The Role of Project Management on Local Economic Development Programs: A Case of Greater Giyani Local Municipality

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Abstract: The paper aims to investigate the role of project management on local economic development in Greater Giyani Local Municipality in Mopani District, Limpopo Province. Project management has become crucial in the management of an organisation. However, poor project management in municipalities can lead to a slow pace of local economic development. The implementation of local economic development is often hindered by ineffective project management resulting from shortage of skilled, trained and experienced personnel. To achieve these objectives, the researcher utilised a combination of qualitative and quantitative research methodology to avoiding biases of results. The findings from this paper revealed that inadequate budget, lack of compliance to the municipal bylaws, lack of compliance to procurement processes, redeployment of officials by political parties and lack of proper infrastructure negatively affect the management of project on local economic development. Furthermore, the paper reveals that compliance with the project management procedures and policies could enhance the role of project management on local economic development. The paper concludes that project management can make an essential contribution to local economic development in terms of the provision of employment to those who are less fortunate in order to eradicate poverty and ensure economic empowerment.

Keywords: Development programmes, Local economic development, Local municipalities, Project management

1. Introduction

Project management has been in existence globally since time immemorial. Today project management is an important means of addressing the problems or taking opportunities, the discipline is even more attractive to many organizations in the performance of their activities (Lewis, 2007). Mashele (2015) attest that project management has become crucial in programme management of many organizations. The Project has therefore become an integral part of modern organization. However, the success or failure of an organization in achieving the project objectives largely depends on the knowledge and skills of the project manager (Lewis, 2007). For public managers to achieve the objective of the project, they need to have skills on project management, financial management, good infrastructure, relevant resources and other related equipment to enhance local economic development. The new democratic South Africa requires the public managers to deliver the service that will have an impact on local economic development. These mandates assist the municipalities to create a conducive environment and improve local economic development.

According to Davis and Rylance (2005), local economic development initiatives have been put forward as a panacea to poverty reduction and economic empowerment of communities through project management. Recently, the application of the local economic development strategy at the municipal level in South Africa has been aimed at reducing joblessness and poverty amongst many unskilled people, by funding local economic development projects as job creation programmes (United Nations Development Program, 2000). Local economic development is about local people working together to achieve sustainable economic growth that brings economic benefits and quality of life for all in the communities (Demaziere & Wilson, 2011). According to the Department of Provincial and Local government (2007) in most municipalities in South Africa, the implementation of local economic development is often hindered by ineffective project management as results of the shortage of suitably trained and
skilled personnel, some hindered by inexperienced and lack of financial resources to complete such projects. To support this statement Mawila (2015) argues that lack of relevant resources in the municipalities hinders the success of the projects. Therefore, the study wants to investigate the role of project management on local economic development.

In South Africa, Local Economic Development projects are seen as critical in the creation of jobs and alleviation of poverty by improving the standard of living of poor people and enhancing the country’s economic performance (Binns & Nel, 2014). The new democratic South Africa requires the public managers to deliver the service that will have an impact on local economic development. Recent changes in Greater Giyani Local Municipality have exerted a lot of pressure on public managers to a project management perspective. These managers are compelled to change from public administrators to project managers in order to accelerate service delivery and improve local economic development. Factors such as managerial skills, effective training, lack of infrastructure and other related issues are some of the challenges that impact negatively on project management and local economic development (Mawila, 2015:7). Therefore, the study wants to investigate the role of project management on local economic development in the Greater Giyani Local Municipality.

2. Understanding the Concept Project Management within Municipalities

The concept project management has been defined, analysed and interpreted by different authors like Atkinson (2005); David & Ireland (2007); Dumisa (2010) Lewis (2007), Barker & Cole (2013). Project management is the application of a collection of tools and techniques such as the matrix organisation to direct the use of diverse resources toward the accomplishment of a unique, complex, one-time task within time, cost and quality constraints (Project Management Body of Knowledge, 2016). Munns and Bjeirmin (2013:83) define project management as the process by which projects are defined, planned, monitored, controlled and delivered such that the agreed benefits are realised. Projects are unique, transient endeavours undertaken to achieve the desired outcome (David & Ireland, 2007). Projects bring about change and project management is recognised as the most efficient way of managing such change.

The municipal environment is unique in the manner in which it conducts projects. Project management in the municipalities does not start when the project start, but when the people express the needs for change in their environment which will provide an improved quality of life (Lewis, 2007). Project management ends when the intended beneficiaries finally benefit from the project deliverables. The project managers in every municipality are a valuable asset. According to Lizzarde (2015:65) project managers in a municipality needs a wide range of skills, and must be visionary with ability to solve problems as and when they arise and deliver the project as expected.

3. The Nature of Project Management on Local Economic Development

The project management has been a popular tool aimed at ensuring local development in the municipalities in terms of reducing poverty in the local people of South Africa, especial in providing employment to those who are less fortunate (Atkinson, 2005). The local development project helps local people in their striving to incorporate in the national economy. According to Lizzarde (2015:65) “project managers in municipalities need a wide range of skills and must be able to think out of the box, be able to solve problems whenever they arise and deliver the project as expected”. Project management has evolved in order to plan, coordinate and control the complex and diverse activities that are undertaken to improve the local economic development. The project requires resources and is for a limited time, each project has different resource requirements, for example, the project manager may have core skills but need outsource some service in the project (Munns & Bjeirmi, 2013). Management of the project shares the common characteristics, the projection of ideas and activities into new endeavours. The ever-present element of risk and uncertainty means that the event and task leading to completion can never be foretold with absolute accuracy (Maylor, 2010:55). The project management should assist the project managers to foresee or predict as many of the dangers and problems as possible and to plan, organize, and control activities that are undertaken to improve local economic development until the projects are completed as successfully as possible in spite of all the risks (Maylor, 2010:67). This process starts before any resource is committed, and must continue until all work is finished. The primary aim of
The project manager is for the final result to satisfy the project users, within the promised timescale and without using more money and other resources than those that were originally set aside or budgeted (Mashele, 2015). Planning and control must, of course, be exercised over all the activities and resources involved in a project.

Meredith and Mantel (2012:4) discussed project management in terms of producing project outcomes within the three objectives of cost, schedule, and specifications. Project managers are then expected to develop and execute a project plan that meets cost, schedule, and specification parameters. According to this view, project management is the application of everything a project manager does to meet these parameters. According to the PMBOK guide (2013) “a project management plan is a fundamental tool for the project manager to deliver the project successfully”. This document is a strategic and formalized roadmap to accomplish the project's objectives by describing how the project is to be executed, monitored and controlled.

4. The Role of Project Management in Local Economic Development

The literature on the role of project management in local economic development has viewed local economic development as an approach that has the capacity to bring economic development and to alleviate poverty (Binns & Nel, 2014). Project management is developed as a reaction against what was perceived as the failure of regional and rural development programs to address the difficulty of poor people (Boddy, 2012). He further mentions that such failure was attributed to the fact that most regional programs that regarded economic growth as the guiding criterion were not always matched by parallel economic development. There is widespread recognition that the creation of employment through local economic development projects is a central issue in the alleviation of poverty in developing countries (William, 2006). The need has been especially apparent in African countries as more and more youth complete primary and secondary education and have heightened expectations for their futures, but insufficient opportunities. Such countries need to create many jobs to solve the unemployment problem (William, 2006). For this and other reasons, as outlined by Smallbone, North, Baldock, Ekanem (2002), donor agencies and social development organizations have begun, as a matter of priority, to focus their energies on income generating projects targeting the rural people.

The project management role in local economic development is arguably the most challenging role. As the project progresses through its various stages, project managers must be able to adapt themselves to the changing demands of the project and the team (Davis & Rylance, 2005). According to Barker and Cole (2013:11), the need for project management can be realized from its benefits and the role it can play in local economic development. A project is a set of interrelated activities, usually involving a group of people working together on a one-time task for a period of time. A project manager needs skills such as leadership, management skills, communication skills and other related.

5. The Phases of Project Management Life-Cycle

According to Barker and Cole (2013:34), the process each manager follows during the life of a project is called the Project Management Life Cycle. A proven methodical life cycle is necessary to repeatedly implement and manage projects successfully. During the life cycle of any project, proven and tested project management processes or best practices should be initiated. The types and extent of processes initiated depend on the nature of the project, i.e. size, the probability of failure and consequences of failure. Strong and effective project managers apply the process to protect all projects. Every project has a life cycle, with a beginning, a life and an end of a project. The project management life cycle includes project initiation, project planning, project execution, and project closure.

6. The Importance of Community Participation in Local Economic Development

The community participation is a crucial instrument in the local economic development project. The community participation empowers the community to make a decision that directly affects their lives. The community participation helps to achieve greater citizen's satisfaction with their communities and development at large. Therefore, active community participation is key for building an empowered and responsible community (Callaghan, 2014:31). According to the RDP White Paper, "development is
not about the delivery of goods to a passive citizenry, it is about involvement and growing empowerment”. Community participation creates a sense of ownership of the development process to the community itself. Development processes become an integral part of the community and help the community to believe that they own their development process (Davids, Maphunye & Theron, 2009:21). According to Callaghan (2014), for any development to be sustainable, it must be acceptable. In order to achieve acceptance, a sense of ownership must be engendered. Furthermore, ownership can only be achieved through active participation of the target community. It is generally agreed that participation without power “is an empty and frustrating process for the powerless” (Swanepoel, 1992:6). Failure of a community to take ownership has resulted in, for instance, vandalism, corruption and sometimes premature termination of projects which are supposed to benefit the community (Canzanelli, 2001). The situation of involving people in all stages of development creates a mutual partnership between the government and communities which results in sustainable development. Community participation develops true democratic processes in the development process.

7. Legal Framework Governing Development Local Government and Right of Community to Participate in Local Economic Development

There are a number of policies and legislative frameworks governing developmental local government and supporting the participation of the community in local economic development programs. Three of them are discussed below.


The Constitution of the Republic of South Africa (1996) promotes the idea of developmental local government. Local government is in charge of the development process in municipalities and in charge of municipal planning. Section 152(1)(e) specifies that one of the objects of local government is to encourage the involvement of communities and community organisations in matters of local government. Section 195(e) states that people’s needs must be responded to and that the public must be encouraged to participate in local economic development.


According to the White Paper on Local Government (1998), the role of the local sphere of government is to build local democracy. It states that the local government allows citizens as individuals or interest groups to have continuous input into local politics. The White Paper on Local Government, 1998 acknowledges the fact that local government is the sphere of government that interacts closest with communities and is responsible for the rendering of essential public goods and services to residents. It is also tasked with ensuring the growth and development of communities in a manner that enhances community participation and accountability, the promotion of local economic development and community empowerment and the redistribution of national wealth by improving the quality of lives of dwellers.

7.3 Municipal Finance Management Act (Act 56 of 2003)

The Municipal Finance Management Act 56 of 2003 was promulgated with the objective to secure the sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government and to establish treasury norms and standards for the local sphere of government. Once again, the importance of the views of the community in the financial and non-financial affairs of their local government must be highlighted. As of such, every public action, and especially the development of the environment in which communities live, will carry a financial implication (Meiring, 2001:130).

According to Labuschagne (2010:96), each of these Acts and policies focuses on different aspects of local government, such as, amongst others, the rights, duties, functions and powers of municipalities, community participation and integrated development planning. It provides local authorities with a structure for managing their administration, outlines political decision-making systems, defines principles for structuring administrations and ensures that adequate internal oversight structures can be implemented at a municipal level (Williams, 2012:18). For managers to enhance the role of project management on local economic development, they need to encourage the local communities to participate in decision making. These processes can be done through ward councillors and other
community forums. Every process needs to be done within the principles and legal frameworks.

8. Areas to Be Improved to Achieve Successful Local Economic Development Projects

The municipal policies prescribe and require cost-effective measures to be adhered by managers for the prevention of fraud, corruption, favouritism, unfair and irregular practices when service is delivered to improve local economic development (Subban & Theron, 2011:98). The service to the communities is compromised. The major practical challenges that hinder the role of project management on local economic development are interference in the management by political bearers, lack of adequate budget, nepotism and the lack infrastructure, qualified technical and professional experts, ignorance, non-compliance and lack of understanding of the municipal policies and other related issues (Demaziere & Wilson, 2011). The suggested areas that need to be improved to achieve a successful local economic project are discussed below.

8.1 Adherence to Guidelines on Minimum Competency Levels

Adherence to guidelines on minimum competency levels is one of the areas that need to be improved in order to achieve the successful local economic development programs. Guidelines on minimum competency levels have been recently issued to ensure that municipal staff and senior managers within a municipality have the necessary competency levels in the short to medium term (Bhojaram, 2012). The responsible department must ensure that the performance of a successful service provider is in accordance with the specification. Where perceived poor performance occurs, this should be brought to the attention of the responsible department. Where poor performance continues, steps should be taken to recover damage and where performance is seriously compromised, the contract terminated on the ground of non-delivery (Bhojaram, 2012).

8.2 Establishment of Project Management Units

According to Hickey and Mohan (2004) project management units are required to be established within all municipalities. Wherever possible, such a unit must operate under the auspices of the accounting officer of the municipality or an official to whom this duty has been delegated. Accounting Officers must ensure that their project management units are appropriately staffed with skilled professionals and that staff receives training, where required, to be able to deliver a high-quality service.

8.3 Divide the Role of Politicians and Project Managers

Moloba (2015) argues that clarity is needed between the role of politicians and project managers. A properly executed policy recognizes the important role that both politicians and project manager’s play, whilst clearly and unambiguously distinguish the role of each. In this regard, politicians need to set policy and strategic direction, whilst project managers implement the policy under the leadership of the Accounting Officer. Accountability and oversight are only possible if there is a clear separation of the legislative roles, responsibilities, and powers of councils, mayors, executive committees and project managers. Politicians and officials need to act in a spirit of self-sacrifice rather than greed and self-interest of which many are being currently accused (Moloba, 2015).

8.4 Regular Training

Regular training for all people who are involved in the project management is needed. The managers who have the minimum qualification in certain aspects, including project management should hold senior positions in the project management for local economic development. This has been a good initiative as understanding the new project management processes is important for municipalities to function effectively and efficiently Regular workshops, during which the legislative prescripts are explained, can assist in overcoming the said challenges (Hickey & Mohan, 2004).

9. Methods and Materials

The researcher used a mixed methods approach which is a combination of qualitative and quantitative techniques for data collection and analysis. The utilisation of mixed method research design eliminates the existence of bias kind of research results as one method would cater to a single result as compared to both methods that will balance the controversy of the methods. The study adopted
both purposive sampling and random sampling strategies. Purposive sampling techniques involve selecting certain units or cases based on a specific purpose rather than randomly (Tashakkori & Teddie, 2009:173). Purposive sampling implies that not every element of the population has an opportunity for being included in the sample. Random sampling techniques involve a selection process in which each element in the population has an equal and independent chance of being selected (Alvi, 2016:12). The sample size of the study was 10 municipal officials and 50 community members.

9.1 Data Collection

Data gathering is the precise, systematic gathering of information relevant to the research sub-problems, using methods such as interviews, questionnaires, observation, focus group discussions, narratives and case histories (Burns & Grove, 2003). Three sources of data were identified for this study namely, interviews, questionnaires which are referred to as a primary source of data and documentation as a secondary data to investigate the role of project management on local economic development in the Greater Giyani Local Municipality.

9.2 Data Analysis

Data analysis is a process where one transforms data collected with the aim of gaining useful information and coming up with the conclusion (World Bank, 2012). Data analysis involves reducing data collected into manageable data proportions and identifying patterns and themes in the data (Montan, 1996:161). Since the study is a mixed method approach, the two data analysis methods were adopted. For quantitative data, the researcher utilized descriptive statistics. For qualitative data, the researcher utilized thematic analysis method. The major aim of the used data analysis methods was to identify patterns and draw conclusion to generate relevant recommendations.

10. Results and Discussion

10.1 The Responses from Community Members

Fifty questionnaires were distributed to the community members in the Greater Giyani Local municipality. The researcher collected data from 50 participants, which are 25 males and 25 females. The equal distribution of gender has been done in order to eliminate biases in the study and meet the requirement of gender equality and equity in the area of the study.

10.1.1 Poor Project Management and Local Economic Development

The community members were asked as to whether poor project management has an effect on local economic development. In terms of the data collected, the results show that (80%) of the respondents agreed with the statement. It is clear that poor project management may lead to the incompletion of the intended program in the area of the study. Mawila (2015:5) attest that poor project management may always hamper the acceleration of the implementation of the programmes.

10.1.2 Training, Project Management and Local Economic Development

The community members were asked if training can improve the role of project management on local economic development. The majority (76%) of the respondents agreed with the statement. It is evident that the majority of the respondents believe in training. The role of project management depends on the training that the officials have in the organization. Training plays a very important role in project management and implementation.

10.1.3 Budget, Project Management and Sustainable Development

The community members were asked as to whether the inadequate budget has an effect on project management for sustainable development in the area of the study. The results reveal that (80%) of the respondents agreed with the statement. It is clear that inadequate budget may have a negative effect on project management for sustainable local government. Motaung (2013:8) stated that insufficient budget may have a negative effect on project management.

10.1.4 Redeployment, Political Parties, Project Management and Local Economic Development

The majority of the community members (88%) believe that the redeployment of officials by political parties may have a negative effect on the role of project management on local economic development. Mawila (2015) attest that most of the projects that are not completed are caused by the redeployment of unqualified project managers. Redeployment of officials may always hinder the management of the projects.
10.1.5 Alternative Strategies, Project Management and Sustainable Local Economic Development

The majority (78%) of the respondents agreed that a lack of alternative strategies impacts negatively on project management for sustainable local economic development. From the above responses from the community members, it is clear that a lack of alternative strategies can always impact negatively on the management of the projects.

10.2 The Responses from the Municipal Officials

The total number of the municipal officials expected to participate in the posed questions in the form of interview guide was ten. Ten of the respondents were interviewed and participated in the project which accumulates 100% of the respondents.

10.2.1 The Nature of Project Management, Local Economic Development

The officials interviewed, the majority of them believe that the nature of project management has an effect on local economic development. One of the respondents commented that:

"The incompletion of project, is mostly affected by the nature of project and poor management due to irrelevant qualification and another thing is nepotism in which it is a challenge to many municipalities including Greater Giyani local municipality whereby human resource department hire project managers whom they know in which they do not have the required skills and qualifications needed in order to run a project and due to shortage of skills many projects ended up being incomplete which may be caused by lack of financial resource, lack of planning".

10.2.2 Project Management and Local Economic Development

The in-depth interviews that were conducted in the municipality, officials produced mixed results that had to do with impact of project management on local economic development. The majority of the officials believe that the role of project management can have a positive impact on local economic development. Some of the respondents remarked that:

"Project management plays a very important role towards the improvement of livelihood in our local municipalities".

"The role of project management can only be realised if the livelihood in our community can be improved".

10.2.3 Public Management Skills and Local Economic Development

Majority of the respondents believe that lack of public management skill can always have an impact on project implementation and local economic development. One of the respondents commented that:

"How can you expect the local economy to develop if our public officials lack management skills? Lack of management skills hinders the implementation of the project. These situations raise a question on how managers will be able to implement the project for which they do not have the necessary managerial skills. Lack of resources can also influence the employees to fall behind with their completion of the project".

From the above comment, it is clear that the majority of the respondents accept as true that poor managerial skills can also affect the role of project management on local economic development.

11. Conclusion and Recommendations

The paper has been compiled with the aim of investigating the role of project management on local economic development in the Greater Giyani Local Municipality, the results show that the majority of the respondents confirmed that the poor project management has a negative effect on local economic development. Furthermore, the study also found that the lack of an appropriate alternative strategy impacts negatively on project management. The claim was supported by a majority of the respondents who stated that there was a lack of relevant alternative strategies that should enhance the role of project management on local economic development. Therefore, it can be concluded that compliance with the project management procedures and policies could enhance
the role of project management on local economic development. The study was just an eye opener to the policy makers, executive management, project managers and other stakeholders. It is now their responsibility to look into the researchers’ ideas and recommendations for possible ways of enhancing the role of project management on local economic development at the Greater Giyani Local Municipality.

References


