

# The Effective Strategies of Managing Abandoned Projects in Nigeria Tertiary Institutions

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**ABSTRACT :** *This study examines the effective strategies of managing abandoned projects in tertiary institutions in Nigeria. It goes on to assess the causes of project abandonment in tertiary institutions and also assessed the impacts of project abandonment in Nigeria tertiary institution. The study further examined the remedies/preventions of project abandonment in tertiary institutions in Nigeria. Data were obtained from both the primary and secondary sources which include interview, questionnaire, textbooks journal publications and internet facilities. The data was analyzed (i.e the mean and standard deviation), using statistical package for social society (SPSS). The finding revealed that the bribery/societal corruption ranked first followed by poor monitoring and death of the contractors. Political instability ranked least with a mean score of 2.13. Findings showed the ranking with the embezzlement, misappropriation, and money laundering ranked first followed by Increase in the cost and prices of construction activities and students unrest. Extortion and blackmail was ranked least with the mean score of 2.47. Furthermore, the findings showed the possible remedies to project abandonment in Nigeria tertiary institution. The first ranked remedy to be considered is the provision of adequate accountability for project followed by close scrutiny and monitoring, proper development and planning at the design stage were ranked second while blacklisting and prosecution of guilty party and improve communication gap among the personnel were ranked third. Provision of adequate contract period ranked least with the mean score of 3.12. Conclusion and recommendation are made on the report of this work.*

**KEYWORDS:** Effective, strategies, abandoned, projects, tertiary institution.

## I. INTRODUCTION

Abandonment is the act of surrendering a claim to, or interest in, a particular asset. In securities, abandonment is the permitted withdrawal from a forward contract that is made for the purchase of deliverable securities. In many instances, an option may not be worthwhile or profitable to exercise, so the purchaser of the option lets it expire without being exercised. [1] defines abandon as "to stop doing something because there are too many problems and it is impossible to continue. Planning is foremost thing to be done if projects are to be completely executed. The successful completion of a project depends on adequate planning which also includes financial planning. The sight of abandoned projects scattered across the length and breadth of Nigeria is alarming. A construction project is defined by costs, delivery time and quality.

These factors are all strongly dependent on the contractor that has been selected to execute the project [2]. The goal of this selection process is to select a contractor capable of delivering the proposed result within the predefined delivery time, in acceptable quality and within budget [3]. With the economic development currently taking place in Nigeria, building construction contributes to a large portion of the construction sector. Therefore, the objective of this paper is to determine the most important causes, effects and solutions to the delay of building construction projects in Nigeria [4].

Abandoned projects including building, Civil Engineering and heavy engineering development project like: houses, mosques, churches, schools, roads, bridges, dams, tunnels, airport, seaport etc. litter the whole Nigeria. It was reported that Nigeria has become the "world's junk-yard of abandoned projects worth billions of naira and it is greatly unthinkable that Nigeria blessed with so great potentials in the construction industry can experience such magnitude of project abandonment.

Poorly defined project scope, inadequate risk management, failure to identify key assumptions, project managers who lack experience and training, no use of formal methods and strategies, lack of effective communication at all levels, key staff leaving the project and/or company, poor management of expectations, ineffective leadership, lack of detailed documentation, failure to track requirements, failure to track progress, lack of detail in the project plans, inaccurate time and effort estimates and cultural differences in global projects [5].

So the causes of project abandonment in tertiary institutions in Nigeria are wide and varied with conventional projects. Among the causes may include climatic conditions, unavailability of material, transportation to site, cost overrun, schedule delay, strikes and technical challenges, misappropriation of budgeted fund, lack of organizational policy and precision, political instability, bribery among contractors, death of contractors and lack of proper monitoring. In addition promised resources may not be available when required, executives may fail to grasp the full reasons behind instigating a project or there may be political reasons for continuing with a clearly unviable project.

The effect of project abandonment in tertiary institutions are enormous and they are involve increase in the cost and prices of construction activities, unemployment, no aesthetics look within the vicinity,

Manuscript received: 23 June 2018  
Manuscript received in revised form: 20 July 2018  
Manuscript accepted: 04 August 2018  
Manuscript Available online: 10 August 2018

harbor of hoodlums within the society, lack of true leadership and it prevents the use of the land for other economics operations.

## II. LITERATURE REVIEW

According to another report by Kotangora (1993) cited by [5], there are about 4000 uncompleted or abandoned project belonging to the Federal Government of Nigeria with an estimated cost of above N300 billion which will take 30 years to complete at the present execution capacity of government, also according to him this issue of abandonment been left without adequate attention for too long which is now having a multiplier effect on the construction industry in particular and the national economy as a whole. The construction industry plays a very dominant role in the economy of any nation. A healthy economy usually experience an increase in construction activities, but in a depressed economy, the incidence of project abandonment tends to be more prevalent. Delays and cost overruns have “knock on” the effect on the construction industry and indeed in the whole economy. This applies to Nigeria where construction investments account for over 50% of the gross fixed capital formation. Qualitatively reasoned that some of the causes of project abandonment in Nigeria are: deaths of client, inability of client to attract fund and lack of good planning. The problem of project abandonment is serious and pervading during the era of military rule. This situation has become so worrisome that the Obasanjo administration had to set up a panel to look into cases of abandoned federal projects in Nigeria. This study is design to examine the incidence of project abandonment. This study will provide information that will serve as a basis for articulating public policy regarding project abandonment in Nigeria. This position has become very necessary because government and their agencies are the single most important client in this industry, they account for over 80% of projects in the industry. This study establish the incidence of cost overrun in building projects, determine the causes of project cost overruns in building and assess the management techniques to forestall overruns in the Nigeria building industry. Abandonment of projects are caused by inadequate planning, inadequate finance, inflation, delayed payment and political factor, incompetent project manager, wrong estimate, faculty, design and inadequate cost control.

Mismanagement is mentioned by the Ministry of Housing and Local Government (MHLG) [6] as one of the causes of abandoned housing projects. Mismanagement may happen due to the lack of experience of developers [7] Examples of mismanagement that may lead to abandoned housing projects include lack of proper feasibility studies [7] particularly inaccurate market research [8]; [9], unattractive marketing strategies [7], fraud (MHLG, as cited in [6]; [8]), conflict among project participants [10]

and incompetent and poor financial management by the developers [6]; [7].

A number of sources cited financial problems as a cause of abandoned construction projects [11]; [7]; [9]; [12]; [13]. However, it is felt that financial problem is the effect of other aforementioned causes prior to being abandoned. For instance, increases in project costs [14] may be due to mismanagement or unfavourable economic conditions; and, the lack of proper feasibility study to determine the right type of development and unattractive marketing strategy ultimately affect the sales and hence lead to the financial problem.

The study identified the effects of abandonment of projects are disappointment of the populace/users, low living standard unemployment, wastage of resources, decrease in tempo of economic activities and decrease in revenue to government. This will help to proffer solutions that will drastically reduce abandonment of projects in Nigeria. Particular barriers and issues associated with projects in a developing and emerging economy.

## III. METHODOLOGY

A well organized questionnaire was developed to sample respondents' opinions on the probable causes, effects and solution to the project abandonments in tertiary institutions in Nigeria in Nigeria. Seventy (70) questionnaires were distributed, sixty (60) were collected back for analysis. The data collated were presented in tabular form and simple statistical tools were used for the analysis to include percentage among other methods.

Data sourced from various professionals within the built environment in the tertiary institutions in Nigeria were analyzed using arithmetic mean and ranking by descending value methods of statistical analysis. For assessment purpose, mean score was used to examine the causes, effects of project abandonment and to suggest possible remedial actions and results were ranked from which conclusions were deduced.

In computing the arithmetic mean, the following formula was used:

$$\text{Mean score} = \frac{\sum w_i f_i}{\sum f_i}$$

Where  $\sum w_i$  = the summation of the weights.

$\sum f_i$  = the summation of responses

The Likert scale involving rating on interval scale of 5 and 1 developed for application in social sciences and management researches for quantification of qualitative variable were used. It elicited information from the building construction professionals concerning the effects of fraud and corruption in the Nigeria construction industry. 1- Represents; least responsible, 2- Represents; fairly responsible, 3- Represents; averagely responsible, 4- Represents; Responsible, 5- Represents; highly responsible.

**IV. DATA PRESENTATION AND ANALYSIS**

This research work was based on three main possible contributory factors whose causes, effects and solution to the project abandonment in Nigeria tertiary institution which were subsequently identified and scored within the identified causes, effects and proffer solutions.

**Table 1: Professional background of respondents**

Professions	Frequency	% percent	Percent cumulative
Architecture	11	18.3	18.3
Building	21	35.0	53.3
Quantity surveyor	14	23.3	76.6
Engineering	9	15.0	91.6
Urban and Regional	5	8.3	100
Total	60	100	

The table above shows the professional background of respondents, 18.3% of the respondent are Architect, 35.0% are builder, 15% are Engineer, 23.3% are Quantity surveyor 8.3% are Town planner.

**Table 2: Types of respondents**

Types of respondent	Frequency	% percent	Percent cumulative
Contractor	26	43.3	43.3
Architect	6	10.0	53.3
Consultant	23	38.3	91.6
Personnel	5	8.3	100
Total	60	100	

From the table 2 above, larger percent of the respondent are contractors followed by consultants with 43.3% and 38.3% respectively.

**Table 3: Factors responsible for project abandonment in Nigeria tertiary institution.**

S/N	Factors responsible for project abandonment in Nigeria tertiary institution.	Mean score	Rank
1	Climatic condition	3.32	4
2	Non availability of construction materials	3.25	5
3	Cost overrun	3.07	9
4	Schedule delay, strike and	3.22	7

	technical challenges		
5	Misappropriation of Budgeted fund	3.23	6
6	Lack of organizational policy and precision	3.22	7
7	Lack of proper development and planning	3.02	11
8	Inflation, wrong estimation and bankruptcy	3.05	10
9	Improper management and poor administration	2.47	16
10	Politics instability	2.13	17
11	Bribery/Societal corruption	3.55	1
12	Poor monitoring	3.50	2
13	Death of Contractor/Client	3.38	3
14	Transportation to site	2.65	15
15	Contract duration	2.90	13
16	Ease of concealment	2.88	14
17	Complexity of project and size of project	2.97	12

Table 3 shows the mean score and ranking of the causes/factors responsible for project abandonment in Nigeria tertiary institution. Ranking is done in order of magnitude (from the highest mean score (1) to the lowest in order of priority using numerical figures). Bribery/Societal corruption ranked first followed by poor monitoring and death of the contractors. Political instability ranked least with a mean score of 2.13.

**Table 4: Effect of project abandonment in Nigeria tertiary institution.**

S/N	Effects of project abandonment in Nigeria tertiary institution.	Mean	Rank
1	Increase in the cost and prices of construction activities	3.73	2
2	Unemployment	3.08	11
3	Creates a repercussion for the growth of the economy as a whole	3.47	6
4	Decrease in the tempo of economic activities	2.72	13
5	Students unrest	3.58	3
6	Delay of project delivery	3.52	5
7	Extortion and blackmail	2.47	14
8	Waste of finance and material resources	3.15	10

9	Psychological trauma {bankruptcy}	3.43	7
10	Hinder foreign investors	3.02	12
11	Embezzlement, misappropriation, and money laundering	3.76	1
12	Professional ethic circumvention	3.22	9
13	Discourage technological innovation and foreign partnership for educational growth	3.40	8
14	No aesthetic look within the vicinity	3.53	4

Table 4 shows the effects of fraud and corruption in the construction industry. Embezzlement, misappropriation, and money laundering ranked first followed by Increase in the cost and prices of construction activities and students unrest. Extortion and blackmail was ranked least with the mean score of 2.47.

**Table 5: Remedies to project abandonment in Nigeria tertiary institution.**

S/N	Possible remedies to project abandonment in Nigeria tertiary institution.	Mean	Rank
1	Transparency	3.20	8
2	Close scrutiny and monitoring	3.65	2
3	Provision of good road network to construction sites	3.48	5
4	Provision of adequate contract period	3.12	9
5	Rigorous prosecution and stiffer sanction	3.32	6
6	Blacklisting and prosecution of guilty contractors	3.53	3
7	Integrity part and debarment	3.22	7
8	Provision of adequate accountability for project	3.73	1
9	Availability of materials on site before the commencement of the project	3.50	4
10	Proper development and planning at the design stage	3.65	2
11	Improve communication gap among the personnel	3.53	3

Table 5 shows the possible remedies to project abandonment in Nigeria tertiary institution. The first ranked remedy to be considered is the provision of

adequate accountability for project followed by close scrutiny and monitoring, proper development and planning at the design stage were ranked second while blacklisting and prosecution of guilty party and improve communication gap among the personnel were ranked third. Provision of adequate contract period ranked least with the mean score of 3.12.

**V. DISCUSSION OF FINDINGS**

With the use of statistical tools, the study was able to assess the effective strategies of managing abandoned projects in tertiary institutions in Nigeria.

The table above shows the professional background of respondents, 18.3% of the respondent are Architect, 35.0% are builder, 15% are Engineer, 23.3% are Quantity surveyor 8.3% are Town planner.

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**VI. CONCLUSION**

The findings revealed that bribery/societal corruption, poor monitoring of project, death of contractor/client, climatic condition and non availability of construction are factors responsible for project abandonment. Embezzlement, misappropriation of priority, money laundering, increase in the cost and prices of building construction activities, student unrest, and no aesthetic look within the vicinity are the factors responsible for the effects of project abandonment. The remedies to project abandonment are the provision of adequate accountability, proper development and planning at the design stage, blacklisting and prosecution of guilty

contractors and availability of construction materials on site before the commencement of the project.

#### VII. RECOMMENDATION

The following recommendations are put forward to resolve most abandonment problems associated with construction projects especially in Nigeria:

1. Only new projects, which can be completed with the available resources, should be initiated.
2. The selection processes and consultant should be characterized by accountability, transparency, honesty and integrity.
3. The use of political undertone rather than economic advantage in siting of projects should be discouraged.
4. Corruption at the level of Government and other stakeholders in the building sector should be curbed through Due process, Economic and Financial Crime Control (EFCC), Budget Monitoring and Price Intelligence Unit (BMPIU) and other Crime Control Agencies.
5. Government at Federal, State and Local council should endeavour to embrace the newly signed National Building Code and the need to set up a National Construction Industrial Bank is overdue.

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