

# EFFECT OF PROJECT TEAM COMPETENCE ON THE PERFORMANCE OF PROJECTS OF NON GOVERNMENTAL ORGANIZATIONS IN NAIROBI CITY COUNTY, KENYA

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**Abstract:** Nairobi City County's Non-Governmental Organizations (NGOs) are facing distinct and unforeseen challenges, which encompass a lack of financial resources and an inability to adapt innovatively to changing needs. Therefore, this study sought to effect of project team competence on the performance of projects of non-governmental organizations in Nairobi City County, Kenya. The research employed a descriptive research design. The study population was identified with the help of non-profit organizations in Nairobi City County, resulting in a total of 210 participants, comprising 70 project managers and 140 project employees. Participants were selected using simple random sampling, while stratified random sampling was utilized to choose the NGOs. Out of the total, 138 individuals completed the survey. Primary data was gathered through a semi-structured questionnaire. Furthermore, a pilot study was carried out with four non-governmental organizations in Nairobi County. The validity of the questionnaire was evaluated based on criteria, construct, and content validity. Descriptive statistics, including frequency, percentage, mean, and standard deviation, were utilized to analyze the quantitative data. The study also employed inferential statistics such as multiple regression analysis and correlation analysis. The results indicated that most projects were inefficient regarding quality, cost, and timely delivery, with completed projects only partially meeting client expectations. Furthermore, the findings revealed that many of these completed projects suffered from inadequate planning. This research highlights the positive impact of effective development on project performance and team efficiency. Additionally, it suggests that changes in project organizational structure may stem from various factors, including the recruitment of inexperienced key personnel. The study concluded that project managers could effectively allocate and manage resources when they are distributed appropriately.

**Keywords:** Project Team Competence, project performance.

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## 1. INTRODUCTION

Project's success hinges on its performance, influenced by factors such as project complexity, agreements, partner relationships, the accessibility capacity of the project director, and the capabilities of various stakeholders (Heldman, 2015). Martinsuo and Hoverfalt (2018) Argue that the evaluation and measurement of task performance commonly rely on metrics assessing its effectiveness. These metrics serve as a means to gather and present data on product performance, efficiency, and effectiveness. Consequently, project success can be gauged by factors such as financial outcomes, timeliness, quality-related performance, and alignment with customer requirements.

To thrive in a complex and ever-changing business environment, global organizational projects must rely on their distinct organizational capabilities. These capacities depend on a number of variables, including opportunities and threats that exist in the corporate environment. According to Tarus (2016), Masero (2016) and Murgor (2014) have shown that companies

with established capabilities and policies typically have high project performance rates. As a result, more and more companies are leveraging their special assets to improve project performance (Hoang and Rothaermel, 2009). Organizations' strategic capabilities, or their capacity to use resources and other capabilities efficiently, are essential to outperforming the ever-changing business environment. This uniqueness serves as a competitive advantage, contributing to the enhancement of project performances (Dubihlela, 2013; Hoang & Rothaermel, 2010).

In the United States, reports indicate a 24% project failure rate, with 44% of other projects facing various challenges related to project management (Kariega, 2020). In Nigeria, manufacturing firms have reported subpar project performance attributed to inadequate resource allocation and organizational structure (Onyango et al., 2015). NGO performance is lower, according to Murgor (2014), when these organizations do not make use of their special resources, which include project team management, financial resources, human resources, and technology resources. Inan and Bititci (2015) state that, on the other hand, small to mid-sized companies as well as not-for-profit organizations in the UK have embraced effective organizational skills and are using them to enhance project and organizational performance.

The construction industry, widely recognized for project delays and cost overruns, has prompted a widespread dissemination of techniques to improve performance. Consequently, project performance enhancement has emerged as a significant concern in African nations like South Africa (Frimpong, 2017). According to Alutu and Udhawuve (2019), a number of performance metrics, including time, cost, quality, client satisfaction, and client changes, provide a thorough evaluation of project performance in the South African construction industry. Project performance is impacted by a number of sector-specific issues.

Non-governmental projects' performance has drawn criticism in Kenya for its inadequacies in resource allocation and organizational structure, leading to a heightened focus on addressing these shortcomings (Mugo, 2018). Organizational capabilities serve as the foundation for organizations to provide tailored solutions and excel based on their distinct methodologies (Dosi et al., 2000). An organization's capabilities are often defined by factors such as its organizational structure, the skills and competence of its project teams, human resources, financial resources, and technological resources (Okwemba, 2019). In instances where organizational structure and resource allocation are ineffective, there tends to be elevated operational and service costs, inefficient assignment of project team responsibilities, ultimately leading to subpar project performance (Sadiq, 2019).

According to Kihoro and Waiganjo (2015), project performance is the assessment of a project effectiveness to substantially complete its' predetermined targets, objectives, and overall goals. According to Ogwueleka (2011), performance measurement is the process of quantification, and actions contribute to performance. It essentially involves quantifying the efficacy and efficiency of actions. Therefore, the degree of success in reaching the project's predetermined objectives, targets, and goals can be used to evaluate its performance.

The ability of an organization to manage its resources to carry out tasks and improve performance is referred to as organizational capabilities (Omayo, 2013). Project managers need assistance from senior managers to comprehend and meet the objectives of the project. Within an organization, projects are supported by senior management when they receive their commitment, clear expectations, adequate resources, and team member or project manager motivation (Teller and Kock, 2013).

According to research, team members' perceptions of their own competence and the project's success factors are related in a role-dependent manner. Ruzibiza (2017) found a strong and positive correlation between expertise and project performance. Additionally it was found that social skills and project performance were positively correlated, and that leadership skills and project performance were positively correlated, albeit marginally significantly (Oh and Choi, 2020; Boyatzis, 2009; Barney, 1991).

NGOs in Kenya prioritize contributions to economic, social, and developmental sectors such as health, transport, and education with a focus on humanity rather than profit. It is important for NGOs to monitor project performance to identify and improve upon weaknesses. NGOs are expected to demonstrate efficient and effective project performance, requiring proper management measures to optimize their capabilities.

Since the number of NGOs registered nearly doubled between 1977 and 1987, NGOs have been instrumental in Kenya's economic development in the late 20th century. To register and regulate not-for-profit organizations (NGOs) in Kenya, both domestic and foreign, the Not-for-profit organizations Coordination Act (Cap 19) applies. The Board's primary responsibility is to support and manage the not-for-profit sector in the country. Only 2,029 out of 5,929 NGOs in Kenya

had the NGOs Coordination Board's approval as of the 2009 national census of NGOs report (NGOs Coordination Board, 2022). Remarkably, Nairobi County was home to 35% of the NGOs that were officially registered. There are NGOs that experience management problems or closure even though many of them have strong governance processes, excellent staff, a clear vision, and financial sustainability.

As per the report by the NGOs Coordination Board (2015), out of 140 billion Kenyan shillings in donations, 25 point 7 billion are still unaccounted for because of corrupt practices like misappropriating funds, abusing equipment for personal benefit, and paying for fictitious work. These corrupt practices are considered when evaluating the performance of NGOs (Sang et al., 2018). The National Council of NGOs recognizes that its activities are influenced both directly and indirectly by internal and external socio-economic, legal, and political factors. The Council faces difficulties in this environment due to the identified performance shortcomings, particularly the delay in reaching agreement on the implementation of the PBO Law.

## 2. STATEMENT OF THE PROBLEM

NGOs working in Nairobi City County face unique and unexpected difficulties because they are not only limited in their resources but also unable to creatively adjust to changing needs. The National Survey of NGOs Report (2022) conducted a survey to evaluate the level of NGO involvement in Local Development Initiatives (LDIs). According to the data gathered, 23% of the NGOs surveyed did not actively participate in such initiatives, while 69% of them did. Eight percent, on the other hand, did not reply, suggesting that they did not take part in local development projects. With only 13% actively participating in the Constituency Development Fund (CDF), a crucial source of devolved funds at the community level, NGO participation in LDIs was generally very low.

According to the National Survey of NGOs Report (2022), the biggest obstacles were found to be finance (41 percent), technical capacity (13 percent), and community participation (21 percent). Furthermore, 7% cited networking with other organizations as a barrier, and 12% cited regulatory issues. The internal organizational environment can significantly impact project performance outcomes, contributing either to positive or poor results (Kuria & Kimutai, 2020).

Similar to Mugo (2018), Kariega (2020) observes that insufficient management, inefficient resource distribution, and inept teams are the main causes of NGO projects' poor performance in Kenya. As per Kitonga, Bichanga, and Muema (2016), non-governmental organizations (NGOs) operating in Kenya face various obstacles, such as insufficient allocation of resources, deficient leadership, and inefficient technology. The success of their projects may be severely impacted by these problems. As a result, non-governmental organizations were forced to allocate large sums of money for operating costs; between 2014 and 2017, they spent \$270 million, but they produced very little in the way of noticeable outcomes.

## 3. LITERATURE REVIEW

### Theoretical Literature Review

#### Human Capital Theory

This study is theoretically grounded in the Human Capital theory, which was developed to evaluate the connection between organizational effectiveness and employee training. Schultz (1961) and Becker (1964) were instrumental in advancing this theory. This framework holds that education and/or training provide employees with useful knowledge and skills that they can use to improve firm productivity and, as a result, earn more money. The theory emphasizes the value of human capital to business and society, and it states that investing in people is the best use of capital. Fundamentally, the theory centers on the skills, aptitudes, and attributes that people possess, which increase their worth and help organizations achieve their objectives (Becker, 1964).

Organizations must strategically choose how to invest in and manage their human capital, just like they do with other economic assets like land and machinery (Becker, 1964; Wright, McMahan, and McWilliams, 1994). The theory of Boxall & Steeneveld (1999), which compares human capital to physical assets and holds that the return on investment depends on the kind and size of the investment, supports the idea that the value of human resources, like any other capital, is tied to its ability to directly and indirectly impact organizational productivity. According to Marimuthu (2009), human capital development is the process through which employees gain knowledge and skills that improve their capacity to carry out economically valuable tasks. Understanding employees as resources in the process of production highlights their value.

Employees come into the workforce with a variety of levels of education, experience, expectation, and knowledge. McConnell, Brue, and Macpherson (2019) claim that employees with more education and training contribute more

productively. The skills, knowledge, and abilities of an organization's human resources is foundational for its ability to create value, as human capital theory is widely acknowledged as a tool for enhancing organizational performance. Human capital theory, which clarifies the importance of workforce maximization and how businesses harness the knowledge, skills, and competencies of their employees through investments in education and training, is confirmed by Debrulle, Maes, and Sels (2020) as improving firm performance.

The significance of this theory lies in its ability to significantly impact an organization's capacity to achieve its objectives. Thus, via human resource outcomes, employee training is essential to improving employee quality and promoting organizational productivity.

### Empirical Literature Review

Al-Khawaldah (2017) investigated how project managers affect the success and completion of projects in the Jordanian project industry. Data for the study were gathered using a descriptive cause-and-effect methodology, and 160 project managers from 33 different companies became involved. The success of the project and the competency of the project managers were found to be significantly correlated, especially by regression analysis. According to the research, a project manager's abilities play a significant role in its success; knowledge had the biggest impact, followed by skills.

To ascertain how project team competencies affect the effectiveness of development programs in Rwanda, Ruzibiza et al. (2017) conducted a case study on the Village Saving Loan Association Project in Rwanda's Gasabo District in 2017. The study examined the connections between project performance, leadership ability, social competence, and professional competence with 120 participants and a descriptive design. The results indicated a significant and favorable connection between professional skills and project success, as well as a lesser but still positive association between social skills and project success. To enhance professional growth, the research suggested boosting workshop and training availability.

Oh and Choi (2020) assessed the connection between management skills, emotional intelligence, and intellectual team members and project performance in Korea. The study established that a project's chance of success was impacted by the competencies of its team members using structural equation modeling on 164 project management experts. It was observed that when it came to the aspect of project success that was specific to their roles, team members' assessments of their abilities were consistent. The study recommended taking into account members' strategic orientation in business innovation and stressed the significance of project managers' expertise.

## 4. RESEARCH METHODOLOGY

The research employed a descriptive research design. The study population was identified with the help of non-profit organizations in Nairobi City County, resulting in a total of 210 participants, comprising 70 project managers and 140 project employees. Participants were selected using simple random sampling, while stratified random sampling was utilized to choose the NGOs. Out of the total, 138 individuals completed the survey. Primary data was gathered through a semi-structured questionnaire. Furthermore, a pilot study was carried out with four non-governmental organizations in Nairobi County. The validity of the questionnaire was evaluated based on criteria, construct, and content validity. Descriptive statistics, including frequency, percentage, mean, and standard deviation, were utilized to analyze the quantitative data. The study also employed inferential statistics such as multiple regression analysis and correlation analysis,

## 5. FINDINGS

The descriptive statistics results on project team competence are presented in Table 1.

**Table 1: Project Team Competence**

Results on project team competency in NGOs' projects in Nairobi City County, Kenya, are shown in this section. Table 1 provided a summary of the findings.

	Mean	Std. Deviation
NGO has provided a dynamic and holistic learning culture which has ensured effective project team participation	4.5212	.56001
NGO has established linkages with institutions of higher learning to enhance team members skills development	4.6343	.59121
NGO projects benefit from effective team participation	3.7553	.50319

The NGO's leadership made sure that the project teams were more motivated	3.6570	.49867
NGO has ensured strong professional competencies among project team members	4.5670	.49936
Project organization leads to the development of strong teamwork and teams that fully identify with the project goals	4.0345	.49786
The timely completion of projects is guaranteed by the project organization	4.3233	.65458
The management makes an effort to properly coordinate all of the individual efforts	4.4342	.65323
<b>Aggregate Score</b>	<b>4.2409</b>	<b>.55726</b>

The average mean of 4.2409 and the standard deviation of 0.55726, as reported in Table 4.6, indicated that the project team was competent. Equally, the result indicated that project managers had provided a dynamic and holistic learning culture which has ensured effective project team participation (M=4.5212, Std Dev=0.56001). NGOs had established linkages with institutions of higher learning to enhance team members skills development (M=4.6343, Std Dev=0.59121) and NGO projects benefited from effective team participation (M=3.7553, Std Dev=0.50319). With mean scores of 4.5670, 4.0345, and 4.3233, respectively, the study's findings showed that most respondents agreed that NGO projects benefited from effective team participation, guaranteed strong professional competencies among project team members, and project organizing led to the development of strong team-work.

According to the majority of respondents, project organization guarantees that projects are completed on schedule and that direction aims to integrate all individual efforts through appropriate coordination. According to the study findings, project manager assertiveness was identified as the most crucial competency. The manager plays a pivotal role in a project, since their attitude and leadership style strongly influence the work of the project team.

According to the study's findings, project managers' skills significantly impacted the project's success, with knowledge having the largest impact, followed by skills, and experience having the least. This confirms what Al-Khawaldah (2017) found. According to Ruzibiza et al. (2017), development programs' performance was also influenced by competence and social and professional skills. Castillo, Alarcón, and Pellicer (2018) backed up the findings, which demonstrated that team members' abilities affected a project's chances of success.

### Inferential Statistics Results

**Table 2: Correlation Analysis**

		Project Team Competence	Project Performance
Project Team Competence	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	111	
Project Performance	Pearson Correlation	.795**	1
	Sig. (2-tailed)	.002	
	N	111	111

According to the results, there was a significant and strong correlation between project team competence and project performance ( $P = 0.795$ ,  $\text{sig} < 0.05$ ).

**Table 3: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.918 <sup>a</sup>	.843	.837	1.33232

The adjusted  $R^2$ , or the proportion of the dependent variable's variation that can be accounted for by changes in the independent variables, was 0.837, according to Table 3 analysis. This indicates that while other factors not covered by the model explained 16.3 percent of the variation in project performance, changes in organizational structure, project team competence, resource allocation, and innovation competence explained 83.7 percent

**Table 4: Analysis of Variance**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	125.124	1	125.124	181.455	0.002
	Residual	75.162	109	0.689		
	Total	200.286	110			

According to the model's p-value of 0.002, which is less than 0.05, project team competence, had a statistically significant impact on the success of NGO projects in Nairobi City County, Kenya. 181.455 was the F at the five percent significance level. The calculated F exceeds the F critical (p value = 125.124), indicating the overall significance of the model.

**Table 5: Regression Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.232	2.207		5.543	.000
	Project Team Competence	.172	.206	.101	.832	.007

The goal of the study was to determine the effects of project team competency on the project execution practices of non-governmental organizations in Nairobi City County, Kenya. Table 4.14 displays the results. The project team competence coefficient is  $\beta=0.172$ , and  $p=0.000 < 0.05$ . The performance of NGO projects in Nairobi City County, Kenya, is positively statistically significantly correlated with the competence of the project team.

## 6. CONCLUSIONS

A team member's skill, dedication, and communication—all essential for a project's success—are greatly influenced by their management style. To promote communication within the project, team members must be able to manage resources efficiently, communicate effectively, empower others, and achieve specific goals. They should also use education or training to improve their own knowledge and abilities, hire the right professionals to set up best practices, hold regular meetings, and create open lines of communication to guarantee continuous improvement.

## 7. RECOMMENDATIONS

project managers should be aware of the project's scope because it will affect how much money they can allocate. To identify the facilities, specify the type of equipment and the amount of storage needed for the job activities. Start by creating the overall schedule for a project, along with its goals and specifications, and start keeping track of the hours worked and workload.

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