

**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**



**ASSESSING PROJECT PERFORMANCE EVALUATION
PRACTICES OF CHALLENGED FOR CONSTRUCTION
PROJECTS CASE STUDY ON MIKADA ENGINEERING PLC**

By

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JUNE, 2019

Addis Ababa, Ethiopia

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GRADUATE STUDIES, FACULTY OF BUSINESS**

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ACRONYMS/ ABBREVIATIONS

BC: Building Construction

ETB: Ethiopian Birr

GC: General Contractor

KPI: Key performance Indicators

PE: Performance Evaluation

PLC: Private Limited Company

PM: Performance Management

PMBOK: Project Management Body of Knowledge

PPI: Project Performance Indicators

RC: Road Construction

WC: Water Construction

WWC: World Wilde Construction

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ABSTRACT

The construction industry plays a vital role in developing countries which are highly dependent on the growth and development of physical infrastructures. Performance evaluation can be said as backbone of the organization. The overall objective of this research was Assessing project performance evaluation practices of challenged for construction projects case study on mikada Engineering PLC. The Research Approach to be followed for this particular research is Qualitative Research Approach. In this study descriptive research design was used to explore and identify project management practices by assessing the project performance evaluation in MIKADA Engineering and Trading PLC. The researcher used purposive sampling to collect qualitative data from 16 employees that are fully engaged in project works in the organization. In order to sample the population, the researcher used Non probability sampling of Purposive sampling technique. From the finding there is misunderstanding on performance evaluation and lack of knowledge. Because of not conducting performance evaluation, the company lost and put on risk. Also, the organization has standards in conducting performance evaluation with an important element that helps to measure and evaluate the project performance. The findings also show that project performance evaluation is an important tool for the organization to perform in the industry using different important tools of evaluation methods and to check whether they are in profit or loss.

Key words: Construction, project performance evaluation, cost schedule, Resident Engineer , Key personnel, Finance officers, Sight Manager Engineer and Project Manager

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The construction industry plays a vital role in developing countries which are highly dependent on the growth and development of physical infrastructures. Furthermore, its relation to both economic and social sectors is very significant Habenom (2017).

However, in Ethiopia, the trend of using construction research works is very low. Consequently, the role of research works in the construction industry is in significant preventing the identification of the current and future research needs of the construction industry, it was essential to find out if the past and current construction research conducted by academic institution is directly correlated with the construction industry demand by Habenom (2017).

In Ethiopia construction project performance problems appears through different directions. Due to several reasons' construction projects in Ethiopia construction projects challenges in their performance instead of achieving their planned goals. Most these challenges are related what we call it project performance problems by Habenom (2017).

The construction industry is a large and complex industry involving various stakeholders (government, industry, private parties, and investors) designers and construction monitors (engineers and architects) construction workers, field managers, supervisors; and craftsmen. Furthermore, products are usually 'custom made', with almost every project constituting a separate and unique entity which is conceived, financed, designed, constructed, and operated separately. Each of the groups that contribute directly or indirectly to construction is represented by individuals, organizations, or associations, each with diverse and often ever-increasing demands diverging interests, but in any construction project, the main people involved and who must be present are the three Cs as Clients, Consultants and Contractors by Abadir H. Yimam, (2011).

The Client is the one who proposes the project and comes with the budget. It could be a private or governmental institution. The Consultant designs the interest of the client, put it in paper and practical ideas, prepares designs and contract documents, and assigns the contractor and follow up the construction activity once it has started by Abadir H. Yimam, (2011).

The Contractor is the agent which actually executes the construction activity under the supervision of the consultant and being paid and monitored by the client. There are a lot of parallel and vertical communication going on with these parties and those communications have to be properly documented and as per the standards and the laws of the construction industry by Abadir H. Yimam, (2011).

Once the works have been forwarded to the Contractor, he/she has to plan for tackling specific problems in particular and the entire project in general. The Contractor has to prepare detailed schedules comprising the resources it would use in the construction activity such as Labor, Construction Materials, Construction Machineries, Construction Budget, Time and things of the like to finalize and submit the project on time and be profitable (within the anticipated time limit). The target of the Contractor, apart from executing the project to satisfy the needs of its client and the supervision of the consultant is to be profitable which was pre-calculated and planned during the bidding, scheduling and commencement period of the project. To ensure the acquiring of those expected profits the Contractor has to conduct a detailed, well planned, persistent, modern, computerized (systematic), automated and perpetual project performance evaluation (which are part of the bigger concept of project management) on weekly, monthly, quarterly, semiannually, annually and through the entire life span of the project (Dilanthi & Baldry, 2002).

It is because most contractors, especially in our country, fail to conduct such timely performance evaluation practices that they fail at a particular project in achieving the goals they targeted (name it financial or technical such as gaining experience or building positive reputation in the most competitive construction industry) at the beginning of the projects and as a profit making firm, leading them to absolute bankruptcy and collapse at the end (Dilanthi & Baldry, 2002).

The fact that the Contractor is being paid its periodic payments starting from the advance payment or the fact that it is winning the bids of new contracts does not guarantee its survival as a profit-making organization. To be a long lasting and competitive firm in the business sector, it has to evaluate each and every project it owns and monitor its daily activities to make sure that the whole project is on the right track and that it would secure the planned profits and professional merits anticipated at the start of the project (Dilanthi & Baldry, 2002).

The current dominant practices in performance management influence many construction firms, Consultants and both public and private clients, among other types of project stakeholders. Performance measurement can be understood as the regular collecting and reporting of information about the inputs, efficiency and effectiveness of construction projects. These performance measurements are then in turn used to judge wider project performance, both in terms of the project's financial and non-financial aspects, as well as by comparing and contrasting the project's performance with other projects. Ultimately, performance measurement indicators can be utilized to improve program efficiency and effectiveness (Dilanthi & Baldry, 2002).

There were evidences that have witnessed the complete collapse of some of the most giant Construction firms in our country who were running several big projects but who failed to manage them properly, stagger at points and collapse at the end (Dilanthi & Baldry, 2002).

Most of the biggest construction firms, even the oldest ones, do not conduct timely project performance evaluation activities and execute bigger scale project management deeds but operate through trivial and non-standard construction project management systems which are entirely based on individual capabilities of their owners and higher professionals that lead to their slow death without them even knowing it (Dilanthi & Baldry, 2002).

The function of construction project management is therefore to predict as many of the risks that could lead to failure or complete collapse ahead of time and to plan, organize, and control activities so that the project is completed successfully (Dilanthi & Baldry, 2002).

The performance of these projects can be measured and evaluated against what was planned by using a wide variety of performance indicators. These include indicators related to time, cost, quality, client satisfaction, business performance, health, and safety, among others. However, experts in construction management further argue that time; cost and quality are the three main performance indicators in construction projects (Dilanthi & Baldry, 2002).

The subject matter of this thesis is Assessing on Project Performance Evaluation of Construction on Mikada Engineering PLC. The focus of the study was evaluating project which is already submit to the client Wollega University

1.2 BACKGROUND OF THE ORGANIZATION

MIKADA Engineering and Trading Plc is a private owned construction and trading business entity. It was established in 2010 G.C in line with the Ethiopian business law and licensed as a general construction firm under the Ministry of Urban Development and Construction to execute construction of roads, bridges, buildings, waterworks and similar works to a broad range of commercial and industrial clients throughout Ethiopia. Since then, it has signed and entered in to several contracts for construction of roads, buildings and related works and have successfully completed most of the contracts to the satisfaction of the clients. Presently, the company is managed by Mr. Kassahun Million who is also one of the founding members of the company.

The company is structured and organized in such a way to efficiently and effectively handle large scale construction projects and it has hired senior engineering and construction, personnel and equipment management and finance professionals who have several years of practical experience in business and construction industry. As to the capability of construction equipment, the company has owned several heavy-duty earthmoving equipment and equipment for hauling and pavement works proper for General Contractor GRADE ONE (GC-1) and WWC- 1 general contracting firm. Given the financial, equipment and manpower capability and company well-structured to lead the way, and above all, construction experiences it has gained so far. They are strongly believed that they are at a level competent enough to handle and accomplish more complex and large scale construction projects.

Enclosed herewith are testimonials of their registration, construction experiences, financial standing and equipment ownership. Since the establishment in 2010 G.C MIKADA has achieved a sound business target in its industry. Recently MIKADA has completed various Universities stores, dormitory, bridges, meeting halls, Asphalt Concrete Roads, Gravel roads, Water treatment plants and other facilities to list out their Projects. The company has the ability to self-perform many aspects of a construction project, and the financial strength of the entire organization ensures all our clients of our ability to always perform – from groundbreaking to ribbon cutting. With the right mix of labor and equipment are always ready to serve the need of esteemed customers.

1.3 STATEMENT OF THE PROBLEM

Performance Evaluation of Construction Projects is the backbone of construction companies and their well-being and health in one way or the other, directly or indirectly related to it. It is something so important that should not be undermined or overlooked and has to be conducted on a regular basis with a systematic way. But that is not the normal trend in our country's construction companies. The truth is far from that and they normally fail in such regard and most of them totally collapse before they even know it (Hurst & Jee-hughes, 2001).

Project Performance assessment is important for improving performance of construction industry. Project performance metrics are not clearly defined and standardized in the industry.

Performance of construction industry is of prime importance for India as it is a developing country and requires significant infrastructure development to sustain its economic growth. So there is need for continuous monitoring and improvement of performance. Performance of construction projects in general is not satisfactory and therefore it is important to understand performance metrics affecting project performance. Project is generally considered as successful if it is completed on time, within budget and satisfies specified specification. Thus, it is necessary to have some criteria or performance metrics through which performance can be measured. Various researchers over different geographic areas seem to contribute significantly to the body of knowledge in construction project performance during the past three decades. In spite of various similarities among findings there is no agreement between researchers on a comprehensive list of performance metrics. P.V.Ingle,Dr. G.Mahesh., (2018)

Therefore, this research will evaluate the problems in the MIKADA Engineering PLC on Shomku Staff Residence Building Project. According to the client (Wollega University) they need six blocks with the budget of 88 million ETB. The problem is the project did not complete on time also the actual marginal profit is less than 10%. In this case it put the organization in high risk.

The performance of projects against what was planned can be measured and evaluated using a large number of performance indicators that could be related to various dimensions (groups) such as time, cost, quality, client satisfaction, business performance, health and safety.

1.4 RESEARCH QUESTIONS

In light of the problems discussed above the research specifically aims to answer the following research questions:

- 1 What are the employees understanding about project performance evaluation and how they are conducting with standards and what are its important elements?
- 2 How MIKADA conduct performance evaluation in a project? What are the way of conducting performance evaluation rate and How they are taking in to the account of the feedback collected data?
- 3 What are the major performance evaluation challenges that inhibit the company from enforcing performance evaluation to the level it requires?

1.5 OBJECTIVES OF THE STUDY

1.5.1 General Objectives

The overall objective of this research was Assessing on Project Performnace Evaluation on Construction in the case of MIKADA Engineering PLC.

1.5.2 Specific Objectives

The study specifically aims to:

- To investigate the understanding of project performance evaluation and ways of conducting them and also the basic elements.
- To explore feedback for the project evaluation with the regarding of project in delivering service.
- To discover major challenges of performance evaluation participation and to forward possible solutions to overcome the identified problems of performance evaluation practices in the constrictions.

1.6 SIGNIFICANCE OF THE RESEARCH

The importance of this research is to show the performance evaluation on MIKADA engineering PLC to improve its performance evaluation of projects in achieving its goals as well as the organization's within the planned time, budget and performance evaluation. Through this assessment, analysis and recommendations of the existing practice of project performance evaluation in the MIKADA, other organizations might learn and assess their own trends on project performance evaluation practices for their projects to achieve their objectives effectively. This study shall also be a useful input for further research on the area of performance evaluation in construction industries.

1.7 SCOPE AND LIMITATION OF THE RESEARCH

The intended research area is the construction sector which is based in Addis Ababa specific in MIKADA engineering PLC but Accordingly, the study area was limited on a Selected project Shomku Staff Residence Building Project. According to the client (Wollega University) they need six blocks building construction projects started from the year 2013 G.C. to 2016 G.C. The concept scope of this paper is on the assessing on project performance evaluation on construction case study on MIKADA.

The credibility of this research may be influenced by the data type collected from the primary data source in which all possible limitation can be encountered in all research area. Lack of prior research studies on the topic was the main limitation to cite literature review and help the study to lay a foundation for understanding the research problems that the researcher wants to explore but by finding different literature from different countries which have been related to this topic the researcher diminish the limitations.

1.8 ORGANIZATION OF THE STUDY

Structurally, the paper is composed of five chapters.

Chapter 1: -presented introductory materials, which includes background of the study, problem statement, research objective, and research questions, significances of the study and the scope and limitations of the study.

Chapter 2: - presented the related literatures reviewed during the desk research phase of the study. In this chapter the researcher reviews different related literature available in the area of performance evaluation especially on construction and its challenges theoretically and empirically.

Chapter 3: -Research methodologies this chapter presented different aspects of the methods used and situations that the researchers must consider during each phase of the study. The purpose of this chapter is to make the reader understand the nature of methodological choices made on the study.

Chapter 4: - Data Analysis and Interpretations; this chapter presented the fining of the study and the analysis and interpretation of the Interview.

Chapter 5: -Conclusion and Recommendations. The last Chapter presented the summery of findings and conclusions drawn from the study and give recommendation as to how the company can use to overcome the existing problems in Performance evaluation to make more effectively and efficiently.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2.1 THEORETICAL LITERATURE REVIEW

Definitions and Concepts

There are many written definitions of a project; however, all of them contain the key elements described above. For those looking for a formal definition of a project the Project Management Body of Knowledge (PMBOK)pp 5(2008) defines: -

***Project:-** is a temporary endeavor undertaken to create a unique product, service or result. The temporary nature of projects indicates a definite beginning and end. The end is reached when the project's objectives have been achieved or when the project is terminated because its objectives will not or cannot be met, or when the need for the project no longer exists.*

A project has several characteristics: by K. Heldman, C. Baca, and P. Jansen,(1995)

- ✓ Projects are unique.
- ✓ Projects are temporary in nature and have a definite beginning and ending date.
- ✓ Projects are completed when the project goals are achieved or it's determined the project is no longer viable.

Performance Evaluation is a formal management system that provides for the evaluation of the quality of an individual's performance in an organization.

Performance means carrying out a task, the progress of which can be measured and compared using a set of stated requirements.

2.1.1 Overview of Performance Evaluation

The need to improve performance in construction industries worldwide has become topical. For instance, the UK construction industry initiated several calls in this regard. These calls include the Simon (1944), Latham (1994) and Egan (1998) reports. In the US construction industry, rework (defect) contributes significantly to cost performance problems and accounts for an average of 5% of the total construction cost Miles, M.B. & Huberman, A.M.(1994).

Performance evaluation is one of the most important aspects of Project Management and Identification of the Key Performance Indicators that affect the success of PM can lead to success of the project.

Performance can be considered as an evaluation of how well individuals, groups of individuals or organizations have done in pursuit of a specific objective (Ankrah and Proverbs, 2005).

These objectives vary significantly, but from an industry or organizational perspective, they generally revolve around satisfying the key stakeholders such as customers, employees, shareholders, the various suppliers, government and society as a whole. Mullins (1993) described performance as relating to such factors as increasing profitability, improved service delivery or obtaining the best results in important areas of organizational activities.

In construction, because of the numerous participants who contribute towards the achievement of project objectives, performance has been defined in one sense as a participant's (client, consultant or contractor) contribution to the execution of the task required to complete the project (Mullins, 1995).

2.1.2 Objectives of Performance Evaluation

According to Bernardin (2003), the concept of performance management is a new concept, however, performance evaluation in the past few decades has been the most controversial personnel services and managerial activities and can say that performance management to discuss a series of different perspectives and motivating emotion is one of the most complex activities and processes of human resource management.

In many organizations, performance evaluation is considered as inseparable part of human resource management programs and very efficient tool in professional development and is used for various purposes. Ivancevich (2007) evaluation objectives of employees are identified development of employees, establishing motivation, recruitment and manpower planning and effective communication between employees and supervisors.

The objectives of performance evaluation in constructions are planning and controls, a basic project management function, is to ensure a well-coordinated and successful project. A basic element of planning is the set-up of objectives. The objectives will guide the many decisions made during the project's life. These decisions involve trade-offs between schedule, cost, quality, and other performance attributes. Effective monitoring of the progress of construction projects requires the integration and quantification of the various aspects of performance. The performance indicators in the construction industry are completion time, cost, and quality.

Most current project control systems measure quantitatively cost and schedule status and forget other major aspects of project performance like cash flow, profitability, quality, safety, project team satisfaction, and client satisfaction which are in some cases as important as cost and schedule. Very few project management systems quantify the later project attributes and they do so independently without proper integration to the overall project performance.

The perception of failure and success of projects is usually based on personal indices and the experience of the project manager and it is not uncommon that two project managers would assess the performance of the same project using the same data differently (Rad, 2003).

The disparity of judgment is mainly due to the lack of a clear and consistent evaluation procedures and methodology. There are many occasions where the project is under budget and progressing as scheduled. Yet it is considered a failure by upper management because of the low quality and safety performance records. Conversely, a project can be behind schedule and over budget and still be considered a successful one because it was completed with high quality, excellent safety record, and to the satisfaction of the client.

2.1.3 Performance Evaluation Management

Construction performance is necessary to the achievement of supportable development. Various techniques and management skills have previously been developed to help improving performance from implementing construction projects. However, these techniques seem not being effectively implemented due to the fragmentation and poor coordination among various construction participants.

There is a lack of consistency and holistic methods to help participants implementing construction practice at various stages of project realizations. The characteristics of the construction industry are such that a project is often a major business endeavor representing a major investment by the client, however the most research published in the construction management literature on performance in the construction context mainly focus attention on the contractor's role (Hobday, 2000). This implies that ultimately it is the project performance that determines overall business performance. These characteristics make project performance critical.

Performance measurement is the process of determining how successful organizations or individuals have been in attaining their objectives (Sinclair and Zairi, 1995c). It is a means by which unnecessary causes of waste can be identified so that the organization knows where to focus its effort Bassioni, H. A. (2004). The purpose of performance measurement is to provide timely and accurate feedback on the efficiency and effectiveness of operations and to focus attention on continuous improvement Adebayo, A. A. (2002).

2.1.4 Measures of Performance Evaluation

Performance measurement is defined as the process of evaluating performance relative to a defined goal. It provides a sense of where the project are and, more importantly, where they are going (Rose, 1995). Rose further stated that measurement can guide steady advancement toward established goals and identify shortfalls or stagnation. Willis and Willis (1996) maintained the importance of measuring performance because it will indicate status and direction of a project.

It is widely accepted view that, at a minimum, performance measures of a project are based on time cost and quality Barkley and Saylor, (1994). Atkinson (1999) noted that these three components of project performance as the ‘ iron triangle ’ . However, Kumaraswamy and Thorpe (1999) considered variety criteria in measuring a project. This includes meeting budget, schedule, the quality of workmanship, stakeholder ’ s satisfaction, transfer of technology, and health and safety. Similarly, Chan and Tam (2000) noted that various other key components also used in measuring project performance such as health and safety, environmental performance, user expectation / satisfaction, actor ’ s satisfaction and commercial value. Therefore, in this article, six variables have been identified for measuring project performance. They are cost, time, quality, clients ’ satisfaction, health and safety and functionality.

Project managers often wonder if they are measuring the right things on a project. It’s difficult to know how much time to spend evaluating past performance and how much time to spend on keeping the work moving forward. Of course, there are many indicators of project success, but what do you need to be measuring while the project is in motion?

Performance measures are vital signs of an organization which helps to recognize whether the activities of a process or the outputs of the process achieve the specified objectives. Horonec, (1993). They can be used to translate the strategy of the organization into a set of goals and objectives and the results obtained through the measures reflect the successfulness of achieving the strategy Eccles(1991).

Performance measures indicate the priority factors of the organization and the way the employees should behave to give maximum outcome to the organization (Neely 2002).

Projects are becoming more complex with the passage of time. There are a number of reasons

- ✓ The simpler ideas have been exploited first and the need for innovation is vital
- ✓ The allowable time to market is reducing, which impacts on one of the important constraints of all projects .
- ✓ Businesses are becoming more complex
- ✓ Projects are also moving towards turnkey contracts, where the end user does not get involved with the interface between the parts of a system, but only deals with a single supplier in the provision of the entire system⁴. Maylor H (2003).

At various points during the project you want to evaluate five points: schedule, quality, cost, stakeholder satisfaction and performance against the business case. A formal project evaluation is of use during the end of a phase or stage as it can give you a clear indication of how the project is performing against the original estimates. The following table explains about measuring of performance evaluation: -

Table 2.1.4 Measure of Performance Evaluation

Source researcher 2019

List	Measurements	Descriptions
1	Schedule	Defined as the time to complete the project also the most frequent project oversight in developing projects. This is reflected in missed deadlines and incomplete deliverables. Proper control of the schedule requires the careful identification of tasks to be performed, an accurate estimation of their durations, the sequence in which they are going to be done, and how people and other resources are allocated.
2	Quality	The standards and criteria to which the project's products must be delivered for them to perform effectively. It must also meet other performance requirements, or service levels, such as availability, reliability and maintainability, and have acceptable finish and polish.
3	Cost	Its budget approved for the project including all necessary expenses needed to deliver the project. Within organizations, project managers have to balance between not running out of money and not under spending because many projects receive funds or grants that have contract clauses with an “use it or lose it” approach to project funds.
4	Stakeholder Satisfaction	The wider teams the stakeholders are essential in getting much of the work done, so it's worth checking in with them. Find out how they are feeling about the project right now and what you could be doing differently. This is a difficult measure to document statistically, although there's nothing to stop you asking them for a rating out of 10. Even if you are evaluating their satisfaction subjectively, it is still a useful exercise. If you notice that stakeholders are not fully supportive, you can put plans in place to engage them thoroughly to try to influence their behavior.
5	Performance to Business Case	Finally, you will want to go back to the business case and see what you originally agreed. How is your project shaping up? Check that the benefits are still realistic and that the business problem this project was designed to solve does still exist. It happens project team's work on initiatives that sound great but by the time they are finished the business environment has moved on and the project is redundant. No one bothered to check the business case during the project's life cycle and so no one realized that the work was no longer needed. Don't work on something that nobody wants! Check the business case regularly and evaluate it in light of the current business objectives.

The construction industry has numerous problems to deliver quality construction projects because it comprises of a multitude of professions, occupations and organizations. The quality of service delivered by consultants has often been a subject of thorough investigations. Some clients have underestimated the impacts of substandard consultancy service to the success of a construction project (Barber *et al* , 2000).

Many delays, cost overruns, reworks, variations, claims and disputes can be traced back to erroneous design, poor contract administration or lax supervision of the client ' s representative Chini and Valdez, (2003). Furthermore, the production processes of construction projects are generally non-standardized; hence, it is difficult to ensure quality.

According to Kingsley (2010), performance indicators specify the measurable evidence necessary to prove that a planned effort has achieved the desired result. In other words, when indicators can be measured with some degree of precision and without ambiguity, they are called measures.

However, when it is not possible to obtain a precise measurement they are usually referred to as performance indicators. Because the client is the principal stakeholder in the construction process, good performance has been defined typically in terms of the delivery of projects on time, to specification and within budget, providing good service and achieving reasonable life-cycle costs.

More recently, the requirements of the other stakeholders such as employees and society have come into focus with the need to promote sustainable construction and corporate social responsibility, and this is reflected in a more comprehensive set of industry.

2.2 EMPIRICAL LITERATURE REVIEW

Project performance evaluation

Project Performance assessment is important for improving performance of construction industry. Project performance metrics are not clearly defined and standardized in the industry. Different performance measurement models consider different metrics for performance evaluation.

A review of literature thus focuses on cost, schedule and quality as three major performance areas out of several identified areas. Recently, authors focused on identifying several additional performance areas. Moreover, there is no standardized performance model followed by construction industry. It is observed that focus on organization outcome, customer satisfaction, leadership skill is given more importance compared with performance of construction project. Different studies vary from detailed level of metrics. There are additional performance metrics which should be contextualized considering in construction industry.

In the construction industry Quality is an important issue to perform better service. The objective of any construction project is to finish the construction within the estimated budget, time and scope according to the quality that have been required. Poor quality of work leads to loss of money and time also it will take the construction company at risk in financial also in non-financial position. Based on their argument the owner has the right to ask for rework according to the plan and based on the standards. But if the required quality standards are not clearly defined in the contract, the client might overstate the quality requirement which will create problems with the contractor.

Management in construction industry is considered as one of the most important factors affecting performance of works. Ugwu and Haupt (2007) stated that documenting and archiving performance data could be useful for future reference, such as for settling disputes on claims, and in maintenance and repair works.

Kuprenas (2003) remarked that quantification of the impacts of the project management processes are identified through three steps of analysis: comparison of summary statistics of design performance, proof of statistical significance of any differences and calculation of least squares regression line of a plot of design performance measurement versus amount/application of project management as a means to quantify management influence to design phase cost performance.

Construction project performance evaluation continues to be one of the primary competitive issues of the new millennium. Performance measurement (PM) is an integral part of management and defined as a process of quantifying both the efficiency and effectiveness of an action (Neely *et al.*, 2005). Some of the major concerns of performance measurement include “*What to measure?*”, “*Which measures are used?*”, “*How to measure?*” and “*How to interpret results?*” (Sandanayake & Oduoza, 2007).

Traditionally performance has mainly been measured from the financial perspective. Therefore, traditional management accounting systems were highly criticized due to their functional behavior (Ridgway, 1956). This dissatisfaction led to the development of “balanced” or “multi-dimensional” PM frameworks in the late 1970s (Bourne *et al.*, 2000). Kagioglou *et al.* (2001) stated organizations that rely on financial measures alone, can identify their past performance but not what contributed to achieve that performance.

Further, Kagioglou *et al.* (2001, pp 86) emphasized “in addition to measuring “what” the performance of an organization was, “how” that performance was achieved should also be identified on an on-going basis”. This made aligning the leading indicators for PM concurrently with the lagging indicators.

2.3 CONCEPTUAL FRAMEWORK

Performance evaluation is a most important to all organizations. Performance appraisal is an official and evaluation of an individual performance and were checked an individual performance on a continuous, and Employees are a key element of any organization. The performance appraisal systems developmental tools used to measure the real performance in an organization and the strategic goals of the organization are associated to that individual performance.

Performance of construction projects has primarily been evaluated on the basis of cost, time and quality criteria, famously described as ‘iron triangle’ (Atkinson, 1999; Chan et al., 2001). These traditional criteria have faced criticism due to their inadequate coverage of performance measurement (Gardiner, 2000); the perceived relationship among themselves (Shenhar et al., 2002) and their short-term focus (Shenhar, 2001). In view of these criticisms a number of researchers have advocated for a wider focus of construction project performance to cover aspects of project safety, construction contract management, environmental impact and community satisfaction. The construction industry is said to be one of the most unsafe industry because of its high rate of fatalities (Patrick, 2011). Several researchers, (Billy et al., 2006, Haslam et al., 2005, Ortega, 2000) therefore, consider safety of the project site as an important aspect of construction project performance.

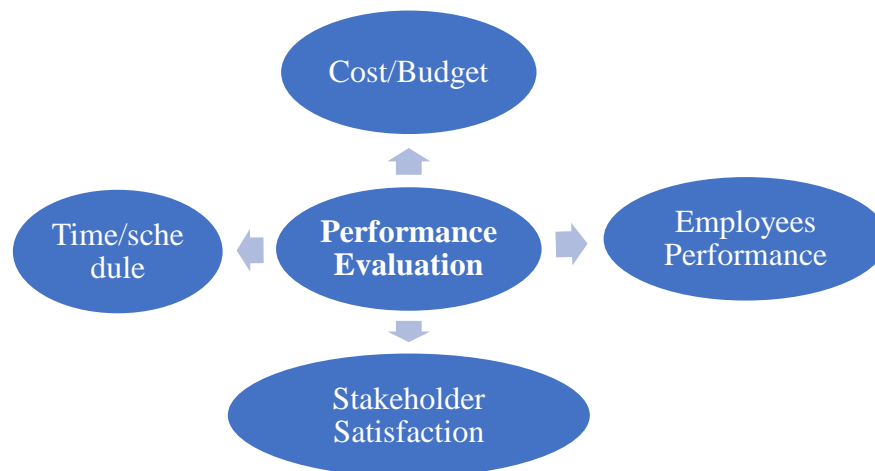


Figure 2.3 conceptual frameworks

Source Researcher, 2019

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter describes the methodology used to analyze the project performance evaluation on MIKADA engineering PLC. The procedures used by this study are organized into three sections: data source, data collection, and data analysis. Each section will explain the definitions, decisions, and criteria used for the study data analysis.

In this chapter, the research design and methodology followed to achieve the ultimate goal of the research which is specified at the beginning will be discussed.

In addition data and information sources, research instruments, sample size and method of analysis were presented. The following section provides a general description of the research strategy adopted for this thesis, as well as justification of the methodology.

3.2 RESEARCH APPROACH AND METHOD

The Research Approach to be followed for this particular research is Qualitative Research Approach. Qualitative research involves the use of qualitative data, such as interviews, documents, and observation data, to understand and explain a social phenomenon which is project performance evaluation in our case and lesson the impacts of project performance evaluation inconsistencies .

In this study descriptive research design was used and a qualitative research approach was implemented to explore and identify project management practices by assessing the project performance evaluation in MIKADA Engineering and Trading PLC with issue and process related to Project Performance Evaluation activities.

As Kothari (2004) argued, a qualitative approach to research is concerned with subjective evaluation of attitudes, opinions, behaviors, and circumstances involving attributes which considerably relates to the researchers.

These will present a condition that the collection, analysis, interpretation of the data, and the final written report be flexibly designed and structured with a focus on individual meaning and the importance of rendering the complexity of a situation (Creswell, 2009). And in this research qualitative data were collected, analyzed, interpreted and presented.

The type of Research methodology is Case Study. The study used for this research under the qualitative research approach in MIKADA. The researcher will undergo the case study investigation of projects run by MIKADA Engineering and Trading Plc with issues and process related to Project performance evaluation activities.

3.3 METHOD OF DATA COLLECTION

The Project Manager of MIKADA Engineering and trading PLC was briefed on the study to get the permission to undertake data collection. A total of 16 employees who are engaged in project works (that includes Resident Engineer, Key personnel, Finance officers, Sight Manager Engineer and Project Manager) participated in the data collection after permission has been granted by the management of the organization. An in-depth interview was conducted and it took about seven days to complete the interview with all the respondents. Confidentiality was also assured.

3.3.1 Source of Data

Data for this study was collected from both primary Through an in-depth interview that was conducted with the respondents who work in the projects of the organization under study.

3.3.1.1 Primary Data Sources

The primary data will be collected from the organization using Interview to assess project performance evaluation. The professional employees in those companies will be chosen to fill the interview. Since the purpose of this research is to create awareness and to provide guidelines for companies to show them how to operate so as to escape from the dangers of not performing project performance regulating procedures by taking the experience of previously affected mega national companies such as MIKADA. To strengthen the reliability of research data and supplement the information missing in the Interview survey, information was be collected from other related researches, Journals, the company procedure and policy and relevant corporate reports.

3.3.2 TARGET POPULATION

This study focused on the above mentioned construction named MIKADA that operate in Ethiopia. The target population is a well-defined set of people, events, groups of things, households that are being investigated (Ngechu 2004). It can also be described as the sample to which the researcher wants to generalize the results. (Mugenda and Mugenda, 2003).

3.3.2.1 Sampling technique and Procedure

According to (Crossman, 2018) A purposive sample is a non-probability sample that is selected based on characteristics of a population and the objective of the study. Purposive sampling is also known as judgmental, selective, or subjective sampling. This type of sampling can be very useful in situations when you need to reach a targeted sample quickly, and where sampling for proportionality is not the main concern. Thus for this study, the researcher used purposive sampling to collect qualitative data from 16 employees who are working in the organization like Resident Engineer, Key personnel, Finance officers, Sight Manager Engineer and Project Manager that are fully engaged in project works in the organization.

3.3.2.2 Sample size determination

In order to sample the population, the researcher used Non probability sampling of Purposive sampling technique.

3.4 VALIDITY AND RELIABILITY OF THE INSTRUMENTS

Gerring (2007) states that validity and reliability are the two important factors in qualitative research as it help in evaluating and judging the quality of the research. Validity in qualitative research means “appropriateness” of the tools, processes, and data. Whether the research question is valid for the desired outcome, the choice of methodology is appropriate for answering the research question, the design is valid for the methodology, the sampling and data analysis is appropriate, and finally the results and conclusions are valid for the sample and context (Leung, 2015). Validity is identifying correct operational measures for the concepts being studies and it can be increase through clarifying back with respondents on the draft report. (Yin, 2009). In this research the validity was assured by collecting the data from different sources i.e. project officers, program coordinators and project finance officers and sharing the key information of the draft with the respondents. This study looked to contribute with stimulating ideas that might further be initiated by new studies. Therefore, it is not meant to be generalized.

The essence of reliability for qualitative research lies with consistency (Leung, 2015). Reliability is demonstrating that the operations of a study; such as the data collection procedures can be repeated with the same results Yin, 2009). Therefore, in this research more care was taken to have results that are more reliable. As a result, data collection process had been planned and structured in advance to minimize any doubt and possible unclear aspects.

3.5 METHOD OF DATA ANALYSIS

This study was designed to collect and analyze qualitative data that was extracted through transcription methods and mainly relies on meanings and word. This refers to the process and procedures that are used to analyze the data and provide some level of explaining, interpreting and translating the meaning and categorizing expressions into sub themes unified to the research objectives.

Qualitative research is concerned with describing phenomena in words to gain an understanding of the issues being researched. This type of research is concerned with subjective assessment of attitudes, opinions and behaviors and the data generated are not subjected to rigorous quantitative analysis (Kothari, 2003)

The collected data was analyzed and presented through narrative analysis by transcribing the answers of respondents from the interview conducted. The following details are findings from the interview questions and they reflect some of the interesting and enlightening results.

3.6 ETHICAL CONSIDERATIONS

Ethical issues refer to conduct that guides the researchers' behavior while undertaking research (Mugenda and Mugenda, 2009). The researcher treated the information provided by the respondents as confidential and subsequently was only be used for the purpose of this study. The participants were not required to mention their names in the interview thus they remained anonymous. The researcher also sought permission from MIKADA Engineering and Trading PLC.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS AND INTERPRETATIONS

The analysis and interpretation of findings of information collected from the 16 project team employees of the organization is presented here. It contains the demographic characteristics of respondents and the discussions of the questions design in the interview questions.

The collected data was analyzed and presented through narrative analysis by transcribing the answers of respondents from the interview conducted. The following details are findings from the interview questions and they reflect some of the interesting and enlightening results.

4.1 DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

The study sought to find out the respondent's demographics characteristics which include; gender distribution, age, and their work experience and job titles in order to establish the ground of the research study.

The number of participants in the interview was 16 employees of the organization and 7 were females and 9 were males. This demographic show that the gap towards gender a little bit needs more women to take the stage.

From the total number of participants who participated in the interview, 1 is the project manager, 3 Sight Manager Engineer is contractor, 2 of them are Finance Officers, 5 key personnel and 5 residents Engineer that shows in the table 4.1.1.

According to the data collected, the project manager of the organization was with the age above 45, 3 sight manager engineers are between 35-45, 2 finance officers between age of 41-44, 5 key personnel were between 30-40 and 5 resident Engineer between 25-30. This shows that 80% of the employees who are engaged work are more than the age of 30 which indicates that the current project staff are at the most energetic working age level.

On the other hand, when we saw the working experience the resident engineer were 2-5 years, the key personnel 5-9 years, Finance Officers 5-10, Sight Manager Engineer 10-15 years and the project manager is above 15 years. So, this shows that 75% of the employees have adequate working experience.

Table 4.1 Demographic Characteristics Of Respondents

No of Employees	Gender	Age	Working experience	Positions
5	Female	25-30	2-5	Resident Engineer
5	Male	30-40	5-9	Key personnel
2	Female	41-44	5-10	Finance officers
3	Male	35-45	10-15	Sight Manager Engineer
1	Male	>45	>15	Project Manager

4.2 The result process of performance evaluation

4.2.1 Employees' understanding, process of performance evaluation and important elements

The study found it appreciated to review the employees' understanding about performance evaluation about project areas in general to assess project performance evaluation practice in the organization.

UNDERSTANDING

The respondents were asked if they were aware of performance evaluation and about 2 (12.5%) of the respondents said they are not fully aware about the general concept of the project management knowledge areas and only 14 (87.5%) respondents stated that they have brief knowledge about the knowledge areas but not deep understanding.

The (8) 50% of respondents said about Performance evaluation is a process whereby employees in certain intervals and formally is examined. And the main purpose of the performance evaluation is that Information should be gathered about the forces working in organization and available to managers so they can adopt the necessary decisions in order to improve the quantity and quality of employees. Also some of them said Performance effectiveness evaluation of human resources is an issue that has been encouraged think of many managers to it. They are often sought approaches or practical solutions through which they can improve their employees' performance and provide fields of growth and excellence and increase their competitive advantage.

Some of the respondents said that the effectiveness of performance evaluation depends on to factors such as knowledge and understanding of management to methods and models of performance evaluation, their mutual support from program of performance evaluation, employee participation in evaluation programs, objectively and fairly evaluation of employee performance, practical plan for improving performance and eliminating stressors in evaluation.

According to literatures to understand the concept of performance evaluation should first understand the concept of performance. Performance refers to degree doing duties that has completed an employee job Byars and Rue, (2008): p216) and shows how employee perform requirement of a job. Performance of individual in a position can considered as a result of the interaction between efforts, the capabilities and perceptions of the role. "Efforts", which comes from the excitement, refers to amount of energy (physical or mental) that uses a person in doing duty. "Capabilities" are personal characteristics used to perform a job and perceptions of the role refers to ways that people believe their efforts should be guided in order to do their jobs, Noe and et al. (2008) the performance know induced personal characteristics, skills and like it.

PROESS OF PERFORMANCE EVALUATION

The respondents were asked the process of performance evaluation methods exists in the organization. 12 of them said they don't have structured process of performance evaluation methods lined out in the organization and the rest 4 explained that the organization have well process of performance evaluation procedure but attempts to project mnager and sight manger Engineer as carefully as possible but employees have less knowledge about the concept.

According to the project manager explain about the process of performance evaluation said that "Continuously improve of organizations performance creates synergy enormous force that these forces can be supporting programs of growth and development and creating opportunities to organizational excellence. "

The project manager stated and explain in detail about the important elements of performance evaluation.

Schedule: plan for carrying out a process or procedure, giving lists of intended events and times. It is a timetable for a program or a project showing how activities and milestone events are sequenced and phased over the allotted period.

Action place: its method/tools that help to solve problem also if there is delay on the project it helps us guide line on the project procedures.

Resource allocation: helps you to choose the best available resources for your projects and manage them throughout the work, so it can avoid under or overutilization of employees. Also, it's the assignment of the required resources to each activity, in the required amount and timing.

Cost breakdown: is the process to build and understand the elements that compose the cost of a product or service. This technique is also referred to as Clean Sheet Costing.

Execution: refers to standards, methods and practices used during the construction phase of a project.

Reporting: it presents information on the techniques of building various structures, the accomplishment and progress of the construction activity, the plan on a day to day basis and also the problems that are experienced by the team.

Physical progress analysis: is the progress the project makes with respect to time resource or durations.

Financial progress analysis: is the progress of the project makes with respect to loaded resources/costs.

Strategic planning: is an organizational management activity that is used to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals, establish agreement around intended outcomes/results, and assesses and adjust the organization's direction in response to a changing environment.

Paradigm shift: an important change that happens when the usual way of thinking about or doing something is replaced by a new and different way it might be design or some changes that is different from actual plan.

Also the project manager explain about the income and costs of each and every individual project, the organization have data of expenditures, income collected and physical progress of the site. Also forecast things before they actually happen and take the remedial measure, where can maximize profit, tackle major issues before hand, prepare ourselves for the worst times etc. right now, the project performance evaluation standard is of the national standards.

In addition to this the project manager said that analysis includes income vs cost analysis (financial performance evaluation) and plan verses executed analysis (physical performance evaluation), actual time vs scheduled time analysis, customers demand/request vs deliverables analysis. The staff Residence is of no difference than others and as project it clearly shows the limitations MIKADA has in fully enforcing performance evaluation procedures.

According to the respondents the concept of Understanding, process and elements of performance evaluation are summarized in the table below.

Table 4.1.1 Major elements and process of project performance evaluation

Process of PE	Respondent's finding
Schedule	Beside on the given time frame using time schedule /chart
Action place	If something is change or add in the working plan, they will report on action place
Resource allocation	Identifying resources if they need
Cost breakdown	Knowing their finance balance on a given projects.
Execution	refers to standards, methods, and practices used during the construction phase of a project.
Reporting	The periodic report formats (on daily, weekly and monthly basis) would be designed, implemented and passed on to the project manager of the projects. In this report it contains every single thing that have been done in finance and also in physical progress of the project.
Physical progress analysis	It shows the projects progress according to time and resource.
Financial progress analysis	The manager would be given a strict direction of recording all their activities, resource (finance, machinery and labor, fuel) and show the progress of the project according to financial position.
Strategic planning	This is tools and techniques that the organization design to work according to the projects
Paradigm shift	If any design or additional thing changes form the actual plan it should be in paradigm shift and reported in project manager, client,

4.2.2 Timeliness of Performance Evaluation and Feedback.

The study found that the project manager is conducting rate and giving feedback the performance evaluation and summarized as followed.

CONDUCTING

The respondents were asked if they were conducting about performance evaluation and about 12 (75%) of the respondents said they are not fully conduct the performance evaluation and only 4(25%) respondents stated that are conduting performance evaluation in the organization.

According to the respondents only the project manager and sight Engineer Managers are conducting the evaluation of each individual employee which is in the project should evaluate according to the guidelines which has standards.

The project manager said that “At the beginning the organization loss was too much and after collecting a huge sum of annual turnover by executing various projects, the actual profit gained was minimal and almost negligible given the effort. Progress was made slowly and right now the organization have great experience about the exact profit that can make from a project before even starting it and prepare the schedule. At the start the awareness was not there and the subjective assessment of projects is very much different from the reality and that gap forced us to look for solutions. ”

The sight Engineer Manager said that “The organization wanted to know how much making or loosing from each individual project not as a company as a whole which used to give us wrong or biased numbers. If one big project is making huge financial profits, the company might feel that it is going well even if all the other projects are at loss. While having a lot of projects and a tremendous turnover, the company was financially stragglng and that was a puzzle that needed to be solved. They were handling projects in similar manner with no introduction of experiences gained since there was no means of experience recording, analyzing and forwarding. Then slowly and step by step we started timely performance evaluation operations on lower, then middle and then higher scale and reached where right now. ”

According to the Project Manager and Sight Engineer Manager are stated the steps in conducting of employees and project performance evaluation followed as below.

Steps in conducting employee's performance evaluation

- ✓ Give to employee advance notice so that he/she can prepare for the discussion.
- ✓ Review the position's responsibilities and expectations.
- ✓ Review employee's job performance for the past year.
- ✓ Identify potential development areas that can be addressed though training and/or special projects.
- ✓ If the employees were asked to do a self-evaluation, be sure to obtain that early enough so it has a chance to review it as part of your preparation.
- ✓ Set aside an adequate block of uninterrupted time to permit a full and complete discussion.

Conducting in project's performance evaluation

The project manger said that “When the organization conducting project's performance process of approach, the employees may wonder why you are doing this. It's a reasonable concern that can easily address. There are three main reasons:”

- **Recognize success.** The manger should recognize the success of the project who were team on the project accomplish.
- **Discuss career goals.** During an annual review, managers and employees both discuss the employee's career goals. This discussion often informs training and education planning for the next year.
- **Designate areas for improvement.** Everyone has blind spots and problems they are not taking action on. An annual review is one good venue for identifying and taking action on these points so you can achieve even better results.

RATE AND FEEDBACK OF THE PERFORMANCE EVALUATION

The study sought to explore the rate and feedback of the performance evaluation applied by the project manager and site engineer manager.

According to the manager in rating the current degree of execution of performance evaluation is much better than before but not satisfactorily. It is regular but sometimes interrupted because of several reasons such as

- ✓ personnel changes,
- ✓ attention shift due to the surfacing of new projects,
- ✓ lack of pressure from upper management and
- ✓ rush to do the actual work rather than focus on the professionals and contractors of the detail process.

Also the project manager stated that “At the end of the day, every employee will be awarded or penalized for his efforts and for the results he achieved and that can easily be referred from the performance evaluation operation results.”

In addition to this the project manager said that “The corresponding results will be forwarded to each individual department (HR, Finance, Supply and Procurement, Machinery and Legal Departments) and the departments would disseminate the results with their own respective departments. Accordingly, to maximize profit, to fully satisfy our clients by supplying them with the projects on time with the quality that was demanded and progress as a company and this all due to performance evaluation. It is only on very few companies that it is being conducted with the expected standard and say it is very poor as a country.”

4.2.3 Employees Knowledgeable on Performance Evaluation

EMPLOYEES KNOWLEDGEABLE ON PERFORMANCE EVALUATION

The respondents were asked knowledge about performance evaluation. They all are not having deep understanding about performance evaluation also they will take it as personal issue while they say performance evaluation they do not have adequate knowledge about it and it's used for the organization also for the employees.

According to the respondents The project manager said that “The department managers would be given letters of the findings/results of the periodic performance evaluation operations and would be told to adjust their efforts and methodologies either to stick with their original plan (if the findings are positive) or devise new methodologies and enhance their efforts (if the findings are negative).”

Also the project manager said that “In Middle level operatives/supervisors would be penalized (if they were given the heads up before hand) or would be given feedbacks to improve their efforts through their department managers. Lower level employees would be given orientations, on the job trainings and peculiar individual assignments and directions by their immediate supervisors concerning performance evaluation techniques.”

And finally the project manager said that “They managed (department managers) to raise the level of awareness concerning the needs of performance evaluation a greater extent at all levels of management though it has taken a great deal of resources such as time, finance, skill and company's life.”

4.2.4 Challenges in Project Performance Evaluation

CHALLENGES IN PROJECT PERFORMANCE EVALUATION

The respondents were asked if they have any challenges that happen during the project performance evaluation. They stated that some of the most common challenges of project performance evaluation.

Most of the respondents said that Performance Evaluation were insufficient skilled manpower in the project team which could contribute to delay of project activities, frequent delay of funds from donors, low cooperation from stakeholders due to lack of information, time overrun and cost overrun, change of project scope during the project period, high communication gap among and between stakeholders and beneficiaries are the most common challenges that have high influence on project success in the organization.

Most of them said that “The poor performance of such projects has led to various attempts to better understand infrastructure development, Lack in managing complexities of work content and work processes and Previous skill and level of awareness of employees.

While asking the respondents in challenges of project performance evaluation the project manager and site Engineer Manager disciplines in depth and summaries as followed

- ✓ Lack of strategic project planning, ineffective leadership and commitment of managers
- ✓ Overall nature of the construction industry and Unfavorable regulatory framework.
- ✓ Inexperience of the employees in the company as a whole and Lack of research capacity and business innovation.

- ✓ Greedy drive of the owners and focus on the gained profit rather than the means to achieve it.
- ✓ Lack of design knowledge and experience related to performing project.
- ✓ Lack of professional expertise and full consideration of technical requirements.
- ✓ Misunderstanding and partial achievement of project objectives.
- ✓ Lack of providing and managing high-qualified human resources.
- ✓ Difficulty resourcing the right skills and matching with project demands and geography.
- ✓ Lack of experienced staff to accept critical roles which they are not prepared for evaluation specially lack of experienced evaluator in project.
- ✓ Governance decisions fail to strike a balance between short- and long-term objectives and effective risk mitigation and Lack of political support and inefficiency.
- ✓ Improper implementation of project management processes and training of key project staff and lack of properly trained on sit supervisors.
- ✓ Inadequate communication at all levels and poor coordination interface management between project stakeholders.
- ✓ Lack of considering environmental requirements, preserving historical sites, and natural reserve.
- ✓ Ineffective project management and poor use of experience and competency of client and contractor organizations.
- ✓ Bureaucracy and corruption practices and Lack of financial resources, cost control and venture capital.

- ✓ Improper identification and engagement of various stakeholder groups in the early project phases and Lack of financial resources, cost control and venture capital.
- ✓ Lack of managing cultural project complexity and Lack of providing quality education and professional training programmed.
- ✓ Political tension between countries city's.
- ✓ Inappropriate level of scientific and technological knowledge and application required.
- ✓ Stakeholders change project requirements at later stages of the project life cycle.

The primary data were collected corresponded well to the project performance evaluation in MIKADA.

According to the result of the project SHOMKU Staff Residence Building Project client of (Wollega University) they need six blocks building construction projects started from the year 2013 G.C. to 2016 G.C., completed more than 100% building heights the problem was the project did not complete on time and budget. Where the clients were satisfied but it put the organization in risk position i.e. the profit was loss of 10%. This happens because of not doing proper performance evaluation

CHAPTER FIVE

5. CONCLUSION AND RECOMMENDATION

The last Chapter presents the summary of findings, conclusions and give recommendation drawn from the study. The purpose of the study was to assessing on project performance evaluation on construction case study on MIKADA.

5.1 SUMMARY OF MAJOR FINDINGS

Based on presentation of the results, the finding of the study is summarized as follows.

- ✚ The perception of project performance evaluation in an organization is most important for the organization to achieve its goal. While investigate the understanding of project performance evaluation the employees have better understanding well on performance evaluation which help the organization to keep the performance by keeping the work force properly. The ways of conducting the evaluation is using rate that help to conduct evaluation from each performance. The basic elements of performance evaluation are time, finance, physical progress, client's satisfaction, company's image and existences in the business sector.
- ✚ The factors that affect the performance evaluation of the project are most of them are form internal organization that means form employees misunderstanding of the context and also have not enough knowledge about it how reliable the performance evaluation to the organization. Though it is not the only reason, failures due to improper project performance evaluation procedures and their true costs have never been fully analyzed and its scope has never been fully understood.

- ✚ To explore feedback to employees that have been conduct the performance evaluation how they perform and for the customers with the regarding of performance in delivering The department managers would be given letters of the findings/results of the periodic performance evaluation operations and would be told to adjust their efforts and methodologies either to stick with their original plan (if the findings are positive) or devise new methodologies and enhance their efforts (if the findings are negative). Each level operatives/supervisors would be penalized (if they were given the heads up before hand) or would be given feedbacks to improve their efforts through their department managers. Lower level employees would be given orientations, on the job trainings and peculiar individual assignments and directions by their immediate supervisors concerning performance evaluation techniques.

- ✚ To investigate level of employees' knowledge on construction and performance. The organization have managed to raise the level of awareness concerning the needs of performance evaluation a greater extent at all levels of management though it has taken a great deal of resources such as time, finance, skill and company's life.

- ✚ In discover major challenges of performance evaluation participation are Previous skill and level of awareness of employees ,Commitment of managers, Overall nature of the construction industry, Inexperience of the employees and the company as a whole, Greedy drive of the owners and focus on the gained profit rather than the means to achieve it, Lack of regular monitoring from management side, Lack of the will to learning from feedbacks and previous experiences, Lack of on the job training and awareness build up forums. On the other hand, forward possible solutions the organization always compare the results with the actual existing situation and if it happens to fit the reality, the result would be forwarded to all the concerned body for further planning and rearrangement.

5.2 Conclusion

The result of the interview questions provides an insight into how project performance evaluation is an important overall project team and to organization to use knowledge and tools in their sector.

From the findings of the study, the following conclusion can be made:

- ✓ From the analysis of the respondents' involvement in performance evaluation it can be said that almost all of employees had knowledge about the meaning of project performance evaluations. Also, the organization has standards in conducting of performance evaluation with an important element that help to measure and evaluate project performance evaluation. On the other hand, what, when, where and how to evaluate performance evaluation.
- ✓ From the research finding even though only some respondents have not deep understanding the use of performance evaluation in the projects. On the other hand, the organization have been weak in performance evaluation but in recently its start conducting project performance evaluation before project starting, at the middle and in conclusions or closing of the project to determine whether to be profitable or loss. Also, the employees have a mislaid understanding of the performance evaluation.
- ✓ From the study finding with regard to the evaluation of employees' performance there is a department which follows the work done and evaluates every single work and takes correction and solves the problems if any.
- ✓ The research finding with regard to overall major performance evaluation challenges that inhibit the company from enforcement of performance evaluation that needs to be done. Most of the challenges are form the understanding of employee's awareness, commitment of manages and the contraction industry.
- ✓ From the research finding the critical factors that affect the performance evaluation in the organization projects. Lack of regular monitoring from management side Lack of the will to learning from feedbacks and previous experiences and Lack of on the job training and awareness build up forums.
- ✓ As the finding indicated that the majority of respondents have reported that they need in dept. of understanding off performance evaluation

5.3 Recommendation

Based upon the results of this study, assessing on project performance evaluation in MIKADA Engineering PLC, the following points shall be properly addressed and given serious attention:

1. The organization should have better guidelines on policies, techniques and procedures that help them to conducting performance evaluation with is a given time frame also conducting the budget as per the guidelines of the projects.
2. The organization should give training about the use of performance evaluation in depth for the employees also assess the external performance in the environment.
3. Managers should be committed on performance evaluation also be skilled and take adequate training about evaluation of performance.
4. The technical capacity of graduate engineers should be better starting from school. Employees should be examined action based and result wise rather than attendance or loyalty based. Company managers and department heads should have the absolute understanding and commitment to enforce the conduction of performance evaluation operations. On the job trainings should be regularly given to employees. Construction companies should do periodic audits of projects in particular and the company as a whole to know the financial and physical whereabouts of themselves.
5. The government should devise a way, come up with policies and enforce laws to integrate the efforts of the 3cs (Client, Contractor and Consultant) towards achieving. Also adopting (learn) how the western world or the Chinese are conducting performance evaluation operations to submit their projects on hand with the highest possible quality, with perfect timing and with the fullest satisfaction of their respective clients.
6. The organization should have managing highly skilled of work content and work processes and previous skill and level; give training for the awareness of employees.
7. Organize proper strategic project planning, effective leadership and commitment of managers and favorable regulatory framework.
8. Hire professional expertise and full consideration of technical requirements and partial achievement of project objectives and research capacity and business innovation.

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Appendix I: INTERVIEW QUESTIONS

ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
Department of Project Management

Introduction

Thank you in advance for your voluntary participation in completion of this Interview. I am doing thesis on “**ASSESSING ON PROJECT PERFORMANCE EVALUATION ON CONSTRUCTION CASE STUDY ON MIKADA**”.

The purpose of this Interview is to gather information about the Performance Evaluation on construction. Your contribution and honest responses are very important in the study and will help gain better understanding on how to improve customer satisfaction in the company. Your response will only be used for research purpose.

- 1 Your work position and specific Job Description?
- 2 Is your task directly or indirectly involved in performance evaluation of the projects under your company?
- 3 If yes, what is your understanding of performance evaluation and what is your peculiar role in conducting it on your organization?
- 4 Are there performance evaluation policies, techniques & procedures in Mikada? Could you please elaborate the steps that you take to conduct performance evaluation in a specific project like the ‘Shambu Staff Residence Building Project’?
- 5 What is the company’s understanding about project performance evaluation? How do you/your company conduct performance evaluation and what do you think are the important elements/parameters?
- 6 Can you please describe the performance evaluation process of Mikada?
- 7 How do you communicate the performance evaluation results of the employees in the corporation?

- 8 Have your company been conducting performance evaluation on every project starting from its establishment or was mastering performance evaluation techniques and understanding its impacts a learning process?
- 9 How do you rate the current degree of execution of performance evaluation in your company? The level of awareness of all the employees towards it and the commitment of the supervisors in effecting it?
- 10 Do you think that the performance evaluation system of the corporation is serving as expected its purpose? Is of the required national/international standard?
- 11 How do you think failing to conduct performance evaluation thoroughly, regularly and in standard fashion, has affected the economic and professional stance of your company?
- 12 What are the major performance evaluation challenges that inhibit the company from enforcing performance evaluation to the level it requires?
- 13 What are the critical factors that affect the performance evaluation of projects in Mikada construction projects?
- 14 Do you evaluate to validate the performance evaluation conducted on a certain project? Is there any kind of analysis done to figure out key points on the way forward for the project in particular and for the company in general?
- 15 How do you transcend the information/feedback collected from performance evaluation on a specific project to other projects and to the entire company so as to alter the ways of working in permanent terms to accommodate the feedback?
- 16 How much do you think Mikada has lost for failing to timely and regularly conduct Performance evaluation or how much do you think it has gained/saved for enhancing its performance evaluation methodologies and frequency?
- 17 How do you assess the impact of Performance evaluation on the overall construction industry and its reflection on other companies?
- 18 How do you rate the level of awareness on performance evaluation that we have as a nation?
- 19 What do you suggest should be done to improve performance evaluation on project, company, sector, industry, national and global level

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Dr. Temesgen Belayneh . All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree. It is offered for the partial fulfillment of the degree of MA in Project Management (MA).

Name

Signature

St Mary's University, Addis Ababa

JUNE,2019

ENDORSEMENT

This thesis has been submitted to St. Mary's University College, School of Graduate Studies for examination with my approval as a university advisor.

Advisor

Signature

St. Mary's University College, Addis Ababa

JUNE , 2019