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BENEFITS DERIVED BY DISTRICT ASSEMBLIES FROM THEIR PROJECT CONSULTANTS

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Abstract
Many of the problems in construction at the local level can be traced to consultants who supervise projects on behalf of local government agencies. Consultants therefore need to be evaluated regularly to ensure that they are delivering the expected benefits to their clients. This study seeks to assess the benefits District Assemblies (DAs) in Ghana derive from their consultants who supervise projects funded through the District Assemblies' Common Fund. The study involved a postal survey of 80 DAs and identified the expected benefits the DAs would like to attain through the services of their consultants and the perceived actual benefits they had received. The one-way analysis of variance (ANOVA) (p=0.05) was used to determine the significance of the differences between the expected and the actual benefits. The findings revealed that, of the documented benefits DAs would expect to receive from the professional services rendered by their consultants, increasing accuracy of project budget estimation, saving cost, minimizing risk through improved tender documents, promoting better communication with clients, and meeting clients' deadline were considered important benefits by the DAs. There were significant differences between the expected benefits and the level of benefits achieved from consultants. The actual benefits were generally lower than that expected by the DAs. The paper is of value to local government agencies wishing to obtain greater benefits from their project consultants, and consultants wishing to realize their weaknesses for continual improvement.

Keywords: District Assemblies, consultants, benefits, Ghana

INTRODUCTION

District Assemblies (DAs) in Ghana initiate and execute programmes and projects for the development of basic infrastructure in their respective local government jurisdiction. These Assemblies often lack the capacity to supervise their development projects, and rely significantly on external consultants. To ensure continued delivery on their roles to the benefit of their clients, the external consultants would also require regular evaluation.

This is because as the business environment, according to Ng (2005), becomes more competitive, the success of a consultant becomes more dependent on the provision of expected quality of professional service to preserve the interests of the client at different stages of a project. Goetsh & Davis (2002) and Murphy (2002) also concluded that the release of ISO 9000 QMS has placed more emphasis on customer satisfaction and continuous improvement. This "satisfaction", as defined in study by Hill et al (2002), can be measured by comparing the difference between what is expected and what is actually received, and clients' satisfaction with the performance of a consultant when the quality of service provided exceeds or at least meets their expectation. Ng (2005) re-echoed that continuous improvement can only be realized if consultants are aware of their weaknesses or deficiencies and make corresponding adjustments to satisfy the expectations of their clients. In this paper, the benefits that DAs in Ghana would expect from their project consultants are identified and compared with the actual benefits they had gained.

LITERATURE REVIEW

Concept, composition and functions of DAs in Ghana

The concept of Local Governance in Ghana dates back to 1850s when the Colonial Government issued the Municipal Ordinance to cover Cape Coast and its environs (Osei-Asibey, 2005). This centralized system of governance continued until the introduction of the Local Government Act (ACT 54) in 1961 which was expected to fully decentralise governance in Ghana, but was not implemented. The implementation of decentralisation governance was achieved in Ghana in 1988 when the Provisional National Defence Council (PNDC) Law 207 was passed. This law was further strengthened by the Local Government Act, 1993 (ACT 462) which established the DAs in the Fourth Republic of Ghana repealing previous laws (Botchway, 2000).

As of June 2011, there were 170 Metropolitan, Municipal and District Assemblies across Ghana. Section 162 of Act 462, defined "District Assemblies" to include Municipal and Metropolitan Assemblies whiles "District Chief Executives" included Metropolitan and Municipal Chief Executives. This study adopts this definition of District Assemblies to include Metropolitan and Municipal Assemblies.

The 1992 Constitution of the Republic of Ghana provides in article 242 that a DA shall consist of one person elected from each local government electoral area within the district, the member or members of parliament for the constituencies that fall within the area of authority of the DA, the District Chief Executive of the District and other members not more than thirty percent of all the members of the DA appointed by the President.

District Assemblies are composed of at least 11 decentralized departments which include Education, Youth and Sports Department; Social Welfare and Community Development Department, Works Department, Physical Planning Department, Finance Department, Natural Resource Conservation Department, Central Administration, Trade and Industry, Disaster Prevention Department, Health Department and Department of Agriculture (Osei-Asibey, 2005). The DA is the highest political and administrative body in the district with legislative and executive functions. Sections 10 of Act 462 (1993) list functions of the District Assemblies to include the following:

- To initiate programme for the development of basic infrastructure and provide municipal works and service in the district;
- To promote and encourage other persons or bodies to undertake projects under approved development plans and;
- To monitor the execution of projects under approved development plans and assess and evaluate their impact on the people's development in the local, district and national economy.

In line with the DA's mandate of developing its area, projects are identified or proposed by the DA, local communities or government. Projects are either executed by the Works Department of the DAs or by agents of the DAs (contractors and consultants) depending on the size, cost, duration of the project, manpower and skill required (Botchway, 2000).

The District Assemblies Common Fund

The District Assemblies' Common Fund (DACF) was created by Section 252 of the 1992 Constitution of Ghana. The DACF Act, (ACT 455) was enacted in 1993 to allocate not less than 5% of the total revenue of the nation to the DAs for development (Osei-Asibey, 2005).

The DACF is the most important source of funding for DAs and covers between 80 - 90% of a DA's annual expenditure (Banful, 2009). Currently, the percentage of the total government revenue to be allocated to the DAs is 7.5%. While there are broad regulatory guidelines, DAs are free to use the funds as they wish if the intended use is in their budgets furnished to the DACF Administrator prior to disbursements (Banful, 2009).

The DACF has provided finance for development in health and sanitation, education, potable water, residential and office accommodation, rehabilitation of roads and provision of community centre facilities (Osei-Asibey, 2005). The fund, according to a World Bank report (2004) on the DACF has become a suitable mechanism for providing resources to the Districts for the provision of basic infrastructure in education, health and water which hitherto have been neglected. However, erratic payment by government and large number of competing needs have put a lot of pressure on the Common Fund. Additionally, the near absence of technically competent and experienced staff in the district, utilization and management of Common Fund projects has been beset with problems (Osei-Asibey, 2005).

RESEARCH METHODOLOGY

At the time of the study, there were 170 Metropolitan, Municipal and District Assemblies in Ghana (www.ghanaweb.com). A sample size of 80 DAs from the total population of 170 DAs, representing 47%, was selected for the study. According to Bartlett et al. (2001), the minimum sample size for a population of 200 is 74, indicating the adequacy of the sample size of 80 for the study. Regions of Ghana were considered as strata from which District Assemblies were selected. This was done to ensure that views of DAs from all ten regions of Ghana were included in the study. Eight DAs were selected from each region of Ghana using the mixed sampling technique. For each region, systematic sampling was used to select the sample used in the survey. To select the sample, a sampling fraction was calculated for each region by dividing the sampling frame by the sample size to give a value which is rounded to the next whole number n. The first sample was randomly chosen within the first n samples in the sampling frame after which every nth sample was chosen until the desired sample size was achieved.

This sample was used for the study on the assumption that there exists a link between the characteristic of the sample and the population, allowing a series of referrals to be made within a circle of acquaintances (Berg, 1988).

A questionnaire survey involving closed-ended questions was considered suitable for this study.The questionnaire consisted of two sections. The first section involved the profile of the DAs. The second section assessed the benefits derived by clients from their project consultants. Caldwell and Hagan (1994) stated that ISO 9000-based QMS could improve the service quality of the firm, and hence the client's satisfaction, market share, revenue as well as workers' morale. ISO 9000QMS certification guarantees benefits to both client and consultants. Potential benefits expected to be derived by clients from their project consultants and also benefits of implementing ISO 9000QMS identified from relevant literature (Chan & Tam, 2000; Tang & Kam, 1999; Ahmed & Kangari, 1995), were listed out forofficials of the selected DAs to score their importance to the DAs. The officials were also asked to indicate how well their consultants have helped their DAs achieve the stated benefits on a five-point Likert scale (with 1 being the lowest and 5 being the highest level of benefit). Projects funded through the District Assemblies' Common Fund were chosen as the basis of the study because they provided a common platform with similar characteristic for all Assemblies. This therefore minimized the effects of other factors in the study. Out of the 80 questionnaires administered, 43responsive ones were received, giving a response rate of 53%. With the data analysis, the first part of the questionnaires involving the profile of the DAs was analyzed using percentages. The second part of the questionnaire was analyzed by comparing the mean values of the expected benefits and the actual benefits.The mean values were obtained by the following formula:

$\mu = \frac{\sum_{i=1}^{5} i.f_i}{\sum_{i=1}^{5} f_i}$ (Begum et al., 2006),

where, f isthe frequency of score i for the factor concerned. In this study, a mean value of 3.0 is considered as significant.

Client's satisfaction can be portrayed by comparing the mean values of the expected and actual benefits (Ng, 2005).

In order to adequately confirm whether there exists a significant difference between the means, one-way analysis of variance (ANOVA) was used to determine whether there was a disparity in the sample means of the expected and actual benefits.

FINDINGS AND DISCUSSION

Profile of Respondents

District Assemblies in Ghana have been in existence for varying periods. Indeed, some DAs have been in existence longer than others. It was considered important to know the period of existence of DAs who took part in the study (Figure 1). This was used as an indicator of how long they have dealt with consultants.

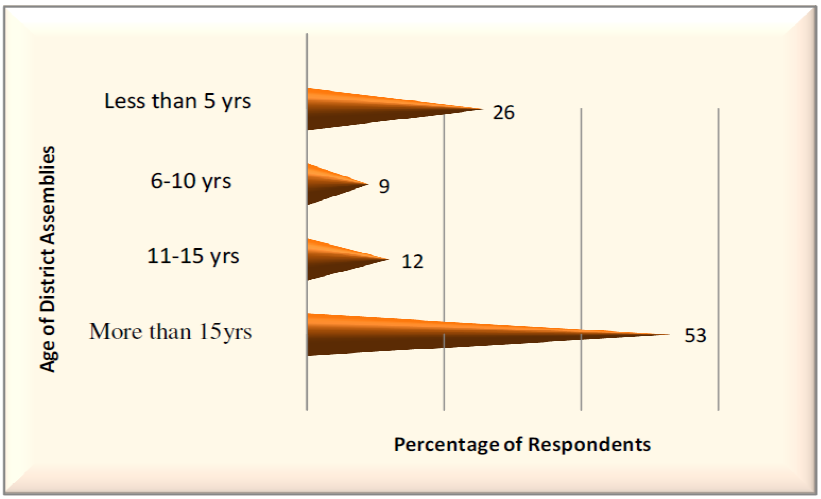

Figure 1. Period of existence of District Assemblies

The results show that 26% of DAs in the study had existed for less than 5 years. However 74% of the DAs surveyed had existed for over five years. Thus majority of respondents have existed for over five years, a period long enough to give reliable information about the performance of consultants.

Designation of Respondents

The questionnaires were completed by individuals working in the Assemblies on behalf of the DAs.

It was considered necessary to know the designation of the respondents who actually completed the questionnaire because a wide array of staff work in the DAs, some of whom are better placed to provide accurate information on projects than others. Figure 2 shows the designation of individuals who completed the questionnaire.

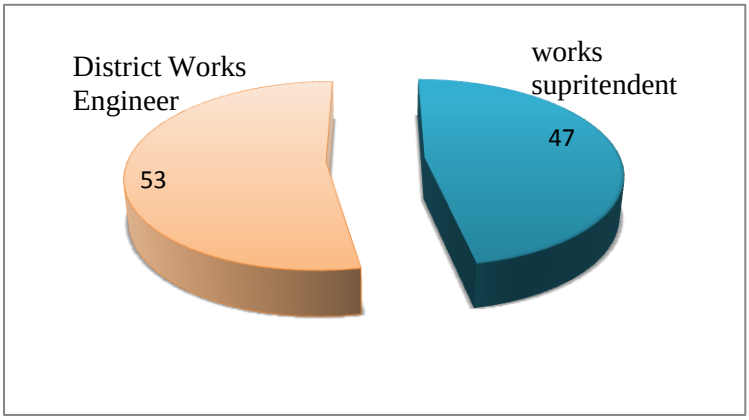

Fig 2 Designation of Respondents

From Fig. 2, fifty three percent (53%) and 47% of the questionnaires were completed by District Works Engineers and Works Superintendents respectively. Indeed, these are officials in the Districts directly involved in construction works and by extension those who work directly with consultants at the District Level. Respondents who completed the questionnaires were in good positions to provide reliable and accurate information on consultants' performance.

Experience of Respondents

In addition to the designation of the individual respondents, it was considered important to determine the length of time the respondents had been involved in project management. It is widely accepted that officials gain more experience in a field as their length of service increases. Table 1 gives the years of experience of the individual respondents.

Table 1 Experience of Respondents

Respondents years of experience	No of respondents	% of respondents
Less than 5 years	6	14
6-10 years	6	14
11-15 years	22	51
More than 15 years	9	21
Total	43	100

Over 75% of the respondents have over five years working experience in Construction Management at the District level, hence are very likely to have the knowledge, skills and judgment to be able to differentiate between expected and actual benefits from the DAs project consultants.

Engagement of Consultants by District Assemblies

The use of consultants by DAs on their projects is done for a myriad of reasons. Figure 3 shows the reasons for engagement of consultants. DAs surveyed were of the view that consultants were engaged mainly because DAs did not have the required expertise for supervision of projects. Other significant reasons were heavy work load and the high cost and complexity of certain projects. Indeed, this is significant because some of the DAs that took part in the study did not have the capacity to carry out supervision of all construction works within their Districts which span over large geographical areas.

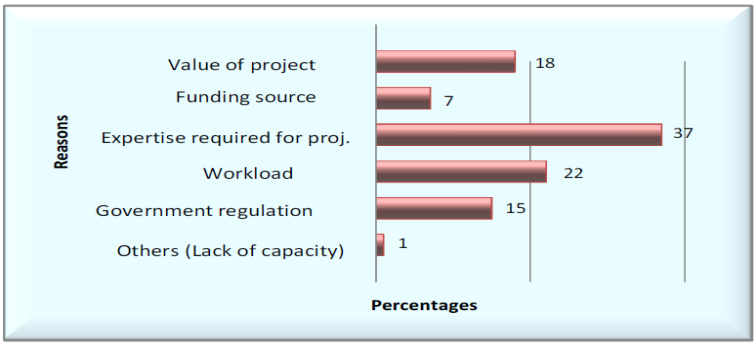

Figure 3 Reasons for engagement of consultants

Benefits derived by District Assemblies from consultants

The study assessed the respondents' views on the benefits derived by DAs from their project consultants. A summary of mean scores of expected and actual benefits from DAs' consultants is presented in Table 2. Mean scores of all the potential benefits evaluated are greater than 3.0, indicating that they are all important to the DAs. The most important benefits derived by DAs include increasing accuracy of project budget estimation, saving cost, minimizing risk through improved tender documents, promoting better communication with clients, and meeting client's deadline (Table 2).

Table 2 Summary of Mean Scores of Expected and Actual Benefits of ISO 9000 QMS Implementation

Code	Benefits	Mean expected score	Standard Deviation	Rank	Mean actual Score	Standard Deviation	Rank
B1	Enhancing organization's quality image	3.86	1.02	10th	2.67	1.62	12th
B2	Improving quality of engineering design	3.70	1.03	11th	3.19	1.04	5th
B3	Improving quality of engineering study recommendation	3.44	1.08	12th	2.84	1.29	11th
B4	Promoting better communication with client	4.16	0.79	4th	3.00	1.24	9th
B5	Saving cost	4.40	0.66	2nd	3.37	0.91	3rd
B6	Increasing accuracy of project budget estimation	4.60	0.46	1st	2.98	1.26	10th
B7	Increasing reliability of project program	4.10	0.81	6th	3.49	0.86	2nd
B8	Meeting client's deadline	4.13	0.80	5th	3.30	0.95	4th
B9	Reduced time for responding to queries and complaints	3.95	0.86	7th	3.60	0.68	1st
B10	Improve the management of sub consultants	3.93	0.95	8th	3.02	1.22	8th
B11	Minimizing risk through improved tender documents	4.19	0.68	3rd	3.14	1.13	6th
B12	Achieve continuous improvements	3.91	1.01	9th	3.14	1.15	7th

The first four actual benefits achieved by DAs from their project consultants were ranked as increasing reliability of project program, reduced time for responding to queries and complaints, saving cost, and meeting client's deadline (Table 2).

The results presented in Table 2 and the graphical illustration of mean scores of the expected and actual benefits (Figure 4) shows that means scores of the expected benefits are higher than those of the actual benefits for all the benefits evaluated. Thus, the benefits derived from consultants are lower than the DAs' expectations.

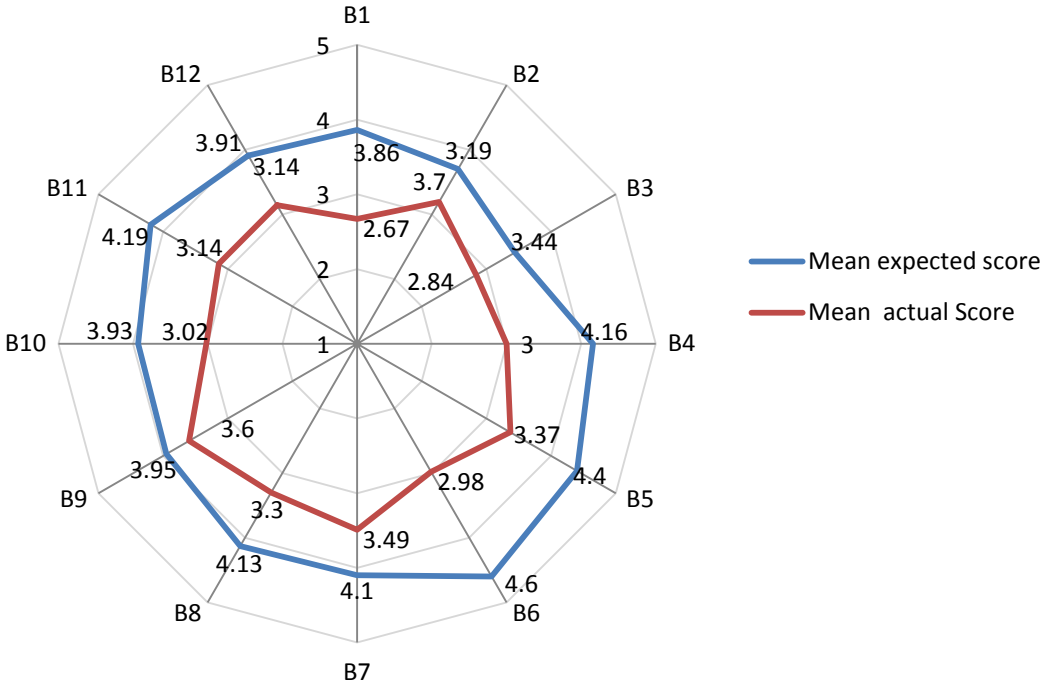

Figure 1. Comparison of mean scores of expected and actual Benefits

Analysis of Variances

The one-way ANOVA was used to test whether there were statistically significant differences between the expected benefits and actual benefits. The results of the analysis are presented in the ANOVA table (Table 3).

Table 3 Analysis of variance for differences between the expected and actual benefits

Benefit of ISO 9000 QMS implementation	SS	df	MS	F	P-value	F crit	Ranking
Enhancing organizations quality image	30.244	1	30.244	34.053	9.8E-08	3.955	7th
Improving quality of engineering design	5.628	1	5.628	6.255	0.01433	3.955	2nd
Improving quality of engineering study recommendation	7.860	1	7.860	6.706	0.01133	3.955	3rd
Promoting better communication with client	29.070	1	29.070	48.974	5.9E-10	3.955	11th
Saving cost	22.512	1	22.512	34.808	7.4E-08	3.955	8th
Increasing accuracy of project budget estimation	56.977	1	56.977	121.919	4.9E-18	3.955	12th
Increasing reliability of project program	14.244	1	14.244	24.020	4.6E-06	3.955	6th
Meeting client's deadline	22.512	1	22.512	44.481	2.6E-09	3.955	9th
Reduced time for responding to queries and complaints	2.616	1	2.616	4.211	0.04327	3.955	1st
Improve the management of sub consultants	17.686	1	17.686	18.624	4.3E-05	3.955	4th
Minimizing risk through improved tender documents	23.547	1	23.547	47.461	9.6E-10	3.955	10th
Achieve continuous improvements	12.663	1	12.663	19.413	3.1E-05	3.955	5th

Statistical difference between two sets of data can be determined by comparing the P-values generated from the analysis of the variances. At 5%, p-values less than 0.05 imply a difference in the data and p-values greater than 0.05 imply no difference. From Table 3, all the p-values are less than 0.05 indicating that there are significant differences between all the data sets. The expected benefits are statistically different from the actual benefits for each benefit evaluated. By referring to the F-ratios, the benefits that exhibited the greatest difference or similarity can be identified. A large F-ratio implies a large difference whiles a small F-ratio implies a small difference. Very large F-ratios, indicating very large differences, were recorded for the following benefits: increasing accuracy of project budget estimation, minimizing risk through improved tender documents, promoting better communication with client, and meeting client's deadline.

The largest F ratio of 121 was in the benefit "increasing accuracy of project budget estimation" meaning it was the benefits that had the widest gap between the actual and expected benefits. This may be so because of the very high budgets overruns incurred by the DAs. Consultants do not help DAs much in executing their projects within budget. Thus consultants have to improve

on their project budget estimation.

Other benefits like "meeting client's deadline", "minimizing risk through improved tender documents" and "promoting better communication with client" had high F-ratios of 44.46, 47.46 and 48.974 respectively, also suggesting that consultants need to take a critical look at issues with meeting deadlines, minimizing risks on behalf of DAs and improving communication with the DAs. The benefits with the least F-ratios were "reduced time for responding to queries and complaints" and "improved quality of their designs" with ratios of 4.21 and 6.25 respectively. These were the only benefits where the expectations were close to the actual benefits.

Conclusions

The results of the study show that of the potential benefits from DAs consultants, increasing accuracy of project budget estimation, saving cost, minimizing risk through improved tender documents, promoting better communication with clients, and meeting clients' deadline were considered important by the DAs.

At 5% level of significance, there were significant differences between the expected benefits and the actual benefits the DAs derived from their consultants. For consultants to meet their clients expectation and clients also achieve enhanced benefits from their consultants, it is recommended that DAs include consultant's evaluation in their contracts with their consultants. District Assemblies should also evaluate their consultants on all projects to provide much needed feedback for the consultants to be able to examine their deficiencies for continual improvement and guaranteed benefits to the DAs. Consultants are recommended to seek regular feedbacks from the DAs and review their service quality on those deficient aspects.

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