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DEPARTMENT OF PROJECT MANAGEMENT

THE EFFECT OF MONITORING AND EVALUATION ON PROJECT PERFORMANCE: THE CASE OF ADDIS MACHINE AND SPARE PARTS MANUFACTURING INDUSTRY (AMSMI) KIZEN IMPLEMENTATION PROJECT.

BY: MISRAK KASSAHUN

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Declaration

I, **Misrak Kassahun**, the under signed, declare that this thesis is my original work. I have undertaken the research work independently with the guidance and support of the research advisor. This study has not been submitted for any degree or diploma program in this or any other institutions and that all sources of materials used for the thesis has been duly acknowledged.

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LETTER OF CERTIFICATION

This is to certify that the thesis prepared by **Misrak Kassahun**that is submitted in partial fulfillment of the requirements for the Degree of Masters of Arts in project management complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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Abstract

The aim of the study was to analyze the effect of monitoring and evaluation on project performance in the case of AMSMI. The study used explanatory and descriptive research design. The research used mixed (qualitative and quantitative) research approach. Purposive sampling technique is used for selecting the sample size .the sample size of the study was 78employess of the organization. The study used primary source of data. Primary data was gathered through the use of self-administered questionnaires. The statistical package for social science (SPSS) version 20 was used to analyze the data obtained from primary sources. Out of the total questionnaires 76 were returned back, which is about 96% of the total distributed. The study found that evaluation has a significant effect on project performance. Monitoring also has a strong positive significant effect on project performance. It is recommended that mangers/leaders at AMSMI to make monitoring practice more feasible to have better project performance. It is also recommended that mangers/leaders at AMSMI to practice evaluation. Policy makers at the bank level and/or the national bank level should consider developing the M&E practice of the organization to have better project performance.

Key word: *monitoring, evaluation and project performance*

CHAPTER ONE

INTRODUCTION

This chapter presents a general background of the study, Objectives of the study as well as statement of the problem. The chapter further describes the scope of the study, significance of the study and organization of the study.

1.1 Background of the Study

Monitoring and evaluation is a very useful tool for project work activities. It offers a crucial mechanism for understanding how any project operates, how activities can be measured, and how it can aid in the accomplishment of project goals that, in the end, result in an organization performing successfully. M&E is therefore essential to the effective operation of any organization, whether public, private, non-governmental, or civil society as a whole. Monitoring and evaluation of the project's interventions are crucial for determining how they affect the lives of individuals and the community as a whole. Organizations are required to use M&E for three main purposes: to understand their own processes and outcomes, to support internal planning and development, and to demonstrate their accountability to the stakeholders (UNDP, 2009).

Monitoring critical functions include gathering feedback from participants, collecting data, observing the project's implementation, analyzing contextual changes, and providing an early warning system of potential challenges. Monitoring data must be analyzed to ensure that the project is being implemented correctly and that the desired outcomes are being achieved. Midcourse correction should be performed if the project is not moving in the desired direction. Monitoring is necessary at all levels of a program (from input, process, output and outcome). The focus is usually on output data, but it's also important to keep track of the goals and objectives. Monitoring should ideally be a project management team's internal function. As a result, monitoring is crucial to a project's success. Evaluation aids in the analysis of deviations from planned objectives and goals. M&E facilitates learning by doing by providing feedback to project functionaries. As a result, learning organizations must invest in the development and enhancement of in-house capabilities to anchor M&E functions.

However, many organizations now consider M&E as a donor need rather than a management tool for assessing progress and detecting and addressing errors in project planning or implementation (Shapiro, 2001; Alcock, 2009; Armstrong & Baron, 2013). Donors have a right to know whether their money is being spent wisely, but the primary purpose of M&E should be for the organization or project to examine how it is operating and learn how to do it better. According to Naidoo (2011), efficient project monitoring and evaluation strengthens the foundation for evidence-based project management decisions. There are many misconceptions and myths about monitoring and evaluation notions, such as how difficult it is, how expensive it is, how high level skills are required, how time and resources are used, how it arrives at the end of a project, and how it is someone else's responsibility.

There is frequently a sense of frustration because M&E activity expectations appear to surpass resources and skill sets. Monitoring and evaluation, according to (Kusek and Rist 2004), is one of the most powerful tools for influencing the performance of a project, program, or policy (M&E). According to Shapiro (2004), monitoring and evaluation allow one to assess the quality and impact of a project in comparison to project plans and work plans. (Wysocki and McGary, 2003) concludes, "If you don't care how well you're doing or what impact you're having, why bother implementing a project at all?" Monitoring performance is the only way to determine how well you are doing (Wysocki &McGary, 2003). M&E may offer accurate data for policy initiatives to project managers, beneficiaries, government officials, and members of the civil society. In the end, the process offers chances to build on prior knowledge, enhance service delivery, effectively plan and re-allocate resources, and show grassroots results as part of a strong accountability process. The development community's emphasis on outcomes helps to explain the growing interest in the field of M&E. (IFRS, 2001).

1.2 Statement of the Problem

Around the world, people are becoming more and more aware of the need for Monitoring and Evaluation Systems (M&Es). It makes sense that M&E is a fundamental component of projects that an organization undertakes because it helps to achieve the project's goal. M&E of project helps to improve an overall efficiency of project planning, management and implementation. As

a result, various initiatives are launched to improve the social, political, and economic well-being of the nation's citizens (Jm,2000).

According to Ethiopia Country Program Evaluation [ECPE] (2010), most government organizations in Ethiopia do not use appropriate monitoring and evaluation systems for their projects. According to a World Bank report on capacity building in Africa (Ethiopia), existing assessments of monitoring and evaluation capacity in Ethiopia reveal gaps in both institutional and individual skills development for monitoring and evaluation (2006). The report demonstrates that project monitoring and evaluation are not carried out properly. Furthermore, two fundamental points that support this argument are: The first point raised by the government report over the last five years is that almost no project has been completed on time and within budget. The second point is that the project's management capacity is at its lowest level; the work of project administration and leadership, as well as completion according to cost, schedule, and quality, is an acute problem of the project.

Projects generally fail as a result of poor planning, constant changes in the scope and consequently deadline and budget, as well as the lack of monitoring and controlling practice (Mir, Pinnington, 2014). Government organization projects must be completed within the planned budget, scheduled time and required quality. However, some of the projects experienced project delay and cost overrun. Projects without effective and efficient Monitoring and Evaluation, it would be difficult to monitor performance and accomplishment of the projects based on the desired requirements. In Ethiopian some of the projects haven't achieved the desired objectives based on the projects plan. Project overruns and time delay are the main problem of the projects in the institution. Having effective Monitoring and Evolution would help the organization to monitor and control the progress and success of the project's goal (Wholey, Hatry, & Newcomer, 2010). .

There is no enough evaluation/study to assess the role of Monitoring and Evaluation on performance of projects in Ethiopia. According to some studies, very few organizations have faith in M&E, partly because its impact on project performance is not well understood,despite numerous studies (Khan, 2001; Ogula, 2002; Kusek&Rist, 2004; Nyonje, Ndunge, &Mulwa,

2012). According to those studies, the impact of M&E on project performance is insufficiently established, leading organizations to view M&E as an additional burden with little or no benefit.

Project success is the question of completing a project against its main design parameters set at the start of the project and on time, within budget, in accordance with the set specifications or standards, and with customer satisfaction respectively (Khan, 2001). The successful execution of projects and keeping them within estimated cost and prescribed schedules depend on a methodology that requires sound engineering judgment. According to Kusek and Rist (2004) M&E is an important activity in projects for the reason that it determines project success. In this process all stakeholders are regularly informed, in good time and accurately, the actual status of a project at a given time compared to the original objectives. The success of projects depends on various factors. One of the key factors for project success is having a sound monitoring and evaluation system and practices to make informed decisions and document lessons learnt for future programming, design and implementation. Monitoring and evaluation (M&E) is described as a process that assists project managers to scale up performance and influence the results. M&E aims at improving present and future use outputs, outcomes and impact. Kusek and Rist (2004) assert that monitoring provides management and stakeholders with clear indicators of advances and attainment of forecasted results using the available resources. Previous studies argue that, a poor M&E practices can lead to a poor project performance, erroneous decisions, inappropriate feedback on important situations, poor quality of outputs, low productivity, cost and time overrun, poor scope change management during variation and modifications works. The existence of an effective system is critical; this implies the importance of having an excellence M&E system is critical.

Existing conditions at the firm show that when the firm draws plan for its projects it is going to be based on many ideas and events, however this does not guaranty us that the plan is going to be implemented without any drawbacks. It is a well-known fact that during the project implementation stage, we might come across a lot of unexpected circumstances which we did not plan for during the planning phase. Hence the need to consistently monitor and evaluate the implementation of project plans is undisputable, till the end. In addition to that, similar studies state that the information gathered through an M&E practices supports the organization through facilitating the achievement of its objectives and to make an informed decision.

In conclusion, there are many challenges which organizations face when they are looking to develop their Monitoring and Evaluation processes and activities. One of the major challenges in effective monitoring and evaluation processes is in finding the time and resource to do it well. In addition, technical expertise within an organization can be a significant challenge to developing effective monitoring and evaluation processes and activities. Another challenge to M&E is making sure that you have a culture within your organization which supports the process. Monitoring and Evaluation is more than one any individual activity or process it is about having a team which focuses on learning and adopting a growth mindset. This study therefore seeks to establish specifically, the effect that M&E activities play on project performance. The study analyzed M&E challenges, factors affecting M&E practice, and employee's attitude toward M&E activities. In this accordance, the aim of the study is to analyze the effect of evaluation and monitoring on project performance in the case of AMSMI.

1.3 Research Questions

1. How is the project monitoring and project evaluation practiced at AMSMI?
2. Are there the effects of using M&E in the success of projects implemented by AMSMI?

1.4 Objective of the Study

1.4.1 General Objective

The main objective of the study was to analyze the effect of monitoring and evaluation on project performance in the case of AMSMI.

1.4.2 Specific Objective

As the general objective is mentioned above the specific objectives of the study are forwarded below:

1. To assess the project monitoring and project evaluation in the case of AMSMI.
2. To analyze and examine the effect of using M&E in the success of projects implemented by AMSMI

1.5 Significance of the Study

This study helped to acquire knowledge about overall monitoring and evaluation system and particularly AMSMI monitoring and Evaluation system. The research showed clearly if there is a link between effective monitoring and evaluation and projects goals success or failure and the remedy where necessary to identify monitoring and evaluation weaknesses and recommendations given out leads to alternatives solutions. The research showed if there was any relationship between effective monitoring and evaluation and success or failure of development projects goals achievement. The study added to existing knowledge in the area of monitoring and evaluation. AMSMI management will get a copy of the research and use the research findings to improve its monitoring and evaluation system to better achieve its projects goals.

The research will be helpful to other researchers in the monitoring and evaluation field. The findings of this research will serve them as secondary data. The findings helped the organization to understand the M&E system in projects: Effectiveness and Weakness and allocate their limited resources in the possible best way to achieve recurring successes.

1.6 Scope of the Study

The study is concerned to analyze the effect of monitoring and evaluation on project performance in AMSMI kizen implementation project focus on to identify factors that affect M&E activities and also challenges faced during the monitoring and evaluation activities. AMSMI organizes in 10 different project units and find in different geographical locations of the country. This study is therefore, limited to be carried out in the main office of AMSMI based in Addis Ababa city. It is very difficult to get full information to complete this research from different branches distribute in the country due to shortage of time and financial constraints..

1.7 Limitations of the Study

Limitations are the study's constraints, or aspects of the study that were not covered for various reasons. Furthermore, it is clear that the time allotted for this study is limited. Uncooperative respondents are expected to be encountered during the research. Respondents' skepticism of being politicized, the confidentiality of some business strategies; respondents' carelessness and hesitant behavior could leave flaws in the thesis' completeness, and the study is limited to a single government organization.

1.8 Organization of the Research

The study comprises five main chapters. Chapter one is devoted to the general introduction covering the background of the study, the statement of the problem, the objectives, significance, scope, limitations and how the research was organized. Chapter two is mainly concerned with the review of related literatures and gives a detailed explanation on the issue. Chapter three provides the methodology that was applied to achieve the research objectives including primary data and method of analysis. Chapter four covers the analysis and presentation of data. This chapter discusses the result obtained in accordance with the research questions. Finally Chapter five deals with summary of findings, conclusion and recommendations.

CHAPTER TWO

RELATED LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Concept of M&E

An examination of the literature reveals that M and E discourse is characterized by a wide range of conceptualizations. Despite the fact that there are several definitions, experts appear to agree that monitoring and evaluation are necessary components of effective growth. Monitoring, according to Valadez and Bamberger (2004), is more of a program activity whose purpose is to determine whether project activities are carried out as planned. If, on the other hand, it identifies the source of the abnormality and what may be done to correct it. The World Bank (2011) provides a more forceful definition, which asserts that monitoring. The World Bank (2011) offers a greater emphatic definition: tracking is a non-stop characteristic that makes use of the systematic series of records on targeted signs to offer control and number one stakeholders of an ongoing improvement intervention with indicators of the volume of development and success of objectives, in addition to development within side the use of allotted funds. The definitions above converge at a point where monitoring is viewed as a continuous function rather than a one-time task.

After defined monitoring, we want to talk about the different types of monitoring. Different conceptualizations of monitoring typologies abound in the literature. UNICEF (2003) distinguishes between two types of monitoring: situation and performance monitoring. Situation monitoring assesses changes in a condition or set of conditions, as well as the absence of change, whereas performance monitoring assesses progress toward specific implementation goals. The guidelines on project or program monitoring and evaluation published by the International Federation of Red Cross and Red Crescent Societies (IFRC) in 2011 identify seven types of monitoring. These are, Results monitoring, process or activity monitoring, compliance monitoring, and also situation or (context monitoring), beneficiary monitoring, financial monitoring, and project monitoring are all examples of these types of monitoring.

Different authors have different definitions of evaluation. The idea is tough to define. According to Rossi, Lipsey, and Freeman (1999), evaluation is the systematic interrogation of the effectiveness of social intervention programs that are adapted to their political and project conditions using social research procedures and processes. Evaluation, according to Dinnito and Due (1987), is the assessment of a program's effectiveness in meeting its objectives, or the assessment of the relative effectiveness of two or more programs in meeting common objectives.

Evaluation seeks to replay the effectiveness, efficiency, impact, efficacy, relevance, and sustainability of a improvement intervention. The above are referred to as evaluation criteria by the United Nations Children's Fund (UNICEF) (2003). External or independent evaluators are frequently used to conduct evaluations. More objectivity is possible as a result of this. Evaluation is usually done at the end of or near the end of a developmental intervention. Evaluation is carried out for a variety of reasons.

One of the most important is that it allows evaluation results to be consolidated and used to inform decision-makers about ways to improve the project's operation so that the intended benefits are realized by the beneficiaries. It also demonstrates the project's unintended consequences, which were not anticipated.

The theory of change was first published by Carol Weiss in 1995, and it is simply and elegantly defined as a theory of how and why an initiative works. It focuses not only on determining whether a project is successful, but also on describing how and what methods are used to achieve success (Cox, 2009). A project's theory of change is a blueprint for how it should be run. To put it another way, it acts as a road map for the project's final destination. Monitoring and evaluation put the road map to the test and refine it, while communications facilitate change and help you get to your destination. The theory of change also serves as a foundation for claiming that the intervention is successful (Msila&Setlhako, 2013). According to this theory, if project staff and evaluators understand what the project is trying to achieve, how, and why, they will be able to monitor and measure the desired results and compare them to the original theory of change (Alcock, 2009). However, because project success is much more complicated, this theory falls short (Babbie&Mouton, 2006). It takes more time to knowing "what works" to achieve success. Obtaining sufficient knowledge and understanding to predict – with some degree of confidence –

how a project and set of activities might work in a different situation, or how it needs to be adjusted to achieve similar or better results, thus influencing project performance, is an important task for monitoring and evaluation (Jones, 2011).

The realistic evaluation theory, on the other hand, was first published in 1997 by Pawson and focuses on determining what outcomes are produced by project interventions, how they are produced, and what is significant about the various conditions in which the interventions occur (Pawson& Tilley, 2004).The question that realistic evaluation addresses is, "What works for whom in what circumstances and in what ways, and how?" (Pawson&Tilley, 2004). The model allows the evaluator to determine which aspects of an intervention are effective or ineffective, as well as which contextual factors are needed to replicate the intervention in different settings (Cohen, Manion, & Morison, 2008). In order to learn more about how interventions work, realistic evaluation aims to identify the contextual factors that influence their effectiveness (Fukuda-Parr, Lopes, & Malik, 2002).

In the mid-1980s, the Australian government pioneered the results-based management (RBM) theory, which gained traction in the 1990s thanks to the Organization for Economic Cooperation and Development (OECD) (OECD). This theory focuses on outcomes, as the name suggests. Previous theories such as Public Sector Management in the 1960s, Program Management by Activity in the 1970s and 1980s, Management by Objectives (MBO) and Logical Framework Approach in the mid 1970s, New Public Management (NPM), and Total Quality Management (TQM) in the 1980s influenced the evolution of the results-based theory, according to the Results Based Management Group (RBMG).

One of the management strategies is RBM. All ground actors who contribute to the achievement of specific development outcomes, whether directly or indirectly, ensure that their processes, products, and output contribute to the achievement of long-term outcomes (Crawford and Bryce, 2013). (OECD).Roles is clearly defined in RBM. It specifies the end results while also requiring progress toward long-term goals to be monitored and self-evaluated, as well as performance tracking (UNDP, 2012). Beginning with the fundamentals of detailed planning, which include defining the vision, mission, and framework tools based on results, RBM is a continuous approach whose key aspects all intensify M&E elements. After deciding to run a series of results

through a program, execution begins, with monitoring becoming a crucial step in achieving long-term results. In order to support lesson learning and process improvement, RBM is a continuous process that requires regular participant feedback (UNDP, 2012).Main plans are adjusted on a regular basis based on lessons learned during monitoring and evaluation. Plans that have been used in the past are modified, and new ones are created based on the current lessons. RBM emphasizes monitoring as a continuous process, with lessons learned from the process being discussed on a regular basis. They assist in the execution of projects by informing actions and decisions. Assessments are conducted to help the project improve over time. Changes to current projects, as well as planned future projects, are implemented.

2.1.2 Challenges of Establishing M and E Systems

Kusek and Rist (2010) warn that establishing M and E systems in developing countries will be difficult. These difficulties should not be overlooked. It is critical to recognize that implementing an M&E system is a lengthy process rather than something that can be completed in a single day. Given that all countries, developed and developing, require good information systems, building an M&E system should not be viewed as "too complicated, too demanding, or too sophisticated" (Kusek and Rist 2010) for African countries to undertake.

Africa's challenges in designing M&E systems are similar to those faced by developed countries, though their magnitudes differ. Demand and ownership of such systems are significant challenges for African states when it comes to the design of their M and E systems. The lack of demand for M and E capacity-building, particularly in the public sector, is due to a lack of an evaluative culture (Schacter 2000). Even in the NGO sector, access to M&E systems and related activities is determined more by donor requirements than by demand.

The majority of African countries' public sector M&E systems are weak, scant, and non-existent. This is due to a scarcity of powerful champions who actively advocate for the implementation of such systems. In countries like Egypt (Minister of Finance), Zambia (Secretary to the Cabinet), and the Kyrgyz Republic, Kusek and Rist (2010) elaborate on the presence of high-ranking officials championing the establishment of M and E systems despite associated political risks (Minister of Health). A national champion can go a long way toward assisting a country in

developing and maintaining M and E systems. Some African countries lack strong and effective governance and administration institutions. As a result, as suggested by Kusek and Rist, they require a variety of civil service reforms, legal reforms, and regulatory frameworks (2010). Given this conundrum, it is suggested that at the very least, a traditional implementation-focused M&E system (Kusek and Rist 2010) be established, capable of producing baseline data that specifically show where developing countries are currently at with respect to a given policy or program.

The lack of workforce capacity to develop, supports, and sustain M and E systems adds to the challenges that developing countries face when it comes to establishing M and E systems. This is exacerbated by the emigration of highly qualified individuals to other regions, particularly in Zimbabwe, where over 2 million human capitals are estimated to have emigrated during the "Zimbabwean Crisis" (Murisa 2010). Officials should be trained to collect, monitor, and analyze data, according to Kusek and Rist (2004).

2.1.3 Factor affecting M&E practice

There are numerous factors that will influence the design and implementation of an M&E strategy. Some of these come from within the organization, while others come from outside sources. The influencing factors, when combined, will set limits on what can and cannot be accomplished through M&E. The combination of different influences, according to international NGO training and research center (INTRAC), makes it pointless to look for magic bullets or off-the-shelf M&E systems that will meet all of an organization's M&E needs. On a case-by-case basis, M&E approaches must be carefully tailored to the needs of the relevant project, program, or organization. Many organizations, in the end, want to walk a fine line between developing planning, monitoring, and evaluation approaches that meet their own needs while also attempting to meet the needs of donors.

2.1.4 Project Performance

A project is an endeavor that is undertaken in order to develop a unique product or service that brings about change and benefit (Anandajayasekeram and Gebremedhin, 2009). Projects' finite nature contrasts sharply with processes, or rather operations, which are either permanent or not.

A project's success is determined by whether or not it has produced a successful product or service for the company. Project management success, which entails managing projects to the approved scope, time limit, budget, and quality, is closely related to this. Customer relationships are maintained, and project teams are not burnt out (Houston, 2008).As a result, project delivery performance is measured by whether project requirements and outcomes are met positively and delivered on time, resulting in increased revenue or lower costs.

Effective project management contributes to three aspects of a company's long-term performance: gaining competitive advantages, enhancing the company's status, increasing market share, and achieving specified revenues and profits (Al-Tmeemy, 2011).Project performance is measured and evaluated using a variety of performance metrics that can be linked to a variety of factors such as time, client approval and changes, firm performance, cost, health and safety, and quality (Cheung et al. 2014). The benchmarks for measuring project performance are established during the project's initiation stage to serve as a guide for project activities and to ensure that everyone is working in the same direction. Because of differences in opinion, emphasis, and objectives, the project will not succeed (Baccarini, 2009).

Four performance dimensions have been identified by (Shenhar, 2011). The first dimension includes, among other things, time efficiency, cost and quality, and production efficiency. Organizations should exercise restraint in order to avoid limiting performance measurement by employing efficiency measures, as these only measure project performance during successful execution and do not reflect overall project performance. The effect on the client is the other factor to consider. Finally, how does the performance help the organization change and organize in the future?

2.2 key performance indicators of project performance

The areas of an organization or a project that are essential to its success are represented by performance indicators (KPI). As a result, management must concentrate on these areas to foster high levels of performance. Success must be viewed in terms of time as well. A certain project may seem to have few immediate benefits, but in the long run, its full effects might be much

more significant. There are numerous types of data that can be useful to any organization, even though the scope and conditions of an organization's KPIs may vary from project to project.

2.3 Empirical literature

Several studies on the use of results-based monitoring and evaluation have been carried out. Nyagah (2015) conducted research on the use of the result-based monitoring and evaluation system by development organizations, finding that management support, budgetary allocation, staff capacity, and the availability of baseline data are all important factors that make the use of result-based monitoring and evaluation by development organizations much easier. Turabi et al. (2011), in a study on a novel performance monitoring framework for health systems, found that the primary barrier to development organizations adopting the Result Based Monitoring and Evaluation system is a lack of political will among the organizations' leadership. Managerial apathy is a barrier to effective implementation of results-based monitoring and evaluation in organizations. In his study on Monitoring and Evaluation in the Sector: Meeting Accountability and Learning Needs, Ellis (2009) acknowledges that results-based monitoring and evaluation takes a lot of time and money, and that if it isn't done well, inaccurate data and incomplete reporting are to be expected.

2.2.1 M & E Planning Process and Project Performance

According to a study conducted in Washington by Mackay and the World Bank, (2007), planning for monitoring and evaluation was critical in improving project performance on government projects. The study focused on government projects that are primarily funded by the World Bank. The goal of the study was to figure out how to get better governments by monitoring and evaluating projects. The findings of this study, which used descriptive statistics, were that the majority of respondents indicated that there was a lack of monitoring and evaluation practices in the various projects in which they were involved. Project management, on the other hand, provides an organization with control tools that advance its capability of planning, implementing, and controlling project activities, according to a study by Muhammad et al (2012) on project performance, with the variables Project Planning, Implementation, and Controlling Processes in Malaysia College of Computer Sciences and Information, Aljouf

University. The goal of the research was to find ways to improve project performance through the planning, implementation, and monitoring processes. Variable models were used to determine how each stage aids in the project management process. To accomplish this goal, data from various projects and models related to project planning, execution, control, and proposal of project performance were examined; the findings revealed that project-planning processes contribute to project performance.In addition, a study by Singh, Chandurkar, and Dutt (2017) found that monitoring and evaluation was the most important factor in development projects. The goal of this research was to see how monitoring and evaluation affected development projects. However, according to the findings of this study, management should provide full support and fully participate in the monitoring and evaluation process, as this will assist them in making sound and well-informed decisions.

2.2.2 Technical Expertise

According to Vittal (2008), technology awareness is critical in project monitoring and control because of the increased challenges in today's technology-enabled projects, particularly where technological tools are used in project management practices. This research contributed to a better understanding of the fundamental links between technical expertise and project success. Understanding the indulgent function of expertise to the project team in cultivating improved project performance is the next step. According to the findings of this study, project teams with the appropriate technical skills are linked to project success. The study discovered that it is difficult to distinguish between project performance and the use of technology, and that the lack of such a link induced project performance. As a technical expert in project monitoring and evaluation, you can play an important role in assisting the project team in managing projects effectively and efficiently. Sunindijo (2015) of the Faculty of Built Environment in Australia conducted research on project manager multi-layered tasks that had a significant impact on project performance. Other research has identified four skills for effective project managers: mental, human, stakeholder, and technical skills, in addition to their 16 other skill competencies. The goal of the study was to see if project technical skills have an impact on project performance. A questionnaire assessment method was used to collect data from 107 project team members. The findings of the study revealed that the technical skills of project team leaders have an impact on project performance. Visioning, sensitivity intelligence, interactive skill, dynamic

leadership, interpersonal influence, integrity, quality management, and document and agreement administration are all skill components that contribute to excellent project performance. The outcome can be used by project managers to assign project managers with the "right" skill profile or to focus their human resource development on skills that are critical to project success.

2.2.3 Stakeholder Involvement

Njuki et al. (2015) investigated the role of stakeholders and their contribution in project implementation in their study Participatory Monitoring and Evaluation (PM& E) for Stakeholder Engagement, Project Impact Evaluation, and Institutional and Community Learning and Change Enabling Rural Innovation in Africa - CIAT-Africa, Uganda. The study concluded that integrating local indicators with project-level indicators was necessary to improve the delivery of outputs, outcomes, and results. This provided a more comprehensive view of the project's advantages. This process also provides indicators for measuring often difficult-to-measure outcomes like empowerment from the perspectives of the project's communities or participants. Njuki et al. (2015) investigated the role of stakeholders and their contribution in project implementation in a study entitled Participatory Monitoring and Evaluation (PM & E) for Stakeholder Engagement, Project Impact Evaluation, and Institutional and Community Learning and Change Enabling Rural Innovation in Africa - CIAT-Africa, Uganda. According to the study, integrating local indicators with project-level indicators is necessary to improve the delivery of outputs, outcomes, and results. This gave a more comprehensive picture of the project's advantages. This process also provides indicators for measuring often difficult-to-measure outcomes, such as empowerment, from the perspectives of the project's communities or participants. Negotiating with various stakeholders allows for performance measurement from various project stakeholders' perspectives. Participation of communities in development projects that benefit them has been shown to be critical to achieving long-term development. The theory is that participants will be better able to recognize and understand their economic and social challenges, as well as have a deeper understanding of how to outline initiatives that will benefit them (Benjamin, 2012). In an ideal world, stakeholders' consented participation in participation initiatives would allow those who are interested in, or who are affected by, a decision, to have a say in the final outcome. Stakeholders play an important role and interact on a variety of levels– from local to global–and their role and collaboration have an impact on a development's

effectiveness of a development intervention. A multi-sect oral approach, which includes delegating some work to stakeholders, improves learning, strengthens ownership, and promotes transparency among the participants. This is especially true when considering the purpose of monitoring and evaluation, as well as how the data is used, analyzed, and influences ongoing project planning (Wayne, 2010).

Participation of management in monitoring and evaluation in 2008, Ofer conducted research at the Victoria Management School at Victoria University of Wellington in New Zealand. The goal of the study was to see how top management involvement in project management affects project performance. This was a cross-country analysis of the software industry. The study's main goal was to look into top management's support and project performance. The study's goal was to identify key support processes related to top management that had a significant impact on project success, as well as to compare those key processes to actual project support. In Japan, Israel, and New Zealand, 17 top management support processes were identified, with a total of 213 project managers in software development and their supervisors. The impact of top management support processes on project performance was examined in each of these countries with the goal of identifying critical processes. The managers compared the defined level of procedure of both key and minor top management support processes. The study discovered that key top management support processes helped to improve project performance significantly.

The successful completion of a project is dependent in part on the effective management of project risks. Time, cost, and performance expectations are all major challenges. To do so, the project manager must possess, use, and demonstrate appropriate management and leadership abilities (ZimmererandYasin, 2011). A project manager's skills to deliver the project effectively and efficiently are enhanced by applying desired leadership attributes such as consistency, expertise, persistence, adequate decision-making, vision, morals, integrity, trust, and honesty (Maylor, 2013).According to Ahmed (2008), a project manager has the ability to make critical decisions and the authority to enforce project changes. Then he enlists everyone's help in delivering their portion of the project's responsibility to the project's final beneficiaries. The Project Manager is in charge of devising a communication strategy to keep all stakeholders up to

date. The project manager must focus on the vision, encourage team members, encourage teamwork, and manage risk in order to achieve this recognition.

Management involvement contributes to better project insights and improves the evaluation process's reliability. Increased reliability ensures that the findings are more widely accepted. A good results-management procedure aims to involve as many relevant stakeholders as possible in reasoning in a responsive and creative manner. The project's beneficiaries have a clear idea of what they want to accomplish and are motivated to organize and produce acceptable results. The managers set up a monitoring and evaluation process to keep track of progress and use the data to improve performance (Lipsey, 2011). Budget allocation is heavily influenced by management. Decision-makers must allocate significant resources to the project. They play an important role in determining priorities, deadlines, exceptional approvals, and resource allocation. They are required to commit to the implementation of a monitoring and evaluation system, which allows them to assess the adequacy of budget allocations, provide budget revision advice, and revise project work plans. The disadvantage of project management support is that some managers place little or no emphasis on implementing an active monitoring and evaluation system (Goyder, 2009).

According to Atencio (2012), charismatic and people-oriented leaders have negative consequences. While charismatic leaders are people-oriented, their follow-through is biased and ineffective. This is due to the subjective nature of the decisions made and the corrective actions taken to keep the project on track. The leadership style has an impact on the leaders' decisions. The performance of project teams is influenced by managerial actions. People relations have an impact on project performance, according to Jetu and Riedl (2013). Personal Cultural values and openness to change, as opposed to socially focused cultural values like self-transcendence, have an impact on project team performance. They also discovered that cultural values are linked to project team success. The actual outcomes of improved project team learning and development, project teamwork spirit, and project team leadership.

2.3. Conceptual Framework

Based on the objectives of the research and review of existing literature regarding to the topic :The study has developed the following framework that is expected to explain the relationship between M&E and Project performance in case of AMSMI in the study area. The following figure depicts the relationship between the independent and dependent variables of the study.

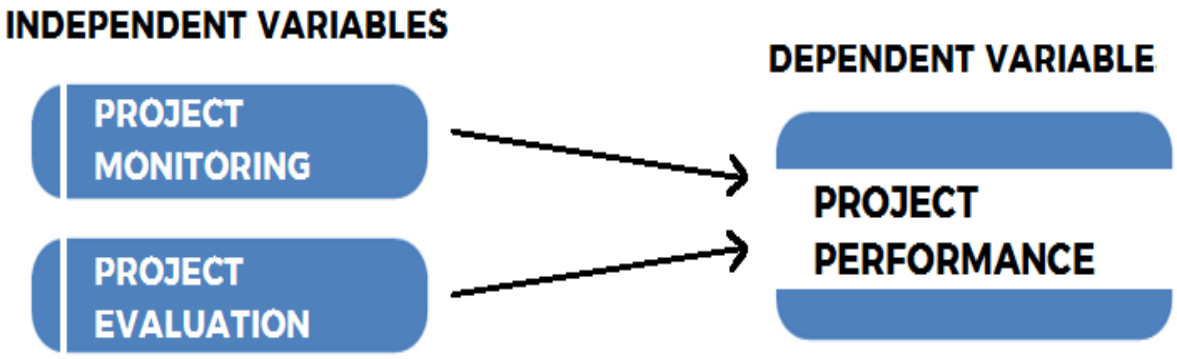


Figure 1: Conceptual Framework

Source: Developed by the Researcher

2.4 Synthesis of the Reviewed Literature

This chapter included a review of literature that demonstrated, among other things, the evolution of M&E and demonstrated that, because of its ability to track project progress, it has a broader impact on project performance. This chapter demonstrates that M&E serves a variety of reasons and use a variety of approaches to achieve its goal of increasing project performance under the section on forms of M&E. However, in the section on project performance, M&E is still a strategy and tool for project management promotion and the outcomes must be applied through a management hierarchy. This chapter also provided a review of the empirical literature which consisted of the past studies done on the topic of the study. The chapter lastly presented the study's Conceptual Framework.

CHAPTER THREE

RESEARCH METHODOLOGY

The purpose of this section is to express the procedural structure that will be used to achieve the survey's stated goal, as well as to clarify the study hypotheses that is assumed. The study plan, type and basis of information, population explanation, sample size, nature of sampling, sampling methods and explanation of alternative information gathering tools, and technique of facts evaluation will be the main topics discussed in this section.

3.1 Research Design

The research design is a blueprint for achieving research objectives and answering research questions (John.A 2007). A research design is simply the frame work of the study. From different types of research designs explanatory type of research design was employed as a main research design for this study to analyze the effect of M&E on project performance in AMSMI. This study uses explanatory and descriptive research design to explaining, understanding, predicting and controlling the relationship between variables. By taking cross-section of the population relevant data was collected at one point in time. This study will then describe and critically analyze the effect of monitoring and evaluation on project performance.

3.2 Research Approach

Creswell (2003) discussed three research approaches, namely quantitative, qualitative, and mixed research approaches. In this research mixed method was used so the following paragraph is briefly discussing the nature of research approach intend to be use. The study is quantitative in nature which is generally associated with especially since it is used with predetermined and highly structured data collection techniques under this study. This study is based on mixed method approach (qualitative & quantitative) because there is more insight to be gained from the combination of both researches. Their combination provides an expanded understanding of the research problems (Creswell, 2009).Quantitative approaches in the form of tables for statistical analysis are used to make the research more rich and understandable. Combining qualitative and

quantitative approaches, according to Mark (2011), has the potential to compensate for the weaknesses of one method with the strengths of the other.

Thus, the study used explanatory methods approach as a design in methods in which the researcher collects quantitative data analyzes the results, and then uses the results to find conclusion and recommendation. The study was quantitative where survey research is followed since it provides a quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample of that population that includes a cross-sectional study using survey questionnaires for data collection with the intent of generalizing from a sample to a population.

3.3 Sampling Design

(Okiro&Ndungu, 2013) defines target population as "the entire group of individuals or objects to which researchers wish to generalize their findings." The target populations for this study will be all AMSMI employees involved in the Monitoring and Evaluation core process, including team leaders, M&E experts/officers, and project implementers. There are 128 employees they are directly participated in the projects. These individuals are expected to have knowledge of the M&E system, either as a result of their job structure and training, or as a result of the responsibilities and accountability they have taken on.

Purposive sampling, according to Price (2009), is a type of non-probability sampling in which the researcher makes decisions about which individuals to include in the sample based on a variety of criteria such as specialist knowledge of the research issue or capacity and willingness to participate in the research. Some types of research designs necessitate researchers making a decision about the individual participants who are most likely to contribute relevant and in-depth data. In this study, purposive sampling was used, and participants were only identified as project M&E experts and officers, planners and managers, and project implementers. The purposive sampling technique was used to select questionnaire respondents. Those who are expected to have M&E know-how in general were chosen, both because their number is small and to obtain reliable results.

With this in mind, Yamane Yamane (1967) will be used to calculate the sample size for this study.

n =N/1+N (e) Where n = sample size from total population, N = total population, E = the level of precision 1 = the probability of event occurring

Therefore: $n = 128/1+128(0.07)^2$

$n = 128/1.6272$

n = 78

3.4 Data Sources Tool and Data Collection

3.4.1 Data Source

In order to achieve the objective of the study, the research approach used in this study was mixed approach and in regards to the sources of data, the study used both primary and secondary source of data. Based on the nature, scope, objectives and availability of time and resource, the researcher used questionnaires and secondary data source like books, documents, existing research papers, journals and publication, websites, other relevant journal.

3.4.2 Data Collection Tools

Primary data was gathered through the use of questionnaires. This study's is gathered through the use of a questionnaire. A questionnaire is defined as a formalized schedule or form that contains a collection of carefully formulated data collection questions (Wong, 1999). Closed and open-ended questions were used to collect primary data for the study from selected samples in order to obtain employee opinions on M&E practices. The researcher proposes that the data to be used will base on both primary and secondary data which will help the researchers to provide enough data for investigation.

The secondary data was collected from reports of the AMSMI from the selected areas which are documented in the office. The questionnaire is prepared to be inclusive of the constructs measured in the study. The questionnaire has two sections. The first section covered the

demographic profile of the participants like age, sex, educational level and other background data. The second section is structured on a likert scale of 1-5 to show their degree of agreement or disagreement to the sentences about the constructs under study.

3.4 Data Collection procedures

In this study both close –ended questionnaire prepared in the form of liker scale will used to collect the required data in the relation to the effect of monitoring and evaluation on project performance from sample respondents involved in the Monitoring and Evaluation core process, including team leaders, M&E experts/officers, and project implementers.

3.5 Data Analysis Methods

The statistical package for social science (SPSS) version 20 will be used to analyze the data obtained from primary sources. The background data obtained from the respondents was summarized using frequency distribution. Scale type questionnaire responses were analyzed by using descriptive statistics, correlation, and particularly regression and answering the research questions. This provided the generalization of the findings on of the data concerned and the standard deviation provides a dispersion of the data according to the variability of the data.

3.6 Reliability and Validity Analysis

Validity refers to the ability of the instrument to measure what it is designed to measure. Validity is the strength of our conclusions, implications or propositions. It is concerned with whether an instrument is on target in measuring what is expected to measure. To check the validity of the instrument the researcher worked with the adviser as the expert and agreed whether the instrument was valid or not. The questionnaire was also developed based on the literature review and frame of reference to ensure validity of the results.

3.7. Ethical Considerations

It is imperative that ethical issues are considered during the formulation of the evaluation and data collection plan. Considerations include:

- **Confidentiality:** confidentiality means that any identifying information is not made available to or accessed by anyone.

- **Anonymity:** Anonymity is a stricter form of privacy than confidentiality, as the identity of the participant will remain unknown.

This study considered some ethical issues while conducting the research. The participants in this research had the right to choose whether or not to participate. They were also informed of all aspects of a research task. Consumers were also given the right to privacy about the information they provided. The participants name was never mentioned in any of the data presentation and it will remain confidential.

CHAPTER FOUR

DATA PRESENATION AND ANALYSIS

In this chapter, the data that are collected through the structured questionnaire summarized and analyzed in order to realize the ultimate objective of the study. This chapter contained the data presentation, analysis and discussion of the sample population based on the primary data collected. The demographic facts obtained from the respondents were summarized using frequency distribution. Scale typed questionnaires were analyzed by using descriptive statistics, correlation, and particularly regression is used to test the research concepts and answering the research questions. The data was analyzed using SPSS. Only 99% of the total distributed questionnaires were responded back. While a total of 78 questionnaires were distributed, 76 of them were returned back to the researcher.

4.1 Reliability Statistics

Below, Table 3.1 shows the reliability statistics of the data collected is 0.892. Which is seen as adequate and permitted, for the scale variables?

Table3.1: Reliability Statistics

Cronbach's Alpha	N of Items
.892	14

Source: Own Survey, 2022

Reliability test was conducted to ensure internal consistency of the research instrument and Cronbach’s alpha is used to measure the internal consistency of the measurement items. For this study we used 14 items in measurement of three variables and we came to know that the items in this study are reliable. The reliability coefficient which is more than or equal to 0.60 should be considered adequate to develop a questionnaire. Therefore, a low coefficient alpha indicates the sample of items perform poorly in capturing the construct motivating the measure. Conversely, a large coefficient alpha implies that the items test correlates with the true scores closely.

4.2 Demographic Profile of Respondents

Table4.2: Respondents Demographic Profile

Demographic Profile		Frequency	Percent	Valid	Cumulative
Gender	Female	11	14.5	14.5	14.5
	Male	65	85.5	85.5	100.0
Age Group	20 - 29	41	53.9	53.9	53.9
	30 - 39	27	35.5	35.5	89.4
	40 - 49	8	10.5	10.5	100.0
Years in the Bank	0 - 2 years	29	38.2	38.2	38.2
	2 - 5 years	13	17.1	17.1	55.3
	6 - 10 years	25	32.9	32.9	88.2
	Above 10 years	9	11.8	11.8	100.0

Source: Own Survey, 2022

The table above shows the descriptive Statistical Analysis of the respondent's demography. It displays brief descriptive coefficients that summarize a given data set, which can be either a representation of the entire or a sample of a population. Descriptive statistics are broken down into measures of central tendency and measures of variability (spread). This section presents the descriptive statistics of the data regarded.

The table above shows the proportions regarding gender is not balanced. The male respondents constituted the largest share of the gender composition representing 65 (85.5%), while 11 (14.5%) were female, as shown on Table 4.2. This shows the largest number of respondents were male with 85.5%, while female respondents constituted 14.5% of the total respondents.

Regarding age distributions, respondents in the age range between to 40-49 amounted to only 10.5% of the total respondents, while the age group of 30 - 39 years of Age were 35.5%. Respondents between 20 - 29 years were the most respondent's percentage of the total sample with 53.9% of the total sample population contribution. The age descriptive frequency is presented in the table above. This implies most of the respondents were between the ages of 20 to 39, it constitutes about 89% of the total respondents.

Regarding years in the organization of respondents, respondents less than 0 - 2 years in the company were 29 constituting 38.2% of the total respondents. The years in the organization between 2 - 5 years amounted to only 17.1% of the total respondents which is 13 respondents from the total respondents. While the 6 - 10 years in the organization were 25 respondents. It encompassed 32.9% of the total respondents. Only 9 respondents were above 10 years in the organization, which constitutes 11.8% of the total respondents. This implies most of the respondents worked less than 10 years in the company; it constitutes about 89.2% of the total respondents.

4.3 Project Monitoring and Evaluating Practices

The following results are focused on displaying the descriptive statistics of the independent variables that are monitoring and evaluating projects, to the queries in the questionnaire.

4.3.1 Monitoring Projects

The following table presents the questionnaire requests regarding monitoring projects. As the mean of the result shows, the majority are in agreement for the questions asked. Most respondents agreed that there is an organized process of overseeing and checking the activities undertaken in a project with 4.53. On the contrary, most respondent disagreed that the monitoring process suggests continuous corrective actions. The following statements interpret the monitoring related data collected by the researcher.

- There is a major controlling system in the company
- There is a consistent monitoring of projects in regards to the goals of the projects

- There is an organized process of overseeing and checking the activities undertaken in a project
- The monitoring process don't suggests continuous corrective actions

Respondents gave their response to the following monitoring projects related statements on the questions of agreement or disagreement, the mean of the respondent are shown. The detailed data is presented in the table below.

Table 4.3: Monitoring Projects

Monitoring Projects	N	Mean	Std. Deviation
There is a major controlling system in the company	76	4.27	.868
There is a consistent monitoring of projects in regards to the goals of the projects	76	4.13	1.042
The monitoring process suggests continuous corrective actions	76	2.13	1.224
There is an organized process of overseeing and checking the activities undertaken in a project	76	4.53	1.042
		3.77	

Source: Own Survey, 2022

4.3.2Evaluating Projects

Table 4.3 shows, the data collected by questionnaire requests regarding evaluating projects. The mean of the result shows, the majority of the respondents slightly agreed for project evaluation for the questions asked. While almost all statements are responded with agreement, the statement "The evaluation process has always implementation plans" got most respondents to neutrality with the statement. The following statements interpret the evaluation related data collected by the researcher.

- Ambiguity between agreement and neutrality to two statements raised to set level of agreement for the evaluation process has always implementation plans
- It is strongly agreed that, the evaluation process gauges the success of the project
- The project evaluation has a program in meeting the objectives,
- There is effective identification of project phase for evaluation

Respondents gave their response to the following projects evaluation related statements on the questions for agreement or disagreement, the mean of the respondent are shown. The detailed data is in the table below.

Table4.4: Projects Evaluation

Projects Evaluation	N	Mean	Std. Dev
The evaluation process gauges the success of the project	76	4.47	.629
The evaluation process has always implementation plans	76	3.47	1.479
There is effective identification of project phases for evaluation	76	4.00	.983
The project evaluation has a program in meeting the objectives	76	4.20	.847
		4.04	

Source: Own Survey, 2022

4.4 Organizational Performance of AMSMI

The following table presents the questionnaire requests regarding organizational performance of AMSMI. As the mean of the result shows, the majority are in agreement for the questions asked. Most respondents agreed that the project performance of AMSMI is effective with 4.43. On the contrary, most respondent disagreed that The M&E increased AMSMI revenue growth. The following statements interpret the organizational performance related data collected by the researcher.

- The purpose of the M&E unit contributed to the success of the project.
- The M&E help in understanding project expectations.
- The M&E decreased AMSMI revenue growth
- The project performance of AMSMI is very effective
- The project performance of AMSMI is moderately efficient
- Project Monitoring and Evaluation helped to manage scope, cost and time of projects that are undergoing

Respondents gave their response to the following monitoring projects related statements on the questions of agreement or disagreement, the mean of the respondent are shown. The detailed data is presented in the table below.

Table4.5: Organizational Performance

Organizational Performance	N	Mean	Std. Deviation
I think the purpose of the M&E unit contributed to the success of the project	76	4.17	.868
The M&E help in understanding project expectations	76	4.19	.987
The M&E increased AMSMI revenue growth	76	2.03	1.124
The project performance of AMSMI is effective	76	4.43	1.072
The project performance of AMSMI is efficient	76	2.83	1.133
Project Monitoring and Evaluation helped to manage scope, cost and time of projects that are undergoing	76	3.93	1.065
		3.60	

Source: Own Survey, 2022

4.5 Effects of Monitoring and Evaluation on performance of AMSMI

4.5.1 Correlation analysis

Correlation analysis is a statistical method used to evaluate the strength of relationship between two quantitative variables. A high correlation means that two or more variables have a strong relationship with each other, while a weak correlation means that the variables are hardly related. In other words, it is the process of studying the strength of that relationship with available statistical data. This technique is strictly connected to the linear regression analysis that is a statistical approach for modeling the association between a dependent variable, called response, and one or more explanatory or independent variables.

Table4.6: Correlation

		MONITORING PROJECTS	EVALUATING PROJECTS	PROJECT PERFORMANCE
MONITORING PROJECTS	Correlation	1	.685**	.642*
	Sig. (2-tailed)		.000	.001
	N	76	76	76
EVALUATING PROJECTS	Correlation	.685**	1	.801**
	Sig. (2-tailed)	.000		.000
	N	76	76	76
PROJECT PERFORMANCE	Correlation	. 642*	.801**	1
	Sig. (2-tailed)	.001	.000	
	N	76	76	76

Source: SPSS Output, 2022

Like the demographic factors, the scale typed questionnaire data is entered to the SPSS software version to process correlation analysis. Based on the questionnaire which was filled, the following correlation analysis was made. Pearson correlation test was conducted to know the degree of relationship between the independent variables and the dependent variable i.e. Project performance. The results of the correlation between these variables are shown in table 4.5.

A correlation coefficient is a numerical measure of some type of correlation, meaning a statistical relationship between two variables. As it is indicated in the table there is positive relation between independent variables and project performance with p value of less than 0.01 (P<0.01), showing the results are significant at a significance level of 0.01 . It also observed that all the correlations are positive (>0). In other words:

- Evaluation has a very strong positive significant relationship with project performance in the case of AMSMI (r = 0.801),

- Lower than the other independent variable, monitoring has a moderate positive significant relationship with project performance in the case of AMSMI (r = 0.642)

4.5.2 Regression Analysis

Linear Regression Model Assumptions

When someone choose to analyze the data using linear regression, part of the process involves checking to make sure that the data that one wants to analyze can actually be analyzed using linear regression. Therefore, it is needed to do this because it is only appropriate to use linear regression if the required data "passes" four assumptions that are required for linear regression to give a valid result. Let us look at whether the following assumptions are met or not. These assumptions are multi-collinearity, linearity, homecedasticity, and normality. The assumptions are checked using SPSS software.

Multi-Collinearity

The researcher has checked if multicollinearity problem exist or not before running the regression. Multicollinearity refers to the situation in which the independent/predictor variables are highly correlated. When independent variables are multicollinear, there is “overlap” or sharing of predictive power. Multicollinearity can be checked using the tolerance and variance inflation factors (VIF) which are the two Collinearity diagnostics factors.

Table4.7: Collinearity Statistics

Model		Collinearity Statistics	
		Tolerance	**VIF**
1	(Constant)		
	Project Monitoring	.758	1.319
	Project Evaluation	.704	1.421
	Project Performance	.751	1.332

Source: SPSS output, 2022

Tolerance is an indicator of how much of the variability of the specified independent variable is not explained by the other independent variables in the model and is calculated for each variable. If this value is very small (less than 0.10), it indicates that the multiple correlation with other variables is very high, suggesting the possibility of multicollinearity. Accordingly, the tolerance value for all independent variables is greater than 0.1, which implies that there is no multicollinairity problem in connection with tolerance. Variance Inflation Factor (VIF) which calculates the influence of correlations among independent variables on the precision of regression estimates. The VIF factor should not exceed 10, and should ideally be close to one. As per the above table for all independent variables VIF value is less than 10 and literally closer to one, which implies there is no multicollinearity problem.

Linearity

Linearity test aims to determine the relationship between independent variables and the dependent variable is linear or not. The test is a requirement in the correlation and regression analysis. Good research in the regression model there should be a linear relationship between the free variable and dependent variable. If the value of sig. deviation linearity is > 0.05, then the relationship between the independent variables are linearly dependent. The primary supposition states that the middling value of the errors should be zero. As Sekeran, U. (2003) if the regression equation includes a constant term, this pre-assumption will never be violated. Therefore, since from the regression result table the constant term (i.e. βo or, α) was included in the regression equation; this assumption seizes fine fit for the model.

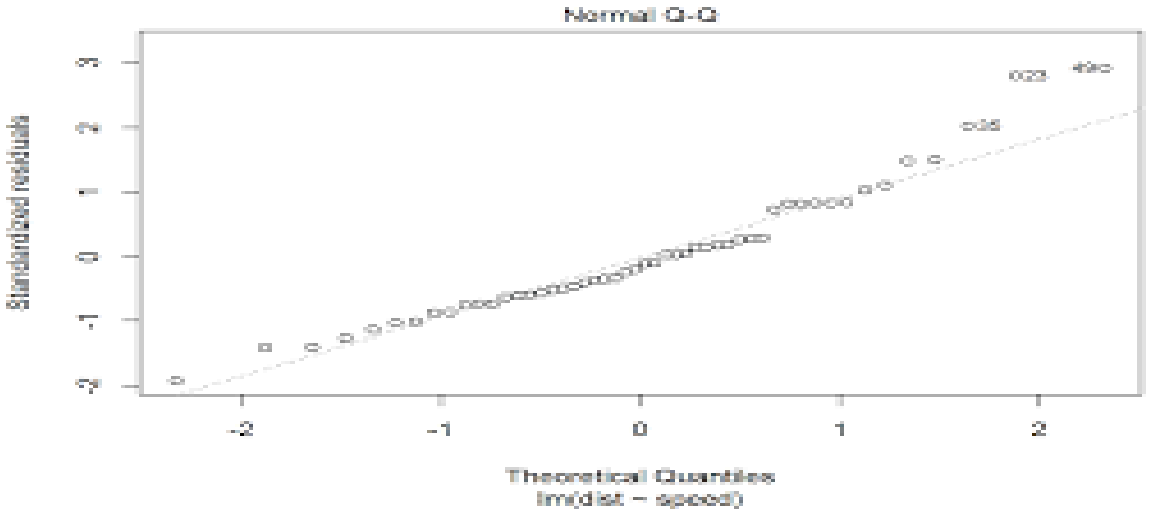
Table4.8: Residuals Statistics

	Minimum	**Maximum**	**Mean**	**Std. Deviation**	**N**
Predicted Value	1.8319	5.0633	3.2029	.52545	76
Std. Predicted Value	-2.609	3.540	.000	1.000	76
Std. Error of Predicted Value	.040	.163	.078	.025	76
Adjusted Predicted Value	1.8105	5.0959	3.2046	.52653	75

Source: SPSS Output, 2022

Homoscedasticity

A sequence of random variables is homoscedasticity; if all random variables have the same finite variance. This is also known as homogeneity of variance. The complementary notion is called heteroscedasticity. The misconception with the ambiguousness with homoscedasticity and heteroscedasticity results in unbiased but inefficient point estimates and in biased estimates of standard errors and may result in overestimating the goodness fit as measured by Pearson correlation coefficient. Heteroskedasticity is an organized blueprint in the errors where the variances of the errors are not constant. When the variance of the residuals is constant it is explained as homoscedasticity, which is desirable. To test for the absence of heteroscedasticity scatter plot test was used. In this test, if the scatter plot output spot appears diffused and distributed, it can be concluded that the model doesn't occur to have heteroscedasticity problem. As presented below, based on the scatter plot output, it appears that the spots are diffused and do not form a clear specific pattern. This leads to a conclusion that the regression model doesn't have heteroscedasticity problem.



Normality

An assessment of the normality of data is a prerequisite for many statistical tests as normal data is an underlying assumption in parametric testing. There are two main methods of assessing normality - graphically and numerically. Statistical tests have the advantage of making objective

judgments of normality. Skewness and Kurtosis descriptive statistics is one of the numerical tests used to check normality. The value of asymmetry and kurtosis between -2 and +2 are considered as acceptable in order to prove normal distribution. Hence, as it is depicted in skewness and kurtosis statistics are within the range of -2 and +2, so that the assumption of normal distribution is met (George &Marllery, 2010).

The normality of the study is supplemented by the histogram above and the histogram of standardized residual shows a roughly normal curve when the assumption of regression and most technique met that error terms are normally distributed. The histogram showed that the assumption of normally distributed error is met.

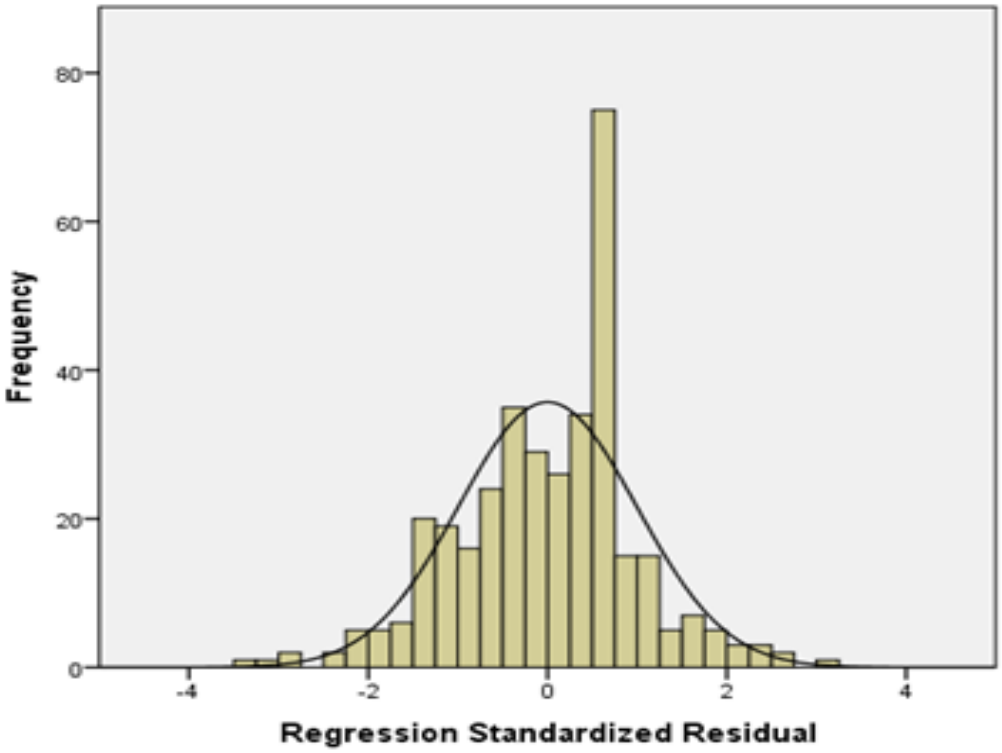


Figure 2: Histogram
Source: SPSS Output, 2022

The model summary, in the table below reports the strength of relationship between the independent and dependent variable. R is a Pearson correlation between predicted values and actual values of dependent variable, with a value of 0.904, which is a very high value. R^2 is multiple correlation coefficients that represent the amount of variance of dependent variable

explained by the combination of three independent variables. According to different scholars, the R square above 0.6 is accepted, conventionally. In this study, the R square resulted is 0.885, which shows the model is so fit, and then it is highly accepted.

Table4.9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.902[a]	.813	.879	.28498

Source: Own Survey, 2022

Regression coefficients are estimates of the unknown population parameters and describe the relationship between a predictor variable and the response. In linear regression, coefficients are the values that multiply the predictor values. The following table shows the regression coefficients of the study.

Table4.10: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.092	.307		2.288	.034
	Monitoring	.641	.109	.603	2.218	.022
	Evaluation	.715	.114	.769	3.625	.001

Source: Own Survey, 2022

From the table we can say that α is 0.092, and this can be interpreted as meaning that if all the independent variables were to be zero, the model predicts that there can only be 9.2% of project performance. We can also read off the value of β from the table and this value represents the

slope of the regression line. It is 0.641 for monitoring projection and although this value is slope of the regression associated with a unit change in the outcome associated with a unit change in the predictor. Therefore, if monitoring projection variable is increased by one unit, then the model predicts that 64.1% extra additional value on project performance was experienced.

The same is true for evaluation (71.5%), for which an increase in one unit of these respective variables can result in an increase in project performance by the percentage shown. This implies that the M&E has a magnificent impact on project performance as their percentage indicated above.

Furthermore, the significance level in the table shows the significance level of the independent variable. Where ever the p value is above 0.05, the variable is considered to have insignificant impact on the dependent variable.

From the regression analysis table of the study, it is observable that:

- **Monitoring Projects:** with p value of 0.022, it can be easily observed that it is greater than 0.05. This implies that monitoring projects has a moderate significant effect on projects performance.

- **Evaluation Projects:** has a p value 0.001 which is lesser than 0.05, this implies that evaluation of projects has a strong positive significant impact on projects performance.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

This chapter briefly presents summary of the objectives, research methodology, key findings of the model, conclusion and suggests useful recommendations.

5.1 Conclusion

The research was undertaken generally to analyze the effect of monitoring and evaluation on project performance in the case of AMSMI. The study is designed to conclude the general objective by coming to a conclusion by assessing the project monitoring and project evaluation in the case of AMSMI, the effect of project monitoring on project performance in the case of AMSMI, and examining the effect of project evaluation on project performance in the case of AMSMI.

The target populations for this study will be all AMSMI employees involved in the Monitoring and Evaluation core process, including team leaders, M&E experts/officers, and project implementers. There are 128 employees they are directly participated in the projects. Employing proper sample size determination the study took 78 samples. The paper adopted quantitative research strategy and used self-administered questionnaire to collect data from the employees. Out of the total questionnaires 76 were returned back, which is about 96% of the total distributed.

The respondent's proportion shows the largest number of respondents were male with 85.5%, while female respondents constituted 14.5% of the total respondents. Considering age group and work experience, respondent's age range between 40- 49 are only 10.5% of the total respondents, while the age group of 30 - 39 years of Age was 35.5%. Respondents between 20 - 29 years were the most respondent's percentage of the total sample with 53.9% of the total sample population contribution. The age descriptive frequency is presented in the table above. This implies most of the respondents were between the ages of 20 to 39, it constitutes about 89% of the total respondents.

Regarding years in the organization of respondents, respondents less than 0 - 2 years in the bank were 29 constituting 38.2% of the total respondents. The years in the organization between 2 - 5 years amounted to only 17.1% of the total respondents which is 13 respondents from the total respondents. While the 6 - 10 years in the organization were 25 respondents. It encompassed 32.9% of the total respondents. Only 9 respondents were above 10 years in the organization, which constitutes 11.8% of the total respondents. This implies most of the respondents worked less than 10 years in the company; it constitutes about 89.2% of the total respondents.

After dealing with descriptive statistics, of the data collected to measure independent variables. Correlation was conducted to know the degree of relationship between the independent variables and the dependent variable. The results of the correlation showed that M&E has a very strong positive significant relationship with project performance. It is also observed that Evaluation has a very strong positive significant relationship with project performance in the case of AMSMI. Lower than the other independent variable, monitoring has a moderate positive significant relationship with project performance in the case of AMSMI.

Based on analysis of regression, the R is a Pearson correlation between predicted values and actual values of dependent variable, with a value of 0.902, which is very high. While, R^2 is multiple correlation coefficients that represent amount of variance of dependent variables and explained by the combination of four independent variables. In the study, the R square resulted is 0.885, which implies that it is accepted.

In line with those research questions, investigations were made and the conclusions reached are arranged with in this section and these implications are presented below.

The results of the study showed that evaluation has a significant effect on project performance. Ambiguity between agreement and neutrality to two statements raised to set level of agreement for the evaluation process has always implementation plans. It is strongly agreed that, the evaluation process gauges the success of the project. The project evaluation has a program in meeting the objectives. There is effective identification of project phase for evaluation.

Monitoring also has a strong positive significant effect on project performance. There is a major controlling system in the company. There is a consistent monitoring of projects in regards to the goals of the projects. There is an organized process of overseeing and checking the activities undertaken in a project. The monitoring process doesn't suggest continuous corrective actions.

5.2 Recommendations

An organization in a manufacturing industry of high level of operations and continuous project, it is expected to manage the factors affecting project performance. On the basis of the above findings and conclusions, the following recommendations are forwarded:

- As the research had indicated, monitoring projects has a moderate significant effect on project performance in the case of AMSMI. It is recommended that mangers/leaders at AMSMI to make monitoring practice more feasible to have better project performance.

- Evaluation projects have a very strong effect on project performance in the case of AMSMI. It is also recommended that mangers/leaders at AMSMI to practice evaluation.

- Policy makers at the bank level and/or the national bank level should consider to develop the M&E practice of the organization to have better project performance, and

- Researchers may consider taking other independent variables that are dimensions of M&E, as well as redoing the study on different organizations and industries may result a more precise and accurate outcome.

APPENDIX I: REFERENCES

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APPENDIX II: QUESTIONNAIRE

Dear respondent, I am an MBA student at St Mary university and I am presently carrying out a research work for my final thesis, on the topic of the effect of monitoring and evaluation. You have been carefully chosen as one with capacity to help in gathering this information that will contribute to the expected results of this research. All the information provided was treated with utmost confidentiality it deserves and it will strictly be used for academic research.

MisrakKassahun

NB: The information collected is only for academic purpose it could be promised that all information you provide would be strictly confidential.

PART I. PERSONAL DATA

1. What is your gender?

A. Male B. Female

2. What is your age group?

A. 20-29 B. 30-39

C. 40-49 D. 50-Above

3. What is your Educational level?

A. Less than Diploma B. Diploma

C. Degree D. Masters and above

4. How long have you worked in the company?

A. 1 - 2 years B. 2-5years

C. 6-10 years D. Above 10 years

PART II. CLOSE-ENDED QUESTIONAIRE

1. MONITORING AND EVALUATION OF PROJECTS

1. Strongly agree 2.Agree 3. Disagree 4. Strongly disagree 5.Do not know

PROJECT MONITORING		1	2	3	4	5
1	There is a major controlling system in the company					
2	There is a consistent monitoring of projects in regards to the goals of the projects					
3	The monitoring process suggests continuous corrective actions					
4	There is an organized process of overseeing and checking the activities undertaken in a project					
PROJECT EVALUATION						
5	The evaluation process gauges the success of the project					
6	The evaluation process has always implementation plans					
7	There is effect identification of project phase for evaluation					
8	The project evaluation has a program in meeting the objectives					

2. PROJECT PERFORMANCE

1	I think the purpose of the M&E unit contributed to the success of the project					
2	The M&E help in understanding project expectations					
3	The M&E increased AMSMI revenue growth					
4	The project performance of AMSMI is effective					
5	The project performance of AMSMI is efficient					
6	Project Monitoring and Evaluation helped to manage scope, cost and time of projects that are undergoing					