The 4th Borneo Research Education Conference, BREC 2016, 17th-18th August 2016, Universiti Teknologi MARA Sarawak, Malaysia

Exploring critical success factors for international development projects in Maldives: Proposition for a qualitative approach

Mohamed Yamin*, Hamzah Abdul-Rahmanb, Ali Mohammed Alashwalc

*Faculty of Science, Technology, Engineering and Mathematics, International University of Malaya-Wales, City Campus, Jalan Tun Ismail, 50480 Kuala Lumpur, Malaysia
bInternational University of Malaya-Wales, City Campus, Jalan Tun Ismail, 50480 Kuala Lumpur, Malaysia
cDepartment of Quantity Surveying, Faculty of Built Environment, University of Malaya, 50603 Kuala Lumpur, Malaysia

Abstract

The purpose of this paper is to present a work-in-progress summary of a concept paper for a doctoral research proposal. The proposed study concentrates on international development projects implemented in the Maldives, an island nation in the Indian Ocean. Some of the critical issues reported on these projects include failure of contractor or consultants to deliver goods and services, non-compliance issues on financial management and reporting practices, and project delays. Hence, the proposed objectives of the study are to identify the challenges facing international development projects in Maldives; to explore the critical success factors of international development projects in Maldives as perceived by the practitioners; to identify project success criteria of international development projects in Maldives; and to determine an appropriate theoretical underpinning to the phenomenon of critical success factors and project success of international development projects in Maldives. The overarching central question guiding the study is “How to achieve success of international development projects in Maldives?” The study is intended to be carried out based on a qualitative case study approach.

Keywords: Project success, critical success factors, foreign aid, international development projects, critical social theory

1. Introduction

The paper presents a work-in-progress summary of a “concept paper” for a doctoral research proposal. The objective of producing a concept paper prior to writing up a research proposal is to brainstorm on various ideas, seek alternatives, and come to a mutual understanding on the general concept of the proposed research, between the student and the research supervisors. However, it should be noted that even if a concept paper is agreed between a student and a supervisor, it should not be taken rigidly. Flexibility should be exercised to improve the research proposal as a student goes along in the process. Concept papers can help a student to stay focused and not lose track during the preparation of the research proposal. Any comments or feedback to this paper is most welcome.

2. Background of the study

Nations around the globe strive to achieve growth for the betterment of the livelihoods of its people and to increase the standard of living of the community. Countries vary in their stage of development and the income inequality between countries separate the rich from poor countries. The World Bank categorizes countries into three main categories based on national income per capita (McConnell, Brue, & Flynn, 2015). They are, high-income, upper-middle-income, and low-income countries. High income countries or the developed countries include the United States, Japan, Canada, Australia, New Zealand, and most countries of the western Europe, while the rest of the countries of the world (in the middle and low-income category) are considered developing countries (McConnell et al., 2015). However, Khokhar and Serajuddin (2015) questioned the appropriateness and relevance of classifying the term “developing world” as they believed that it was becoming less relevant and that there were targets for the whole world (such as the Sustainable Development Goals which replaced the Millennium Development Goals) rather than for a specific group of countries. Subsequently, World Bank ceased to differentiate between “developed” and “developing” countries in the presentation of its 2016 edition of World Development Indicators (for full report see World Bank, 2016). Nevertheless, the authors were inclined to distinguish between the developing and developed countries for the purpose of this paper and hence, these terms have been used due to its prominence in the literature.
Developing countries rely heavily on foreign aid for economic growth (Dowling & Valenzuela, 2010). Foreign aid, formally recognized as Official Development Assistance (ODA), is the aid provided by a government to a developing country to assist in its economic development (OECD, 2016). Organization for Economic Cooperation and Development (OECD)’s Development Assistance Committee (DAC) list of ODA recipients are classified into, least developed countries, other low income countries, lower middle income countries, and upper middle income countries. Aid is channeled to developing countries through bilateral or multilateral sources. Bilateral sources are governments while multilateral sources include agencies such as the World Bank, Asian Development Bank, Islamic Development Bank, African Development Bank, and the United Nations.

International Development (ID) projects are a standard modus operandi practiced by multilateral sources to provide assistance in the form of loans or grants to developing countries. Multilateral donors have various methods of project formulation and implementation. For example, the World Bank designs the project with the consultation of the stakeholders, especially the recipient country, and empowers the project team on the ground to deliver the project with the role of the Bank being supervision (Ika, 2015). ID projects are in most cases implemented by the government of the recipient country. ID project management becomes increasingly important to successfully implement these projects due to the high profile stakeholders involved. There are however, a lot of criticisms on governments on managing and implementing ID projects.

2.1. Country context

Maldives is an archipelago in the Indian Ocean consisting of around 1,190 islands with only 200 island being inhabited. Maldives is currently positioned in the category of an upper middle income country (OECD, 2015). With a population of 401,000, the country has a gross national income per capita (Atlas method) of US$6,410 (World Bank, 2014). Being a developing country, Maldives receives foreign aid in different modes. According to the Maldives’ state budget proposed to the parliament for the fiscal year 2016, total forecast foreign aid expected for the year 2016 is USD307.21 million. They include USD180.24 million for ID project loans, USD76.97 million for ID project grants and USD50 million as budget support (Ministry of Finance and Treasury, 2015). The portfolio of ID projects in Maldives include projects on infrastructure, harbors, sewerage and drainage networks, environment, energy, fisheries, agriculture and governance projects. The Ministry of Finance and Treasury of the Maldives acts as an executing agency for all ID projects while the relevant line ministry acts as the implementing agency. In most cases, a Project Management Unit (PMU) is set up within the implementing agency with the overall responsibility of implementing the project. PMU is staffed by either government employees of donor funded contract staff (Yamin & Sim, 2016).

2.2. Critical success factors and project success

Critical success factors (CSFs) and project success factors or criteria are sometimes used interchangeably in the literature. However, it should be noted that these two terms are not synonymous and has distinguished meanings. CSFs in general terms, are events, conditions, drivers, or elements required for the attainment of goals or objectives while project success criteria refers to the measures which will determine whether the project attained its intended goal. The most well-known criteria of measuring project success has been time, cost and quality, popularly known as the “iron triangle” (Atkinson, 1999). However, several contemporary researchers have suggested that project success should be measured in a broader aspect rather than limiting it to these criteria (Brière, Tremblay, & Daou, 2015; Hodgson & Cicmil, 2006; Ika & Hodgson, 2014). For example, Lim and Mohamed (1999) suggested to gauge project success on a micro-viewpoint (criterion to be “completion”) and a macro-viewpoint (criterion to be “completion” and “satisfaction”). Hence, researchers (such as Haslinda Sutan Ahmad Nawi, Azizah Abd. Rahman, & Othman Ibrahim, 2012; Shenhar, Dvir, Levy, & Maltz, 2001; Wit & de Wit, 1988) have highlighted the importance of considering the stakeholders viewpoint. In an ID project, for example, a donor may view a project satisfactory while the beneficiaries may not have been fully satisfied with the outcome of the project. Therefore, project stakeholders may have contradictory view on the success of a project. Stakeholders’ viewpoints need to be captured in order to better understand their perspective which will in turn lead to a more accurate determination of project success.

CSFs have been studied extensively in the field of project management and in the context of ID projects (such as Ika, Diallo, & Thuillier, 2012; Khang & Moe, 2008; Kwak, 2002; Vickland & Nieuwenhuijs, 2005; Yamin & Sim, 2016). However, these studies focused on identifying CSFs quantitatively and arrived at a universal set of CSFs which can be generalized. Due to the complex nature of ID projects, there is a strong urge to study
CSFs by a qualitative approach (Ika et al., 2012; Yamin & Sim, 2016). Furthermore, Ika and Hodgson (2014) suggested to view ID projects from a critical perspective to better understand the nature of projects.

2.3. Theoretical lens

With the advancements in technology and infrastructure, project management evolved as a field of social practice in the aftermath of the second World War in 1950s (Hodgson & Cicmil, 2006). Project management in ID branched out from conventional project management during the same time and both conventional and ID project management researchers heavily subscribed to functional, instrumental rationality, objectivity, reductionism, and universal validity (Ika & Hodgson, 2014). However, researchers (such as Hodgson & Cicmil, 2006; Ika & Hodgson, 2014) argued that there is a fundamental error in this traditional “mainstream” approach of project management and an alternative approach is required. For example, much of the project management literature and research has focused on improving traditional models and identifying CSFs, assuming that such an idealistic objective model existed in the project management practice (Hodgson & Cicmil, 2006; Söderlund, 2004).

In fact, Packendorff (1995), more than 20 years ago, criticized traditional project management research by stating that project management was viewed as a general theory and that projects are considered as “tools”. Ivory and Alderman (2009) finds that traditional project management is rooted in the logic that application of tools and techniques rationally, based on command and control determines the outcome. Subsequently, Packendorff (2013) suggested to explore alternative theoretical perspectives considering “project” as a metaphor; phenomena of projects as cases; and perspective and audience of the research. This notion was built on to his earlier proposition of constructing middle range theories according to the types of projects, focusing on research on expectations, action, and project learning (Packendorff, 1995).

Based on the need for a critical perspective for projects, Hodgson and Cicmil (2006) suggested three main recommendations for future research. They are, to view project and program management as a non-neutral social phenomena, occurring as a social construction between individuals and groups resulting from their interaction; to re-analyze the issue of performativity of developing knowledge and practices such as CSFs and seeking beyond the iron triangle measure of project success; to better understand local contexts, lived experiences, stakeholders self-perception and how it impacts their social role. Similarly, Ika and Hodgson (2014) believe that ID project research should be explored from a critical social theory, taking viewpoints of the post development, Habermasian, Foucauldian, and neo-Marxism viewpoint.

3. Problem statement

According to Hermano, López-Paredes, Martín-Cruz, and Pajares (2013), project failures in ID projects are so common that it has become rather a norm and not an unusual occurrence. The Independent Evaluation Group of the World Bank reported that a quarter of the projects and programs funded by the World Bank were failures (Kusek, Prestidge, & Hamilton, 2013). Furthermore, International Finance Corporation of the World Bank reported that only 50% of their projects in Africa were able to be successfully completed. Perhaps, one main reason for the failures can be attributed to the fact that donors are constantly pressing the governments to show positive results from donor funds even with the limited capacity of the implementing agencies (Kusek et al., 2013).

ID projects in Maldives, too, have a fair share of issues. Critical issues impeding successful implementation of ID projects have been reported by the Auditor General’s Office of the Maldives during the audit of some of the ID projects implemented by various government agencies. One of the most frequent issue reported has been the failure on the part of the contractor or consultant in delivering the goods or services. Taking a case for example, the Maldives environmental management project funded by the World Bank, contracted a local party to construct and supply a waste transfer vessel (contract price amounting to USD497,702), within 10 months. Later, a time extension of 45 days was given to the contractor and yet, the contractor failed to deliver. Subsequently, the procurement was put on hold and was not completed. It was also noted that the project failed to achieve one of the key objectives, by the closure of the project in June 2015 (Auditor General’s Office, 2015c).

Other issues highlighted in the audit reports include, non-compliance issues such as the implementing agencies not submitting the required reports and plans to donors on time (Auditor General’s Office, 2015a, 2015f), not recording financial transactions properly, and not following the guidelines on maintenance of fixed assets (Auditor General’s Office, 2015c, 2015g). Furthermore, project delays due to political reasons were of major
concern. For example, it was stated in the financial statement audit report (for the financial year 2014) of the “Strengthening institutional capacity of key national trade facilitation agencies to deepen Maldives’ capacity to competitively engage in international trade in goods and services” project that the original start date had to be delayed due to the presidential elections in 2013 where policy was not finalized until the new administration came into power and a tripartite arrangement being agreed subsequently (Auditor General’s Office, 2015f, p. 3). Hence, the project completion has been delayed and a time extension for the project has been agreed by the donor. A summary of the issues reported in the financial statement audit reports of ID projects audited and published by the Auditor General’s Office in 2015 is presented in Table 1.

Table 1. Summary of issues reported in the audit reports of ID projects audited by the Auditor General’s Office in 2015.

<table>
<thead>
<tr>
<th>Project</th>
<th>Donor</th>
<th>Implementing agency</th>
<th>Audited period</th>
<th>Reported issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Building Institutional Capacity of the Ministry of Economic Development and National Implementing Agencies to Implement National Trade Agenda, including Enhanced Integrated Framework Project – Tier 1</td>
<td>United Nations Office for Project Services (UNOPS)</td>
<td>Ministry of Economic Development</td>
<td>1 Jan 2014 – 31 Dec 2014</td>
<td>Failure to develop and implement standard operating procedures according to the work plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Failure to complete proposals for Tier 2 project</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Failure to submit some financial and narrative reports to the donor on time</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Project kick-off delayed due to political reasons</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Failure of contractor to construct and supply a Waste Transfer Vessel, on time and failed to achieve the objective of the project</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Improper financial management – failure to record cash advances for travel and failed to maintain adequate records</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Failure to maintain the fixed asset register, improper classification and recording of assets, some assets not recorded, and failed periodic physical verification</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Failure to include fine or penalties in the contract with the contractor for delayed deliverables or non-delivery</td>
</tr>
<tr>
<td>7. Wetland Conservation and Coral Reef Monitoring Project</td>
<td>World Bank</td>
<td>Ministry of Environment and Energy</td>
<td>1 Jan 2014 – 20 Jan 2015</td>
<td>Failure to maintain the fixed asset register – not updated since 2013, some assets not recorded, and failed periodic physical verification</td>
</tr>
</tbody>
</table>


4. **Research aim and objectives**

The aim of the proposed study is to explore success of ID projects as perceived by practitioners, in the context of Maldives as a case. The following research objectives have been formulated to achieve the aim of the study:
1. to identify the challenges facing ID projects in Maldives;
2. to explore the CSFs of ID projects in Maldives as perceived by the practitioners;
3. to identify project success criteria of ID projects in Maldives;
4. to determine an appropriate theoretical underpinning to the phenomenon of CSFs and project success of ID projects in Maldives.

5. Research questions

For a qualitative study, Creswell (2007) suggests to have an overarching central question that covers the entire study followed by issue sub-questions and procedural sub-questions. Accordingly, the overarching central question for this study is: **How to achieve success of ID projects in Maldives?** The issue sub-questions are:

1. What are the perceptions of stakeholders of ID projects on project success?
2. What factors contribute to success of ID projects?

Further to the research questions, procedural sub-questions will assist in achieving the objectives and to link the research objectives and research questions when collecting data (Creswell, 2007). The procedural sub-questions that will assist in this case study research are:

1. How might issues of ID projects in Maldives be described, as perceived by practitioners?
2. What themes emerged from identifying the CSFs of ID projects in Maldives?
3. What themes emerged on project success of ID projects, as perceived by the practitioners?
4. How would the emerging themes be interpreted within project success/critical theories?

6. Brief methodology concept proposed for the study

The study will be based on a qualitative case study methodology. According to Yin (2011, p. 307), case study can be defined as “a study of a particular case or set of cases, describing or explaining the events of the case(s)”. The qualitative case study will allow the researcher to engage in an inductive investigative strategy, the researcher being the primary research instrument, to find out the meaning and understanding of the respondents of the research on the research questions and will lead to a rich, descriptive account at the end (Merriam & Tisdell, 2016). Yin (2011) asserts that a qualitative study may not have a fixed design and the researcher may customize the design according to the study conducted.

7. Significance of the study

It has been identified that Maldives’ case requires an in-depth investigation into its ID projects since the field of project management is in the infancy stage in Maldives, in addition to the limited empirical research available on the country’s ID projects (Yamin & Sim, 2016). There is a growing need to understand the phenomena due to the issues reported on ID projects in Maldives as highlighted in section three. Better knowledge and understanding of ID projects in Maldives, will not only assist ID projects’ practitioners to steer the project in the right direction but will also inform policy makers on how to better align public policies relating to ID projects. Furthermore, the study will contribute to the project management body of knowledge where researchers have identified a theory-practice gap of the misalignment of the theoretical frameworks of project success and CSFs, in the field of ID projects.

References


Auditor General’s Office. (2015a). *Auditor General’s report - Building institutional capacity of the Ministry of Economic Development and national implementing agencies to implement national trade agenda, including enhanced integrated framework project. Male’.*


Auditor General’s Office. (2015f). *Auditor General’s report - Strengthening institutional capacity of key national trade facilitation agencies to
deepen Maldives capacity to competitively engage in international trade in goods and service. Male’.


