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ANALYSIS OF MANAGERIAL CHALLENGES FACING IMPLEMENTATION OF COMMUNITY- MANAGED LIVESTOCK PROJECTS: A CASE OF GOAT BREEDING PROJECT IN MERU COUNTY, KENYA

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The study aimed at identifying and documenting the leadership, financial management and information communication challenges facing the implementation of the Meru dairy goat project. The need for the study arose from both the community and the policy makers on the observed declining performance. Data collection was through a descriptive survey. Semi-structured questionnaires were administered to 72 randomly identified respondents. The sample size was determined using the Fischer's formula. Data were analyzed using the Statistical Package for Social Sciences (SPSS) software after which summaries were presented in terms of frequency distributions. Pearson Product Moment Correlations established the strengths of relationships. The study revealed that a community's democratic election of project managers could not guarantee optimal performance. Additional measures should be undertaken. The conclusion was that the Meru dairy goat project faced leadership, financial management and information communication challenges. The study recommended that a policy to ensure community based projects are sustainable is developed; support structures for performance monitoring, evaluation and backstopping by line government departments are required.

Keywords: Leadership, Financial Management, Information Communication, Dairy Goats

INTRODUCTION

The project management discipline has evolved because of a need to coordinate resources to secure predictable results. The outcome of a project is dependent on the skill with which the forecasting, planning, budgeting, scheduling, resource allocation, risk management and control is handled, and that attention is given in checking

on the way these tasks are accomplished (Meredith, 2003). Single handedly, or in collaboration with other development agencies, governments have always initiated community-based poverty-reduction projects (Mwangi, 2006). Independently, different Non-Governmental Organizations (NGOs) also make similar initiatives. Despite such efforts, globally, an estimated 1.2

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Billion people live below the absolute poverty line (UNDP, 2006).

Many past studies have established the major causes of ineffectiveness of community based projects. The noted challenges include lack of strategic leadership, poor quality staff and its involvement, and inadequate financial management capacities (Manchini *et al*, 2003; 4C's working group, 2003 and Grishvilli, 2003). In addition, Manchini *et al*. (2003) identified project adaptability to the community as an important challenge. Both the European Commission (European Union, 2003) and the 4C's working group (2003) agree that community ownership and adequate external support are required for sustainability. Timsina (2003) however, indicates that some elites within the society hijack the projects from the previously targeted community class.

FARM-Africa an international NGO, in partnership with the government of Kenya initiated a community-based dairy goat-breeding project in Meru in 1996. The objective of the project was to contribute to improved household nutrition and increased incomes (Ahuya, 2006). The NGO initially managed the project in collaboration with the department of livestock production. A community-based model of project management was established four years before the management function was handed over to the community in 2004. A democratically elected community leadership; the Meru Goat Breeders Association (MGBA), was trained mainly through apprenticeship. By the time of handing over, the project was optimally operating (Maigua, 2006; Peacock, 2004; Ahuya, 2004 and Mutia, 2004). The number of goats, which was then increasing, reflected this. The number of new breeding stations was on an upward trend and the formed

Meru Goat Breeders Association appeared capable of managing the community-based project.

Ahuya (2006) and the Ministry of Livestock Development (DLPO, 2007) agree that the project performance trend was taking a downward trend. All the measurable indicators such as the amount of milk delivered and number of groups formed were decreasing. It was against this background that this study proposed to identify and document the challenges of project implementation facing the Meru Goat project with a view of making recommendations for its performance improvement.

MATERIALS AND METHODS

Description of Study Area, Sampling Technique, Sources of Data and Method of Collection

Meru County lies on the Eastern Central highlands of Kenya at 0°, 38 00° E, covering an area of 6936 Km². The County has two rain seasons; March to May and October to December. The annual rainfall totals range in-between 500 and 2600 mm. The temperature ranges in between 11.4 and 28°C (Jaetzold *et al.*, 2006). The County has a human population of 1,356,301 (MoSPND, 2009).

The sample for this study was drawn from Meru Central and Imenti North sub-Counties. These two were the initial project focus areas by FARM Africa. A descriptive survey technique using semi-structured questionnaires was used in data collection, with respondents sampled randomly. The main data focus areas were on the leadership, financial management and information communication.

Likert scales for attitude measurement were used. After explaining how to apply the scales (1

for strongly disagree, 2 for disagree, 3 for not decided, 4 for agree, and 5 for strongly agree), the researcher read and interpreted to the respondent each of the questionnaire items, one at a time as the chosen value was marked. The questionnaire provided a list of potential areas of challenges of project implementation for the respondents to rate.

Correlations

Correlations were used to indicate the extent of relationships in this study. Correlation measures the direction and strength of a linear relationship. It is a quantitative measure of a relationship. The correlation coefficient, denoted "r" is the most widely accepted measure of association between variables. The correlation is always between -1 and +1.

Data Analysis

Data were edited and analyzed using the Statistical Package for Social Sciences (SPSS) computer software. Descriptive statistics were arrived at using the same statistical computer package and results were presented in terms of percentages. Bivariate correlation analyses using the Pearson's correlation to measure the strength of the linear relationship between two variables was undertaken, involving most of the questionnaire items. Univariate statistical analysis using frequency distributions presented the data in percentages.

RESULTS

Leadership

Various results on community leadership regarding the implementation of the dairy goat project were generated. The following are some of the qualitative results; about 58% of the respondents agreed that all members were

involved in electing their project leaders while a similar proportion (58%) affirmed that most of the leaders had attained a minimum of primary school level of education. These two factors were significantly correlated (0.390; $P < 0.001$). An estimated 54% indicated that the project leaders were not concerned in seeing the project tasks done well. About 72% of the respondents indicated that the project leadership did not adhere to the set project rules. A large proportion of them (69%) indicated that the project leadership was ineffective in acquiring and protecting project resources. About 65% of the respondents indicated that the project leadership did not practice participatory management.

An estimated 56% of the respondents rated their top leaders as incompetent. This variable (competence) was highly correlated ($r = 0.56$, $P < 0.00$ and $r = 0.36$, $P < 0.00$) with the view that leaders' encouraged members to express their own views, and that they were effective in acquiring and protecting project resources, respectively. The competence of leaders also had a significant correlation ($r = 0.36$, $P < 0.01$) with data on the leaders' ability to guide on collaborative and conflict resolution.

Financial Management

Data on financial management was analyzed using both univariate (frequency distributions) and bivariate correlations (Pearson's correlation). The results obtained were as presented in this section. About 67% of the respondents indicated that the project managers failed to adequately budget for the organization and whenever done, it was irregular. The correlation between the two variables was positive and significant ($r = .24$, $P < 0.05$). About 81% of the respondents indicated that financial budgets were not approved in a

general meeting by a majority vote. An estimated 76% of the respondents indicated that financial budgets were not updated whenever new financial information was received. About 83% of them indicated that both grants and loans were not managed properly.

A large proportion (78%) of the respondents indicated that necessary reports were not provided on a regular and timely basis. An equal proportion (78%) agreed that timely financial information was inaccessible to those who sought for it. A correlation analysis between proper management of loans and provision of regular and timely reports yielded a positive correlation coefficient ($r = .318, P < .007$). A correlation of the same variable (proper management of loans) with provision of financial information to those sought for it was positive and significant ($r = .454, P > 0.000$). A further correlation analysis of the data on proper management of loans and grants with the data on whether the auditors are satisfied with the financial manager's controls of cash and assets was positive and significant ($r = .364, P < 0.002$). Lastly, a correlation analysis of data on proper management of loans and grants with data on leaders' competence in interpretation of financial information, yielded a positive and significant correlation ($r = .341, P < 0.003$).

The correlation between the satisfaction of auditors on project manager's control of cash and assets and the existence of a committee to oversee financial issues was positive and significant ($r = .489, P > .000$). A further correlation analysis between this variable (satisfaction of auditors on control of cash and assets) with data on balance sheets, income and expense statements being prepared at least quarterly, yielded a positive and significant correlation ($r =$

$.358, P < 0.002$). About 68% of the respondents indicated that the project had no committee to oversee financial issues, with 67% indicating that the project did not have an adequate book keeping system. A large proportion (81%) of the respondents indicated that balance sheets and income and expense statements were not prepared. About 63% of the respondents indicated that there was no procedure in place to control and record the assets of the project, while 75% of them indicated that cash-flow statements were not prepared.

While responding to a question on whether cash was managed to allow the project to benefit from a surplus and minimize the costs of cash shortages, 72% disagreed. When asked to rate their top-level officials based on various managerial aspects, 81% of the respondents indicated that the officials were incompetent, unaccountable and not transparent on financial matters of the project. The respondents were provided with some select financial management aspects on which to rate their top-level officials. Correlation analysis was carried out between data on competence, accountability and transparency of top-level officials. The obtained results were as indicated in the next paragraph.

The budget plans were updated as new financial information was received ($r = .310, P < 0.008$); grants and loans were properly managed ($r = .388, P < 0.001$); decision-making relied on monitoring and analysis of the ratio to planned budgets ($r = .348, P < 0.003$); capital and equipment forecasts was appropriately made ($r = .316, P < 0.007$); necessary reports were provided on a regular and timely basis ($r = .316, P < 0.007$); timely financial information was given to those in need ($r = .310, P < 0.008$); all leaders

were competent to interpret financial information ($r = .352$, $P < 0.002$); the top-level leadership reviewed financial statements on a regular basis ($r = .235$, $P < 0.047$); the project had an adequate book keeping system ($r = .424$, $p > .000$); the balance sheets and income and expense statements were prepared at least quarterly ($r = .518$, $P < 0.000$); a procedure was in place to control and record assets of the project ($r = .388$, $P < 0.001$) and cash was managed to allow the project to benefit from a surplus and minimize the costs of cash shortages ($r = .284$, $P < 0.016$).

Information Communication

Various aspects on information communication were rated in this study. About 76% of the respondents confirmed that a mechanism to collect important data and information from within the project was absent. When the data on this variable was correlated with the data on “the project management makes effort to gather any relevant information from sources outside the project for the general benefit of the project, there was a positive and significant correlation ($r = .344$, $P < .003$). An estimated 67% of the respondents indicated that the project did not have an existing information channel that made it possible for any authorized person to access any data and information on the project. When the same data was correlated with data on there being a deliberate effort by the project management to ensure that the language of information communication was not a barrier to any member, the relationship was positive and significant ($r = .342$, $P < 0.003$).

A bivariate correlation between data on “the project management makes effort to gather any relevant information from sources outside the project” and another on “the project has a facility

to store all data and information that concern the project, the results were positive and significant ($r = .381$, $P < 0.001$). Another positive and significant correlation ($r = .563$, $P < 0.000$) was between data on the project having an existing mechanism to collect important data and information from within the project, and there existing an information channel that made it possible for anyone authorized person to access data and information on the project.

Bivariate Correlations Between Independent Variables

Election of project leaders is a democratic process which is expected to derive the best managers from amongst the members. An estimated 58 % of the respondents agreed that members were involved in electing their leaders. The data obtained on the democratic election of leaders was correlated with data obtained on other managerial aspects. The results were as follows; grants and loans are properly managed ($r = -.233$, $P < 0.049$); timely financial information is given to those in need ($r = -.055$, $P < 0.646$); and cash-flow statements are regularly prepared ($r = -.139$, $P < 0.243$).

A practitioner’s level of education is considered as a factor in performance management. About 80% of the respondents confirmed that all the elected leaders had attained a minimum of primary school level of formal education. The data received on the leaders’ level of education was correlated with data obtained on other managerial aspects. The obtained results were as follows: grants and loans are well managed ($r = -.290$, $p > .013$). The auditors of the project are satisfied with the financial manager’s controls of cash and assets ($r = -.184$, $p > .122$). There is an existing committee to oversee financial issues ($r = -.337$, $p > .004$).

Management reports are considered as being important in making managerial decisions. About 78% of the respondents indicated that necessary reports were not provided on a regular and timely basis and a similar proportion (78%) confirmed that timely financial information was not given to those who sought for it. Data obtained on the management's provision of financial reports was correlated with other aspects of management. The obtained results were as follows: The project management made effort to gather any relevant information from sources outside the project for the general benefit of the project ($r = .448$, $P < 0.000$), and the existence of an information channel that made it possible for anyone authorized person to access any data and information on the project ($r = .394$, $P < 0.001$).

DISCUSSION

Leadership Challenges of Project Implementation Faced by the Meru Goat Breeders' Project

Leadership is a process of influencing other people to attain organizational goals. People oriented leadership style such as showing empathy for member needs and feelings, being supportive of group needs, establishing trusting relationships with members and allowing them to participate in member-related decisions is critical in achieving the set organizational objectives (Ivancevich, 1997). The leaders must have the ability to create and recreate long-term strategic plans and develop governance systems to support the project's survival and development, structures to provide the balance between control and flexibility, and a niche to ensure it has value-added roles in the economy (Mwangi, 2006). Project management is a "leader intensive" undertaking. Strong, effective leaders can go a

long way towards helping a project succeed even in the face of a number of external and unforeseen problems (Meredith, 2003).

The members of the Meru goat breeders association (MGBA) held democratic elections where most of those elected had a minimum of primary school level of formal education. This study found such an undertaking was not translating to improved project performance. Several leadership challenges of project implementation were established. The study found that the elected project leaders were not concerned to get tasks done well. According to Mwangi (2006), all leaders in a project require being concerned in getting significant tasks done well in order to achieve the destined goals. Formal leaders require setting the direction, ensuring tasks are well done and support resource development.

It was established that those in decision-making positions did not adhere to the set project rules, a situation that led to the underperformance of the project. The leaders were did not allow members to express their views regarding the running of the project. This is largely a sign of inflexibility and undesirable in project management. According to Meredith (2003), a successful project manager acknowledges his/her limitation and works through subordinates' strengths. While serving as a facilitator, a leader has to ask members questions, which is to probe, to require subordinates to consider all angles and options, and to support them in making reasoned decisions.

The study established that the Meru goat breeding project leaders were inefficient in acquiring and protecting project resources. It is the business of the leaders to negotiate for project

funding. Efficient use of availed resources to the project is every implementer's role and leadership is critical in ensuring that no resource wastage occurs (Mulwa, 2007).

The project leaders did not practice participatory management. A participative leader actively seeks ideas and information from the members. Participative behavior implies that followers actually participate in making decisions that affect them (Ivancevich, 1997). Participation by members in decision-making ensures shared responsibility for both project success and failure, whichever occurs.

Financial Management Challenges of Project implementation Facing the Meru Goat Breeders' Project

Financial resources are needed to establish the organization's physical infrastructure and to fund any other expense. Adequate financial resources must be available to ensure payment of obligations arising from current operations (Ivancevich, 1997). The project's ability to manage its financial resources is critical. Good management of budgeting, financial record-keeping and financial reporting is essential to the overall functioning of the project (Mwangi, 2006).

The study established that the Meru goat breeders' project was operating under several financial management challenges. These challenges were in all the areas of financial management, namely; financial planning, financial accountability, and financial statements and systems. The project management did not prepare project budgets, and if ever, they were late. A budget is a pre-determined amount of resources linked to an activity. Resources are the financial, physical, human time, among other assets of the organization. The ability to plan

revenues provides a framework within which the project can make decisions about its programs and other expenses (Thayer, 2000). Failure to budget for the project's activities and related resources may lead to poor project implementation. Where project priorities are not set in advance, good results cannot be guaranteed.

The project budgets were not updated during the implementation period despite regular receipt of new financial information. The financial environment was always dynamic at both the macro and micro levels. This dynamism as noted during the implementation process, require to be responded to on merit. Indecisiveness and consequent inaction after a needy situation presented itself, could lead to poor achievement of the project goals.

It was established that grants and loans were not well managed. Improper utilization of project funds and other resources by those entrusted to do so, translated to the failure of the project in a short time. The project stakeholders, both internal and external could lack faith in both the management and the project outcomes. They would reduce or bluntly stop their support.

The research established that project financial reports were not available. The balance sheet, income and expense statements were missing. The management did not prepare and provide the project's cash-flow statements. The financial year-end was not set. Those entrusted with management of the project funds were responsible for preparing financial statements and ensuring their integrity and objectivity. At a minimum, this meant having a book keeping system that created a balance sheet and an income statement. The financial system must be

able to track income, assets and liabilities and explain expenditures. This implies the ability to control the assets and liabilities, and manage the cash of the project. The top-level management of the project was rated as being incompetent, unaccountable and not transparent in all financial matters of the project.

Information Communication Challenges of Project Implementation Facing the Meru Goat Breeders' Project

Communication is a process in which a message is encoded and transmitted through some medium to a receiver who decodes it and then transmits some sort of response back to the sender (Ivancevich, 1997). It is through the communication process that the sharing of a common meaning takes place. Effective performance of managerial functions of planning, organizing, directing and controlling, requires all managers being effective communicators. Communication is an essential part of all other management functions and processes (Ivancevich, 1997). It is the top leadership's job to ensure that efficient and effective channels are available to facilitate communication. They require understanding both formal and informal communication as well as barriers to organizational communication and how to remove them.

This study established that information communication for effective Meru goat breeders' project was poor. Effort to collect, collate and communicate relevant information to internal and external stakeholders of the project was lacking. Efficient and effective implementation of a project requires critical planning on how to allocate the available resources. Monitoring on the continued utilization of the said resources is important in generating information for enabling the

management to make timely decisions. External information such as inflation rate and cost of materials is also necessary for successful project management.

Facilities for storing necessary project data and information were absent. The role played by stored project data and information cannot be overemphasized. Such information as the level of utilization of resources, achievements and constraints are necessary especially when a management change occurs. Past data and information are important to any decision maker. It was established that anyone interested in any project data and information could not get it, and that the top-level management did not only fail to collect and communicate data, they additionally made no effort. A project's stakeholders remain an important source of funds. Decisions on whether to fund or not, is based on available information. Failure to store and communicate relevant project information therefore, implies a reduction in the chance for success.

CONCLUSION

The Meru goat breeders' project is undergoing several and critical challenges of project implementation. Holding of a democratic election while paying special attention to higher education of leaders, did not yield willing, able, efficient and effective managers of resources. The leadership remained detached, unconcerned and inefficient. They were not concerned to get project tasks done well, not efficient in acquiring project resources, did not allow expression of members views on the project and did not practice participatory management.

The project lacked sober, ready, and willing financial management human resource. Financial budgets were not prepared. The reasons for, on

what, when, and generally on project funds expenditures were not indicated. Necessary financial reports such as cash-flow statements, balance sheets, income and expense reports were not provided to those who requiring them. The project auditors were unhappy about the project's financial management.

The project did not have a management information system. There was no mechanism to collect, collate, store, utilize or communicate data and information both within and outside the project. The reduced project performance as indicated by the decrease, over time, of the number of goat breeding groups was related to the identified challenges of project implementation. Despite the democratic election of well-schooled leaders, the Meru dairy project continued suffering challenges of project implementation after the donor exited.

RECOMMENDATIONS

New criteria of determining effective community leaders in addition to holding of democratic elections and targeting of the academic elite require being established. Technically qualified personnel to handle the area of finance require being hired. A government policy should be put in place to ensure sustainability of community-based development projects; structures for monitoring, supervision and backstopping should be provided. These measures would go a long way in ensuring that the required data and information for managerial decision making is available at all times.

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