FACULTY OF BUSINESS AND ACCOUNTING,

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TITLE: PAYMENT PROCESSES AS FACTORS THAT IMPEDE THE SUCCESSFUL IMPLEMENTATION OF CONSTRUCTION PROJECTS AT WT BUSINESS GROUP IN NAMIBIA

A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION AT BOTHO UNIVERSITY

BY

LINEEKELA MARTHA ITHANA

ID NO. 1919310

SUPRVISOR: PROFESSOR USHE MAKAMBE

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Statement of originality

I, the undersigned, certify that this research is my own work and was carried out while a student at Botho University as partial fulfilment of the requirements of the Master's in Business Administration (MBA) Degree. I affirm that any ideas of other people used in this work have been fully acknowledged using the Harvard referencing style.

Name of student: Lineekela Martha Ithana

Signature: ----------

Date: 18 December 2020

Dedication

I dedicate this work to my brother Willem Tukondjeni Itana who supported me financially throughout my course work, and to my supervisor Professor Ushe Makambe who has been supportive and encouraging throughout the dissertation process.

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Abstract

Many projects are initiated but few are completed on budget, on schedule, and on the scope of the initial project concept. Proper planning largely determines successful implementation of any project because without it, the strategic goals remain unattainable. The main objective of this study was to examine the factors that impede the successful implementation of construction projects at WT Business Group in Namibia. This study adopted an interpretivist research philosophy and a qualitative methodology to examine the factors that impeded on the successful implementation of construction projects at the selected firm in Namibia. A sample of 10 respondents out of a population of 85 permanent employees of WTBG was chosen to participate in the study. Data was collected through in-depth interviews that were done telephonically due to COVID-19 containment regulations. One of the key findings of the study was that the WTBG had serious challenges with handling payments from clients. The payment process should be understood in the context of the complex relationships of WTBG and its other stake holders. Payment processes also have a delicate relationship with the availability of financial resources, prevailing financial market conditions, and cash flow management capabilities of the company. The findings also revealed that WTBG are standing in a volatile market which is complicated by the COVID-19 pandemic which has created uncertainties. More than ever, creative and proactive strategies are needed to keep WTBG afloat. Some recommendations are thus made to enhance the chances of survival of WTBG and its maintenance of a good name in the industry.

Key words: Project construction, financial resources, stakeholder's payment, poor cash management, financial market, WTBG.

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CHAPTER 1

INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 Introduction

Many projects are initiated but fewer projects are completed on budget, on schedule and on the scope of the initial project concept. Proper planning largely determines successful implementation of any project because without it, the strategic goals remain unattainable. Every project has a project life cycle that is different from the next project even though they may have some similarities in terms of overall scope, budget, and schedule. Regardless of the business or social sector in which a project is implemented, it pays to understand the intricacies of proper project management and diligently and effectively implement all the phases of the project life cycle. Project planning and implementation is an absolute necessity to transform the strategic plans into action to achieve the project's goals (Brown, 2015).

Every stage of a project's life cycle has got its own challenges which when put together can make a project fail to meet the triple constraints at any stage and thus become an unsuccessful project. Implementing projects is supposed to be the forte of project managers who spend time in the strategic planning process because it can reveal new issues and challenges that may not have been anticipated (Muller, 2015). The essence of project management is to ensure that what is being delivered is right and will deliver real value against the business opportunity. In the context of project management realities, the WT Business Group must be geared up and focused to enhance the success of their construction projects.

This chapter covers the background of the study, the problem statement, the research objectives, and research questions as well as the significant and scope of the study.

1.2 Background to the study

Many projects are not completed successfully, and the ultimate blame is placed on management. The causes and effects of delays in payments to various stakeholders and their domino effect will be analysed. A synopsis of the effects of the financial markets will also be discussed in as far as it affects the successful implementation of projects. It is also pertinent to understand who the

stakeholders in a project are and how their relationships are affected by payment processes and how that will impact project implementation.

When organisations are contracted to execute a project, there is a general expectation to meet and/or exceed the expectations of the client or project sponsor. Customer satisfaction is the essence of successful project delivery which naturally also ensures reputation of the contractor and is key to the survival and growth of the service provider. The construction industry, while key to other industries as it delivers infrastructure faces the traditional ravages of business risk which among others includes delayed payments and sometimes totally unfulfilled payments. The receipts from these payments are the backbone of future expansion, investment and quite often, operational capital. Payments will naturally impact the cash flow of any entity and construction companies in particular, may fail to deliver projects on time, within budget and to expected quality standards.

In a research covering eleven states and 3000 companies across the world, carried out by "Plum Consulting", it was noted that "more than one in ten invoices paid to small and medium businesses globally are paid outside payment terms." These invoices represent payments that are delayed or missing altogether. The result of such late or totally unfulfilled payments are that Small & Medium Businesses are forced to write them off as bad debt or simply collapse Miller and Wongsaroj (2017).

In Ethiopia, a research by Tadele (2017), indicates that often, changes in project scope, poor estimation and price escalation of materials impinge on payment cycles. A case of Ethiopian Roads Authority is used in Tadele (2017) indicates a situation where the project budget allocated for a particular fiscal year is overshot resulting in an inability to pay contractors within expected time frames thereby causing some inconvenience to contractors and the whole supply chain.

Walker (2015) asserts that projects have limited scope to achieve their intended impact if they are poorly implemented. This view is supported by Robinson (2016) who concurs that employing the right staff to drive project activities and ensure that a profile for a project emerges is critical to successful project implementation particularly where the project has to be delivered within the right timelines. The construction industry in Namibia has a large number of Micro, Small and

Medium Enterprises (MSMEs) who are sensitive to market changes due to their size which often implies limited financial reserves to weather out financial strain. There are large international organisations also which are often awarded large construction projects which maybe out of the capacity of MSMEs. To survive in the competitive global market space, organisations must continue to evolve and find ways of meeting the various challenges that beset them from time to time.

WT Business Group (WTBG) is an organisation which fits within the Small and Medium Enterprises (SMEs) in Namibia. There are many challenges that are faced by SMEs and more specifically those in the construction industry and the WTBG is not an exception. Quite often, the projected project profit at the inception of the project is higher than what is finally realized at the completion of the project. WTBG has been in the construction business for ten (10) years. In that time, they have been involved in different construction projects from dwellings (houses and flats), commercial properties, and several civil works projects. Some of the projects have been more successful than others but each project has had its own unique challenges. This study is meant to examine the factors that impede the successful implementation of construction projects at WT Business Group in Namibia. It is aimed at highlighting the problems specific to WTBG construction projects and provide a context for making recommendations to ensure successful implementation of their projects.

The study is important because it is geared towards mitigating the factors that impede project implementation. Some projects are often affected by at least one or a combination of problems such as late payment of stakeholders, poor cash management, insufficient financial resources, and instability of the financial market.

1.3 Problem statement

MSMEs in the construction industry in Namibia face many challenges. The Deputy Minister of Works and Transport Sankwasa James Sankwasa, speaking to "The Namibian" on 18 June 2019, indicated that some of the problems in the Construction Industry in Namibia were self-inflicted due to ineffective management strategies. It is worthy to note that many companies in the construction industry end up closing while some are forced to downsize and retrenching workers.

WTBG faces different challenges including payment delays. With payments being the main revenue source for construction companies and their survival depending on the same payments, it is pertinent to examine the effects of payment processes on the construction companies and their impact on successful execution of projects. WT Business Group is a group of companies in Namibia which is involved with construction projects and has been bedeviled by challenges which impede the successful implementation of projects. About 85% of WTBG construction projects are completed outside schedule, over budget and out of scope. About 90% of the projects realise less profit than initially projected at the beginning of the project. As much as 63% of the invoices of their last 5 projects have been delayed by periods ranging from 30 days to 360 days. Some projects run out of funds in the middle of the financial year making it impossible to pay WTBG on time. The statistics indicated from WTBG internal documents indicate some entrenched problems in project implementation. A large proportion of invoices are delayed and this will obviously impact the efficacy of WTBG's performance on project implementation. The delays in payments can impact budget and schedule negatively. The running costs of WTBG still need to be met thus creating a burden which must be financed with borrowed funds on which there are financial charges. This study seeks to examine the payment related factors emanating from stakeholder payment processes and their impact on successful implementation of construction projects handled by MSMEs. A case study of WTBG will delve into intricacies of stakeholder payment process of the construction industry.

1.4 Research objectives

The main objective of the study is to examine the factors that impede the successful implementation of construction projects at WT Business Group in Namibia. The secondary objectives of the study are to:

1. Explicate how stakeholder payment processes affect the successful implementation of construction projects at WT Business Group in Namibia
2. Examine the effects of cash management on the successful implementation of construction projects at WT Business Group in Namibia,
3. Examine the effects of financial resources on successful implementation of construction projects at WT Business Group in Namibia

4. Elucidate the effects of the financial market on the successful implementation of construction projects at WT Business Group in Namibia.

1.5 Research questions

From the above stated research objectives, this study sought to answer the following research questions:

1. How does stakeholder payment process affect the successful implementation of construction projects at WT Business Group in Namibia?
2. How does poor cash management impede on the successful implementation of construction projects at WT Business Group in Namibia?
3. How do financial resources affect successful implementation of construction projects at WT Business Group in Namibia?
4. How does the financial market affect successful implementation of construction projects at WT Business Group in Namibia?

1.6 Significance of the study

This study sought to explore the factors that impede the successful implementation of projects at WT Business Group, Namibia. The findings of the study will assist management at the WT Business Group to develop capabilities for improving the implementation of construction projects with regards to payment of stakeholders, cash management, financial resources, and stability of the financial market. The findings of the study will assist the management at the WT business group to develop a programme for the improvement in payment of stakeholders, cash management, financial resources, and stability of the financial market. The study will also propose a new culture of managing these elements that affect successful execution of projects.

The study may further be used by other construction industries to enrich their knowledge of managing construction companies in order to successfully implement their projects. The study will also enable knowledge/information managers to see their role beyond just being managers of files and correspondences but rather as advisors in the knowledge management field to improve on payment of stakeholders and other project management issues. The study will also identify gaps in managing knowledge so as to propose suitable measures which will add value to

knowledge sharing practices within the construction industry. Over and above this, the study will add to the body of knowledge on project management and may be used by other researchers for further study. As the study unfolds, potential areas of further study will also arise.

1.7 Scope/delimitations of the study

The study is focused on the factors that impede successful implementation of construction projects at WT Business Group, Namibia. The study will be conducted in Windhoek at Namusheshe, Shelly CC, Rydox Builder Construction Company, Twali Construction Company and Nirvan Construction Company only because these construction companies are near the researcher's workplace. The WT Business Group employees are targeted as they are the key players with relevant knowledge about project implementation in the organisation.

A sample of 10 participants taken from the top management, middle management, operations staff, suppliers, and clients of WTBG was used in this study. The study covered Windhoek only because this is where most of the business activities of the WT Business Group construction companies are concentrated since it is the head office. The study will not cover other regions of Namibia where there are WT Business Group employees because key players in sharing knowledge in the organization are found in Windhoek.

1.8 Definition of Terms

Key terms that are pertinent to the study are defined in Table 1.1 to provide the reader with a snapshot of the meanings of crucial terminology.

Table 1.1: Definition of terms

TERM	DEFINITION
Economic constraints	Economic constraints are any external limitations is some factor in a company's external environment that is usually out of the company's control which are related to both microeconomic and macroeconomic factors in its external environment (Akintoye, 2016).
Project	A project is a piece of work which is not a process, or an operation, and has a start, an end, and goals (Borg, 1996).

Construction	Construction is a general term meaning the civil engineering activities of putting together physical structures such as buildings and performing repair and maintenance work on such structures (Borg, 1996).
Project Manager	A person with a diverse set of skills – management, leadership, technical, conflict management, and customer relationship – who is responsible for initiating, planning, executing, controlling, monitoring, and closing down a project (Borg, 1996).

1.9 Chapter layout

The study consists of five chapters as indicated below:

Chapter 1: Introduction and background to the study

This chapter covers the background of the study, problem statement, research objectives, and research questions. The chapter also discusses the significance of the study and outlines the scope of the study. Key terms that are used in this study are also defined in this chapter.

Chapter 2: Literature review

This chapter provides a review of the literature that is already in existence that is in line with the research objectives.

Chapter 3: Research design and methodology

This chapter comprises the research design and methodology that were adopted for the study as well as the data analysis methods that were used to answer the research questions.

Chapter 4: Data analysis, discussion, and interpretation

In this chapter, the data that was collected from the field is presented and discussed as well as interpreting the findings of the study.

Chapter 5: Final summary, recommendations, and conclusion

This chapter presents the final summary of the study, recommendations of the study.

1.10 Chapter summary

The researcher was intrigued to carry out this study due to high failure rate of construction projects of WT Business Group in Windhoek. This chapter covered the background of the study, problem statement, research objectives, research questions, significance of the study, scope of

the study, delimitations of the study, definition of terms, and chapter layout. The objectives of the study highlight the factors that influence the successful implementation of construction projects. The next chapter is a review of some of the literature that exists and is related to the objectives of this study.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

The previous chapter focused on the introduction and background to the study. This chapter reviews extant literature on project management which addresses the research objectives. The focus of project management is to make the running of a project throughout all the project cycle stages as smooth as possible. It involves careful planning on the identification, sourcing and usage of resources within the constraints of time, cost and scope which will ultimately determine project quality and customer satisfaction. Project management is an integrated strategy and process that enables project managers to deal with change that organisations face in implementing new projects (Kerzner, 2017). Evidently, all projects bring about change and change should be properly managed so as to attain the desirable result. The nine knowledge arears of project management have varied degrees of emphasis on every stage of the project life cycle and the concepts in the Project Management Body of Knowledge (PMBOK), properly applied, identify the project objectives, necessary resources and materials, tasks and skills, time frames of execution, financial implications, extent of operations (scope) including scope change and contractual obligations.

Within the ambit of project management is the obligatory relationship between work performed and the requisite remuneration. While contracts maybe clear on how payments should flow on work done, glitches in the payment processes are common place. MSMEs in the construction industry continue to be faced with numerous challenges which include lack of own funds and collateral security, reluctance of banks to finance MSMEs, time delays in contract payment, poor credit rating as well as lack of financial records and of advance payment and supplier credit. It will be noted also that any financial problems especially impacting payments and payments schedules may often trickle down the supply chain.

2.2 Identification of stakeholders

In any project, stakeholders are the individual entities who play an active part in the project including those whose interests are in some way impacted by the implementation of the project. As suggested by Ansah (2011), stakeholders thus include, but are not necessarily limited to, owners of the project, designers, main contractors, subcontractors, supervisors, civic groups, environmental watchdogs, and government departments. Nevhonga (2017) avers that for easier management, large projects can be broken down into a number of smaller subprojects. Each smaller project will be consisting of different interdependent stakeholders whose activities will have an impact on the progress and completion of the project that is being implemented. Miller and Wongsaroj (2017) point out that the interrelationships among these stakeholders are such that if one has a problem, one or more participants in the project relationship can also be easily affected.

It is on the above basis that an organisation like WTBG should have a clear understanding of who the stakeholders are for each project and the ramifications of bad management of critical project elements (for example, delayed payment) on the performance of each stakeholder and the effect on project implementation. Miller and Wongsaroj (2017) postulate the knock-on effect of problems from one stake holder to the other (the domino effect). Evidently, where projects have long lives such as in the construction industry, project stakeholders do not always remain constant as they increase at first and then decrease with the advancement of the construction schedule (Anantatmula, 2015; Chan, 2016; Kerzner, 2017). As stake holders change, new relationships emerge but the realities of the challenges of managing the project remain predominantly the same.

2.3 Factors that impede the successful implementation of projects

Unsuccessful project implementation can be viewed as the failure to meet project objectives and or failure to deliver a project within the constraints of budget, schedule, scope and quality. A plethora of factors can be attributed to the unsuccessful and or unsatisfactory implementation of construction projects. Some of the reasons that cause projects to be either delayed or fail include poor leadership abilities and skills, lack of awareness of complementary project elements, poor understanding and management of stakeholder relationships, and inappropriate payment

processes among other factors Al-Fadhali and Zainal (2017). As projects progress, scope creep may occur which will impact the budget for a fiscal period creating financial bottlenecks that may temporarily stop or delay implementation progress. Internal environment challenges of the contractor and external issues beyond the control of the contractor can inevitably affect the delivery of a project.

Payment factors that cause project delay

Cash inflows from payments improve the liquidity of the contractor and their ability to meet their obligations within the supply chain. When a contractor is not paid on time, he may fail to meet his obligations to sub-contractors and material suppliers and employees who may in turn withhold their own services resulting work stoppages or slowing down. Melkonian (2014) suggests that financial resources form the bedrock upon which all project activities are premised. It can be concluded equally that for the small or medium construction company, payments are the enabling element for operations to continue. Payment of subcontractors and suppliers may depend on the payment of main contractor by client. The interdependencies created in the value chain go beyond the operational aspects of the project and touch on the financial health of the project and its stakeholders. Ineffective management of payments, will often result in missed deadlines, employee dissatisfaction, budget overruns, poor quality of work (often resulting in rework), bad reputation for the organisation, unhappy stakeholders, and missing the project objectives (Martinelli & Milosevic, 2017). If, for example, employees are regularly not paid on time, their motivation and commitment are diminished thus negatively affecting their performance which translates to employee absenteeism, sabotage, and other forms of misbehavior that in turn affect the project schedule, compromises quality, and result in higher project costs (Anantatmula, 2015).

WTBG needs to be both employee and client oriented and put in place mechanisms that ensure that the morale of employees is high so that they deliver the project timeously and to good quality as expected by the client. Constant communication between the contractor and the sponsor is thus imperative to avoid delays in the completion of the project by ensuring proper organisation and allocation of resources. Such resources may include finances payable to

contractors either as performance based (stage-based payments) or advances (Snyder, 2018). If the project manager identifies problems effectively, the sponsor is likely to act in mitigation because the problems impact the schedule, cost, and project quality. The key role of the project sponsor is to facilitate timely decision making. This role is closely knit to good corporate culture that identifies people's problems and provides mechanisms for quick resolution of such problems. Organisations like WTBG need to invest in a corporate culture that is proactive and forward-looking always, seeking alternative solutions for the financial challenges they face during project implementation. Financial issues that are discussed in this study cover stakeholder payments-related issues, availability of financial resources, poor cash management techniques, and financial market stability/instability. These are discussed below.

2.3.1 Stakeholder payment

The word 'payment' denotes a sum of money paid as a consideration to another in return for goods, work done, or services rendered Beaver (1998). Payment, with reference to projects, is therefore the sum of money that is paid to contractors for the work performed on specific projects which have been completed. What is evident is that the contractor will have expended time and other resources already and will have suffered a setback that needs immediate compensation. There are variations to payments with some payments being made in advance of work, or at the stage of completion. Since there is a contractual relationship between the contractor and the project sponsor, the payment is the fulfillment of the obligation of the sponsor to the contractor Miller (2017), the contractor is obligated to perform the required duty for which the payment is anticipated. Payment is thus a critical component of the construction industry since all construction projects require considerable financial resources to be set aside (Martinelli & Milosevic, 2017). Consistency in the disbursement of money is a crucial element for the fulfillment of obligatory contractor performance. Since payment is linked to performance in most cases, construction contracts are drafted spelling out the payment terms and conditions. The payment arrangements manifest in four basic forms which are interim payments, stage payments, advance payments, and post completion payments (Arora and Baronikian (2014); Martineli et al (2017)).

Interim or progress payments are payments that are made on the basis of partly completed work and are determined through the certification of the completed part of the work. The certification process is performed by a competent officer. An interim certificate is a periodic certificate for the payment due to contractor (Karma, 2014). Where an interim payment is delayed or not paid for whatever reason, it would in turn affect the ability of contractors and their suppliers of materials to continue with the project so are the subcontractors, employees, and other creditors (Snyder, 2018). This in turn may cause intermittent work stoppages due to shortages of materials and industrial action from disgruntled employees.

Stage payments, as the name indicates, are those payments that are made at specific stages of the work process (Nevhonga, 2017). By way of an example, the construction of a house may be broken down into stages such as slab, window level, roof level, completion of roof, plumbing, and electrification. Anantatmula (2015) suggests that stage payments are suited for small projects where it is easy to track progress by stage without emphasising quantities where a proportion of the project total due is paid at specific stages. As with interim payments, delays in stage payments can result in the delay of the next stage resulting in schedule overruns. Where there is a schedule overrun in a volatile economy, prices of goods and materials can also increase thereby creating a cost overrun or compromise on material quality which in turn affects project quality (Karma, 2014). Some contracts that WTBG runs have stage payment clauses.

Kerzner (2017) argues that advance payment refers to the sum of money that is paid to the contractor by the sponsor before the commencement of work on a project. Many public works contracts favour this approach to allow the contractors and stakeholders' fluidity of financial resources in order to reduce resource bottlenecks due to payment delays. It is also done in contracts where the contractors supply materials and goods for use on the project. As suggested by Kerzner (2017) and Ndaire (2013), advance payments can also be delayed resulting in the delays in project implementation at the takeoff stage. The logic behind advance payment is that it will assist the contractor to start up and finance the contract without having to resort to unnecessary and costly external borrowings.

Post-completion payment is done after completion of a project. According to Chan (2016), a project is deemed complete when a milestone of practical or substantial completion is met and/or when the handing over of the works to the owner has been done. At that stage, by contractual agreement, the contractors are able to claim, and ideally receive, payment. In this contractual arrangement, contractors are not entitled to any payment whatsoever until completion of the work. By implication, the contractor will be financing the work and the costs will eventually build into the contract sum. The net effect is that the owner ends up paying an unwarranted premium as the contractor factors in the present value of money he invests and still requires a profit on the work that has been done (Akinsiku & Ajayi, 2018).

There is a myriad of factors that can cause the delay of payments in the construction sector (Ndaire, 2013). The factors can be summed up in three categories which are: contractor caused delays, owner-related, and contractually based delays. Contractor caused delays are those which emanate from the actions of the contractor himself/herself. These are issues which ordinarily only the contractor has power to alleviate or mitigate. These may include submission of valid and accurate claims timeously in the manner that is prescribed in relevant contract clauses. Client or employer-based factors are those that fall within the ambit of the employer's control and are not dependent on the contractor or employee.

The loose definition of "payment" given above indicates the expectation of performance as a quid pro quo for payment. It is trite that the said performance must meet the expectations of the client (Kerzner, 2017). If a contractor submits a claim on unsatisfactory work, the claim is unlikely to be honoured (Karma, 2014). Quite often, contractors are faced with the need to redo some portion of the work before resubmitting the claim. These inevitably cause delays in payments. Coupled with this, it is also possible that contractors may submit claims with errors such as wrong calculation procedures or simply figures that do not tally (Ansah, 2018). The claims will need to be resubmitted upon correction of errors thus fomenting delays in payment. In situations where interim payments are made based on certified progress, disputes may arise because of how the valuation of work is done. While efforts to resolve the resultant dispute are underway, delays in payment become inevitable.

Types of payment in the construction industry

Generally, payments in the construction industry in Namibia are mainly made in three modes which are: Advance payment, interim payment, and final payment (Nevhonga, 2017). They are discussed in more detail below.

a) Advance payment

Advance payment refers to the sum of money that the client makes available to the contractor at the beginning of the contract. This payment maybe made a few months before commencement of project implementation. Generally, advance payments are given mainly on government projects as a way of providing financial assistance to the contractor to start the work. According to Nevhonga (2017), the practice greatly helps the contractor to start up and provide alternative finance to the contractor so that he may not be encumbered by unnecessary external borrowings.

b) Interim Payment

An interim payment may be defined as a payment on account of any indebtedness or other sum which one may be held liable to pay to or for the benefit of the contractor for work that is still to be completed. Interim payments alleviate the financial stress on a contractor's operations in cases were construction work is likely to cost large sums of money and the schedule spans a long period. Interim payments may be made to the contractor on a regular basis as dictated by the project contract. Interim payments can be viewed as a lifeline that is thrown to a contractor's business. As with advance payments, the contractor must be able to manage the cash they receive to see them through the various stages of the project. Sometimes payment delays are experienced with interim payments where there has been a variation order. In such cases, the slow processing and delay in finalising of variation order that is associated with an interim payment and or final payment may cause significant delays which in turn will negatively impact the cash-flow management activities of the company. If the variation order not is not handled effectively and efficiently, it will affect the process of releasing payment. Satisfactory cash flow management becomes imperative for successful project completion especially where substantial advance or interim payments are made and must pass regularly from one stakeholder to another (Group, 1991).

c) Final payment

On finalisation of work, when the project is ready for handover, all suppliers and subcontractors look forward to payment and project closure. Ismail, cited in Falamarzi1 & Suliman, (2016), define the final payment as the agreeable and required amount that the contractor receives as final settlement after all contract price adjustment have been considered. It can be viewed as the last payment that the employer makes to the contractor at the completion of the works. The final payment is based on achievement of a specific contract milestone of completion which allows the handing over of the project. Effectively, the contract administrator or the contractor cannot get any payment unless the milestone is achieved. The contractor is therefore faced with the burden of financing the construction works to a large degree with the hope of recouping the expenditure in the contract sum.

Delayed or late payments

It is normal in the construction business for companies to agree a specific payment schedule with their clients and supplier when they enter into a contractual arrangement. The payment schedule may include project milestones and the amounts to be paid for the different phases. An interesting dimension of the payment schedule is the payment aging according payment terms. Typical aging may range from 30 days up to 60 days. Delayed or late payments can therefore be defined as payments that are not made within the time that is specified in the contract. By this definition, payments that are not honoured completely can also be put in the same category as late payments (Colombo, Dagnino, Lehmann & Salmador, 2019).

Classification of delayed payment issues

There are two broad categories of delayed payments. Falamarzi1 & Suliman (2016)) argue that two categories of issues need discussion: late payment and non-payment. Payment-related issues come in three modes which are: late payment, nonpayment, and under payment.

Late payment is defined as a failure by someone who is obligated to pay a specific debt within the stipulated period as provided in a contract (Din & Ismail, 2014). Once the stipulated time as

defined in the contract has lapsed, a payment is said to be delayed. There are different scenarios or contexts in which a delay can occur and one notable context is when the employer is taking a longer period to issue a payment to the contractor after all due certification processes are correctly completed.

Non-payment occurs in the context where the contractor has completed all or part of the prescribed work for which they are entitled to payment, yet they are not being paid at all for such.

There are circumstances when the amount paid by the client is lower than the value of the work that has been done by the contractor. Such situations, according to Din & Ismail (2014), are defined as under payment and can arise when the certified work is not paid for in full within the stipulated time frame. While a portion of the payment made would be on time, there would still be an outstanding amount which eventually constitutes a delayed payment.

Payment disputes in the construction industry

Payment disputes are an unfortunate yet a common feature of the construction industry. Jaffar, et al. (2010) propounds that a dispute arises when a claim or an assertion made by one party is rejected or not accepted by the other party. Muigua (2011) echoes the same sentiment in saying that a dispute is the same as a conflict which may arise when one individual pursues objectives that run contrary to those of another. Disputes can happen between contractor and client, contractor and subcontractor, contractor and supplier and on other contractual relationships. Proper dispute management is needed if a project is to be completed successfully as initially intended by the contracting parties.

Impact of payment failure on cash-flow

The survival and growth of companies depends on striking a balance between cash inflows and outflows. Because of various challenges in the payment systems of organisations, the cash inflow and outflow balance is often unfavourably upset. Different expenditure obligations need to be met on a regular basis while payments received depend on payments for work done (Okeyo, Rambo & Odundo, 2015). Such receipts are not necessarily aligned to the obligatory outflows.

Cash flow management methods seek to alleviate such misalignment through different mechanisms including borrowings on the premise that companies know when to expect payments. Ansah (2011) opines that when payments are delayed for any reason, the consequences may be drastic as stakeholders try to cover the operating costs for the period. Inevitably, this may have serious repercussions on the implementation and completion of the project. In extreme cases, as noted by Okeyo et al (2015), the delayed payments may end up being written off as bad debts which may result in costly litigation.

SMEs like WTBG are often vulnerable to late payment related cashflow problems. For many SMEs, project incomes represent the bulk of company income implying that delay or loss of payments can cripple the contractor temporarily or permanently. Therefore, strategies for collecting revenue to prevent late payments are needed in as much as contingencies are also needed in the case of failure to prevent late payment.

2.3.2 Financial resources

Most projects start with a budgetary and financial plan which is assumed to be sufficient to finance the project to completion. Effective financial management is a key aspect for successful project implementation hence poor financial management by the client or owner can create all sorts of problems that impact project cash-flow (Limsila, 2016; Snyder, 2018). Snyder (2018) further notes that if there are cash-flow problems, the client may have insufficient operating funds making it difficult to pay the stakeholders in time and without payments, whole projects suffer delays, bad reputation, and other problems. However, there are times when a client justifiably withholds payment for a variety of reasons such as defects in the work done, disputes in work valuation, failure of the stakeholder to comply with contractual provisions, and failure to pay in time for resources (Limsila, 2016). The author further suggests that some stakeholders in the value chain are not paid on time because they are paid as and when the principal has been paid. Certification is often at the behest of the client. If there is any delay in certification of completed portion of work, there will be subsequent delays in payments also.

Delays in payment that contribute to poor availability of financial resources may be contractually caused. Some contract clauses provide for back-to-back payment arrangements. These

arrangements are when contractors enter into agreements with sub-contractors so that sub-contractors are only paid when the main contractors have been paid. This kind of payment structure means that if the payment to the main contractor is delayed, the payment to the sub-contractor is further delayed (Okeyo, Rambo & Odundo, 2015). In worst case scenarios, sub-contractors do not only get payments delayed, but may not receive payment completely.

Lundgren (2015) asserts that financial distress is often related to the size of the organisation. Smaller firms face greater risk of financial distress and the construction industry has a flux of SMEs that are not able to harness robust resources which ensure financial flexibility. The uncertainties that are prevalent in the construction industry make it even more difficult for these SMEs to get loans from financial institutions. Due to the higher risk that is associated with SMEs in the construction sector, there are more financial restrictions which result in the limited ability to raise capital.

2.3.3. Poor cash management

Poor cash management will be a more serious problem if it is associated with the employer. According to Molina and Preve (2012), poor cash management implies that cash is not available when it is needed to meet different obligations and this state of affairs is directly attributable to the inabilities or inadequacies of the people who are entrusted to run the cashflow function in the organisation. Olson and Knutson (2016) aver that the cash management function demands the ability to forecast with accuracy the periods that are associated with different expenditure levels and the periods when inflows are expected. As noted earlier, there is often a disparity between the periods of inflows and periods of outflows. There are some outflows which are periodical such as payments for wages while other payments are fixed costs. Regardless of the inflow, these obligations must be honoured as they become due.

Many organisations have a bad credit history because of poor cash management (Molina & Preve, 2012). These authors further argue that poor cash management is not only associated with mismanagement of available cash resources but can also include ineffective contingencies for foreseeable liquidity crunches. Inevitably, poor cashflow management will result in financial distress – a situation where the organisation is unable to meet its obligations beyond temporary

circumstances (Olson & Knutson, 2016). Altman (2015), cited in Olson and Knutson (2016), points out that poor cash management results in distress which manifests itself through both direct and indirect costs. The direct costs will include overdue fees on invoices and higher costs of financing, while the indirect costs can include missed opportunities to invest in new profitable projects. Financial distress costs are not limited to the distressed company only but may extend to other stakeholders and go beyond to impact the society (Informant, 2015). Lundgren (2015) suggests that companies showing signs of distress find it more difficult to get relief from other entities as they are considered high risk.

Payment for project activities including goods, services, and materials starts from the project owner (or client) and then filters through the different levels of the supply or value chain until it reaches the last person or entity at the bottom of the chain. As payment cascades down the value chain, any delays by the project owner will have a ripple effect with negative connotations on all stakeholders (Miller & Wongsaroj, 2017). As a result, the brunt of the delay at any level will affect the other stakeholders badly. When such delays are experienced, disputes often arise and may only end up being resolved either through alternative dispute resolution (ADR) methods or litigation. Unfortunately, any action taken by the project creditors has the potential of causing further delay (Miller & Wongsaroj, 2017). Some disputes may end on an acrimonious point thereby destroying business relationships and reputation which may render project implementation plans untenable. In order to keep their reputation with employees and other stakeholders, contractors often borrow financial resources to finance their operations. The borrowed funds attract interest which may in turn cripple the contractor by wiping out profits.

To meet their obligations timeously, contractors depend on interim payments from their clients (Miller & Wongsaroj, 2017; Limsila, 2016). Subsequently, if interim payments are not received in time or as per the terms of the contracts that have been agreed, the contractor's performance may be impacted negatively. Delays in salaries for instance may result in high labour turnover and/or industrial action. As a result, the project process will be delayed, and many other problems could be triggered. Where penalty clauses for delays are part of the contract, the contractor may end up suffering irreparable damage. Project success is often directly impacted by the efficacy of payment arrangements.

Jacobson (2015) observes that contractors and subcontractors need to hedge against delays in payments which may lead them to increase their quotations thereby pushing up total project costs for the owners. It should be possible to improve subcontractor payment practice if developers pay main contractors on time and in turn main contractors pay their subcontractors as soon as possible after completion of the subcontracted work. The delay in payments potentially creates a knock-on effect of cash-flow problems which results in retarded project progress and lower profitability (Jacobson, 2015). In extreme cases, payment delays can lead to insolvency and bankruptcy and ultimately liquidation of contractors. When costs eventually escalate because of project completion delays, some projects end up being abandoned. Substantial sums of money and time can also be lost on dispute resolution. The reputation of an organisation may also be negatively impacted by the effects of the delays in project completion.

2.3.4 Financial market stability/instability

Over the past few years, Namibia, and the world at large, experienced a recession. This view is buttressed by Ansah (2018) who concurs that the years 2017 to 2019 saw a decline in the GDP of Namibia. The author further observes that the prognosis for 2020 is also dire given the COVID-19 pandemic which is causing economic activity to shrink in all sectors thereby facilitating financial instability. According to Tayeh, Alaloul and Muhaisen (2017), whenever there is a recession, investors and lenders tend to be more cautious about who they lend money too. Banks and other finance houses become more risk-averse and less likely to offer unsecured loans. Many construction companies which fall in the SME category struggle to get funding to finance operations (Ansah, 2018). Because of delays in payments from clients in the construction industry, some SMEs have developed a bad credit record. Some, who are new, may not have a credit history to instill confidence in lenders. Delays in interim and final payments have been cited by construction firms as a huge challenge on the industry (Tayeh, Alaloul & Muhaisen, 2017). Construction firms have been known to succumb to bankruptcy and damage to their image because of delays in payment, especially where government contracts are involved (Limsila, 2016).

The majority of banks in Namibia have special facility systems in place to support small and medium size contractors once they have secured work (Mwatange, 2017). The author, however, observes that the banks, being businesses entities also, need to secure the credit they offer to their clients which causes them to often demand some form of security on loans to clients. Sometimes the financial institutions will assist entrepreneurs with funds against orders or invoices. If entrepreneurs were aware of this and other financing alternatives, their cash flow problems might be alleviated.

Financial market stability is often a boon for the construction industry while the recessionary conditions existing now (financial instability) become the achilles heel of the construction industry (Miller & Wongsaroj, 2017). In an attempt to alleviate some of the financial resource challenges, the policies of the Namibian government have taken a deliberate pro-SME approach in the construction industry. New entrants to the industry from various social groupings often without adequate capitalisation have had the privilege of landing lucrative construction contracts but have often faced challenges especially where payments are delayed. Small and medium firms' lack of own financial resources is often compounded by the inadequacy of sound financial and cash management strategies.

2.4 Theoretical framework

A look at the available literature reveals a general consensus that the success of a project is measured in the context of three key constraints of cost, time and scope. These three features are affected by payment processes and the final project performance would be in excess of initial estimations. As might then be expected, adverse performance of each of the three constraining variable could negatively impact the fourth dimension of project constrains which is quality. There are many theories that have been put forward to explain the problems often faced by projects and companies in the construction industries. In this study, only the theories relating to financial activities will be considered. The theoretical frameworks that are particularly relevant to this study are the Economic Distress and Financial Distress Theories (Maripuu & Mannasoo, 2014). Financial distress can be viewed as a situation in which an organisation is failing to generate incomes that are enough to cover its financial obligations. Beaver (1966) opine in his cash-flow theory, further developed by Taffler (2012), that the firm is a "reservoir of liquid

assets which is supplied by inflows and drained by outflows." Maripu et al (2014) point out that the theory is based on four tenets which are:

- The larger the reservoir, the less the chances of failure
- The higher the inflows, the lower the chances of failure
- The larger the debt a firm has, the higher the risk of failure
- The larger the expenditure a firm has, the more the likelihood pf failure.

According to Beaver (1998), financial distress is often due to high fixed costs, holding more illiquid assets, and relying on incomes or revenues that are easily affected by economic downturns. Striking a balance between liquidity and the acquisition of assets (including investment assets that are held speculatively) is an area where considerable astuteness is required. A company of the magnitude of WTBG is not immune to the challenges that are associated with asset liquidity. While an organisation's investment decisions and financing are independent of each other, key consideration must be accorded to debts and equity claims of the organisation. There is also considerable volatility that is associated with liquid assets, and that instability makes financial management, especially during periods of depression, a little less than a Houdini act. Sharma (2001) emphasises that firms which are under financial stress are less likely to be able to access credit to take them out of their financial quagmire. Molina and Preve (2012) concur with Sharma (2001) and further argue that in a recession, there are organisations which are likely to suffer distress and perhaps even go into bankruptcy because of the sensitive nature of their revenues.

The construction industry is one such sensitive sector. WTBG has to face the ravages and risks of the construction industry with creativity especially on the sourcing and management of operational capital resources. It is evident that the availability of financial resources and the rise of private equity investors are critical to a thriving entrepreneurial ecosystem that provides noticeable benefits to entrepreneurs. The current crop of financiers includes entities like business angels, venture capitalists, and equity crowd funding (Colombo & Murtinu, 2017; Colombo et al., 2019). As Cumming, Johan and Zhang (2018) suggest, thriving financing environments are often indicative of higher economic growth levels. However, in recessionary conditions, the business world faces tight credit conditions and liquidity constraints and has real challenges

accessing new financing alternatives which are crucial to the survival of their entrepreneurial activity (Cumming & Zhang., 2016).

2.5 Chapter summary

This chapter looked at various literature sources emphasising the factors that impede on successful project execution focusing on the effect of delayed payments on stakeholders as this has a ripple effect on the other factors. The literature used herein indicated that there is often some preferential treatment offered to SME's in the construction industry as a result of government policies. Much as this would have alleviated the financial woes of the SME's there was not always the ability to manage the cash resources generated as income from the projects, and there was no guarantee of timeous payment for work done on the projects. SMEs in the construction industry continue to be faced with numerous challenges which include lack of own funds and collateral security, reluctance of banks to finance small firms, time delays in contract payment, poor credit rating as well as lack of financial records and of advance payment and supplier credit. It has been noted that there is a domino effect on stakeholders emanating from payment processes during project implementation. There are different issues that can exacerbate the negative performance and delays in project implementation. However, delays in payments do not only affect project implementation. They cause unfortunate changes in relationship dynamics between stakeholders. Some causes of the delays in payments and their impacts on stakeholder operations and project implementation were also discussed as well as the effect of economic volatility on projects. Payment delays were discussed within the theoretical framework of Beaver's Cash Flow Theory. The next chapter looks at the research methodology that was used to collect and analyse data in this study.

CHAPTER 3

RESEARCH DESIGN AND METHODOLOGY

3.1. Introduction

The previous chapter reviewed literature that focuses on the factors that impede successful project implementation with particular focus on stakeholder payment processes. This chapter discusses the research design and methodology that was adopted for this study. The chapter examines the chosen research design, the methodology that was used and how it was used to collect and analyse data for the study and the study population and sampling strategy.

3.2 Research philosophy

In this study, the interpretivist world view was assumed and as such the research is a qualitative one. The term interpretivism refers to theories about how one can gain knowledge of the world, which based on the interpretation of the meanings that people in certain environment attach to their actions. This approach enabled the researcher to see the factors that impede the successful implementation of projects including the subject of stakeholder payment processes from the perspective of the main contractor who in this case is WTBG. Research projects are generally categorised as qualitative, quantitative, or mixed. The qualitative approach is in-line with the interpretivist school while the quantitative approach is in-line with positivist school. There are cases where one approach may not be effective and as such needs to be complimented by the other. In such cases, it is pragmatic to make use of the mixed methods approach which takes the best of both worlds.

3.3 Research design

A research design may be defined as a methodical and well-organised procedure than one embarks on to carry out a study that can be viewed as scientific. Research design thus maps out all the identified elements and other salient features and any other information or data that must

be put together during a study that will lead to a reasonable result (Yin, 2012; Creswell, 2014; Esterby, 2015). Because a research design is based on some accepted academic standards, it must follow a pre-planned, well-thought-out methodology so that the outcome may be accepted as an error-free and authentic conclusion.

3.4 Case Study

A case study is an in-depth, systematic investigation of an entity, group, community or some other unit of interest to the researcher, which examines in-depth data relating to specific variables (Esterby, 2015). A case study narrows the area of study from the possible lager group to a specific entity where theories can be applied and observations or perceptions noted.The research being a case study, the design was constrained to a small population. The advantage of having a smaller population is that a sample that is likely to have deeper knowledge of the inner workings of WTBG could be selected. Research strategies follow three basic paradigms which are positivism, interpretivism and advocacy (Yin, 2012; Esterby, 2015). These world views have got different ways of looking at truth as generated from a study. Interpretivism suggests that there can be more than one "truths" to collected data, while positivism suggests that there is only one truth in data. Creswell (2014) defines qualitative research as a study that is based opinions and sentiments of the respondents rather that measurable facts of quantitative research methods (Creswell, 2014). The choice of a qualitative approach was informed by the fact that conclusions and inferences are going to be derived from the perceptions of the population chosen for the study. The research design should also take into cognisance the constraints within the research environment so that the methodology is guided accordingly.

Qualitative research seeks to conceptualise human behaviour from the viewpoint of the respondent, and it seeks to go beyond the counting of how much by creating a context based on why a certain behaviour is what it is (Creswell, 2014; Esterby, 2015). It is important to note that on this premise, data is generally reported in the language of the respondent, albeit paraphrased in some instances. Any research should be able to stand rigorous tests from a scientific perspective. The data collected, the instruments used, and the methods employed should enable

one to accept the conclusions and recommendations that are made after a study. This research is no exception and as such it should have a clearly defined design and methodology.

3.5 Sources of data

This study reviewed existing literature as a secondary source of data and gathered primary data from the company's (WTBG) management and staff. A literature review and interviews were adopted as sources of data in this study. Data sources can be broadly classified as either primary or secondary. Primary data sources refer to data which is directly taken from the portion of the population that is used as a sample in a study (Creswell, 2014). The primary data source consisted of the employees of WTBG. The employees of WTBG were chosen since they could provide first-hand information that the researcher needed to gathers while on the field. The input of the employees of WTBG are the perceptions of the sample population. The secondary data was collected from internal documents, reports provided by WTBG and information garnered from other previous research. Secondary data refers to other materials which have been written such as journals, textbooks, magazine articles, and research papers of other individuals which are related to the subject of study and are used to give direction to the enquiry at hand (Brown, 2015; Esterby, 2017).

3.6 Population and sample selection

This section describes the population that was covered in the study and the strategy that was employed to select the study sample.

3.6.1 Population

Population refers to the subjects under study in the natural habitat where that group of subjects exists. In this study, the population comprised of the management and current employees of WTBG. The study population was made up of the 85 permanent employees of WTBG. Creswell (2014) defines population as the total number of possible respondents in a study who are available for the purpose of the research. The employees of WTBG know first-hand the factors that impede successful implementation of projects at WTBG. The primary focus was on payment processes and would thus emphasise the implications of such processes on supply chain or stakeholder relationships. Their perspective on payment processes and the root causes of

payment problems added greater depth to the study and created a better framework for recommendations at the end of the study.

3.6.2 Sample

The sampling technique chosen in this research was purposive sampling. Purposive sampling was deemed appropriate since it selects 'information-rich' cases (Vasileiou, K., Barnett, J., Thorpe, S. et al., 2018). As indicated by Easterby (2017), a sample refers to a portion of the population that is specifically chosen for the purpose of conducting the research. The sample for this study was made up of ten employees of the company. The ten employees were chosen as follows: three from top management, five from middle management and two from the operational level. Since the study population was relatively small, a purposive sampling approach was opted for. It was deemed not necessary to interview all the 85 employees of WTBG as the sample is selected based on the assumption that it will give a fair view of the general perception of the population.

3.7 Methods of data collection

In this study, data was collected through in-depth personal interviews and literature review. An interview guide was used and was made up of semi-structured questions to allow a deeper investigation of issues that were raised by the respondents without creating excessive latitude for digression. The same questions were asked at each level of management so as to check for consistence and remove bias that may come from being in a certain position. The guide consisted of several key questions that defined the key areas to be focused on yet still allowing enough flexibility for the interviewer or interviewee to digress for the purpose of pursuing an idea or a response in greater detail. The flexibility of semi-structured interviews makes it possible to discover some information that may not have been considered to be relevant and important by the researcher.

There are basically three widely used types of research interviews: structured, semi-structured and unstructured (Creswell, 2014; Brown, 2015). Creswell (2014) argues that structured

interviews are basically verbally administered questionnaires where predetermined questions are asked, where there is no variation, and no scope for follow-up questions to the answers that are provided by the respondents even though the responses may warrant further elaboration. Such interviews allow only a limited extent of enquiry thereby sacrificing the 'depth' of detail that would provide better understanding of phenomenon under study. The author suggests that unstructured interviews, on the other hand, allow the respondents to speak as much as they would care to reveal on a particular subject. The literature review looked at existing literature on project management with special emphasis relating to payment of stakeholders and their impact on project implementation. Recent research on project implementation challenges were also be reviewed to synthesise theoretical and practical literature to give a proper contextual background to this research. Interviews were initially supposed to be carried out in the offices the company (for the employees of WTBG) where convenient. However, due to the national COVID19 pandemic containment regulations, face-to- face interviews where no longer convenient so alternative arrangements were made to conduct telephone interviews. All interviews were electronically (voice) recorded for subsequent transcription after the interviews. All transcriptions of the audio records were done within 36 hours of the interview.

3.8 Validation of the instruments

In this study, three people were used as a pilot sample to check if the interview questions were able to capture the required information and whether they were easy enough to understand for the respondents. The participants of the pilot study were asked to answer the interview questions and to share their opinions or to vet any questions that arose. All comments and improvement ideas that were made by the participants were given due consideration so that any items that indicated problems in meeting the required validity and reliability expectations were accordingly adjusted.

According to Yin (2012), validation of instruments refers to the processes through which one tests systems to verify or validate the performance of the research instrument to see its efficacy when eventually used. Validity can also be promoted through triangulation whereby a study is done from multiple perspectives. Several moderators could be used in different locations so as to

inform the results from different angles. Respondent validation, a technique that is used to test initial results with participants to see if they remain true, was also used for data validation (Yin, 2012; Esterby, 2017).

Yin (2012) argues that validity refers to the extent to which a data collection instrument measures what it is supposed to measure and performs as it is designed to perform. It is almost an impossible feat for a research instrument to achieve 100% validity, so validity is generally relative. Validity thus focuses on the extent to which the results of a study are generalisable for a population from which a sample has been extracted. This form of external validity of an instrument is thus determined directly from sampling activities. The appropriateness of the content of an instrument also needs to be measured since it will talk to the validity of knowledge garnered from data collection activities. It can be surmised therefore that an effective data collection instrument is both valid and reliable.

3.9 Reliability of the instruments

To test reliability of research instruments, the results were tested against the objectives of the research to verify the reliability of the instruments. The pilot study was used, and minor adjustments were made to the interview guide. The data that was collected in the pilot study pointed towards the reliability of the instruments. Reliability is a concept that speaks to the production of consistent results time after time. Instrument reliability refers to the extent to which a research instrument gives results consistent with the subject of research (Yin, 2012). According to Creswell (2014), the term ‘reliability’ is usually used in relation to testing or evaluating quantitative research, but the idea can also be applied in all kinds of research. A study is said to be reliable when it can be replicated consistently (Yin, 2012; Brown, 2015; Esterby, 2017). The results do not have to be exactly the same each time as participants and situations vary, but strong positive correlation indicates reliability.

3.10 Research ethics

The permission to carry out this research was sought from and granted by BOTHO University before commencement. Various ethical issues were complied with in this study. Research ethics refers to the code of rules, regulations, and morals that govern research for it to be considered as

reliable and acceptable as an academic work (Creswell, 2014; Brown, 2015; Easterby, 2017). Research ethics include the need to acknowledge all sources of material used in the study and ensuring informed and willing consent of the participants. This essentially implies obtaining informed consent from the participants; maintaining the anonymity and confidentiality of the participants; avoiding deceptive practices, and allowing participants to withdraw from participating in the research at any time if they wish (Creswell, 2014; Brown, 2015).

The safety and security of participants was guaranteed through the adoption of data collection methods which minimised the collection of the participants' personal information. With the rampant abuse and misuse of personal information in research, participants will need assurance of their security. During data collection, all the participants were given a number to identify them during the interviews. Details such as their names, identity information or their positions in the organisation were verified prior to the interview but were not recorded during the interview. All the participants could only participate after signing an informed consent form. The respondents were informed that all personal data that was collected from them would be used for academic purposes only and would be duly destroyed upon completion of the research. All the secondary materials that were used were properly acknowledged.

3.11 Data analysis

The literature review was subjected to a thematic analysis while the data from the interviews were coded and captured onto a spreadsheet for further analysis. Advanced data processing instruments like SPSS and EpiInfo (computer applications) were beyond the resource capacity of the researcher so MS Excel was the analysis tool that was preferred. The coding of the data enabled the researcher to note similarities in the responses of the participants and group similar responses accordingly. Several themes were noted due to their preponderance in the responses which made tabulation for further analysis possible. The data analysis revealed themes that were related to the key research objectives and the research questions.

Data analysis refers to the methods and tools of making sense of data collected, the breaking down and collating of data, tabulation of data, and forms of thematic analysis of data collected by the researcher (Creswell, 2014). Data analysis is intended to determine the frequency and

relationships of identified themes and patterns experienced by clients and employees of WTBG. A comparison of the themes identified in the primary data and the literature review was done and conclusions were drawn while recommendations that will be useful to WTBG and inform the researcher for further research were made.

3.12 Chapter summary

This chapter looked at various aspects of the research design and methodology that was used to guide the research process so as to provide reliable information based on ethical practices. The research design and methodology articulated the various aspects that make research authentic and unbiased and reliable. Interviews were justified as the data collection instrument most appropriate under the circumstances. Changes to the population and final sample where also explained in the context of the current national COVID19 pandemic protocols. Ethical issues that impacted the research such as informed consent and voluntary participation were also indicated and adhered to. A sample of ten participants was ultimately used and the interpretivist paradigm was selected for use in the study. The data that was collected was tabulated and analysed using Microsoft Excel. Justification of the research design, population and sample choice and envisaged data analysis methods were also addressed in the chapter. The next chapter will look at the analysis and interpretation of the data that was collected from the field.

CHAPTER 4

PRESENTATION AND ANALYSIS OF RESULTS

4.1 Introduction

Chapter 3 discussed the research design and methodology that was used to collect and analyse data for this study. This chapter presents and analyses the main findings of the study to expose any possible patterns of sentiments of the interviewed research participants. The data was collected and recorded electronically and then transcribed within eight hours of collection. WTBG has been involved in civil construction projects for about ten years with their key clientele being central and local government entities. The company's range of projects at the time of the study included construction of office blocks, residential properties, and other commercial buildings. All the targeted employees from both middle and top management were available for interviewing. Since the sampling technique used was purposive, a targeted approach was used which allowed 100% of the sample population and response rate on all the questions that were asked. The same questions were posed to all the interviewees with further probing where it was necessary to get more information.

The data that were collected in this study was intended to fulfil the research objectives which were stated earlier. The main objective of the study was to examine the factors that impeded the successful implementation of construction projects at WTBG in Namibia. The secondary objectives of the study are re-stated below to remind the reader:

1. Explicate the effects of stakeholder payment process on the successful implementation of construction projects at WTBG in Namibia

2. Examine the effects of cash management on the successful implementation of construction projects at WTBG in Namibia,

3. Establish the effects of financial resources on successful implementation of construction projects at WTBG in Namibia

4. Elucidate the effects of the financial market on the successful implementation of construction projects at WTBG in Namibia.

The data that were gathered during the interviews was transcribed and tabulated according to the sections of the interview guide and based on the above research objectives.

4.2 Presentation of the main findings of the study

The major findings of the study as echoed by the respondents to this study are indicated in Table 4.1 below.

Table 4.1*:* Summary of interview results

Theme	**Question**	**Response**
Employee Experience	What projects have you been involved with implemented by WTBG in the past 5 years?	All the interviewees that they have been involved in the construction of office blocks, residential buildings and civil works such as sewerage and water purification plants. Some of the projects are already complete while others are at different stages of completion with some set to continue for the next three to five years.
	Please provide a brief description of the project scope (what was / is being constructed).	All employees showed awareness of the project operations and indicated that there are currently five projects running simultaneously. All the projects are for the government with two expanding school premises and the other three comprise a hospital wing expansion and two are office blocks.

Project success rate	Were the completed projects delivered within the constraints of Schedule (within the expected time frame). If no, can you please explain why it took longer?	Six who have been working for WTBG for five years or more indicated that they have seen some projects being completed in the last five years with differing levels of success. They all concurred that none of the completed projects were on schedule. "It is impossible to finish Government projects ontime because of budget issues and lethargic execution. Most government employees are not in a hurry to do anything", said one employee. Another employee said, "in my six years working here, I have not seen a single project finishing on schedule." All the interviewees indicated that there were a number of reasons for missing the schedule such as delays in payments, delays in stage inspections, delays in material procurement, reworks, and changes in scope.
	Were the completed projects delivered within the constraints of cost (within the budget). If no, can you please explain why it went over the budget.	All interviewees indicated that their major projects never finished within budget. One interviewee said, "There is absolutely no way that a project misses its schedule by more than a year and remains

		within budget." Another said, "the government construction projects never finish within the stipulated cost because most materials are imported and overtime, exchange rates change adversely". In addition, as another interviewee commented, "all the projects I have worked on at WTBG have been affected by the ever-rising input costs which made it difficult to stay within budget."
	Scope (Were there any major changes in the project structure?) If no, can you please explain why it was changed?	Eight of the interviewees indicated that they always experienced minor to moderate scope changes especially with government projects. "Government is by nature not a very flexible client so there is not much room for scope change", intimated one interviewee. "Sometimes the project scope changes because of changes in the availability of resources", added another interviewee. "One project had to be scaled down when the development partner pulled the plug on finances", echoed another. Two interviewees said that they have experienced very few

		projects that were completed with minor or no changes at all.
	Would you say the problems were related to: (Can choose more than one. Please explain briefly)	
	Management	All the respondents indicated that there were times when there were disagreements with the client as to payment schedules, claims, and certificates of completion. These problems were cited as management problems. According to one respondent, "disputes could arise over how much work was complete and ready for payment claim. The engineer could certify less work than actually completed."
	Financing	Seven interviewees cited financing issues as they mourned about delays in payments and lack of financial resources to avoid work stoppage or schedule slippage.
	Client issues	According to the majority of interviewees, client issues were the main cause of problems as the client decision making mechanisms suffered from too much bureaucratic red tape. "There are too many people who

		handle an issue before it gets to the one who makes a final decision", said one employee. Another said "the work ethics in government habours incompetence and laziness. The people who are supposed to handle issues often prophess lack of knowledge on the status of certain issues."
	Other issues	Other issues such as the current COVID19 pandemic were also cited by all the interviewees as the cause of delay in projects which in turn increased costs.
Payment processes	What relationship do you see between payment processes (the way the client pays your company and the way you pay subcontractors) and successful implementation of construction projects?	All interviewees concurred that there was a knock-on effect on the whole value chain. If the client delayed paying WTBG, the company would not be able to pay subcontractors and suppliers of materials on time. Some subcontractors opted to stop working until they got paid and similarly, the suppliers of materials could withhold supplies until they were paid for the previous purchases.
	How has WTBG been affected by payment processes (the way the client pays your company) during	Virtually all the interviewees indicated that the effects of payment processes, especially

	the implementation of construction projects?	where there were hiccups, were multiple and ranged from the easily quantifiable to the less easily quantifiable. In some cases, there were delays in the payment of salaries for WTBG staff. The morale of project teams was said to be rock-bottom when they did not receive their wages on time. "We have had some problems with contractors threatening to take legal action against us for delayed payments", said one respondent. Another respondent added, "the reputation of WTBG often gets damaged due to delays in payments to subcontractors.
	In the past five projects, how often did your clients delay payment?	There was a unanimous agreement that delayed payments were almost a normal occurrence. Delays could range from a month to sometimes as long as a year.
Cash management	How much importance do you place on cash management at WTBG?	One respondent intoned that, "Without cash, it is not possible to perform any project activities." Another concurred and pointed out that, "Workers need wages and all the daily operations of the company only continue if there is cash flowing in at appropriate times." An additional respondent

		said, “Cash management is what has enabled WTBG to survive up to now.” These responses reveal that cash management was therefore viewed with extreme importance at WTBG.
	How well is cash-flow management done at WTBG?	This question was avoided by all employees as they referred to the executive director of WTBG. It was noted by the Executive Director that WTBG employs highly qualified staff who were able to keep the cash flow of the organisation in good shape. “Our staff are highly qualified and experienced so we do not have any major issues with cashflow management”, said the Executive Director.
	What challenges does WTBG face in accessing working capital (money to finance daily operations)?	This was another question that was referred to the executive director. The executive director said, “WTBG is categorised in the SMEs sector. The capital to finance operations largely comes from the company’s activities and overdrafts from financial institutions. Where we are short of funds, we often apply to banks for short term funding. We have also relied on intercompany lending

		within the WTBG group."
	If any challenges, how is WTBG affected by these challenges?	The executive director indicated that cash flow management is real and can hamper project implementation success. "When we are stretched on cash we cannot complete projects on time and on budget", he said.
	What importance do you put on cash management at WTBG?	"Cash is the life blood of the company. We value cash management as the single most important facet for our survival as a company," intimated the director.
Financial resources	How does the lack of financial resources affect the implementation of projects at WTBG?	All the interviewees agreed that a lack of financial resources erodes the confidence of the business partners and stakeholders. In order to then access financial resources, collateral may need to be offered. The lack of financial resources creates a heavy dependence on payments from clients.
	How does having robust (large) financial resources affect the likelihood of accessing bigger contracts?	All interviewees agreed that financial resources were not the only criteria used to award bigger jobs. Other technical considerations including economic empowerment initiatives made it easier to access bigger contracts. However, the

		respondents also noted that companies with bigger capital bases were looked at much more favorably as that was one criterion that was often used in selecting companies to award tenders to.
	What alternative sources of finance are you aware of (How can your company raise extra cash to finance projects)?	The Director indicated that, "there are a number of sources of funding such as offshore financiers, local banks, venture capital companies, and intercompany transfers."
	Which alternative sources have you ever approached for assistance with cash to finance projects or operations?	We have approached the Development Bank of Namibia, Standard Bank, and Bank Windhoek previously.
	Were you successful in getting the required assistance? Were there any challenges?	"To some extent, we were successful. However, lately, the institutions have introduced more strict requirements before they can release money due to the volatility of financial markets".
Financial markets issues	What problems associated with financial markets do you face when trying to access finance to improve your cash-flow?	"In the past few years, a global recession was biting. Namibia was also affected by the recession. This made viability of many ventures come under scrutiny. When there is a recession, financial markets become very cautious and lend less or demand more security", said the director.

	What problems associated with financial markets do you face when it comes to payments systems in the construction industry?	"At WTBG, there is no notable direct relationship between financial markets and payment systems in the construction industry. However, in the likely case where a client is being financed by a third party and the third party is risk averse due to market conditions and decides to withhold funding, then we could be affected too".
	What do you say about the financial management skills of the management personnel at WTBG? (Good/Bad/Average)	"We have good financial management skills within the company".
	What problems associated with financial markets do you face when trying to access finance to improve your cash-flow?	"The past months from March 2020 have been particularly difficult for us. COVID19 affected the global financial systems thus inducing recessionary pressures on all countries. We have had work stoppages which meant we could not claim payments. Finance institutions need to see viable cash budgets for them to offer financial relief. I must say that it has not been easy to remain liquid", indicated the director.

4.3 Discussion of findings

WTBG had a total of five projects running at the time of the study. All the projects that were running were for the government of Namibia and were at various levels of completion. Having these projects running at the same time was important for WTBG as it enhanced the company's cash flow. Even if there could be delays in one project, payment in another project would go a long way to alleviate the financial problems of the whole company. It was possible for project operations to be temporarily funded by another. This made it possible for WTBG not only to survive, but also to maintain fairly good relations with the other stakeholders. Several projects were completed in the last five years with differing levels of success, yet on the whole, WTBG seemed to have fared well compared to other players in the construction sector because the company had a wider revenue base. It goes without saying that without sufficient liquidity, it is not possible for a project-oriented company to perform any project activities. Because of the wider revenue base, it was not too difficult for WTBG to access funding from financial institutions to finance operations as the group was showing acceptable cash flow projections for potential financiers. When there is a recession, financial markets become very cautious and lend less or demand more collateral security from loan applicants.

However, it is important to keep in mind that growth also brings risk as more funds are required to finance bigger projects as well as more capital for material and equipment purchases. Managing this risk by ensuring that the company has sufficient liquidity in the short-term is essential. Delayed payments by owners can stretch working capital and drive a need to finance these payment delays with debt should the liquidity contained on the balance sheet be insufficient. This can drive up costs that were not factored into the price structure of the bid. The study variables that were covered in this study that constituted the research objectives namely stakeholder payment, cash management, financial resources, and financial market, and their effect on successful project implementation, are discussed below.

4.3.1 Stakeholder payment process

It was confirmed during the interviews that payment has a significant impact on the implementation of projects and at WTBG when payments are delayed that particular project tends to face challenges such as materials delivery and subcontractor complaints and temporary withdrawal of services. If contractors and other stakeholders are paid on time, they are likely to procure the necessary materials for project completion in time. Lack of payment results in projects stalling from one stage to another. Sometimes the payments are based on the stage that has been completed. Where the stage must be certified, there is often a gap between completion, certification, and payment. This process can be further complicated by errors in submissions for payments whereby claims are returned from paying authority to claimant thus resulting in delays. Delays in payments unfortunately lead to work stoppages due to material bottlenecks and sometimes downing of tools by the workers of contractors and or sub-contractors. As was pointed out in the literature review, payments of stakeholders have an implication on the performance of contractors engaged in a project. Operations of contractors depend, among other things, on the liquidity of the organisation (Kerzner (2017); Ndaire (2013); Anantatmula, 2015).

4.3.2 Cash management

For WTBG, closely linked with stakeholder payment processes is the issue of cash flow management. The essence of cash management is to make sure that the inflows and outflows of liquid cash balance out so as not to starve the project implementation process. Where outflows are likely to outstrip inflows, management must find ways to temporarily alleviate cash shortages so that operations may continue unhindered. As noted at WTBG, where some projects entail "supply and fix", the contractors carry a heavier responsibility to maintain an efficient supply chain until they complete the project. Such projects will put the contractor under immense pressure to provide the necessary cash resources until project completion. Where, on the other hand, the stakeholder chain depends on stage completion for payment, the contractor must be able to keep operations running between stage completion, certification, and eventual payment. As noted at WTBG through the findings of the study, WTBG sometimes face delays in payments thereby face cash flow challenges with unfavorable consequences on stakeholder relationships.

In such a scenario, it may be necessary to solicit stop gap financing from different financing institutions including banks.

Effective cash management presupposes an accurate prediction of future cash needs and inflows. Cash flow projections are an integral part of financial operations at WTBG. There is high degree of financial astuteness that is required to keep an organisation like WTBG afloat especially given the delays in payments which often interfere with operations. The finance department of WTBG is manned by highly qualified personnel whose experience in financial matters was garnered from different organisations. WTBG has a fairly stable relationship with their bankers which helps in moments when projects hit a cash crunch.

The importance of cash management to the successful implementation of projects is reinforced by the views of several authors as discussed in Chapter 2. For instance, some authors suggest that many construction companies rely solely on the income that comes from construction activities. If these activities do not generate receipts on time, the consequences can be dire for the construction company involved.

4.3.3 Financial resources

In the literature review, it was noted that financial resources are the backbone of any project (Muller, 2016; Arora and Baronikian (2014); Snyder, (2018); Akinsiku & Ajayi, (2018)). All large projects entail a considerable risk. Any entity that wishes to engage in a major construction project needs assurance that the stakeholders making its supply chain will be able to perform their role as expected. WTBG often has to give some form of guarantee that they are capable of performing. Many government tenders require substantial Bond amounts that makes it difficult for underfunded companies to qualify and win tenders. Bonds are stipulated as part of the qualification requirements and that means that right from the beginning of the project, access to financial resources is critical. Companies without substantial resources are generally not trusted in the construction industry as they can be paralysed by limited financial resources. Those companies with robust financial resources are able to cushion themselves against delays in payments.

The results of the study revealed that at WTBG, while government policy is supportive of entrepreneurship and empowerment of indigenous enterprises, major construction projects are given to organization who have a financial resource base which is robust enough to support the tendering process requirements especially the bond amount. These findings confirm the literature findings explained in Chapter 2 which suggest that the project sponsors or clients in the spirit of prudence, require certain assurances that the company which they contract to do a job will be able to deliver to expectations (Ansah (2018); Limsila, (2016); Mwatange, (2017); Miller & Wongsaroj, (2017)).

4.3.4 Financial market

During the interviews, it was apparent that the current economic environment is not very friendly towards the construction industry. Namibia recorded negative growth rates since 2018 and it was declared to be in a recession. The prognosis for 2020 is considered dire with many economic fundamentals having been knocked by the COVID-19 pandemic. The economic climate generally affects the confidence of the financial market. Many players in the financial sector tend to be more risk averse during a recession. Operations of companies, including the construction industry, have been halted in many cases and that has affected the payments cycle for stakeholders in the construction sector. With erratic financial inflows from operations, lenders are cautious when it comes to lending and/or financing different ventures. The economic drawbacks caused by the virus will impact many organisations. Insolvency of stakeholders along entire supply chains is a real threat.

Uncertainty and turmoil across all the economic sectors are being experienced and as a result there is significant concern in the financial markets which is akin to the 2008 financial crisis. There has been a sudden and almost complete shutdown of many businesses due to the unexpected and mandatory lockdowns and ‘social distancing’ requirements which in turn initiated a wave of business closures, factory shut-downs, lay-offs unleashing further uncertainty in the financial markets. After the economic downturn of the years 2017 to 2019, the recessionary pressures worsened in 2020 as COVID-19 impacted borrowers who suddenly saw demand for their goods or services disappear. The net effect is that financial markets and credit

arms of financial institutions are faced with making decisions that reduce the appetite for new or refinanced transactions. WTBG has some projects in the early development stage which their clients may not have committed financing. The project sponsors, having not anticipated the continued recessionary pressures, may struggle to raise adequate financial resources in the timescales and to the value of the projects. For WTBG, all projects that are under construction may experience delays in achieving project completion due to interruptions in supply chains which will, in turn, impact payment processes severely thus curtailing the success of project implementation.

In a nutshell, according to the findings of the study enunciated in Chapter 4 (Table 4.1), payment processes can have a telling effect on the implementation of construction projects. The survival of stakeholders may hinge on the payment process as there is a negative domino effect if there are delays or other hitches in payment processes. Payment processes need to be managed effectively for effective project implementation and for the purpose of maintaining amicable and viable stakeholder relationships. These results confirm the literature that was reviewed in this study (Chapter 2), that properly managed payment process, while they reduce delays in payments, they contribute to timeous delivery of projects within the budget. Timeous delivery of a project within budget can also help to meet quality expectations (Arora and Baronikian (2014); Nevhonga (2017); Falamarzi1 & Suliman, (2016); Colombom et al, (2019); Din & Ismail (2014); Muigua (2011)).

4.4 Chapter summary

In this chapter, the main findings of the study were presented and analysed. It was evident that there are links between successful project completion and stakeholder payment processes and the rest of the variables that constitute the secondary research objectives. The interviewed participants opined that delays in payment are critical for other project activities to be completed on schedule, within its budget, and inside its scope. Some of the problems that are associated with delays in payments and their implications for management were discussed. The next chapter is a discussion of the major findings of the study and interpretation of the same as well as the conclusions that are drawn from the findings.

CHAPTER 5

DISCUSSION AND INTERPRETATION OF RESULTS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The previous chapter analysed and discussed the key findings of the study based on the interviewee responses. The opinions of the selected staff members WTBG were indicated in the summarised transcriptions with key opinions indicated. In this chapter, the findings were summarised and conclusions drawn on a thematic level where each objective is considered. On the basis of the thematic conclusions, recommendations are made. The conclusions drawn from the findings were used as the basis for recommendations to WTBG. In the problem statement of the research, it was indicated that WTBG is a group of companies which is involved in construction projects in Namibia. The construction sector has been bedeviled by challenges which impede the successful implementation of projects. The problems faced by stakeholders included delayed payments and making little or low profits on certain projects, overall losses, and missed schedules and deadlines. It was, however, noted that some of the problems in the construction industry in Namibia were self-inflicted since the strategies that were being used by the entrepreneurs in the industry were not sustainable as many of the companies ended up closing while some were downsizing and retrenching workers. With payments being the main revenue source for construction companies and their survival depending on payments, it was pertinent to examine the effects of payment processes on the construction companies and other stakeholders. This study sought to establish the factors that manifest in the noted symptoms and their relationship to payment processes and overall success of projects run by WTBG.

The objectives of the study were indicated as to: explicate the effects of stakeholder payment processes on the successful implementation of construction projects at WT Business Group in Namibia; examine the effects of cash management on the successful implementation of construction projects at WT Business Group in Namibia; establish the effects of financial resources on successful implementation of construction projects at WT Business Group in Namibia and, elucidate the effects of the financial market on the successful implementation of

construction projects at WT Business Group in Namibia. These were outlined in Chapter 1 and re-stated in Chapter 4, Section 4.1.

5.3 Summary of the research findings

There are several issues that emanate from the findings of the study. Projects are often delayed because payment is not made on time. The whole supply chain can be severely affected by delays or other payment related issues. In the current recessionary climate, it is difficult for businesses like WTBG to find alternative sources of intermediate funding for operational activities while they wait for payments because traditional lenders have become more risk averse. Effective cash flow management has become even more important for WTBG as its options are limited. Like many SMEs, they have a limited capital base that needs to be managed carefully to ensure the survival of the company with minimum casualties among its stakeholders.

5.4 Recommendations

Many organisations have taken a survival path that results in scaling down operations, restructuring, focusing on its core business, retrenchments, and many other survival tactics. This approach is also recommended for WTBG. Each of the tactics mentioned here has a negative implication for the different stakeholders. Ultimately, some opportunities for such stakeholders as suppliers and employees will be lost. Realignment of core business processes could be pursued and any form of restructuring should take into cognisance the economic and social implications of any survival strategy that will be implemented. This may imply that WBTG identify their core activities such as specific civil works and have a niche where their survival chances are enhanced.

The following recommendations are suggested for WTBG to mitigate the effects of various factors that impede on successful project implementation.

Objective 1

- Payments processes are entrenched in a culture were there is no sense of urgency especially in government. A change in this culture could be achieved through contractors

like WTBG coming to an understanding that it is good business to follow up payments and their clients are reminded that WTBG also has to fulfil obligations basing on the payment received from the client. In the context of the recessionary pressures, some contracts may need to be renegotiated to vary payment processes and implement systems that ensure the survival of all stakeholders. In such negotiations WTBG may include issuing of guarantees by client to the contractor which can be used to secure alternative funding from other institutions.

- Since payments are at the center of critical areas of the construction business such as vendor relationships and job progress, it is imperative that WTBG comes up with strategies on how to make work payment cycles shorter. These strategies may include a more aggressive but not offensive debt collection. Constant reminders should be sent to clients to make payment on time. Charging of interest on overdue payments can also be used to encourage early payment
- Greater accuracy and time consciousness should guide the submission of payment claims for certified work to avoid contractor-based delays. Use of computerized systems would reduce errors and omissions especially on repetitive claims and also reduce time required to process.

Objective 2

- WTBG management should enhance communication with stakeholders to facilitate effective payment processes. Stakeholder payment processes could benefit from improved communication with stakeholders and creating synergies where preferential treatment is offered to members of the value chain. Keeping stakeholders aware of the payment stages reduces the pressure that WTBG will have from suppliers and contractors as they will be able to make alternative arrangements to improve their liquidity positions.

Objective 3

- Strategic sourcing of materials and timeous execution of implementation activities and proper coordination with engineers who certify work needs to be implemented. Instead of

relying on a single supplier, the organisation needs to have alternative sources in case of any bottleneck.

- The management of WTBG should put in place a more robust and effective cash management system. Proper cash flow planning can help WTBG make intelligent decisions regarding budgeting, capital expenditures, financing, and growth. It creates the impression of efficiency that in turn inspires the confidence of bankers and other stakeholders. It may be necessary to convert some of the non-current assets that WTBG has into liquid assets. Given that cash management activities are at the core of liquidity in an organisation, WTBG should continue to explore other creative ways of keeping liquid assets that help when a need arises. A careful balance needs to be struck between current and non-current assets to maintain a healthy balance sheet. A healthy balance sheet is one key consideration for financial institutions who would provide some cash flow relief when needed.
- In terms of financial resources, it is understood that WTBG is an SME that is still growing. Re-capitalisation should be financed from retained profits. A careful assessment of company circumstances and need for a robust capital base should inform the creation of reserves from good projects. It would be prudent for the company to engage such institutions like the Ministry of Trade and Industrial Development who have a provident section for assisting needy yet viable MSMEs.

Objective 4

- While financial markets are jittery in a recession, there are other novel financing options which include crowd funding. It would be in the best interests of WTBG to consider such an option for sourcing operational capital. In most parts of the world, the construction industry is experiencing difficulties with material supply chain disruption, labour shortages and the shutdown of construction sites. In Namibia, suppliers are operating with reduced workforces and prioritizing a backlog of orders built up since March. Price increases of many inputs are being experienced. Price increases coupled with the inability to procure materials will inevitably slow the overall rate of progress on many construction projects.

5.5 Limitations of the study

Several limitations can be ascribed to this study. The first limitation is associated with the method of data collection. It had been intended that face-to-face interviews would be used to also observe the body language of the interviewees. However, due to the national COVID19 management protocols, movement was curtailed, and social distancing was enforced. This led to the use of telephonic interviews which then robbed the interviewer of valuable body language experience. Some valuable data could have, therefore, been lost due to the use of the telephone.

The study was carried out at a limited scale. It focused on the WTBG group of companies while the group itself is in the SMEs range. It may not be possible to generalise the findings of this study to other organisations without further adjustment. Additionally, the amount of time that was allocated for the completion of the study was constrained by the college academic calendar which created tight deadlines. This limited the depth that the survey would go to as the number of interviewees was limited. There is a possibility that some opinions were left out. Other pertinent areas such as the role of leadership were left out to stay within the ambit of the research scope.

5.6 Implications of the study to both theory and practice

Most of the findings of this study have some implications for management who inevitably must take action on issues that were revealed by the data analysis. Given such trends as the general delay in payments, management of WTBG needs to stay abreast with the current economic order to have better chances of surviving and completing projects with minimal disruption to the schedule and effectively manage the projects' cost and scope. Relationships with players in the jittery financial markets need to be managed carefully and effectively to create goodwill and sustainability. Alternative sources of cash for financing operations are needed in times of crises like now, especially the COVID-19 pandemic.

The implications of delays in payments can be classified as either project related, or contractor related. From the project perspective, there can be delays in project completion which will balloon costs, overshoot schedules, and sometimes result in scope shrinkage. For the contractor, delays may result in payment disputes with third parties such as material suppliers and

subcontractors. The payment disputes may result in legal action which can be costly and result in damaged reputation. All these scenarios require shrewd management to handle to prevent the disruption of the business model.

5.7 Further research direction

Several areas that are related to this study could have been discussed at a greater depth. A few arears such as the financial market situation and its effects on successful project implementation were discussed. Additional research would shed more light on these issues. It should also be noted that the line of distinction between management and leadership seem to be often blurred. An organisation like WTBG would be a good place to study the relationship between leadership and successful project completion to ascertain what leadership roles would bring about a successful project completion trend. Future research could be carried out to explicate the role of leadership in the successful implementation of construction projects involving other organisations in Namibia and even the region.

5.8 Conclusion

Payment processes play a critical role in the successful implementation of construction projects. A strategic approach is needed to handle the payment relationships effectively and efficiently. WTBG's success has been underpinned by astute personnel who get all the support that they need from the company leadership. Even with skilled manpower, there have been challenges in staying liquid at all times. Maintaining good relations with other stakeholders and clear communication lines will go a long way towards organisational sustainability. Good workmanship in the implementation of projects reduces costly errors and reduces delays as quality work is rewarded accordingly. Where challenges in relationships arise, a proactive and winsome approach is preferred over costly and time consuming litigation which in turn causes further delays in payments and ultimately in project implementation.

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Appendix 1: Interview guide

Interview guide on the payment processes as factors that impede the successful implementation of construction project at WTBG.

Part A: Factors impeding the successful implementation of construction projects

1. What projects have you been involved with implemented by WTBG?
   Please provide a brief description of the project scope (what is actually being designed / constructed).
2. Was the project delivered within the constraints of:

a) Schedule
b) Cost
c) Scope

3. Where there any noticeable problems in the implementation of the problems?
4. Would you say the problems were related to: (Can choose more than one. Please explain briefly)

a) Management
b) Financing
c) Client issues
d) Other Issues

Part B: Effects of stakeholder payment process on the successful implementation of construction projects at WT Business Group in Namibia

a. What relationship between do you see between payment processes and successful implementation of construction projects?
b. How has WTBG been affected by payments processes during implementation of construction projects?
c. In the past 5 projects, how often did your clients delay payment?
d. How was WTBG affected by such delays?

Part C: Effects of cash management on the successful implementation of construction projects at WT Business Group in Namibia,

a. What importance do you put to cash management at WTBG?

b. How well is cash-flow management done at WTBG?
c. What challenges does WTBG face in accessing working capital?
d. How is WTBG affected by these challenges?

Part D: **Effects of financial resources on successful implementation of construction projects at WT Business Group in Namibia**

a. How does the lack of financial resources affect the implementation of projects?
b. How does having robust financial resources affect the likelihood of accessing bigger contracts?
c. What alternative sources of finance are you aware of?
d. Which of these alternative sources have you ever approached for assistance?
e. Where you successful in getting the required assistance?

Part E: Effects of the financial market on the successful implementation of construction projects at WT Business Group in Namibia.

a. What do you think about the financial management skills of the management personnel at WTBG?
b. What problems associated with financial markets do you face when trying to access finance to improve your cash-flow?
c. What problems associated with financial markets do you face when it comes to payments systems in the construction industry?