

# Factors Affecting the Quality of Projects Funded By the National Government Constituencies Development Fund: A Case Study of Machakos County

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**Abstract:** Quality management is a recent phenomenon but very important for an organization. Advanced civilizations that supported the arts and crafts allowed clients to choose goods meeting higher quality standards rather than normal goods. Implementing quality standards in projects can significantly improve the performance of an organization. Faulty projects can highly be minimized through the improvement of quality. Most public organizations have not been in a position to efficiently improve the quality of their projects. The general objective of the study was to determine the factors affecting the quality of projects in the National Government Constituencies Development Fund. The specific objectives were; To determine the effect of Procurement process in CDF in ensuring quality projects in the National Government constituency development fund; To investigate the extent to which Financial Management affect the quality of projects in the National Government Constituency Development Fund; To examine the effect of Risk management capabilities on the quality of projects in the National Government Constituency Development Fund; To establish the extent to which Monitoring and Evaluation affects the quality of projects in the National Government Constituency development fund. Literature review was conducted to establish the theoretical framework, conceptual framework and empirical review. The study also established the research gaps hence leaving room for other researchers to add on what others have done. The study employs a case study design of Constituencies within Machakos County. Open and close ended Questionnaires were administered to respondents as the data collection instruments and were tested for validity and reliability. Data analysis and presentation was done to help establish the factors affecting the quality of projects funded by the NG-CDF within Machakos County. The study found out that the Procurement process in CDF, Financial Management, Risk Management and Monitoring and Evaluation plays an important role in enhancing the quality of projects funded by the CDF. The study recommends that Constituencies accord importance and relevance to holistic Total quality Management in all their procedures to ensure the realization of Value for money and quality projects.

**Keywords:** Public project procurement, quality of projects, Procurement procedures, Constituencies development fund.

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## 1. INTRODUCTION

Quality management is a recent phenomenon but very important for an organization. Rapidly advanced technology, increasing complexity of projects and growing competition in the market have made project management essential for many organizations. The enlightened public of the twenty first century has continually demanded good governance, proper monitoring and evaluation of public projects (and therefore funds) as well as total compliance to the law by officer given the responsibility to manage public funds as contained in a recent report by National Tax Payers Association (NTPA, 2010).

There is also increasing demand by the public and other government services consumers world over for timeliness in materials, goods and services availing by the public procuring entities to enhance efficiency, effectiveness, transparency and accountability by various user departments; all these are captured in the World Bank Procurement guidelines (World Bank; 2005) objectives of; maximization of economy and efficiency, promotion of competition and fair treatment of competitors, integrity promotion and fairness of procedures, increasing transparency and accountability of procedures, increasing public confidence of the said procedures and facilitation of promotion of local industry and economic development. It is critical to note that most government policies and procurement reforms, guidelines and regulations (world over) were customized from World Bank procurement guidelines likewise Government of Kenya.

Modern models of assessing the viability of an investment or project such as Constituency Development Fund needs to consider the time value of money and appreciate the fact that a shilling received now is more viable than a shilling received in five years' time and that the two can only be compared if they are of the same value that is after discounting them (Manasseh, 2009). With this in mind, the enlightened Kenyan public has come to demand timely procurement materials and services for CDF projects to be accelerated so as the project money does not lose value due to the delay caused by the procurement process; in fact, this has made the public to demand supplies as planned in the project schedule as well as the project procurement plan.

Chopra (2005) noted that, procurement is a special function in the firm (and the GOK therefore) since by its mandate as the supplies acquiring function of GOK funds, manages the expenditure of close to seventy percent (70%) of a firm's (and the GOK) budgetary allocation. (KNBS 2003 to 2008) reveals that procurement activities utilize 42.2 % of the GDP; with this in backdrop, it will be critical to ensure that the procurement process which help the organization (and thus the GOK) acquire her supplies are filtered all cost adding processes so as to remain with value adding processes only. Procurement is not a stand-alone exercise in an organization-CDF operations alike-and therefore must be ably accompanied with the right entrepreneurial attitude of SMES constituency bidders, good governance, professional monitoring and evaluation as well as incremental capacity of the bidding SMEs so as to realize increased performance of the CDF funded projects.

For CDF operations, procurement has remained questionable to all stakeholders (ranging from the members of parliament-MPs, the public, private firms, suppliers and Community based Organizations-CBOs) with a lot of grey areas ranging from tender or quotation advertisement, opening process, unjustified tender/quotations evaluation, unclear awarding of the bids as well as inactive or total lack of a receipt, inspection and acceptance committee. Professionals have also pointed a finger at entrepreneurial attitude of SMEs meant to bid for supply of materials, goods and services, governance has been an issue as contained in a report by the International Governance Institute (IGI Kenya, 2010) as well as Monitoring and Evaluation as pointed out by a recent NIMES (2009/2010) report which reports that it is difficult for one to effectively determine whether or not M & E of CDF projects is done as expected of an M & E exercise. The effect of these factors is that various CDF projects, nearly 60 %, remain behind schedule or abandoned (Mutunga, 2009). It is critical to note that CDF will remain ineffective, misappropriated, embezzled and thus remain under performing if procurement process is poorly done, SMEs remain with a don't care attitude, there is poor governance and political interference, monitoring and evaluation processes is poorly done as well if the SMEs do not strive to improve their capacity.

Streamlining of CDF operations especially procurement process, entrepreneurial attitude change by constituency SMEs, proper governance free of political interference, monitoring and evaluation urgently need re-engineering so as to be geared towards attaining value for money through these very factors enhancing performance of the CDF funded projects as well as not being a perpetual hindrance to Constituency Development Fund projects as has been the case since its inception in 2003 through the CDF Act 2003. The unnecessary processes that make the total acquisition cost (TAC) of items to be expensive rather than economical need policies to be put in place and Public Procurement Oversight Authority (PPOA) and other supervisory government agencies mandated and facilitated to enforce so that delays of CDF funded projects becomes a thing of the past which will go a long way in ensuring that the tax-payer gets value for money through timely services provision by CDF and attains the Kenya Vision 2030 by individually and collectively making their constituencies (and thus Kenya) "globally competitive and prosperous with a high quality of life by the year 2030" (Ministry of State for Planning, National Development and Vision 2030; GOK).

Customers recognize that quality is an important attribute in products and services. Suppliers recognize that quality can be an important differentiator between their own offerings and those of competitors (quality differentiation is also called the quality gap). In the past two decades this quality gap has been greatly reduced between competitive products and services (Ichijo, 2007). This is partly due to the contracting (also called outsourcing) of manufacture to countries like India and China, as well internationalization of trade and competition. These countries amongst many others have raised their own standards of quality in order to meet International standards and customer demands. The ISO 9000 series of standards are probably the best known International standards for quality management (CEIM, 2009).

The influence of quality thinking has spread to non-traditional applications outside of walls of manufacturing, extending into service sectors and into areas such as sales, marketing and service. Thus quality is closely associated with Ethics (Kimani, 2010). A good service would always be able to fulfill customer needs if it is able to follow ethics in its true spirit. A service or product that has been poorly designed carries liability. On the other hand if the organization has followed ethics to manufacture a product or service, it would be able to provide a quality product or service to its customer (Mbachu, 2007).

### **Statement of the problem:**

There have been numerous complaints by various groups notably scholars, researchers, professionals and consultants alike that CDF projects lack clear guidelines on how they need to be managed. A research by Rutere (2009) reveals that procurement is a cause of stalling of CDF projects in North Imenti Constituency; a similar research by Wambugu (2008) in Dagoretti Constituency reveals that poor financial Management in CDF projects has led to underperforming of CDF projects as well. The government needs to realize that CDF office is a whole development entity like any other (such as other GOK ministries, state corporations, GOK departments, parastatals, Schools and Colleges, Universities, city councils and municipal councils among others) and needs to have her officers trained (or competent ones hired) on procurement process, Financial Management, Risk management, effective monitoring and evaluation to ensure that Kenya realizes her Vision 2030 via constituency development (and the country's development by reflection). The speed at which the government deals with the grey areas of CDF funded projects management will determine the realization of the Kenya Vision 2030 through the well-intended devolved CDF fund.

The public has also raised questions about some members of the CDFC are ill informed about project management and therefore put in doubt their ability to manage and govern the CDF funded projects effectively. Scenarios of some ghost projects has also become rampant and the question is if real time monitoring and evaluation is done to make sure that projects being implemented are on schedule without misappropriation of public funds. This results to majority (over sixty percent, 60 %) of CDF projects delay, stalling or abort since the procurement process is not justifiable; one wonders whether there is a policy about CDF projects procurement process on how it's supposed to be done, training the staff on Financial and Risk Management, monitoring and evaluation criterion is highly questionable.

Members of parliament have continually cried foul over delayed procurement process as being one of the stumbling blocks to the development initiatives of their constituencies. The performance of the CDF is to be determined or measured by reduction in poverty index, improved infrastructure, better education facilities, improved health care as well as completion of the said CDF funded projects. It is upon this that this study investigated the factors that affect the quality of CDF projects in Kenya, particularly in Machakos County that have continually made poverty index to go up, instead of reducing and the public not having a better quality of life which is the core objective of the CDF as stipulated in the Act 2003 (CDF Act, 2003).

### **Objectives of the study:**

The main purpose of the study is to find out factors that affect the quality of projects in the National Government constituency development fund in Kenya.

The specific objectives of this study were:

- i) To determine the effect of project Management in ensuring quality projects in the National Government constituency development fund.

- ii) To investigate the extent to which Financial Management affect the quality of projects in the National Government Constituency Development Fund.
- iii) To examine the effect of Risk management capabilities on the quality of projects in the National Government Constituency Development Fund.
- iv) To establish the extent to which Monitoring and Evaluation affects the quality of projects in the National Government Constituency development fund.

## 2. THEORETICAL BACKGROUND

This research mainly focused on factors affecting the quality of projects in the National Government Constituency Development Funds. The underpinning theories included; System theory , Normative finance theory and Stakeholder theory.

### **System theory:**

Systems theory is an interdisciplinary theory about every system in nature, in society and in many scientific domains as well as a framework with which we can investigate phenomena from a holistic approach (Barrett, 2010). According to PPOA (2007), the public procurement system in Kenya has been undergoing reforms consistent with the global trend since the mid-1990s, most notably within the periods covering 1997-2001 and 2005. According to (Ebrahim, 2010), before these reforms, the legal framework governing public procurement was very amorphous, providing a conducive environment for the perpetration of various malpractices in public procurement including the endemic corruption that characterized the system. This was realized through the creation of the Public Procurement Directorate (PPD) system to oversee the public procurement process in Kenya and the Public Procurement Complaints, Review and Appeals Board (PPCRAB) to handle tendering disputes Act (Public Procurement, Regulations, 2007). The theory informs the current study by suggesting that the public organizations should put measures in place to oversee development and implementation of the public procurement policy.

### **Normative finance theory:**

A theory of corporate financial management is summarized from the broad flow of finance literature. Within this, contributions to a normative theory, amenable to corporate financial modeling, are reviewed in some detail. The central propositions of a normative theory are isolated to provide a basis of comparison for the practice of financial modeling, as observed through a field research study (Jensen, 2001). Differences between theory and practice are identified and discussed. Compared with the experience of ten years ago, computer-based financial modeling systems are today gaining much greater acceptance in business organizations. Despite this, a wide gap seems to exist between the information and logic structures programmed into financial models, and the precepts and algorithms derived from a normative theory of corporate financial management (Atrill, 2002).

According to Morris (2002), implementation difficulties in three main, but interdependent, areas are identified as causing the gap between theory and practice. First, there is the difficulty of constructing relevant information in a form which would be meaningful in a normative framework. According to Jensen (2001), the broad set of managerial activities of an organization, there are several relevant logic structures, including: a financial accounting structure; an economic structure dealing with cash flow, economic value, and marginal rates of return to investment; operating information structures dealing with the conduct of an organization's work; and strategic information structures dealing with an assessment of the external and internal human needs which provide a rationale for an organization's present and future existence (Brigham, 2011).

The systematic provision of information in each logical mode, and the translation between modes, poses a considerable intellectual and practical challenge. Then there is the problem of dealing satisfactorily with strategic uncertainty, and the way that uncertainty is distributed within the managerial organization (Cohen, 2011). Finally, multiple and conflicting goal dimensions pose considerable problems in terms of an explicit modeling of a corporate objective function. Beyond the intellectual difficulties, moreover, there are political dimensions which cause a reluctance to address an objective function explicitly and directly.

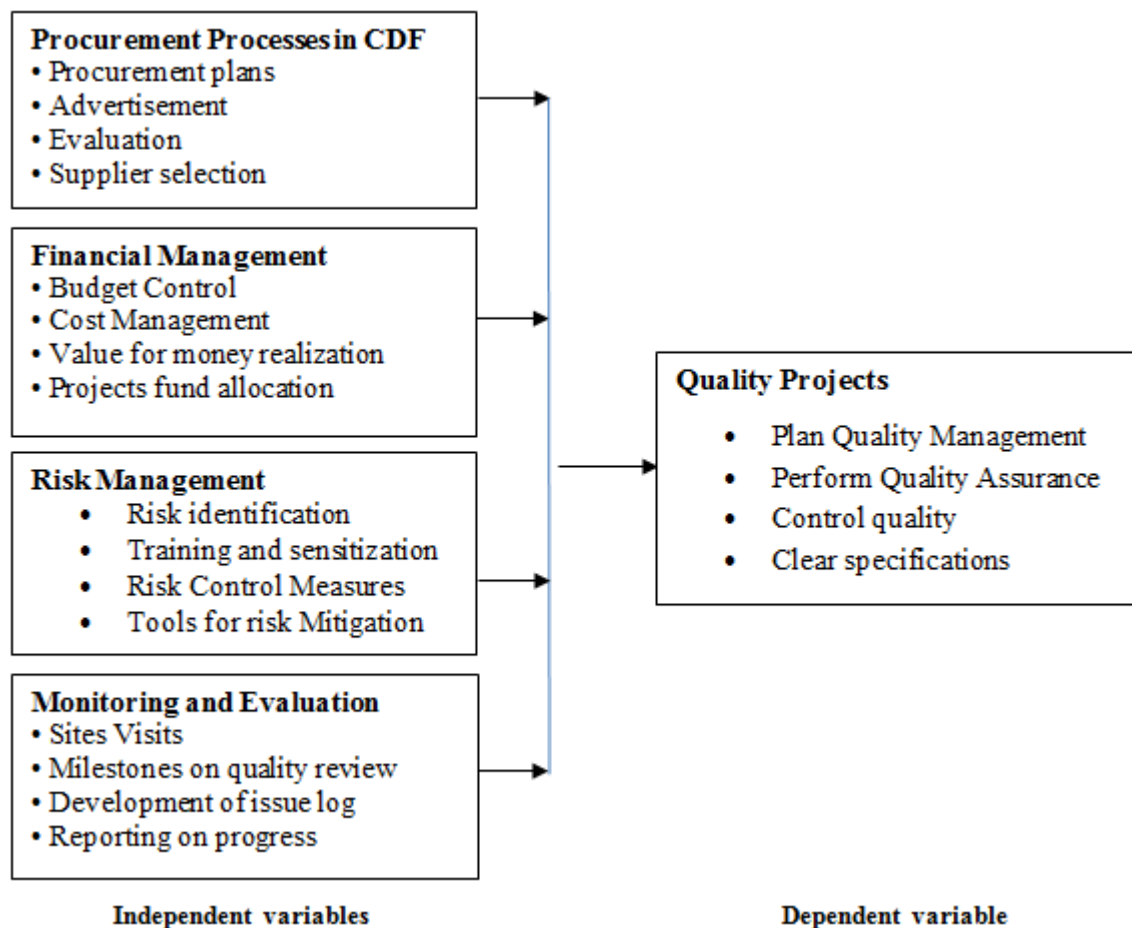
Normative finance theory provides a powerful logic for designing information and decision-making structures to support corporate planning (Paramasivan,2009).At present, however, the research reported in this survey paper suggests that the finance model is incomplete, particularly with regard to inclusion of behavioral and political dimensions of organizational processes under uncertainty. Finally, the reader should be forewarned that the literatures referenced in this survey are somewhat disjoint, involving different concepts, language and paradigms. This means that the paper's jargon level to most readers will remain high, even after the authors' attempts to minimize it (Atrill, 2002).

#### Stakeholder theory:

Stakeholder theory, developed originally by Freeman (2004) as a managerial instrument, has since evolved into a theory of the firm with high explanatory potential. Stakeholder theory focuses explicitly on equilibrium of stakeholder interests as the main determinant of corporate policy. The most promising contribution to risk management is the extension of implicit contracts theory from employment to other contracts, including sales and financing Cornell,(2007). In certain industries, particularly high-tech and services, consumer trust in the company being able to continue offering its services in the future can substantially contribute to company value. However, the value of these implicit claims is highly sensitive to expected costs of financial distress and bankruptcy. Since corporate risk management practices lead to a decrease in these expected costs, company value rises (Klimczak, 2005). Therefore stakeholder theory provides a new insight into possible rationale for risk management. However, it has not yet been tested directly. Investigations of financial distress hypothesis (Smith and Stulz, 1995) provide only indirect evidence (e.g. Judge, 2006).

#### Conceptual Framework:

A concept of the framework is the structure of concepts which are put together as a map for the study, and it shows the relationship of research variables (Mugenda&Mugenda, 2008). The dependent variable responds to the independent variable (Everitt, 2002).The conceptual framework is used to explain the relationship between the independent variables and the dependent variable





### 3. RESEARCH METHODOLOGY

This study used descriptive survey design. Mugenda and Mugenda (2003) describes survey design as ideal for collecting data that is intended to describe a populations characteristics that is too large to observe directly. Further, Oso (2009) observes that survey design involves seeking information using questionnaires or interviewing to a sample of individuals and usually information about people's attitudes, opinions and habits.

A population is defined as a complete set of individual, cases or objects with some common observable characteristics, Kamau, (2014).The target population for this study was the staff working in the National Government Constituencies development Fund within Machakos County. The population comprised of 50 procurement staff and Fund Managers working in the Constituencies. The researcher opted for this composition of respondents since they are directly involved in the projects and thus have the first hand information sought by the study.

A sample is a set of respondents selected from a large population for the purpose of survey (Mugenda and Mugenda, 2003).Table 3.1 illustrates the sample and the sampling procedure.

**Table 3.1: Sample frame**

|                            | Staff | sample     | Fund managers. |              |                           |
|----------------------------|-------|------------|----------------|--------------|---------------------------|
| Constituency               | x     | 40% Sample |                | Total Sample | Sampling Method           |
| Machakos Town constituency | 24    | 10         | 1              | 11           | Simple Random & Purposive |
| Kathiani Constituency      | 6     | 2          | 1              | 3            | Simple Random & Purposive |
| Mwala Constituency         | 12    | 5          | 1              | 6            | Simple Random & Purposive |
| Athi-River Constituency    | 8     | 3          | 1              | 4            | Simple Random & Purposive |
| TOTAL                      | 50    | 20         | 4              | 24           |                           |

A total of 24 respondents were randomly sampled from a population of 50 NG-CDF staff. Out of this number, 20 NG-CDF staff was selected by getting a 40% from each Constituency sampled as recommended by Bell (2010). Similarly, a total of 4 Fund managers were purposively sampled. Purposive sampling method for Fund managers was used as the target population was not big enough to warrant use of random sampling. To ensure that an equal, known and non-zero chance when selecting the participants, probability sampling was employed to get the NG-CDF staff sample. Staff in each Constituency was numbered and those numbers written on small pieces of paper and put in different containers. Using simple random sampling, the required number of staff was selected from each constituency by picking even numbers only until the desired number was arrived at.

Research instruments are data collection tools that a researcher uses to collect data scientifically. They include questionnaires, interview guides and observations, among others. However, this study used questionnaires. According to Kasomo (2007), a questionnaire is a carefully designed instrument used for collecting data directly from the people. This study preferred to use questionnaires because they are relatively cheap to prepare and easy to administer as compared to other methods used for data collection. Both structured and open ended questionnaires were used.

Pilot study was conducted to establish the reliability and validity of the questionnaire to ensure the questionnaire is well set and the respondents can freely answer the questions. This helps determine if to use close or open ended questions in relation to the respondents reaction in answering the questions. Thus before using a questionnaire as a data conducted in the neighboring county that was not part of the study. Ten questionnaires were distributed within the county.

According to Kombo (2006) data analysis refers to examining the collected data in a survey in order to make deduction and an inference. The analysis involved comparisons of data obtained from the various constituencies to enable a more detailed investigation to determine whether the factors affecting quality projects in NG-CDFs were similar or otherwise across the constituencies. Data collected from the different constituencies was compared against one another to enable the study establish congruency or otherwise of the challenges within the constituencies.

Regression analysis was conducted to show the strength of the relationship between the dependent and independent variables.

The regression model was:

$$Y = \beta_0 + \beta_1\chi_1 + \beta_2\chi_2 + \beta_3\chi_3 + \beta_4\chi_4 + \epsilon$$

Whereby:

$Y$  = Quality Projects

$\beta_0$  = Constant term

$\beta_1, \beta_2, \beta_3, \beta_4$  = Beta coefficients

$\chi_1$  = Procurement Process in CDF

$\chi_2$  = Financial Management

$\chi_3$  = Risk Management

$\chi_4$  = Monitoring and Evaluation

$\epsilon$  = Error Term

#### 4. RESEARCH FINDINGS AND DISCUSSION

##### Return Rate:

The study targeted 24 respondents out of which 18 questionnaires were filled and returned giving a response rate of 75%. This response rate was good and representative and conforms to Mugenda and Mugenda (2009) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent.

Table 4.1: Response return rate of questionnaires issued to procurement staff

| Respondent Type   | Targeted Questionnaires |            | Returned Questionnaires |            |
|-------------------|-------------------------|------------|-------------------------|------------|
|                   | Frequency               | %          | Frequency               | %          |
| Procurement staff | 24                      | 100        | 18                      | 75         |
| <b>Total</b>      | <b>24</b>               | <b>100</b> | <b>18</b>               | <b>100</b> |

##### Gender Distribution of the Respondents:

Figure 4.1 shows that there were 56% male participants while 44% were female. This is an indication that male participants outnumbered their female counterparts. Nevertheless, this disparity had no negative effect on the outcome of the study. Hence, one can safely say that both genders were well represented.

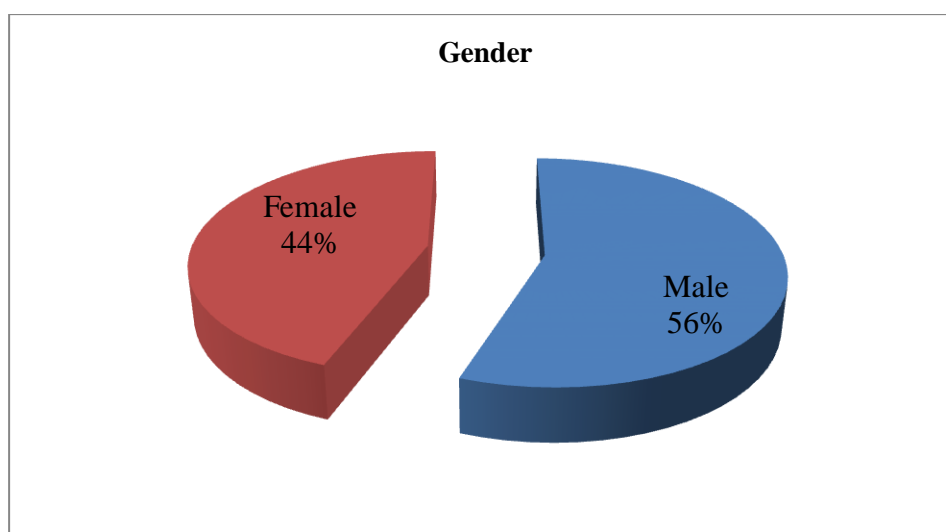


Figure 4.1

**Age Distribution of the Respondents:**

The study sought to establish the age of the respondents. Tables 4.2 below represent those findings.

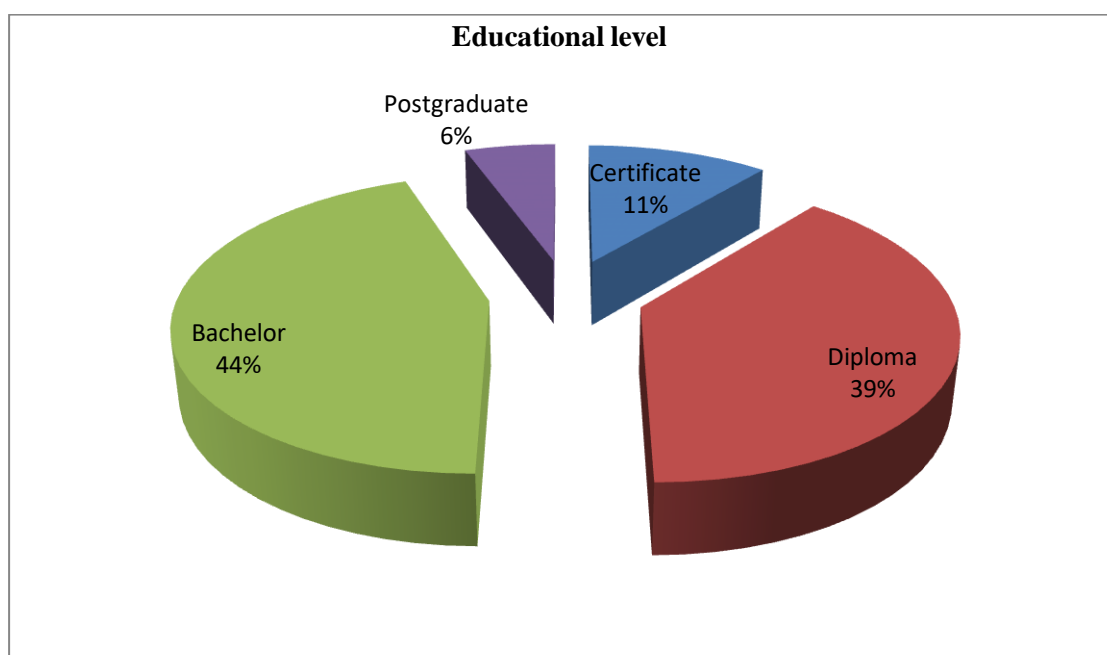
**Table 4.2: Age distribution**

| Age          | Frequency | Percentage |
|--------------|-----------|------------|
| 18-24        | 4         | 22         |
| 25-35        | 9         | 50         |
| 35-45        | 3         | 17         |
| 45-55        | 2         | 11         |
| <b>Total</b> | <b>18</b> | <b>100</b> |

Table 4.2 shows that 50% of the participants were in the age bracket of 25-35 years, 22% were in the age bracket of 18-24 years, 17% were in 35-45 age bracket while 11% were in the age bracket of 45-55. Therefore, the majority of the participants were between ages 25 – 35 years. This implies that majority of the staff were young and probably not very experienced.

**Educational Level of the Participants:**

The study sought to establish the academic qualification of the respondents. Their responses are presented in Figure 4.2 below.

**Figure 4.2: Educational Level**

The study shows that those who had attained bachelor's degree were the majority at 44% followed by diploma level at 39%, postgraduate at 6% while those with certificate qualification constituted 11% of the participants. This implies that participants had varied levels of education qualifications and therefore there was diversification in ideas and views.

**Work Experience:**

The study sought to establish the work experience of the participants. Table 4.3 shows their responses.

**Table 4.3: Work experience**

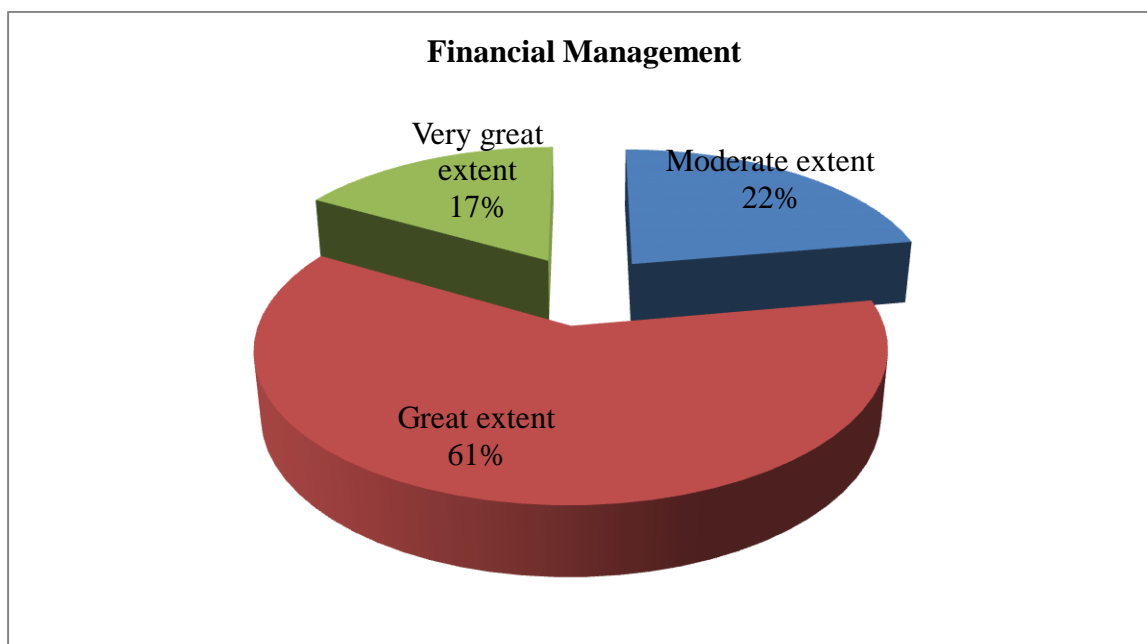
| Years        | Frequency | Percentage |
|--------------|-----------|------------|
| 5 & Below    | 10        | 56         |
| 6-10         | 6         | 33         |
| 20 & above   | 2         | 11         |
| <b>Total</b> | <b>18</b> | <b>100</b> |



The study showed that the participants who had five years of experience and below were the majority constituting 56% of the participants, 33% had between 6 and 10 years of experience while those with 20 and above years of experience were 11%. Hence majority of the participants had work experience of at most 5 years. This implies that, majority of the participants had little experience which could have impacted negatively on the quality of their work out put.

#### Financial Management:

The study sought to examine the extent to which the respondents thought about Financial Management as an influencing factor on the quality of NG-CDF funded projects. The results are presented in Figure 4.3



**Figure 4.3: Financial Management**

From the findings, 61% of the participants agreed to a great extent, 17% to a very great extent while 22% moderate extent. This translated to a majority of the participants affirmed that Financial Management to a great extent affects the quality of projects funded by the NG-CDF.

The findings of the study also agrees with that of Brigham (2013) which suggested that the basic concept of financial management is firm value management and prevention of problems in financial management of the firm. The goal of the financial management is to ensure well-being of owners or to increase market value of the firm or value generated by the organization, as well as sustainable development and long term solvency of the firm.

The study also sought to determine the level of agreement on various statements. The findings are as shown in Table 4.4.

**Table 4.4: Level of Agreement on Various Statement Based on Financial Management**

| Statements  | Mean | Std. deviation |
|---|------|----------------|
| The NG-CDF sets a budget for the approved project Proposals for every financial year.                       | 4.87 | 0.4368         |
| The department does not incur extra costs after the completion of projects.                                 | 4.47 | 0.55288        |
| All projects undertaken have always realized value for money in return.                                     | 3.47 | 0.46824        |
| Funds allocated for given line of projects are transferred to other projects unless with an emergency case. | 3.68 | 2.46832        |

The findings deduced that the respondents strongly agreed that the CDF sets a budget for all approved project proposals in every financial year and that they do not incur extra costs after project completion as expressed by a mean of 4.87 and 4.47 respectively. They also moderately agreed that they always realize value for money in return and that funds allocated for given line of projects are not transferred to other projects unless with cases of emergencies as expressed by a mean score of 3.47 and 3.68 respectively.

From the findings, it clear that the CDF always has a set budget all approved projects within a financial year, this implies that only approved project proposals are funded. According to Atrill (2002) the basic concept of financial management is firm value management and prevention of problems in financial management of the firm. It is evident that majority of the Constituencies practice Financial management thus giving assurance to stakeholders that the set targets will be accomplished within the given time.

Most Constituencies had plans for technical, financial, managerial and implementation constraints for their strategic plans. This shows how prepared the Constituencies were in terms of having plans in place to mitigate against unforeseeable project quality challenges. The findings of the study agree with that of Brigham (2013) who suggested that financial management in the firm is a tool for achieving stable firm growth and long-term firm stability while problems in firm financial management lead to the inability of firms to ensure sustainable growth of their value.

From the findings, institutions have qualified staff in place for planning and budgeting the approved projects. This portrays the seriousness and focus that the organization has invested in a given task. It not only prepares the budgets but also help Constituencies to remain on course and within set schedule and plans towards implementation of quality projects. This agrees with the findings of NTPA (2010) recent report that there should be a total compliance to the law by officer given the responsibility to manage public funds.

#### **Risk Management:**

The study sought to examine the extent to which Risk Management affect the quality of projects funded by the NG-CDF. The findings are as shown in Table 4.5

**Table 4.5: Extent to which Risk Management affect the quality of projects funded by the NG-CDF.**

| Statements        | Frequency | Percentage |
|-------------------|-----------|------------|
| Small extent      | 1         | 6          |
| Moderate extent   | 4         | 22         |
| Great extent      | 6         | 33         |
| Very great extent | 7         | 39         |
| <b>Total</b>      | <b>18</b> | <b>100</b> |

The study shows that 33% of the respondents agreed to a great extent, 39% to very great extent while 22% agreed to a moderate extent and those agreed to a small extent were 6%. Majority of the respondents therefore agreed that Risk Management affects the quality of projects funded by the NG-CDF. The study also sought to determine the level of agreement on various statements based on Risk Management. The findings are as shown in Table 4.6.

**Table 4.6: Level of Agreement on Various Statement Based on Risk Management**

| Statement   | Mean  | Std. deviation |
|---|-------|----------------|
| Most of the risks are easily identified and action taken                      | 4.025 | 0.345          |
| The NG-CDF Staff are occasionally sensitized on risk issues                   | 4.053 | 3.723          |
| The Department has established risk control measures                          | 3.43  | 0.4395         |
| The department is able to mitigate risks before any extra costs are incurred. | 3.50  | 0.55299        |

From the findings, majority of the respondents indicated that they strongly agreed that most of the risks are easily identified and necessary action taken clearly showing that the CDF staff are occasionally sensitized on risk matters as expressed by a mean score of 4.025 and 4.053 respectively. They also moderately agreed that Constituencies have established risk control measures and that the Constituencies are able to mitigate risks before they cause great damages and extra costs to the organization as expressed by a mean score of 3.43 and 3.50 respectively.

Majority of the respondents therefore agreed that Risk Management is a key factor to the ensuring the quality of CDF funded projects. Majority agree that Risk Management will enhance quality improvement sustainability of CDF projects. This agrees with Brigham (2011) that Project risk response strategies require that the project team should begin in defining the steps for responses to opportunities and threats. A risk response is performed whenever, a new risk is identified, an existing risk changes, influential factors change or new information about the project surfaces.

#### Monitoring and evaluation:

The study sought to rate Monitoring and evaluation in NG-CDF funded projects. The responses are presented on Figure 4.4.

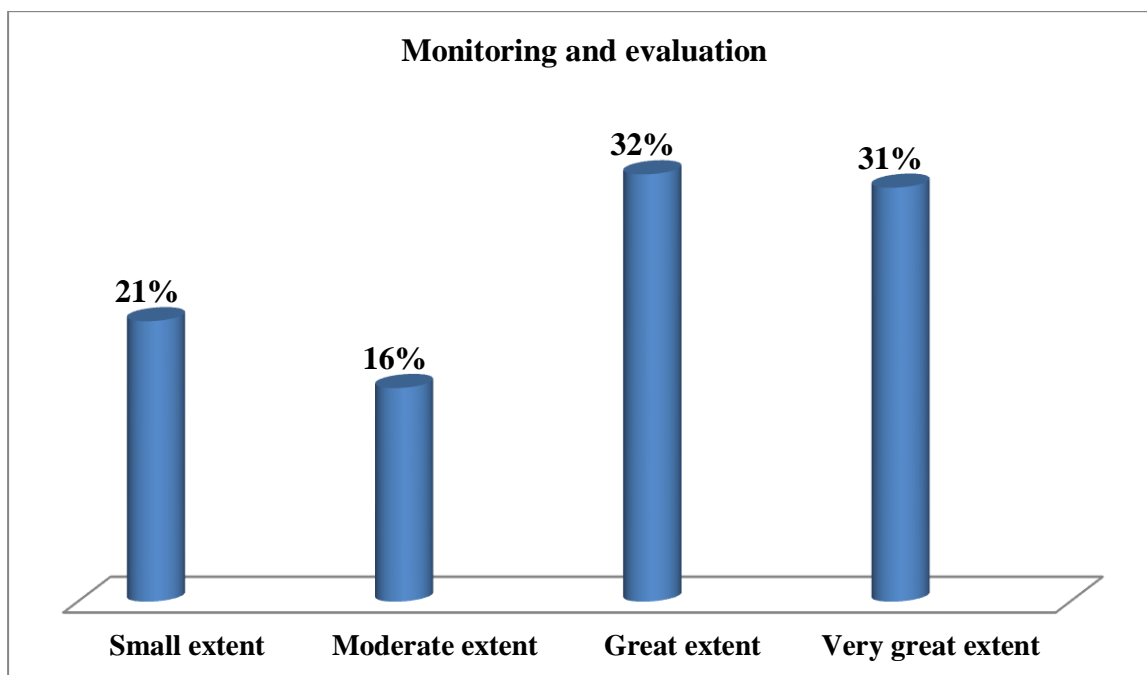


Figure 4.4: Monitoring and evaluation

Asked to rate the Monitoring and evaluation in their Constituencies, those who agreed to a very great extent were 31%, great extent 32%, small extent 21% while 16% agreed at a moderate extent. Therefore, going by the majority, the organizations are seen to be ready to monitor and evaluate their projects and ensure quality. This is a desirable attribute that can ensure quality projects always.

According to Nanda (2005), organizations have realized that the only way to understand how an organization operates is by increasing its monitoring efforts to ensure quality hence implementing a quality management system.

The study also sought to determine the level of agreement on various statements based on Monitoring and evaluation. The findings are as shown in Table 4.7

Table 4.7: Level of Agreement on Various Statement Based on Monitoring and evaluation

| Statement  | Mean | Std. deviation |
|--|------|----------------|
| The department organizes for site visits for ongoing projects regularly.                   | 4.42 | 0.92904        |
| The department evaluates projects on progress to ensure quality of projects.               | 3.72 | 0.56620        |
| The department always keeps an issue log for all projects in progress.                     | 3.51 | 0.95312        |
| The Monitoring and evaluation committee always gives a report on the Projects on progress. | 4.02 | 0.47492        |
| Monitoring and evaluation is done independently With no vested interest.                   | 2.88 | 1.04823        |

From the findings, majority of the respondents indicated that they strongly agreed that most of the constituencies organize for site visits for ongoing projects regularly and a report is always given on the projects progress as expressed by a mean score of 4.42, and 4.02 respectively. They also moderately agreed that there was evaluation on projects on progress as well as an issue log for all projects on progress after the evaluation is done as expressed by a mean score of 3.72 and 3.5 respectively. However, majority of respondents was on a view monitoring and evaluation is not independently done as expressed by a mean score of 2.88 as shown above.

These findings shows that the respondents participates in site visits and agreed with Nanda (2005) that organizations have realized that the only way to understand how an organization operates is by increasing its monitoring efforts in the ongoing projects. Giving reports on projects on progress was also was found to be efficient. Such reports help the stakeholders to give necessary suggestions on the way forward on any occurrences for better prevention measures before any losses are incurred. It has also been found that most of the monitoring and evaluation is not done independently and this can lead to poor quality projects and the necessary action should be undertaken.

#### Effect of Procurement Process in CDF:

The study sought to determine the extent at which Procurement Process in CDF affects the quality of Projects. The responses are presented below

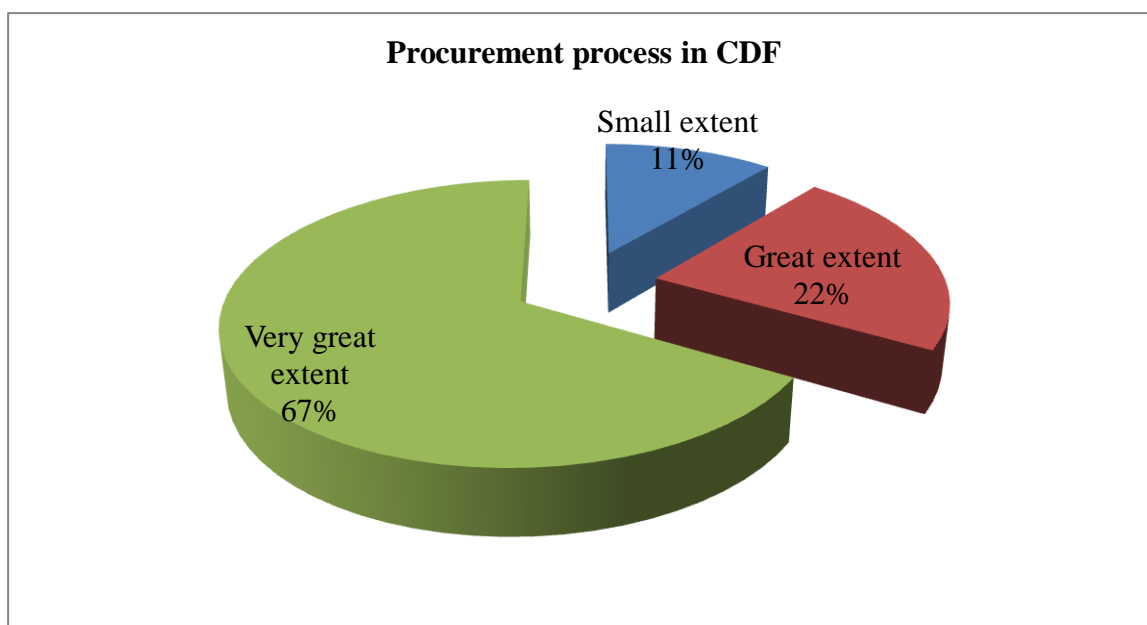


Figure 4.5: Effect of Procurement process in the quality of projects.

Asked to rate the effect of Procurement process in the quality of projects., those who agreed to very great extent were 68%, 21% agreed to a great extent and 11% to a small extent. This implies that Procurement process affects the quality of projects to a great extent.

Table 4.8: Level of Agreement on Various Statement Based on Procurement process in CDF

| Statements   | Mean | Std. deviation |
|--|------|----------------|
| Majority of Procurement staff are competent and capable of performing their duties | 4.04 | 0.34202        |
| Staff members are well Acquaintance with Procurement Act                           | 4.05 | 0.62052        |
| New Employees receive induction training on procurement procedures                 | 3.84 | 0.56291        |
| My education Level is Adequate to cope with my work                                | 4.43 | 0.29942        |
| Most staff are experienced in their work   | 3.12 | 1.02746        |
| Procurement staff appointments are done on competitive basis                       | 3.0  | 0.47654        |

The findings deduced that the respondents agreed to a great extent that procurement staffs are acquainted with procurement Act, Majority of Procurement staffs are competent and capable of performing their duties and that procurement staff had adequate education to do their work as expressed by a mean score of 4.05, 4.04 and 4.43 respectively. The respondents agreed to a moderate extent that they were experienced in their work as expressed and that appointments were done on competitive basis as expressed by a mean score of 3.12 and 3.0 respectively.

Majority of the participants are greatly acquainted with Procurement Act. Acquaintance with Procurement Act is important in ensuring that there is smooth implementation of the procurement procedures. These findings concur with those of Bor, Chepkwony and Serem (2015). They did a study on the effects of familiarity with procurement regulations and perceived inefficiency of procedures on non-compliance to public procurement regulations in Kenya's state corporations. The study established that familiarity with procurement regulations positively and significantly affects compliance. The study concludes that there is a clear link between employee familiarity with procurement regulations and non-compliance. Therefore, it's recommended that public procuring entities should ensure that their employees are familiar with the procurement regulations as they transact business.

From the study, it is evident that new staffs are inducted into their new roles. Wanyonyi and Muturi (2015) concur with these findings when they recommend induction of new employees especially with the Procurement Act in order to increase their competency. The study showed that most staff had little experience. Lack of adequate experience is likely to jeopardize the procurement implementation in Public organizations. This is also against the theories of the study such as the System theory which implores procurement departments to have an holistic procurement process by establishing measures as training, induction for better implementation of the procurement policy. This also contravenes the Stake holder theory encourages high –tech service which substantially contributes to company value (Klimczak, 2005). Thus stakeholder theory provides a new insight into possible rationale for risk management. Inexperience may also be detrimental when it comes to effective implementation of procurement procedures as recommended by system theory that states that there should be compliance with Public procurement regulations to ensure competitive bidding, transparency, and professionalism in procurement process (Andrew, 2008).

Although majority of the respondents were of the opinion that appointments are done on merit, a substantial number also indicated that appointed are not done on merit. Appointing employees through patronage can hamper implementation of procurement procedures. This was evident in a study carried out by Blunt, Turner and Lindroth (2012) on how patronage networks operate in sub-national governments in Indonesia that established that patronage had an adverse effect on the quantity and quality of service delivery and they also presented a challenge to social justice. This implies that if majority of employees feel that they have been sidelined for instance in job promotions that they deserved, apathy towards their work is likely to set in thereby jeopardizing the implementation of procurement procedures. It is therefore always important when engaging employees to do it through merit.

### Quality in Projects

On the open ended question on the far the Constituency has gone on the efforts to ensure quality projects. This question was aimed at finding out whether the respondents are aware of any quality implementation taking place. 28% agreed to a very great extent, 33% also to a great extent and 28% to a moderate extent while 11% agreed to a small extent. This implies that quality principles are followed to the letter in most of the Constituencies. When these principles are followed to the letter, Systems Theory is being applied, which states that Constituencies should put measures in place to oversee development and implementation of the public procurement policy.

**Table 4.9: Extent to which quality implementation in projects has been adopted by the NG-CDF.**

| Statements        | Frequency | Percentage |
|-------------------|-----------|------------|
| Small extent      | 2         | 11         |
| Moderate extent   | 5         | 28         |
| Great extent      | 6         | 33         |
| Very great extent | 5         | 28         |
| <b>Total</b>      | <b>18</b> | <b>100</b> |

**Regression Analysis:**

In this study, a multiple regression analysis was conducted to test the influence among predictor variables. The research used statistical package for social sciences (SPSS V 21.0) to code, enter and compute the measurements of the multiple regressions

**Table 4.10: Model Summary**

| Model | R      | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|--------|----------|-------------------|----------------------------|
| 1     | 0.8895 | 0.7912   | 0.7364            | 0.7296                     |

R-Squared is a commonly used statistic to evaluate model fit. R-square is 1 minus the ratio of residual variability. The adjusted R<sup>2</sup>, also called the coefficient of multiple determinations, is the percent of the variance in the dependent explained uniquely or jointly by the independent variables. 73.6% of the Quality in projects could be attributed to the combined effect of the predictor variables.

Other factors that did not contribute in the research accounted for 20.88% on the Quality of projects 0.7912 was the correlation coefficient implying a strong positive linear relationship between variables and quality in projects.

**Table 4.11: Summary of One-Way ANOVA results**

| Model | Sum of Squares | df      | Mean Square | F     | Sig.  |      |
|-------|----------------|---------|-------------|-------|-------|------|
| 1     | Regression     | 12.223  | 5           | 3.112 | 3.671 | .001 |
|       | Residual       | 92.876  | 244         | 0.641 |       |      |
|       | Total          | 115.099 | 249         |       |       |      |

The probability value of 0.001 indicates that the regression relationship was highly significant in predicting how Procurement process in CDF, Financial Management, Risk management and Monitoring and evaluation affect the quality of Projects in CDF.

**Table 4.12: Regression coefficients of the relationship between Quality of Projects and the four predictive variables**

|                            | Unstandardized coefficient |            | standardized coefficient |       |       |
|----------------------------|----------------------------|------------|--------------------------|-------|-------|
|                            | Beta                       | Std. error | Beta                     | t     | s.g   |
| 1 (Constant)               | 1.492                      | 0.298      |                          | 4.218 | 0.044 |
| Procurement Process in CDF | 0.841                      | 0.178      | 0.326                    | 5.374 | 0.032 |
| Financial Management       | 0.702                      | 0.171      | 0.421                    | 4.963 | 0.027 |
| Risk Management            | 0.596                      | 0.563      | 0.123                    | 3.916 | 0.038 |
| Monitoring and Evaluation  | 0.703                      | .0725      | 0.384                    | 4.115 | 0.018 |

As per the SPSS generated table above, the equation ( $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$ ) becomes:

$$Y = 1.492 + 0.841X_1 + 0.702X_2 + 0.596X_3 + 0.703X_4 + \epsilon$$

The results in table 4.12 show that Procurement Process in CDF has the most significance positive effect on the Quality of CDF funded projects. From the above regression model, Procurement process in CDF, Financial Management, Risk Management, Monitoring and Evaluation would be 1.492. Through the regression model, the variables were optimized to have a feel quantitatively of the impact that they would have on the dependent variable. The findings show that, while other factors are held constant, a unit increase in Procurement process in CDF would yield a 0.841 increase in the quality of projects. A unit increase in Financial Management would yield a 0.702 increase in the quality of projects. A unit increase in Monitoring and evaluation would yield a 0.703 increase in the quality of projects. On the other hand, a unit increase in Risk Management would yield a 0.596 increase in the quality of projects.



## 5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The purpose of the study was to establish the factors affecting the quality of CDF Funded projects in Machakos County. The study focused on the effect of Financial Management, Risk Management, Monitoring and evaluation and the role of Procurement Process in CDF in ensuring quality projects. A total of 24 questionnaires were distributed to respondents however, only 18 were filled and returned; representing a significant response rate of 75%. Among the respondents, 56% were male while 44% were female. Majority of the respondents (50%) were aged between 25 and 35 years. It also emerged that most of the respondents (44%) had bachelor's degree. 56% of the respondents had a little experience of less than five years. Lack of adequate experience is likely to jeopardize the quality of projects in the CDF.

### **Procurement Processes in NG-CDF:**

The Constituencies were found to have well designed procurement plans for each financial year showing each proposal's budget, total amount available and the most suitable method of procurement for each project. Competitive bidding was practiced through advertisement and open tendering to give equal chances to all; thorough evaluation was also done to ensure the best supplier selection for quality results after the project. The study found out that good procurement process in CDF quality, customer satisfaction and Value for money.

### **Financial Management:**

The study established that most of the CDF funded projects are within their set financial budgets and that the funds allocated for each project are not transferable to other projects. At the same time costs of running the projects are well controlled to ensure that they remain minimal and that there are no extra costs in the project. Most of the projects were able to realize value for money as projected showing that finances are well managed hence quality projects.

### **Risk Management:**

Risk management in the Constituencies was well managed and risk could easily be identified and the necessary action taken, this was as a result of the training done to the staff to create awareness on risk matters, thus risk mitigation was overtaken by events. The kind of training offered to the Constituency staff as well helped to use the right kind of tools to control all the possible risks within a project. Further, the study noted that employees were continuously developed through training and helped ensure quality results at the end.

### **Monitoring and Evaluation:**

The study established that the Constituencies embraced Monitoring and evaluation of their projects in progress and after completion. Most employees were felt as part of the projects as they would be involved in the site visits and reporting on the projects progress. A milestone on quality review was done and an issue log developed to ensure the right steps are taken on the matters arising. However, lack of independent monitoring and evaluation would hinder the achievement of quality projects in the constituencies.

### **Conclusion:**

The study establishes that the Constituencies have well designed procurement plans for each financial year showing each proposal's budget, total amount available and the most suitable method of procurement for each project. This shows that the procurement process in the CDF can greatly affect the quality of the projects.

The study established that most of the CDF funded projects are within their set financial budgets and that most of them realize value for money as projected showing that finances are well managed hence quality projects.

Employees were continuously developed through training and helped ensure quality results as they were well sensitized on the risk issues related to projects thus mitigating risks was part of their daily work. Thus risk management greatly affects the quality of projects.

The study also finds out that Monitoring and evaluation of projects greatly determines their quality if it's done independently and reporting on project progress done at the appropriate time for the necessary measures to be undertaken.

**Recommendations:**

The study recommends that CDF should establish holistic Total quality Management system that ensures quality in all their procedures to ensure quality in their aspect of operations. The Constituencies should ensure the right procurement processes are applied in all projects for this helps in Planning Quality Management; Financial and risk Management are as well key factors in ensuring quality projects and by doing this the organization is Performing Quality Assurance and lastly Monitoring and evaluation helps in Controlling of quality for ongoing projects and after completion; all this observed, gives the required quality projects.

**Suggestions for Further Research:**

The study was confined to Machakos County, which may not be representative enough for purposes of generalization. Hence, the researcher suggests that more Constituencies in other counties be sampled for such a study in order to enable generalization of findings. The study suggests other areas for further research to include: The role of Procurement procedures in enhancing the quality of projects, the role of Financial Management for the establishment of quality projects, challenges affecting the mitigation of risks in Projects and the factors affecting the effective monitoring and evaluation of public projects.

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