ANALYSIS OF SHARED ORGANIZATIONAL VALUES AS A CONTRIBUTOR TO PROJECTS' SUCCESS RATE IN KENYA: LESSONS FROM KENYA PIPELINE COMPANY LIMITED

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Abstract

Projects being made up of interrelated tasks that are executed over a fixed period and within a given cost, need controls that ensure set objectives are met. In organizations, project teams do not work in isolation and are therefore subjected to many forms of organizational factors which also determine the day-to-day functioning of an organization. Organizational values are a concept that refers to factors in the social and organizational context that impact the project setting. Project management on the other hand is based on planning, organizing, motivating and controlling resources for the attainment of certain goals. These objectives guided the study; to establish the effect of the culture of honesty among team members on success rate of projects at KPC; to determine the influence of Integrity levels among project teams on the project success rate at KPC; to examine the effect of culture of hard work and commitment among project teams on project success rate at KPC; to find out the influence of accountability level and responsibility in project teams on project success rate at KPC. Descriptive research design and a population of 113 was used. Data was collected using structured questionnaires. Results showed that organizational shared core values (honesty, integrity, hard work and accountability) contributed positively and significantly to the success rate of projects at KPC in the period under review with a coefficient of 69.8%. The study concludes that in order for projects to succeed, there is need to inculcate the right values. The study recommends that organizations need to put more measures to ensure that projects are not only completed as per the designed quality specifications, but also be within the time schedule and budget allocations. Future researchers can replicate the same study and involve more firms especially in the private sector.

Keywords: *Core values, Organizations, Projects, Public sector, Project Success Rate*

1. Introduction

Since the 1950s, most of the work in project management has focused on project scheduling problem assuming that the development of better scheduling techniques would result in better management and thus the successful completion of projects. However, there are many factors outside the control of management which could determine the success or failure of a project. Most of the early studies in the area focused on reasons for project

failure rather than project success. Today we know that determining whether a project is a success or failure is far more complex. Delays in project completion times are common. Because of the delays, project managers sometimes pay penalties which increase the overall project costs. Yet these projects are still considered to be successful. On the other hand, a project is perceived as a success by a project manager and team members might be perceived as a failure by the client (Tukel, 1996).

The oil and gas industry is witnessing an unprecedented wave of capital spending, driven by the need to build capacity to meet growing energy demand from emerging markets and to replace depleting supply sources (Ernest & Young Global Limited, 2014). This capital expenditure has, to date, been underpinned by consistently higher oil prices, globally and gas prices outside North America. This trend is expected to continue. In its world energy investment outlook 2014, the IEA estimates a cumulative investment of USD22.4 trillion in the global oil and gas sector between 2014 and 2035, equivalent to an average annual spend of more than USD1 trillion. Oil and gas companies often must invest huge sums over a long payback period. If executed well, these projects create a competitive edge and enhance enterprise value; however, where execution is poor, the result may be a project that is economically uncompetitive.

2. Problem of Study and Focus

Organizational influences are usually reflected in numerous factors including style, structure, competence, shared values, norms and beliefs, policies and procedures, the view of relationships with authority, and work ethics (Gutiertez, 2014). Local scholars for example (Chinyio & Olomolaiye, 2010) studied influence of organizational factors on performance of construction projects but none has studied the influence of organizational shared values on projects' success rate. This study therefore sought to find out the influence of organizational factors on projects' success rate in Kenya specifically at Kenya Pipeline Company Limited.

The general objective was to establish the effect of organizational shared core values on the projects' success rate at Kenya Pipeline Company.

Specifically the study sought to;

1. Establish the effect of the culture of honesty among team members on success rate of projects at KPC

2. Determine the influence of Integrity levels among project teams on the project success rate at KPC.

3. Examine the effect of culture of hard work and commitment among project teams on project success rate at KPC

4. Find out the influence of accountability level and responsibility in project teams on project success rate at KPC.

3. Literature and Theoretical Review

Organizational culture gives meaning to organizations through collection of values and beliefs which are shared to varying degrees. Organizational culture guides and shapes attitudes of employees in the organization. In new product development projects for example, organizational culture, structure and strategy as well as top management involvement and orientation are considered as the strategic level variables.

3.1. Influence of shared values on projects

We can think of them as representing frameworks for the way we do things. Some organizations think of their values as their "guiding beacon" directing the process of organizational development and growth. Others describe them as the components of their philosophy. They do relate to how organizations deal with their beliefs about people and work. They define non-negotiable behaviors.

Any organization which espouses particular values will tell you that those values underpin their vision.

An organizational value is a belief that a specific mode of conduct is preferable to an opposite or contrary mode of conduct. Some organizations think of their values as their "guiding beacon" directing the process of organizational development and growth. More and more studies show that successful companies place a great deal of emphasis on their values. Values at work assist us by; providing a framework for how we treat one another at work, providing a framework for how we treat our customers, helping us make sense of our working life and how we fit in the big picture, providing a framework for achieving the vision and increasing the effectiveness of the organization and creating an environment conducive to job satisfaction as well as finding work which is exciting and challenging, and differentiating one organization from another.

Values at work are increasingly important because; working in stressful times, they give us guidelines for our behavior, it is a highly competitive world and they help show our customers how we are different from other providers, and potential staff how we differ from other prospective employers because they say "this is what we value here". People are increasingly aware of organizational values and look for them, frequently choosing one organization over another because of their values. This provides the basis for achieving culture change.

Values enable people and organizations to succeed as they impact on professional practice as well as providing a measurement of success for individuals. Values can provide some stability through change. Values are the essence of corporate culture because they set out the "do's" and "don'ts" around here! Living them is what really counts. They are not made to be put up on the wall and forgotten about. Some of these values are integrity, honesty, hard work and accountability.

3.2. Systems theory

Systems theory is the science which has comparative study of systems as its objects. The systems could be organisms or machines. The science further looks at physicochemical systems, psychic systems and social systems. The study also extends to the interdependence of the several parts of a give system.

3.3. Motivation theory

Motivation affects how hard a person works and how productive they are. Motivation can be thought of as the force that drives behavior. It is about the incentives which make people act. Many researchers have used theories to try answering questions on motivation such as; why do people behave the way they do? What drive a person to work hard and another person to be lazy? Why is it that people doing the same job show different levels of commitment or enjoyment of their task? Why is it that the same team can perform differently under different managers? (SEHD Workforce Directorate, 2007).

3.4. The relationship between variables

Organization shared values can be conceptualized as honesty among employees or teams, culture of hard work and diligence among teams; levels of integrity and accountability as well as taking responsibility of one's actions. These attributes when shared among groups of people who are working together to achieve a common purpose will lead to improved performance. In this case, projects stand to high levels of success if teams embrace teamwork, hard work as well as being accountable for their actions. The following figure depicts this relationship.
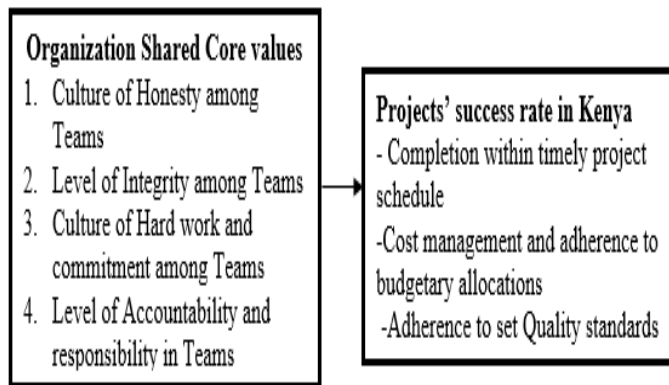
Figure 1: Conceptual Framework

Table 1. Target population

Departments	Population Size	Percentage
Project Management	25	22%
Engineering	20	18%
Maintenance	27	24%
Infrastructure	5	4%
Operations Management	36	32%
Total	113	100%

Source: KPC Human resources office, 2017.

4.0 Research Methodology and Design

The researcher used descriptive research design to plan and carry out the research work. Descriptive research gives a thorough and accurate description of variable by determining the "how or when" the phenomena comes into being and also what is involved in the situation Other similar studies have used this design for example in Enshassi & Abushan (2009) study, "Factors affecting performance of construction projects in the Gaza strip".

4. 1. Target population

The target population in this study was drawn from KPC employees in engineering and operations departments based in KPC and was categorized into senior management and middle level management. The total population size in the study was one hundred and thirteen (113). These are the accessible population in both the engineering and operations department who are directly working on projects and involved project decision making. Table .1 below gives the breakdown of this population segment.

4.2. Data collection procedures

The questionnaires were administered by the researcher and a research assistant. A total of 113 questionnaires were distributed as per the target population. Drop and pick method was used to communicate with the respondents. The researcher and the research assistant guided the participants in filling the questionnaires. The study is based on primary data that was collected through questionnaires.

The questionnaires were dropped to the respondents' offices and picked at an agreed time. Questions were formulated to address the specific research objectives. A five point likert scale with rating questions was used. To enable quantification and regression analysis and other quantitative methods only quantifiable data was collected.

4.3.Reliability of data collection instrument

Kombo & Tromp (2006) noted the reliability of an instrument is a measure of how consistent the results of a test are. Cronbach Alpha coefficient measure was applied to determine the reliability threshold of the instrument. The results of the pilot test showed an overall result of alpha coefficient of 0.843 for all the items in the instrument. Questionnaires were administered to 5 senior level management and 5 middle -level management who initiated projects between 2007 and 2014 which was used to determine the reliability levels of the instrument. The feedback of the pilot study was also

used to refine the questionnaire to make it more reliable during the study.

4.4. Data analysis procedure

This refers to the important assessment of the coded data and making inferences (Kombo & Tromp, 2009). The researcher developed a coding system based on samples of the collected data. The data was then keyed into the computer be analyzed using the Statistical Package for Social Sciences (SPSS) version 23.0. The descriptive statistics in form of proportions and percentages was generated and the data presented in form of tables, frequency charts. Descriptive statistics were used to show the extent to which respondents agreed with the various views relating to the study constructs. Correlation and a regression analysis was undertaken to show the extent to which the dependent variable influenced the dependent variable.
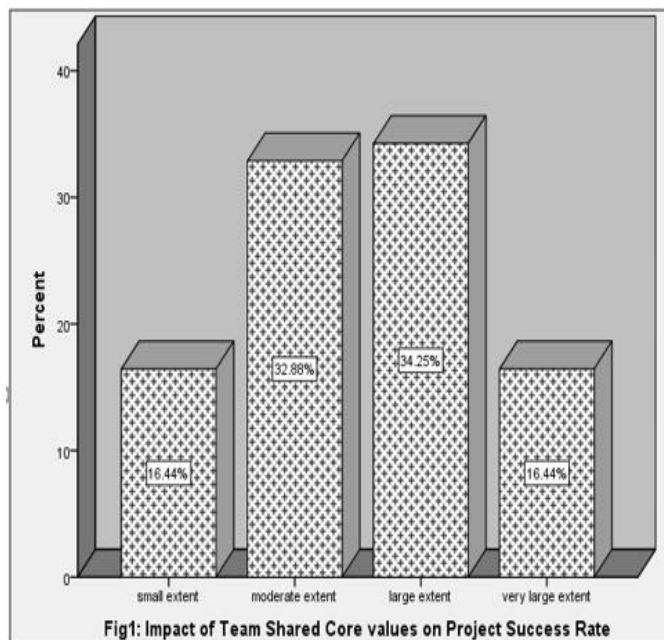
5.0. Findings and Discussions

The study sought to find out the contribution of various shared values on project success rate at KPC. The shared values include; culture of hard work among team members, This section gives these findings.

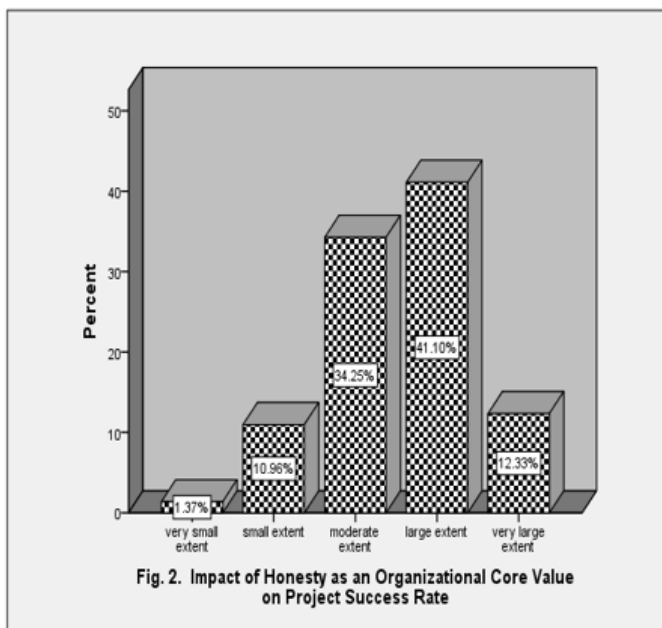## 5.1. Influence of Organizational Core Values on Project Success Rate

Projects succeed where organizations core values are boosting the motivation of project teams to put effort and to behave in ways that promote diligence in executing project activities. Various aspects of organizations' core values used to ascertain how respondents perceived them to influence project success rate. These aspects include; culture of honesty among project team members; level of integrity in the dealings of project team members with each other and with project stakeholders; culture of hard work among team members as they execute project activities; and the level of project team's accountability and responsibility when dealing with project resources.

Projects are implemented within organizational structures that have in built cultural values that team members ascribe to. These values in a way influence the extent to which successful implementation of project activities is attained. This section investigates the views of the respondents on the extent to which these values affect the success rate of projects at KPC.

First an introductory question is asked as to what extent respondents consider core values held at the organization to influence the project success rate. The findings are given on a 5 point likert scale with "1" representing very small extent and "5" very large extent. From the findings, cumulatively 84% of the respondents rated the effect of organizational core values as moderate, large and very large extent, and no respondent rating it very small and only 16% rating it small extent. This shows that core values are a determinant to how team members conduct project activities in a day to day basis. The combined effect of these is the failure or success of projects. In his study of Ghanaian public and private sector projects, Amponsah R., (2012) found a positive relationship between organizational culture which encompasses core values and project success rate. Figure 2 below gives these findings.

Fig1: Impact of Team Shared Core values on Project Success Rate

Organization shared values include honesty among team members to the extent that they conduct their activities in a diligent and a honesty manner. This study found this virtue to impact positively on project success rate at KPC. Cumulatively 53% which represents half of the respondents rated this aspect a large and very large extent. This implies that if team members are honest, they are likely to give their best in every activity they undertake and also protect the project's resources. This makes it easy to achieve high levels of success in projects. Also the fact that only a meagre 12% of the respondents rated the influence of honesty as very small and small cumulatively, it is evident that they considered as main contributor to success. The figure below gives these findings.

Fig. 2. Impact of Honesty as an Organizational Core Value on Project Success Rate

Team members need to be people of high levels of integrity in order to work on project which may not have constant supervision. This means that teams may need to be dedicated and work hard on projects as well as uphold acceptable levels of integrity in order to achieve success. In this study respondents were of the view that integrity is an important virtue in attaining project success. This is seen in the responses where 60% cumulatively rated this aspect as large extent and very large extent while

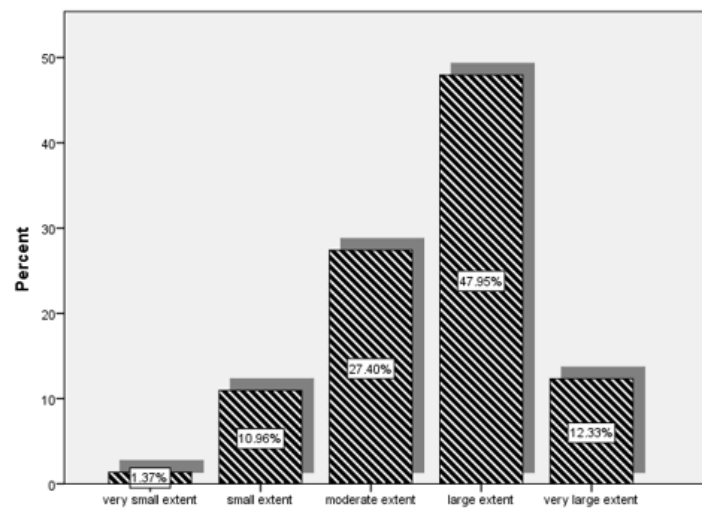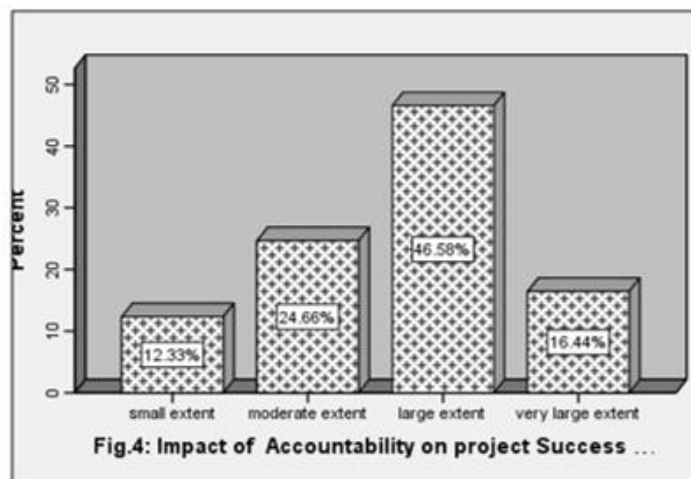only 1% rated it as very small. Figure 3 below gives these findings.

Fig. 3. Impact of Team Members Integrity Level on Project Success Rate

Another aspect of core values is the level of employee accountability. This ensures that teams take responsibility of their actions. Projects that are run by highly accountable teams are likely to achieve higher success rates. From the findings of this study it is evident that, respondents considered this aspect of importance in projects' success. This is shown by a 63% of respondents rating it large and very large extent cumulatively as opposed to only 12% who rated it as small extent. Figure 4 below gives these findings.

Fig.4: Impact of Accountability on project Success ...

To further understand the weight of each of the aspects of the organizational shared values, descriptive analysis was carried out. The analysis

shows that project team's hard work, level of accountability, level of integrity and honesty with mean scores of 3. 72, 3.67, 3.59 and 3.52 and standard deviations of, .901, .898, .894, and .899, respectively were considered to be important variables in promoting project success rate. The respondents had consensus on this view. Hard work of team members is important since they must stress themselves to achieve targets and meet project schedules. Accountability is important since resources must be utilized efficiently and effectively to avoid cost overruns.

These are important project success factors and hence the need to implore on the project team to practice values of integrity, honesty, hard work, and accountability. These findings are in agreement with others and especially where the project managers are concerned. Amponsah R., (2012), for example found out that where team members were willing to bend rules and procedures to suite their friends and family needs as well as theirs, they affected project success. This was so especially in the public sector projects. Therefore upholding positive organizational core values, is an important input to ensure success of a project especially in the public sector where rules are not strictly adhered to by most team members. Table 2 below gives these findings.

Table 2: Descriptive Statistics on influence of Core Values on f Project Success Rate

Measurement Aspects	N	Mean	Std. Deviation
Project Team Culture of Honesty	73	3.5205	.89922
Project Team Level of integrity	73	3.5890	.89498
Project Team Culture of Hard work	73	3.7260	.90155
Project Team level of accountability	73	3.6712	.89837

5.2. Project Success Rate at Kenya Pipeline Company

This sought to measure projects' success rate as a result organizational values. The findings on the extent to which projects succeeded are shown below in table 3.

Table 3: Descriptive statistics on project success rate at KPC

Measurement Aspects	N	Mean	Std. Deviation
Project completed on Time	73	2.5479	.98659
Control of Cost Overruns	73	2.8219	1.04539
Adherence to Specified Quality Standards	73	3.5479	.83402

From the findings on a scale of 1 -very low to 5 – very high, the respondents indicated that certain aspects of project success indication were not well managed and hence impacted on overall project success rate. This is the case with projects not being completed within the time schedules and projects not controlling cost overruns which had a mean score of 2.54 and 2.83 respectively. The implication is that these crucial measures were rated below average by most respondents. The standard deviations of .986 and 1.04 respectively also indicates a low consensus among the respondents. This could mean that certain projects were completed within time and as per the budget allocation while others were not. Strangely, projects at KPC seem to be on average adhering to set quality standards since it was rated slightly above average with a mean score of 3.55 and a standard deviation of .834 which also shows a moderate consensus among the respondents. This can be attributed to the fact that most projects at KPC are carried out by engineers who are not only regulated by the company but also by the engineering professional bodies. Running a project whose quality standards are questionable can have serious implications in the engineers future work endeavors and hence they take their work more keenly as opposed to other projects in social sciences.

Although adhering to quality is one of the main measures of project success, it is cannot be an adequate indication that projects have a high success rate since costs and time are very crucial in the overall stakeholder satisfaction in projects. This study therefore can strongly argue that there is need

to improve on project succcess rate by improving cost management and time schedules of projects.

5.3. Regression Analysis Results.

In order to ascertain the extent to which organizational shared values influenced project success rate correlation and regression analysis were undertaken. The findings showed that there a positive and moderate (0.415) but statistically significant relationship between organizational values and project success rate at 0.05 level of significant. This means that if organizational values were enhanced, the project chances of success improved by at least 41.5%. Table 4 below gives these findings.

Table 4: Correlations Coefficients of Organizational Shared Values and Project Success Rate

		Project Succcess Rate
Core values	Pearson Correlation	.415**
	Sig. (1-tailed)	.000
Project Success Rate		

** Correlation is significant at the 0.01 level (1-tailed).
* Correlation is significant at the 0.05 level (1-tailed). c Listwise N=73

Table 5: Coefficients of determination for the Dependent variable

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Core values	.698	.178	.842	3.917	.000

a Dependent Variable: Project Success Rate

b Linear Regression through the Origin

The findings show that the organizational shared core values had a significantly (.698) great influence which was also statistically significant at 95% confidence level. This means in this study core values are important and an increase in diligence in improving the values such as, honesty, integrity, hard-work and accountability in a project, its success rate is deemed to increase drastically by at least (69.8%).

The implication here is that values enable people and organizations to succeed as they impact on professional practice as well as providing a measurement of success for individuals. Values can provide some stability through change. Values are the essence of corporate culture because they set out the "do's" and "don'ts" around here! Living them is what really counts. They are not made to be put up on the wall and forgotten about. Some of these values are, honesty, hard work, integrity and accountability. To a certain extent these values also guide the project team to improve on the other aspects that are within the organization and that can be worked so as to impact positively on the project.

The implications of these findings is that project success rate is dependent highly on the values held at the organization implementing it as well as how well project teams adhere to these values when participating in projects.

6. Summary, Conclusions and Recommendation

This study found out that the values of honesty, integrity, hard work and accountability which forms the core of shared values in organizations, influence strongly the success rate of projects. Therefore we can conclude that improving the levels of integrity, hard work, honesty and accountability will most probably improve the success rate of projects especially in the public sector.

The study also found out that projects in the public sector seems to be performing poorly in terms of costs and schedules. However, quality and adherence to standards was seen to be fairly high in this study. We therefore conclude that costs and schedules may require more diligent ways to deal with in order to improve overall project success rate.

The study recommends that organizations running projects may need to improve on project teams' levels of integrity, honesty, hard work, and accountability. These will improve their output in projects in the long run.

Future researchers need to investigate other factors that lead to project success rate since core values accounted for only 69.8%. The 31.2 % need to be investigated in order to explain further the factors need to be considered for purposes of improving the success rate of project especially in current times where project management has become critical component of implementing tasks in organizations and by most governments.

A similar study can also be replicated in the private sector and make use of more factual data to reliably make conclusions on the influence of the factors considered in this study.

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