 63.6% of the variations in the dependent variable. With the linear regression model, the error of estimate is low with a value of about 3.578. The regression sum of square 102.400 is more than the residual sum of squares 38.400, which means that more of the variation in the dependent variable is explained by the model; hence variation explained that the model is not due to chance.

The auto-correlation dictated by Durbin Watson (DW) statistics is 1.598 and since it falls within the acceptable range, the model is free from autocorrelation and is reliable. We conclude that the model shows positive serial autocorrelation. Thus, the constant or intercept is -4.800. This implies that when all the model parameters are

zero, there will still be an effect of -4.800 on variation of construction contracts. This is accounted for by other factors not specified in the model. Based on above information that the estimated regression model is represented as follows:

Variation of construction contracts = -4.800+ 3.200 Poor management + μ

However, the significance value (p-value) of 0.066 is less than 0.05, the model is significant. Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted. We therefore conclude that poor management does significantly affect variation of construction contracts in Nigeria.

Table 4.2.4: ANOVA[b]

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	102.400	1	102.400	52.175	.000[b]
Residual	38.710	103	1.598		
Total	141.110	104			

Source: SPSS Version 20

The study also conducted ANOVA (i.e. analysis of variance) to determine if the result of the model summary above can be relied upon and the result established that P-value obtained (i.e., 0.000) was lower than the alpha level of 5% specified in SPSS for this analysis, therefore, according to the decision rule, the Alternate hypothesis will be accepted while the Null hypothesis will be rejected. This implies that poor management does significantly affect variation of construction contracts in Nigeria.

Hypothesis Three

H_{O3}: Unsupportive government policies do not significantly affect causes of project failures in public sectors in Nigeria.

Table 4.2.5: Model Summary[C]

Model	R	R Square	Adjusted R square	Std Error of the Estimate
1	.0.782[a]	.612	.483	5.261

Source: SPSS Version 20

a. Predictors: (Constant), Unsupportive government policies

b. Dependent Variable: Variation of construction contracts

Hypothesis three shows that there is a very strong relationship between unsupportive government policy and variation of construction contracts. The degree to which the independent variables explain the dependent variables called coefficient of determination which is represented by R^2 shows that 78.2% of the variation in variation of construction contracts can be explained by unsupportive government policies. Hence, the Adjusted R^2 is 48.3%. This explains that the independent variables specified in the model can explain only about 48.3% of the variations in the dependent variable. With the linear regression model, the error of estimate is low with a value of about 698.700. The regression sum of square 1102.500 is more than the residual sum of squares 38.400, which means that more of the variation in the dependent variable is explained by the model; hence variation explained that the model is not due to chance.

The auto-correlation dictated by Durbin Watson (DW) statistics is 1.736 and since it falls within the acceptable range, the model is free from autocorrelation and is reliable. We conclude that the model shows positive serial autocorrelation. Thus, the constant or intercept is -19100. This implies that when all the model parameters are

zero, there will still be an effect of -19100 on the variation of construction contracts. This is accounted for by other factors not specified in the model. Based on above information that the estimated regression model is represented as follows:

Variation of construction contracts = -19100+ 10.500 Unsupportive government policies + μ

However, the significance value (p-value) of 0.118 is more than 0.05, the model is not significant. Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted. We therefore conclude that unsupportive government policies do significantly affect causes of project failures in public sectors in Nigeria.

Table 4.2.6: ANOVA[C]

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	102.500	1	102.500	49.828	.001[b]
Residual	69.800	103	1.736		
Total	172.3	104			

Source: SPSS Version 20

The study also conducted ANOVA (i.e. analysis of variance) to determine the extent to which the Independent and dependent variable relates with each other, and the result showed that P-value Obtained (i.e.is 0.001) was lower than the 5% level of significance specified in SPSS software for this analysis, therefore, according to the decision rule, the Alternate hypothesis will be accepted, while the Null hypothesis will be rejected. This implies that unsupportive government policies do significantly affect variation of construction contracts in Nigeria.

5.1 Summary of Findings

The summary of the findings are presented below:

i. Price inflation does significantly affect the causes of project failures in the Nigerian public sector.
ii. Poor management does significantly affect causes of project failures in the Nigerian public sector.
iii. Unsupportive government policies do significantly affect causes of project failures in the Nigerian public sector.

5.2 Conclusion

The study evaluated the causes of project failures in the Nigerian Public Sector. Based on the data collected, presented and analysis and the result of the statistical test, the following conclusion are discernible.

Price inflation does significantly affect Project failures in Nigeria.

Poor project management does significantly affect the failures of public sector projects in Nigeria.

Unsupportive government policies do significantly affect public sector project failures in Nigeria.

5.3 Recommendations

Having summarized and concluded the work, the following recommendations among others would serve as ways through managing the apparent challenges of project failures in the public sector

i. Proper cost projection with consideration for the inflation rate should be done by the government
ii. Government functionaries should sharpen their skills from time to time through further education, especially project management skills.
iii. Government should consider the public by enacting policies that will be favorable to the public generally.

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