ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS SCHOOL OF COMMERCE

FACTORS INFLUENCING EFFECTIVENESS OF MONITORING AND EVALUATION SYSTEM: THE CASE OF COMMERCIAL BANK OF ETHIOPIA INFORMATION TECHNOLOGY PROJECTS

A RESEARCH PROJECT SUBMITTED TO ADDIS ABABA UNIVERSITY, SCHOOL OF COMMERCE IN PARTIAL FULFILLMENT OF THE AWARD OF MASTER'S DEGREE IN PROJECT MANAGEMENT

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DECLARATION

I, the undersigned, declare that this research project is my own work and effort and it has not been submitted anywhere for any award. Where other sources of information have been used, they have been duly acknowledged.

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CERTIFICATION

This is to certify that Birhanemeskel Solomon has carried out his research work on the topic entitled "**Factors Influencing Effectiveness of Monitoring and Evaluation System: The Case of Commercial Bank of Ethiopia Information Technology Projects** ." The study is an original work and is suitable for the submission for the reward of MA Degree in Project Management.

Advisor: Adane Atara (PhD):_____

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LIST OF ABBREVIATIONS AND ACRONYMS

ATM-Automated Teller Machine

CBE - Commercial Bank of Ethiopia

M&E- Monitoring and Evaluation

PMI -Project Management Institute

PMBOK- Project Management Body of Knowledge

SPSS- Statistical Package for Social Science

USAID- United States Agency for International Development

UNDP United Nations Development Program Development

WB -World Bank

IFC- international financial committee

UNDP - United Nations Development Program

R.B.M-Result Based Management

U.N -United Nations

ABSTRACT

Given the fact that monitoring and evaluation is one of critical activities in the project management cycle that enhance the chances of success of projects, factors that may influence the effectiveness of M&E system for projects is not well studied. This study assessed factors influencing the effectiveness of M&E in various Information technology projects at ***Commercial bank of Ethiopia (CBE)****. Its main objectives were: to find out how organizational leadership, competency of staff handling M&E, stakeholder participation and budget allocation for M&E influence the effectiveness of the M&E. Descriptive research design was used. Purposive sampling technique was used to collect data from 52 respondents which selected based on their responsibility, capacity and knowledge about the factors under study. Data was collected using structured questionnaires. Descriptive statistics and Relative importance index (****RII)*** *were used to clearly understand the influence of how competence of staff handling monitoring and evaluation, stakeholder participation and budgetary allocation and organizational leadership influence effectivensess of M&E system of IT of CBE.This research attempts to empirically explores the relative importance of factors influencing effectiveness of M&E system for information technology projects based on the Relative Importance Index, the weightage and the key factors responsible for efficency and suggests measures to enhance each influencing factor. The study recommends allocation adequate time, effort and resource to adopt a result based management* ***RBM*** *for* ***IT*** *projects, to increase the number and type of M&E staff, active involvement of organizational leaders in carrying out monitoring and evaluation activities of the projects so as to boost the effectiveness of the Monitoring and evaluation system of the projects.*

Keywords: Competence of Staff Handling M&E , Organizational Leadership ,Stakeholder Involvement, Budgetary Allocation and Effective M&E System.

CHAPTER ONE

1. INTRODUCTION

1.1. Back ground of the study

Monitoring and Evaluation has been used by organizations for evaluating projects/programmes for decades. For the European Union, the United Nations, the World Bank and other development banks, M&E is embedded in their organizational processes (Gumz, J. & Parth, F. R. (2007). Several other organizations working in different communities adopted a resultsoriented approach to its work in order to keep track of progress on its strategic programs and the corresponding outcomes and impacts (Ben, 2002), as well as to meet the increasingly rigorous requirements of their various donors and partners as noted by (Jody & Ray, 2004).

Monitoring and evaluation (M&E) is useful to all projects, big or small, because it helps in identifying project areas that are on target and those that need to be adjusted or replaced. M&E also facilitates learning and knowledge generation through the analysis and objective feedback of lessons from development experience (IFRC, 2011).

Good M&E system is a source of knowledge capital. It enable governments and organizations to develop a knowledge base of the types of projects, programs, and policies that are successful, and, more generally, what works, what does not, and why. It can also provide continuous feedback in the management process of monitoring and evaluating progress toward a given goal (Kusek & Rist, 2004). According to Hlatshwayo & Govender (2015) monitoring and evaluation is more than accountability, control measures and assessment of results. Rather, it includes additional purposes such as learning, programme improvement, future planning and augments capacity.

Monitoring and Evaluation is becoming an area of growing importance for many organizations in banking sector. It allows those involved in banking activities to learn from experience, to achieve better results and to be more accountable. There is increased interest in M&E among the commercial banks due to a stronger focus on the results

produced by interventions. M&E processes allow those involved to assess the impact of a particular activity, determine how it could be done better and show what action is being taken by different stakeholders. This should translate into a more effective and transparent way of working (World Bank, 2002).

In the absence of effective monitoring and evaluation, it would be difficult to know whether the intended results are being achieved as planned, what corrective action may be needed to ensure delivery of the intended results, and whether initiatives are making positive contributions towards human development (World Bank, 2011).

According to Ethiopia Country Program Evaluation [ECPE] (2010), in Ethiopia, most of the organizations do not use monitoring and evaluation system in appropriate manner for their projects. Although, existing assessment of monitoring and evaluation capacity in Ethiopia reveal gaps both institutional and individual skills development for M&E according to a report on capacity building in Africa (Ethiopia) by the World Bank (2006). There are many misconceptions and myths surrounding M&E like; it's difficult, expensive, requires high level skills, time and resource intensive, only comes at end of a project and it is someone else's responsibility (IFC,2008). IFC evaluated that there is often a sense of frustration because expectations of M&E activities appear to outstrip resources and skill sets (IFC, 2008). Most projects in developing countries in general and in Ethiopia in particular face a huge cost and time overrun. This cost and time overrun can be minimized by using effective M&E system in projects (Ermias, 2007).

Digital transformation is taking place in the the financial service industry offering both customer service and back office financial technology products and services. This transformation includes emerging market economies,and in many places offers a viable digital alternatives to traditional banks, which have left significant populations under banked(IFC, 2017). Emerging innovations in the financial services industry is encouraging commercial banks to broaden financial access, introduce new produts and services, and serve customers more efficently by deploying new technology internally or in partnership with external innovators.

Innovations are also directed at processes such as Anti-money laundering-Know your customer(AMC-KYC) compliance,credit scoring underwriting and risk

management,customer service collections and recovery,capital markets activities, asset secularization,middle-and back-office reporting ,trade processing, and connectivity between banking systems.(IFC, 2017).

Having many projects related to information tecnology the bank clearly states its direction and purpose towards technology in its mission statement. However, CBE ignores to conduct reasearch on the areas ofeffectiveness of its monitoring and evaluation system on those projects which posses high stake on its future.

1.2. Back ground of the company

Commercial bank of ethiopia established in 1940 is the leading and pionner commercial bank in ethiopia. It is the first to introduce modern banking in the country it has 1444 branch offices streached across the whole country and out of which 249 branches located in addis abeba city as of june 30 2019. Besides it has opened two branches in south sudan and has been in the bussiness since 2009. It is the leading government owned african bank with assets of more than 712 billion birr as on june 30 2019(www.combanketh.com.et)

Cbe plays a major role in the economic progress and development of the country. Moreover it is the first commercial bank in the country to introduce ATM services for local users and pionner to intrroduce western union money transfer services in ethiopia early 1990s and currently working with more than 20 money transfer agents . furthermore it has strong correspondant relationship with morethan 50 renowned foreign banks and a SWIFT bilateral arrangment with morethan 700 other banks across the world(www.combanketh.com.et) moreover combines a wide capital base with nearly 40000 employees and currently it has more than 30 million account holders.

Its vision is to become world-class commercial bank by the year 2025 and its mission is to be commited to best realize stakeholders needs through enhanced financial intermediation globally and supporting national development priorities by deploying highly skilled and competent employees as well as the state of the art of technology.

The bank engages in different projects to meet its vision (to be a world class commercial bank by 2025). Projects on software and buildings are among the projects undertaken

under the ownership of CBE. These projects to be effective should be monitored and evaluated. Among those projects, enterprise resource planning project, customer relationship management system, call center project, agent banking project, learning management system project, risk management project and upgrade data center project are among the various IT projects in CBE.

1.3. Statement of the problem

Due to growth in technology, developments in ICT have enabled a lot of financial institutions to implement e-banking so as to remain significant (Zimucha et al., 2012).

Although financial services have been computerized for decades, with products such as retail brokerage using digital channels for some 20 years, a more radical transformation of the industry was delayed due to market advantages of traditional financial services.Disruptive market innovations and reconstituted value chains are now emerging in the financial services industry. Incumbent providers such as banks can benefit from these developments, which will enable them to broaden financial access, introduce new products and services and serve customers more efficiently by deploying new technologies internally or in partnership with external innovators.

As the banking industry in ethiopia becomes increasingly contestable the capacity to innovate and investing in IT is becoming a key success factor. Banks that learn to adopt new tecnologies, adopt their products and processes, and become more adept at delivering tailored solutions to their customers are likely to succeed with in the future local or global digital economy.In addition, digital transformations of other industries made customers more trusting of and comfortable with tech-based financial solutions. It also increased their demand for immediacy and customized products and services. which some of the most prominent commercial banks in ethiopia are striving to meeting these consumer demands with low cost, convenient ways to transfer money, borrow, and invest.

Monitoring and evaluation are essential components of project cycle management (rist,bolly&martin,2011).

Building and sustaining effective monitoring and evaluation system is addmitedly not an easy task for it requires continious commitment ,champions, time, effort and resources. In addition , it may take several attempts before the system can be tailored to suit a given organizational policy, program or project; but it is doable(kusek,2004)

Monitoring and evaluation provides important feed back on the progress of programs/projects. That is , the success or faliure of projects, programs or policies throughout their respective life cycles. These systems constitute a powerful, continious management tool that decision makers can use to improve performance and demonstrable results. result based Monitoring and evaluation systems have special capacity to add to learning and knowledge process. These systems provide for learning and knowledge, since by providing continious feedback to managers, they promote organizational learning through a cycle involving the reflection of progress, learning and mows for adjustments in the course of programs or projects where need be.(harold kerzner,2000). information supllied by monitoring and evaluation systems is used as a crucial management tool in achiveing results and meet specific targets.

Monitoring and evaluation, although very essential in improving performance, is also very complex, multidisciplinary and skill intensive processes (Engela and Ajam, 2010). Building a resulted based M&E system is a requirement to improving performance to check impact and benefits brought by the projects. Hence there is a need for establishment of rules for constructing minimum parameters for monitoring and evaluation for projects that can be used to track progress and effectiveness (Jha et al., 2010).

Recently, growth in the study of monitoring and evaluation has been rapid, moving away from conventional methods to result-based methods. However, monitoring and evaluation programs have developed into a large business in the development industry, however, are less established in the profit-making sector. As such, despite the importance of IT-based infrastructures in many financial institutions, no solid research studies have been done on the factors that are influencing effectiveness of monitoring and evaluation systems of commercial banks in ethiopia. Hence, an empirical gap, which this study intends to seal.

Banks monitoring and evaluation sytem have been evolving and has been given more focus in the recent peiriod. Over time, Banks are reinforcing their monitoring and evaluation system . However, several reviews and studies carried out indicates that there are still serious gaps in the M&E systems. Some of the factors identified are: (1) Too much emphasis on the mechanics (physical and financial) of project implementation. (2) Risks and factors that most influence project outcomes inadequately identified and if and when identified not effectively monitored for timely mitigation of risks. (3) Performance indicators not consistently used in monitoring and evaluation reports. (4) M&E not undertaken on a timely and regular basis and reports not disseminated in time. (5) Noticeable capacity limitation, in terms of number and skill mix of professional staff. (6) Inadequate incentive mechanism in the Banks performance evaluation system for monitoring and evaluation activities (ADB 2016).

At CBE, despite the huge amount of resources provided to implement IT projects and despite the fact these projects plays big role in improving the trustworthiness of the bank to its customers, Monitoring and evaluation faces challenges and therefore, the above performance of monitoring and evaluation sytems dosen't perform satisfactorly and there is need for the intervention. It is from this backdrop that the researcher was prompted to conduct a study to look at the existing M&E system used by commercial bank of ethiopia in its information technology projects,in regard to factors influencing effectiveness of M&E systems in a bid to recommend on how to adopt a result based M&E system that is more effective and efficent for information technology projects of commercial banks. Therefore this study analyzed the factors influencing effectiveness of monitoring and evaluation systems at commercial bank of ethiopia IT projects.

1.4 Research questions

The following were the research questions that guided this study:

i. How dose competences of staff handling M&E infulence the effectiveness of M&E system of IT projects at commercial bank of ethiopia?
ii. How dose budgetary allocation for M&E influence the effectiveness of M&E system of IT projects at commercial bank of ethiopia?

iii. To what extent dose stakeholder participation influence effectiveness of M&E system of IT projects at commercial bank of ethiopia?
iv. In what ways dose Organizational Leadership influence effective Monitoring and Evaluation on IT projects of commercial bank of ethiopia?

1.5 Objectives of the Study

1.5.1 General Objective

The general objective of the research was to find out the factors influencing the effectiveness of monitoring and evaluation system of commercial banks in Ethiopia IT projects.

1.5.2 Specific Objectives

The following were the specific research objectives that guided the study:

i. To determine how competencies of staff handling M&E influences effectiveness of M&E system for IT projects of commercial bank of ethiopia
ii. To find out the extent to which influence of stakeholders involvement on effectiveness of M&E system of IT projects of commercial bank of ethiopia
iii. To investigate how organizational leadership influences the effectiveness of M&E system of IT projects of commercial bank of ethiopia
iv. To determine the infulence of budgetary allocation on effectiveness of M&E system of IT projects of commercial bank of ethiopia

1.6 Scope of the Study

The study was conducted within commercial bank of ethiopia project office the largest bank in ethiopia which is undertaking many projects in information technology. The researcher focuses on those projects such as automated teller machine, electronic cash transfer, mobile banking and internet banking projects.

The findings of this research can be more fruitful, if conducted widely by incorporating or including other organizations and parameters which are in similar situation.

The study confined itself to the factors influencing effective monitoring and evaluation system of IT projects in commercial bank of Ethiopia. This area is chosen because cbe is involved in many IT projects and lot of funds have been allocated but there have been concern about the organizations performance and this study will be undertaken to investigate M&E systems at commercial bank of ethiopia. Thus, the study was limited to finding out a clear understanding of how competence of staff handling monitoring and evaluation, stakeholder participation and budgetary allocation and organizational leadership influence effectivensess of M&E system of IT of CBE.

1.7 Significance of the Study

The study will help project participants of commercial bank of Ethiopia decide on the issues related to monitoring and evaluation of projects. The study is also important in such a way that it can provide ideas on the current practices of monitoring and evaluation of projects so that the project participants can take corrective action to minimize or avoid the challenges and use the opportunities identified in a better way.

Other project owners and participants other than commercial bank of Ethiopia can also benefit from the result of this study. The study can be used as a reference for other studies related to monitoring and evaluation of projects.

The result of this study will be important for commercial bank of ethiopia in particular and other related sector in general. This study helps project managers and staffs of the bank to know how they are implementing monitoring and evaluation activities and identify the gaps observed in the process, and take corrective measures based on the findings to improve the monitoring and evaluation system as required. The first and the most important point here is that, the planned research will be important for top and middle manager, it can be serve as their orientation or channel to improve their monitoring and evaluation system within the organization they are leading.

In addition the finding of this study will help project mangers and project management students who are involved in the designing and implementation of result-based monitoring and evaluation systems. it is important for the project practitioners' to understand the dynamics of monitoring and evaluation to the implementation of projects.

It will inform policies towards setting up of effective monitoring and evaluation systems, and show how monitoring and evaluation can be used as a powerful tool to improve the way organizations can achive better performance.

It will also contribute to the body of knowledge, as it can be used as a reference material by researchers and students who are interested in this particular area. The study will also identify areas related to M&E field that will require more research, hence a basis of further research.

1.8 Limitations of the study

Some of the repondants may not be willing to give the required information fearing that it might be used against them. To overcome this challenge, participants will be briefed on the purpose of the study that is being undertaken and any information given will be used to the purpose of this study. The respondants will also be assured of confidetiality when giving information since the questionnaiers dosen't require a person's identity.

Requesting information that touches on effectiveness of M&E systems was considered sensitive by respondants especially those which are negative it was seen as a way of ruining the organization. To overcome this obstacles, the researcher acquired an introductory letter and the reason why the study is required and all the information provided was considered confidential and used for only the purpose of this study

1.9 Definition of significant terms

Effectiveness - The measure of the degree to which the formally stated project objectives have been or can be achieved.

Effectiveness of Monitoring and Evaluation System: The measure or the ability of M&E system to meet its intended or set objectives. It is the ability of the system to produce expected and relevant

Monitoring –refers to the day-to –day systematic collection and occasional analysis of data during the course of project implementation.

Evaluation – is the analysis of the effectiveness and direction of project activity/output or outcome; it involves making a judgment and comparison between the project initial plan / objective and the actual work done.

Technical skill: Knowledge and proficiency in certain specialized field needed to accomplish specific task

Organization leadership: These are individuals tasked with making key decisions and policies in an organization. These include directors, senior managers, departmental managers, line managers etc.

Information technology Systems: of hardware and/or software that capture, process, exchange, store, and/or present information, using electrical, magnetic, and/or electromagnetic energy

Budgetary allocation: The process where organizations project the level of expenditure it might incur and set aside funds to ensure that the expenditures are meet when due.

Stakeholders' involvement: The process where organizations involve people who may be affected by decisions it makes or can influence the implementation of its projects.

Competencey : Knowledge and proficiency in certain specialized field needed to accomplish specific task

Stakeholders: Individuals, groups, and institutions important to, or who have influence over, the success of the project.

Theory of Change: An articulation of how a proposed project strategy will lead to the achievement of the project's Strategic Objectives.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The study within this review of literature focuses on objectives set out in chapter one. By exploring these areas a significant contribution is made to this research.

2.2 Theoretical Review

Theoretical review is a collection of existing theories and models from literature which underpin conceptual framework and subsequently inform the problem statement (Mugenda & Mugenda, 2008). Theories are analytical tools for understanding, explaining, and making predictions about a given subject matter. A theory is a set of statements or principles devised to explain a group of facts or phenomena especially one that has been repeatedly tested or is widely accepted and can be used to make predictions about natural phenomena (Hawking, 2003).

Theories are important in predicting, explaining and mastering phenomenon (behaviour of systems, events, activities of employees and time). Theoretical frameworks are explanations about a phenomenon and according to Marriam (2001) theoretical framework provides the researcher the lens to view the world. A theory is an accepted fact that attempt to provide a plausible or rational explanation of cause- and-effect (causal) relationship among a group of observed phenomenon (Kothari, 2004). According to Evenett and Hoekman, (2008), theories can be classified according to their scope, function, structure and levels. The relationship depicted by these theories and models is therefore reflected in this section of the literature concerning factors influencing monitoring and evaluation of IT projects.

2.2.1 Rogers,Diffusion of innovations

According to Rogers(1983), technological innovation creates one kind of uncertainty in the minds of potential adopters (about its expected consequences), as well as representing

an opportunity for reduced uncertainty in another sense (that of the information base of the technology). The latter type of potential uncertainty reduction (the information embodied in the technological innovation itself) represents the possible efficacy of the innovation in solving an individual's felt need or perceived problem; this advantage provides the motivation that impels an individual to exert effort in order to learn about the innovation.(Kotler 2000) assert that when individuals pass through the innovation-decision process, they are motivated to seek information in order to decrease uncertainty about the relative advantage of an innovation. Potential adopters want to know the degree to which a new idea is better than an existing practice.

Rogers (1983), suggests key characteristics of innovation that consistently influence the adoption of new technologies: Relative advantage is the degree to which an innovation is perceived as better than the idea it supersedes. Compatibility is the degree to which an innovation is perceived as consistent with the existing values, past experiences, and needs of potential adopters. Complexity is the degree to which an innovation is perceived as relatively difficult to understand and to use. Trialability is the degree to which an innovation may be experimented with on a limited basis. Observability is the degree to which the results of an innovation are visible to others.

Moreover, Moore & Benbasat, (1991) add image and visibility to key features of innovation that consistently influence the adoption of new technologies. Image refers to the self-perception that adopting an innovation could result in enhanced social status for individual amongst his/her peers. Visibility on the other hand, refers to the degree to which prospective users see an innovation as being visible in the adoption context.

Monitoring and Evaluation is one of the factors leading to project success. Project success seemed to be enhanced among other factors, by constantly monitoring and evaluating the progress of a project. Monitoring, Evaluating and controlling is relevant in management of project scope, time, cost, quality, human resources, communication and risks (Kamau & Mohamed, 2015).Nevertheless, Sevcik (2004) indicated that “not all innovations are adopted even if they are good it may take a long time for an innovation to be embraced”. In addition, he suggested that “resistance to change may be a hindrance to diffusion of innovation although it might not stop the innovation it will slow it down”.

However, M&E promises can only be realized if the intended users of technology utilize it in manner that will contribute both to the strategic and operational objectives of the organization. One recent finding, for example, is that the organizations with more slack resources and higher levels of managerial ownership innovate less when organization performance declines (Latham, Braun 2018). Another finding is that the network density of organization's partners strengthens the influence of technological diversity, which in turn increases the firm's innovation performance (Phelps 2015). The theory of innovation diffusion instigated the first research objective of the study that is to establish the effect of staff technical capacity on effectiveness of monitoring and evaluation of IT projects by commercial bank of Ethiopia.

2.2.2 Human capital theory

Human capital theory explains that formal education is highly instrumental and necessary in improving the production capacity of the workforce. This is because the knowledge and education acquired increases the productivity and efficiency of workers by increasing the level of cognitive stock of economically productive human capability which is a product of innate abilities and investment in human beings (Schutz, 1997; Psacharoponlos & Woodwall, 1997). However, the application of the theory increases learning efforts by employees and requires a firm to recruit highly qualified employees, train them yet at one point they will live because the firm does not own them (Bronchi, 2003, Castronova,2002; Crepaz and Moser, 2004). In addition, the theory provides little attention to natural ability of workers who end being influenced on what to do. Advocates of human capital theorists argue that an educated population is a productive one, but the major problem lies with the application of the knowledge and education acquired in relation to the output of the workforce at the place of work. Education has been compromised by the political system particularly in developing countries thus affecting the quality. The Learning Curve Theory by Wright (1987) and Baloff (1991) postulates that experience of workers coupled with confidence and knowledge leads to efficiency and productivity of a firm (Ham, 2000). Drawing from this theory, firm performance is directly proportional to the amount of experience accumulated by a staff in the course of performing his/her duties. However, this theory does not take into consideration the fact

that technology can replace humans (BCG, 2005), even employees without experience can perform better than experienced ones if they are using machines (Wright, 1998) According to Teece, Pisan and Shuen (1997) the Dynamic Capabilities Theory enables firms to integrate, build, and reconfigure internal and external competencies to address rapidly-changing environments. This theory attempts to provide an insight into how dynamic capabilities facilitate achievement of firm performance by responding fast to external and internal environmental changes. It presumes that the firm's capability to change depends on its ability to scan the environment, to evaluate markets, and to quickly accomplish reconfiguration and transformation ahead of the competition (Winter, 2003; & Teece et al., 1997). Schoermaker(1992), Parahald and Hamel(1990) and Teece et al. (1997) pointed out three dynamic capabilities necessary for the firm to succeed. First, employees need the capability to learn quickly and to build strategic assets. Second, new strategic assets, like knowledge, technology and customer-feedback, have to be integrated within the company. Third, existing strategic assets have to be transformed or reconfigured. Central to these capabilities are competitive advantage and firm performance as a function of industry analysis, organizational governance and firm effects in the form of resource advantages and strategies (Mahoney and Pandian, 1992).A competency profile is a set of competencies along with specified levels of proficiency, which are closely related to the work performed. (Miao, van derKlink, Boon, Sloep&Koper2009). The above theory relates to competence of staff in handling M&E on effectiveness monitoring and evaluation of IT projects.

2.2.3 Schumpeter'screative destruction

Schumpeter(1994). In Schumpeter's theory, innovations are responsible for economic growth, but at the same time they disrupt the market equilibrium. Moreover, the supply side of the market is considered to be a source of innovation since it is associated with creative entrepreneurs. Schumpeter also defined the specific determinants of economic development caused by innovations that could occur in one of the five proposed combinations (Schumpeter 1960): (1) launch of a new product (or an already known, but modified product),(2) opening of a new market,(3) application of new methods of product manufacture, (4) acquiring new sources or materials for the production or more

efficient use of existing ones, (5)introduction of new organisational structures in the sector. Since Schumpeter's theory came into widespread use, a great number of scientific definitions of innovation has been created. However, all of them were more or less related to the theses proposed by the Austrian economist. Edwin Mansfield, Christopher Freeman and Luc Soete all emphasised the difference between inventions and innovations (Mansfield 1968; Freeman, Soete 1997). Moreover, the groundbreaking nature of innovations was recognised by Homer Barnett, Simon Kuznetz and Alvin Harman (Barnett 1953; Kuznetz 1959; Harman 1971). The currently predominant view is represented by the model that, as a source of innovation, considers the demand side of the market, not as suggested by Schumpeter – the supply side. For Schumpeter, the economic changes were theresult of the activity of entrepreneurs, but for example Peter Drucker considered those same changes as an opportunity to propose new solutions by entrepreneurs (Drucker 1992). What is more, Everett Rogers stressed the necessity of accepting innovations by their end recipients (Rogers 2003). Taking this a step further, Eric von Hippel proposed a concept according to which innovations in general are created by clients that in the digital era are called users (von Hippel 2005).

The shape of innovations in the banking sector is influenced by a number of factors. The most important ones are, as has been stressed many times, technological determinants. The long history of the use of technological solutions by the banks is the reason why they are now widely recognised as one of the most innovative among the traditional services sectors. It has also given them a sound basis for further development in this direction. This is confirmed by a large number of case studies that show that representatives of the banking market all over the world actively participate in the creation and development of the new technologies. The synergy effects are visible here not only in terms of operational effectiveness (i.e. automation of processes), but also in terms of sales capabilities (i.e. personalised offer). Artificial intelligence, distributed ledgers (especially blockchain) and cloud computing (Hon, Millard 2018,) are just some of the latest trends that occupy experts in banks. It should be emphasized that technologies in this sense depend mainly on the access to financing capabilities and therefore banks should appear to be the natural pioneers of their implementation. However, practice shows that among start-ups and large technology companies the adaptation of modern solutions is even

faster. This is primarily a result of the mentality of the bank management staff. As traditional institutions with centuries-old history, they are not accustomed to reacting flexibly to changes in the field of technology and making bold decisions. Thus, banks have to face a new type of challenges not only in terms of technological transformation, but also in terms of mentality changes. Banks that do not fear to invest in technological innovations and establish a practice of efficient implementation within their structures, will be able to maintain their market position and even build a unique competitive advantage (Zaleska 2018). The theory relates to budgetary allocation on monitoring and evaluation on performance of IT projects on this study.

2.2.4 Theory of constraints

According to Goldratt & Cox (1986) formulated this theory in production environment explaining that the throughput rate of a system is determined by bottleneck. This introduced theory of constraints as a means of managing a factory production process with an aim of maximizing throughput rate. Maximizing throughput rate would in turn maximize profit,cash flow and return on investment. In the multi-project environment, theory of constraints is applied as critical chain methodology using the same principle of a capacity constrained resource. This critical chain methodology is used by large companies such as Hitachi (Umble Umble&Murakami, 2006), ABB, Boeing, Helwett Packard and others (Stratton, 2011) for project management. Even a small company can implement the full Critical Chain as the software is available at USD250 (Stratton, 2011).

Monitoring and evaluation was shown to be an approach with significant differences to traditional critical path scheduling (Steyn, 2001) (Rand, 2000) (Lechler, Ronen &Stohr, 2005). In a large multi-project environment, like construction industry, (Jyh-Bin Yang, 2007) pointed out that a construction industry would benefit greatly from critical allocation of budget scheduling. The construction industry uses multiple costly resources in the context of multiple projects executed by a single company. He pointed out that there are definite benefits and did so from a theoretical basis. Case studies exists for large companies such as Impala Platinum (Philis&Gumede, 2011) and complex project such as refurbishment of C-5 aircraft (Best, 2006) but literature is sparse for urban development

projects The above theory relates to the budgetary allocation on monitoring and evaluation on performance water projects.

2.2.5 Stakeholder theory

According to Freeman's (1984) seminal definition, stakeholders consist of "any group or individual who can affect or is affected by the achievement of an organization's objectives." By "normative ethical," we mean that hard-form stakeholder theory implies a duty-based moral mandate that must be embraced regardless of whether its outcomes are financially favorable to the firm. This moral imperative requires that marketers delineate and be responsible for the negative societal outcomes of their actions on all stakeholders.

From its inception, the theory of stakeholders was perceived (among its other dimensions) as being normative, rooted in the recognition of the ethical claims by various parties (i.e., stakeholders) that needed to be addressed rather than being primarily a tool for the efficient management of business. In referencing Rawls (1971), Freeman (1984) notes that all parties influenced by the actions of a firm have moral and legal claims, anchored in justice, not to be negatively affected by firm-caused externalities that these stakeholders have not engendered. Stated positively, all firms have an unwavering ethical obligation to attend to the claims of affected parties (e.g., employees, customers, suppliers, the host community), insofar as the company negatively influenced or benefited from actions affecting those stakeholders.

The new realities of governance, globalization, aid lending, and citizen expectations require an approach that is consultative, cooperative, and committed to consensus building. The voices and views of stakeholders should be actively solicited. Engaging key stakeholders in a participatory manner helps to build consensus and gain a commitment to reaching the desired outcomes.

The monitoring and evaluation in particular has to meet the different needs of stakeholders, particularly when development projects are introduced (de Brito et al., 2008). According to Boyne (2002, public projects are owned collectively by members of political communities and this comes with it the pressure to meet the interest of all stakeholders. Governments usually create environmental regulators as governmental

agencies that have the authority to formulate project requirements and inspect the projects compliance to those requirements and those that fail to comply risk incurring non-compliance penalties (Henriques & Sadorsky, 1996) and having their operating permits recalled and the operations closed. In aggregate, the above views point to the fact that there is a positive relationship between stakeholder pressures and the effectiveness of monitoring and evaluation. The above theory relates to stakeholder involvement on monitoring and evaluation onperformance of IT projects on this study.

2.3 Definition and Conceptualization of M&E

Good intentions, large programs and projects, and lots of financial resources are not enough to ensure that development results will be achieved: NECESSARY but not SUFFICIENT for Success! . The QUALITY of those plans, programs & projects, as well as how well resources are used are also critical factors for success. This is precisely where M & E becomes INDISPENSIBLE: . Without effective planning, monitoring & evaluation, it would be difficult to judge if work is going in the right direction, whether progress & success can be claimed, and how future efforts might be improved (UNDP, 2009).

2.3.1 Monitoring

Monitoring is the art of collecting the necessary information with minimum effort in order to make a steering decision at the right time. This information also constitutes an important and necessary data base for analysis, discussion, (self-) evaluation and reporting. As a regular and systematic process integrated in the cycle of projects/programmes, monitoring is different from evaluation. The aim is to see if programmes are «doing the right thing and are doing it right» in order to improve their quality. Monitoring is a continuing function that aims primarily to provide project management and the main stakeholders of an ongoing programme or project with early indications of progress, or lack thereof, in the achievement of programme or project objectives (UNDP, 2001). Monitoring is performed while a project is being implemented, with the aim of improving the project design and functioning while in action.

Bamberger and Hewitt (1986) defines monitoring as: ―an internal project activity designed to provide constant feedback on the progress of a project, the problems it is facing, and the efficiency with which it is being implemented.

The fundamental prerequisite for monitoring is the Annual Work plan and budget of the project. Monitoring enables a manager to identify and assess potential problems and success of a programme or project. It provides the basis for corrective actions, both substantive and operational, to improve the programme or project design, manner of implementation and quality of results. In addition, it enables the reinforcement of initial positive results (Gudda, 2011).

The Power of Measuring Results

- ✓ If you do not measure results, you cannot tell success from failure.
- ✓ If you cannot see success, you cannot reward it.
- ✓ If you cannot reward success, you are probably rewarding failure.
- ✓ If you cannot see success, you cannot learn from it.
- ✓ If you cannot recognize failure, you cannot correct it.
- ✓ If you can demonstrate results, you can win public support (Gudda, 2011).

2.3.2 Evaluation

Evaluation is a rigorous and independent assessment of either completed or ongoing activities to determine the extent to which they are achieving stated objectives and contributing to decision making .Evaluations, like monitoring, can apply to many things, including an activity, project, programme, strategy, policy, topic, theme, sector or organization. The key distinction between the two is that evaluations are done independently to provide managers and staff with an objective assessment of whether or not they are on track. They are also more rigorous in their procedures, design and methodology, and generally involve more extensive analysis. However, the aims of both monitoring and evaluation are very similar: to provide information that can help inform decisions, improve performance and achieve planned results (UNDP, 2009).

Evaluation is the systematic & objective assessment of an ongoing or completed project, program or policy, as well as its design, implementation and results. It involves identifing

and reflecting on the EFFECTS of what has been accomplished, and judging their WORTH. seeks to determine the relevance and realization of developmental objectives, efficiency, effectiveness, impact and sustainability. To provide credible & useful information that allows the incorporation of lessons drawn into the decision-making process.

M&E provides government officials, development managers, the private sector and civil society with better means for learning from past experience, improving service delivery, planning and allocating resources and demonstrating results as part of accountability to key stakeholders. Although evaluation is distinguished from monitoring, they are in fact interdependent (see table 2.1). Monitoring presents what has been delivered and evaluation answers the question ―what has happened as a result of the intervention? Impact evaluation is a particular aspect of evaluation, focusing on the ultimate benefits of an intervention.

Table 2.1: What are Monitoring and Evaluation and Impact Evaluation?

Monitoring Regular systematic collection and analysis of information to track the progress of program implementation against pre-set targets and objectives. Did we deliver?	• Clarifies program objectives • Links activities and their resources to objectives • Translates objectives into performance indicators and sets targets • Routinely collects data on these indicators compares actual results with targets • Reports progress to managers and alerts them to problems

Evaluation Objective assessment of an ongoing or recently completed project, program or policy, its design, implementation and results. What has happened as a result?	• Analyzes why intended results were or were not achieved • Assesses specific casual contributions of activities to results • Examines implementation process Explores unintended results • Provides lessons, highlights significant accomplishments or program potential
Impact assessment Assesses what has happened as a result of the intervention and what may have happened without it - from a future point in time. Have we made a different and achieved our goal?	• Seeks to capture and isolate the outcomes that are attributable (or caused by) the program • Will review all fore-going M&E activities, processes, reports and analysis • Provides an in-depth understanding of the various causal relationships and the mechanisms through which they operate • May seek to synthesize, compare, contrast a range of interventions in a region, timeframe, sector or reform area

Monitoring gives information on where a policy, program or project is at any given time (or over time) relative to respective targets and outcomes. Monitoring focuses in particular on efficiency, and the use of resources. While monitoring provides records of activities and results, and signals problems to be remedied along the way, it is descriptive and may not be able to explain why a particular problem has arisen, or why a particular outcome has occurred or failed to occur.

Evaluation deals with questions of cause and effect. It is assessing or estimating the value, worth or impact of an intervention and is typically done on a periodic basis –

perhaps annually or at the end of a phase of a project or program. Evaluation looks at the relevance, effectiveness, efficiency and sustainability of an intervention. It will provide evidence of why targets and outcomes are or are not being achieved and addresses issues of causality.

Impact Assessment is an aspect of evaluation that focuses on ultimate benefits. It sets out to assess what has happened as a result of the intervention and what may have happened without it. Where possible impact assessment tries to differentiate between changes that can be attributed to the program from other external factors that may have contributed as well as examining unintended changes alongside those intended (IFC|GTZ|DFID, 2008).

The Project Monitoring and Controlling Processes are used by project managers and project teams to ensure the team is making satisfactory progress to the project goals. The purpose is to track all major project variables—cost, time, scope, and quality of deliverables.

The overall objectives of the process are to track and review actual project accomplishments and results to project plans, Revise the project plan to reflect accomplishments thus far, and to revise the plan for remaining work, if needed and Provide visibility into progress as the project proceeds, so that the team and management can take corrective action early when project performance varies significantly from original plans (Gudda, 2011).

A well-functioning M&E system is a critical part of good project/programme management and accountability. Timely and reliable M&E provides information which Support project/programme implementation with accurate, evidence based reporting that informs management and decision-making to guide and improve project/programme performance, Contributes to organizational learning and knowledge sharing by reflecting upon and sharing experiences and lessons in order to gain the full benefit from what we do and how we do it, Uphold accountability and compliance by demonstrating results are whether in compliance with established standards and with any other donor requirements,Provide opportunities for stakeholder feedback, especially beneficiaries, to provide input into and perceptions of our work, modeling openness to criticism, and willingness to learn from experiences and to adapt to changing needs. As well as,

Promoting and celebrating through decorated accomplishments and achievements, building morale and contributing to resource mobilization.(IFRC, 2011)

2.4 An effective monitoring and evaluation system

The requirements for effective monitoring are baseline data, indicators of performance & results and mechanisms or procedures that include such planned actions as field visits, stakeholder meetings and systematic reporting (Donald &Katherine, 1989).

To emphasize monitoring as an essential management function, monitoring actions must be adequately planned. Monitoring actions must be undertaken throughout the lifetime of a specific programme or project. In addition, ad hoc studies may be carried out as needed, for example, when an unexpected problem arises for which planned monitoring activities cannot provide sufficient information. The results of such actions may lead to a timely solution rather than waiting for a formal evaluation (Gudda,2011).

According to Bamberger and Hewitt (1986) monitoring and evaluation systems can be an effective ways of providing constant feedback on the extent to which the projects are achieving their goals, to identify potential problems at an early stage and propose possible solutions, to monitor the accessibility and efficiency of the project to all sectors with which the different components of the project are being implemented and suggest improvements by evaluating the extent to which the project is able to achieve its general objectives in order to provide guidelines for the planning of future projects to Influence sector assistance strategy.

Relevant analysis from project and policy evaluation can highlight the outcomes of previous interventions, as well as the strengths and weaknesses of their implementation stresses for improved project design through systematic selection of indicators for monitoring project performance. The process of selecting indicators for monitoring is a test of the soundness of project objectives and can lead to improvements in project design. More over, Merging the views of stakeholders from the fact that participation by project beneficiaries in design and implementation brings greater ―ownership of project objectives and encourages the sustainability of project benefits. Ownership brings accountability. Objectives should be set and indicators selected in consultation with

stakeholders, so that objectives and targets are jointly ―owned. The emergence of recorded benefits early on helps reinforce ownership, and early warning of emerging problems allows action to be taken before costs rise and showing need for mid-course corrections. A reliable flow of information during implementation enables managers to keep track of progress and adjust operations to take account of experience (Bamberger & Hewitt, 1986).

A monitoring and evaluation system is a component designed to screen, track and make comparison of the project outcomes against the stated or planned targets (SAMDI, 2017). It is comprehensive undertaking that offers guidance in the screening and tracking of an ongoing project, recording data and systematically evaluating the data for comparison purposes in line with the project's set goals and objectives (Kerzner, 2013). M&E system is an integral system of reflection and communication supporting project implementation that should be planned for and managed throughout a project's life (Nyonje, Kyalo and Mulwa, 2015).

Key aspects of monitoring and evaluation are the setting up of the system, implementing the system, involving all stakeholders and communicating the results of the monitoring and evaluation process. A monitoring and evaluation system should be as relevant as possible to the organization to ensure its reliability and independence (Gaarder&Briceño, 2010). An effective M & E system should be able to offer conclusive information that can effectively be utilized towards better project success. Through the system, any stakeholder should be able to identify the potential benefits of the project, ways of enhancing screening and tracking of the project as well as offer an outline of the successes, challenges and opportunities for future projects undertakings (Briceno, 2010).

In order to foster the support of the employees, an effective monitoring and evaluation system should seek to enhance communication and interaction among the personnel which will help to build up teamwork within the project. Similarly, the involvement of the project stakeholders should not be downplayed as these are the people who own and are directly affected by the project successes and impacts (Blackstock, Kelly, & Horsey, 2017).

Effectiveness of the M&E system focuses on expected and achieved accomplishments, processes, examining the results chain, contextual factors and causality, in order to understand achievements or the lack of achievement. Objectives of a development project should be consistent with the requirements of beneficiaries and organization's strategies, and also the extent to which they are responsive to the organization's corporate plan and human development priorities such as empowerment and gender equality. Development initiatives and their intended outputs and outcomes should also be consistent with national and local policies and priorities (Kusek and Rist, 2014). Monitoring and evaluation activities enable the stakeholders determine whether the body undertaking project implementation has adequate legal and technical mandate to implement projects on their behalf (Kimenyi, 2015). Post completion assessment is done to correlate between plans and real impact of the project. Evaluation looks at what the project managers planned, their accomplishments so far and how they achieved them. This can be doneat the early stages of the project life or at the end of the implementation (Mulwa, 2017).

Resources allocated to projects should be used economically since they are limited. When running a project and are concerned about its reliability or about going to scale, then it is very important to get the efficiency element right. Use of monitoring and evaluation system is therefore a basis for evaluating the effectiveness of project delivery processes (Naoum, 1991 andLing & Chan, 2012). They describe monitoring and evaluation system as the assessment of project success and use objective factors, including time, cost and quality objectives, and subjective factors, which are concerned with the assessment of stakeholders' satisfaction. Successful project managers diligently and regularly review progress against the schedule, budget and quality elements of the project. Regular reviews allow problems to be identified early so that corrective action can be taken to keep the project on track. The reviews can provide clear and adequate provision for monitoring and evaluation events. A monitoring and evaluation budget should be delineated within the overall project costing to give the monitoring and evaluation function the due recognition it plays in project running (Mackay, 2017).

Efficiency of project planning improves overall monitoring and evaluation of projects, management and implementation with the sole aim of having an impact on the sociopolitical and economic status of the community. Project information should be

obtained in an orderly and sequential manner as the project is on-going. Monitoring is done in accordance to the prior set targets and its activities are predetermined during the planning phase. These activities ensure that everything is on track and will enable the project team detect early enough when deviations occur. If monitoring is conducted as expected, it is a very important management tool that acts as a basis for project evaluation since through it, sufficiency and adequacy of available resources is determined. Basically, project monitoring involves a systematic and continuous assessment of how the project is being implemented against initially set plans, activities, and other deliverables (Mulwa,&Nguluu, 2013).

2.4.1 Stakeholder's participation and Effectiveness of a Monitoring and Evaluation

Stakeholder participation is described as a social process in which groups with shared needs living in a "certain geographical area" actively identify needs, make decisions, and set up mechanisms to achieve solutions/goals (Adesina, 2010). However, heterogeneous groups and individuals can become a stakeholder and collectively take action to attain shared and specific goals. To enhance stakeholder involvement in monitoring and evaluation can involve in tendering and supplies, several measures are put in place to facilitate smooth and transparent implementation of projects. These measures include: registration of contractors/suppliers and artisans, provision of information on tendering and supplies guidelines, and formation of a subcommittee for vetting and recommending suppliers (Achoka, 2013). This is also to ensure that the development project money remains to be utilized to the satisfaction of the stakeholders.

Stakeholders may be involved to use and coordinate their resources of personnel, time, money, goods, and services in a broad range of structures and strategies. Additionally, people- and community-based organizations often participate at different levels in implementation of urban development projects, thus can provide useful information for M&E of the project funds. They may have less access to resources than do government institutions and agencies and may view themselves as tokens that make the health promotion effort look more credible (Otieno, 2007).It is best to involve key stakeholders such as volunteers, community members, local authorities, partners and donors, as much

as possible in the evaluation process since their participation helps to ensure different perspectives are considered so that the evaluation findings can be owned and act as a lesson (Gray & Larson,2008).

Lack of stakeholders' participation project activities lead to unclear project activities. These projects often lack support from the key and primary stakeholders and beneficiaries. Stakeholder involvement makes everyone feel part and parcel of the project, they own the project and take all necessary steps to safeguard the required standards (Kanua, 2009).

2.4.2 Budgetary allocations to M&E and Effectiveness of a M&E System

The project budget should provide a clear and adequate provision for monitoring and evaluation activities. The M&E budgetary allocation should clearly be delineated from the main project budget so that M&E unit is accorded some autonomy in utilization of its resources (Gyorkos, 2003). M&E budget should be about 5 to 10 percent of total projects' budget which will give the M&E unit adequate resources to ensure its effectiveness (Kelly and Magongo, 2004). However, according to Gitonga (2012), there is no specific percentage to be allocated for M&E but normally varies between 2.5% and 10% depending with the overall budget and the project. Gitonga further states that the more participatory M&E is, the higher its budget. Frankel and Gage (2007) concur with Gitonga by stating that there is no set formula for proportion of project's budget to be allocated to M&E. Most donors and organizations recommend between 3to 10 percent of the project's budget. The general rule of thumb is that the M&E budget should not be too little as to affect the accuracy and credibility of results and neither should it consume much resource to the extent of interfering with other projects activities. M&E activities and their cost should be estimated and properly be planned for to ensure funds needed are.

This should be done at the project design stage so that funds are allocated specifically to M&E and are available to implement M&E tasks (Chaplowe, 2008). Resources allocation should be undertaken within organizations towards their monitoring and evaluation system in controlled manner to ensure that this does not pose a challenge to the implementation of their strategy (Mugambi and Kanda, 2013). Lack of adequate

resources is an impediment to the success of the system and process and organizations should ensure they have set aside sufficient funds to support monitoring and evaluation activities (Gwadoya, 2011). Oluoch (2012) also observes that lack of sufficient funds hinders performance of the monitoring and evaluation systems.

In some organizations, there are no funds specifically allocated for M&E despite funds for the projects. This has led to poor performance of the M&E system leading topoor performance and failure of projects (Chaplowe, 2008). In a study by Mushori (2015) on determinants of effective M&E of county government projects, he noted that M&E is usually budgeted for but there is no specific allocation for its activities. Barasa (2014) in his study observed that inclusion of M&E budget in the strategic plan is crucial and some projects had stalled or performed poorly due to underfunding. He also notes that a budget should be all-inclusive taking into account all cost and expenses likely to be incurred.

Financial availability is key to implement and operate a strong and effective monitoring and evaluation system. IFAD (2002) observes that most developing countries are being faced with the challenge of implementing a sound monitoring and evaluation due to lack of control on their financial resources. Therefore, the donors need to put more emphasis on the establishment of sound monitoring and evaluation systems through factoring this in the funding (World Bank, 2002). This is the only way to ensure that projects achieve set goals and have lasting and sustainable impacts on the beneficiaries.

2.4.3 Organizational Leadership and Effectiveness of a Monitoring and Evaluation

Organizational leadership is increasingly being regarded as a salient theme on the effectiveness of monitoring and evaluation. The organization's leaders should support and be involved in the M&E activities for the process to be effective and successful. Project managers should be involved directly but the organization senior management involvement should be indirect. In fact, they should carry out some monitoring activities as part of their overall work and from time to time monitor and evaluate their operations.

Management involvement enhances the credibility of the M&E process and ensures increased acceptance of the findings (Khan, 2003).

The management plays a big role in allocation of resources, designing the system, communication of results and making key decisions which affect projects and monitoring and evaluation activities. Their commitment to the implementation of monitoring and evaluation system is paramount. It is through this that they will ensure that adequate funds and other resources are allocated to M&E. If there is no goodwill and support from organization's management, then the M&E system will perform poorly leading to ineffectiveness (World Bank,2011).

The organization's leader's involvement in implementation and throughout the project or program cycle ensures ownership, learning and sustainability of results and creates effective communication, mobilization of resources to fill gaps. This also ensures use of and lessons learnt in future interventions and in decision making (Chaplowe, 2008). An effective M&E system should be able to provide information for short and long term decisions and planning (CARE 2012). Results from M&E should be used to improve the project strategy and operations. Project progress and problems must be shared with all relevant stakeholders to enable learn and find solutions together. In her study, Wanjiru (2013) observed that the role of leaders in M&E is very important in ensuring the process is effective and successful. The management should utilize information from M&E in decision making. They should act promptly to project demands and improvements. Reports to funding agencies need to balance the success and mistakes, and above all, be analytical and action-oriented.

2.4.4 Competences of Staff handling Monitoring and Evaluation

The technical capacity of the organization in conducting evaluations, the value and participation of its human resources in the policymaking process, and their motivation to impact decisions, can be huge determinants of how the evaluation's lessons are produced, communicated and perceived (Vanessa & Gala, 2011). Building an adequate supply of human resource capacity is critical for the sustainability of the M&E system and generally is an ongoing issue. It needs to be recognized that growing evaluators requires far more technically oriented M&E training and development than can usually be obtained with one or two workshops. Both formal training and on-the-job experience are

important in developing evaluators. Two key competencies for evaluators are cognitive capacity and communication skills (Gladys, Katia, Lycia & Helena, 2010).

Program and senior managers are important audiences for less technical training on M&E. They need to have enough understanding to trust and use M&E information. This type of broad training/orientation is critically important in building a results culture within organizations. There are no quick fixes in building an M&E system investment in training and systems development is long term. Various options for training and development opportunities include the public sector, the private sector, universities, professional associations, job assignment, and mentoring programs (Gladys, et. al, 2010).

In introducing an M&E system, champions and advocates are needed to sustain the commitment needed over the long term. Identifying good practices and benchmarking help avoid the fatigue that typically accompanies any change process, as enthusiasm starts to wane over time. Evaluation professionals possess the necessary skill set to play a key role in providing functional advice and guidance to departmental/agency managers about the design and development of appropriate results-based performance monitoring systems. While managers should be responsible for performance measurement and monitoring, a recognized role for evaluators should be to provide such assistance and oversight on results measurement and monitoring (Gladys et.al. 2010).

Mukhererjee (1993) says that meeting capacity needs will be ensured by acquiring the right people, by hiring already trained people, training your staff, hiring external consultants for focused inputs and also ensure the capacity of good quality through removing disincentives and introducing incentives for learning, keeping track of staff performance through regular evaluation, striving for continuity of staff and finding highly qualified person to coordinate. Human resources on the project should be given clear job allocation and designation befitting their expertise, if they are inadequate then training for the requisite skills should be arranged. For projects with staff that are sent out in the field to carry out project activities on their own there is need for constant and intensive on-site support to the outfield staff (Ramesh, 2012 as cited in Musomba et.al, 2013). One of the larger aspects of developing employee‘s skills and abilities is the actual organizational focus on the employee to become better, either as a person or as a contributor to the

organization. The attention by the organization coupled with increased expectations following the opportunity can lead to a self-fulfilling prophecy of enhanced output by the employee (Robinson & Pearce, 2004)

2.5 Synthesis of Related studies

Monitoring and Evaluation System is used in a better way in developed country than undeveloped. I tried to find the written document on M&E for financial organization projects; however, I found few researches that are on the area I am studying.Monitoring and evaluation in financial projects especially in CBE are not well developed. This is because; in Ethiopia most of the time the monitoring and evaluation are used by NGO's task purpose. As a result, only few research works are available in the area I am studying now which could tell me about its current status. In fact there are some investigations done on the area of monitoring and evaluation in Ethiopia at different places, different periods, and different subjects but not in the area of financial projects specially.

So for the purpose of this study the researcher refers studies that are made on the issue of monitoring and evaluation system of projects . These studies will give the researcher ideas on how is these projects monitored and evaluated and the challenges faced. And the researcher will try to relate the finding of these literatures with his own finding.

M and E of projects are usually faced different challenges while implementing. Despite all of the M&E resources that are available, program managers still face numerous practical M&E challenges. Within the real- life context of implementing M&E, there simply may not be enough funding, staff, time, or political will to support all of the M&E activities a program wants to implement (PATH, 2013).

Accordingly PATH, (2013) identified lack of baseline data, Budget, little time available for evaluation , Weak political will to support comprehensive evaluation as a challenge for M&E and listed their practical field-tested ideas to overcome them. Peersman (2014) agrees on the Common challenges in data collection and analysis can relate to poor choices of methods as well as poor implementation of methods.

Different factors can affect the performance of monitoring and evaluation of projects in different manner. Gitahi Kenneth (2015) financial resources are central in determining

the future and the success of M & E processes. M and E needs a separate budget than the project undertaken. Financial resources, availability of expertise on monitoring and evaluation of projects, management commitment and involvement of different stakeholders in the M and E system have an influence in the practices of monitoring and evaluation of projects (Ermias, 2007).

According to Ermias H. 2007 financial challenges, lack of expertise, uncommitted management in the organization and less involvement of stakeholders affect the effectiveness of monitoring and evaluation of projects.

studies have been conducted in various sectors to better understand the significant factors influencing the effectiveness of monitoring and evaluation system for projects. For example, Tegbar W (2018) focused on the Practices of monitoring and evaluation in CBE projects. The researcher found that different stakeholders involved in planning monitoring and evaluation of projects. Also, that there is lack of expertise to monitoring and evaluation of projects.

Hailegebriel. A (2018) carried out a research on assessing factors influencing effectiveness of monitoring and evaluation of health projects implemented at St. Paul‘s hospital millennium medical college. Analysis was done using Pearson correlation to measure the degree of association between variables. Based on this research it was established that giving the project staff training on monitoring and evaluation increases the effectiveness of monitoring and evaluation. Further the result indicates strong positive association between stakeholder involvement and effectiveness of the M&E of the projects showing that an increase in stakeholder involvement in M&E results in increased effectiveness of the projects. It was observed that strong positive relationship between budgetary allocation for M&E and effectiveness of the monitoring and evaluation. In this finding, it was also observed that an increase in budget for M&E will have significant positive impact on effectiveness of the M&E.

Kassahun. A (2019) conducted a study to identify and test the key factors influencing effectiveness of monitoring and evaluation system at cbe. The study found that the level of commitment of top leadership in the organization determines to a great extent the effectiveness of monitoring and evaluation system for projects. The findings of this study

indicated that a strong positive correlation between organizational leadership and effectiveness of M & E system

2.6 Chapter Summary

As the literature indicated, there were many studies conducted by different researchers. The study assessed Monitoring and evaluation systems and performance of projects in different parts of the world. Related studies in others countries globally and have been analyzed and reveal that there exists a knowledge gap in Monitoring and evaluation system's. In conclusion, from the literature review done and a review of empirical studies that have been done, it shows that a lot of effort has been put in place to have a result-based and effective M&E systems. The empirical studies are indicative that there is need for Monitoring and Evaluation as a management tool for decision making. However, little has been done on area of assessment of Monitoring and evaluation systems of IT projects in the developing countries. Management influence on M&E is minimal, personnel training on monitoring and evaluation and stakeholder's involvement on M&E systems has not fully taken course on projects.

CHAPTER THREE

RESEARCH DESIGN & METHODOLOGY

3.1 Introduction

This chapter presents the research methodology which is used in the study. It specifically address the following: research design, target population, sampling size and sampling

procedure, data collection instruments, validity and reliability of research instruments, data collection procedure, data analysis techniques and ethical considerations.

3.2 Research Design

A research design is the set of methods and procedures used in collecting and analyzing measures of the variables specified in the research problem research. This study adopted a mixed method approach that integrates descriptive survey research design and relative weights designs. A descriptive research design in this study is used in describing the nature of the M&E systems and factors influencing effective M&E system.

A descriptive survey research design allows for an in-depth analysis and understanding of a particular phenomenon as it exists in the present condition (Cooper and Schindler, 2008). In descriptive survey research design, objectives are predetermined allowing data collection relevant and sufficient to the study problem (Kothari, 2004).

3.3 Research Approach

Quantitative data collection method was used. By using quantitative data collection procedures, descriptive research design allowed a researcher to gather exhaustive information in a way that reduces cost of the data collection. In this study, cross sectional research design employed to enable respondents describe the state of affair and factors that influence the effectiveness of M&E Systems.

3.4 Target population

The study sought respondents from the project office in the banks' head office which comprises of project team derived from the Human Resource, Information Technology, Customer service, Finance and Credit Departments. There are 74 clerical employees under project office. Since the population is small, a census study adopted to the entire population of all the personnel working under project office

3.5 Validity of Research

Instruments Validity indicates the degree to which an instrument measures what it is supposed to measure while reliability of an instrument is when it gives consistent results

(Kothari, 2004). Internal validity will achieve by ensuring that questionnaire items are answering the research questions. The answers in some questions were to verify or clarify earlier given answers. The questions are phrased logically and sequentially in simple language. Before actual data collection, piloting of the questionnaire had been carried out. The questionnaireswere sent out to 7 respondents working under project office. A Cronbach alpha test was conducted to measure the internal consistency and reliability of the data collection instruments.

3.6 Data Analysis

After data collection, the filled-in and returned questionnaires were edited for completeness, coded and entered into Statistical Package for Social Sciences (SPSS version 20). Coding is technical process where raw data are transformed into easily tabulated form by way of assigning symbols. This helps in condensing the responses into few categories for the purposes of data analysis. The dataset was then subject to verification process to verify if the captured data correlated with the data-captured into SPSS.

Structured questionnaire was used to collect data. The Structured questionnaire guided on how to answer questions to avoid ambiguity and for easier data analysis. The likert scale was used to measure the strength of respondents' feelings or attitude towards statements that was formulated on the variables and their dimensions. The variables were measured using ordinal types of measurements on the scale of 1-5, represented by strongly disagree, disagree, not sure, agree and strongly agree.

To illustrate influencing factors relative importance, the researcher analyze it using J.W.Johnson's(2000) relative weights. In this study, M&E system effectiveness was the criterion variable predicted by competence of staff handling monitoring and evaluation, stakeholder participation and budgetary allocation and organizational leadership.

This index do not have logical flaws in its development that make it impossible to consider it as reasonable measure of predictor importance. the method yield importance weights that represent the proportionate contribution each predictor makes to R2, and consider a predictor's direct effect and its effect when combined with other predictors.

Also, it yield estimates of importance that make conceptual sense. This is of course highly subjective, but it is relatively easy to eliminate other indices from consideration based solely on this criterion. Relative weights can be computed quickly. The characteristic of importance weights summing to R2 greatly enhances the interpretability of these weights, making it much easier to present to people who do not possess a great understanding of statistics.

According to Johnson and LeBreton (2004), RII supports in finding the contribution a particular variable makes to the prediction of a criterion variable both by itself and in combination with other predictor variables. Further, supported by Tonidandel et al.(2009) that Relative weights allow one to make statements regarding the contribution of variables relative to other variables in the model.

For calculation of the Relative Importance Index (RII), the formula below was used Badu et al (2013).

$$RII = \Sigma W / (A * N)$$

Where, W-weightage given to each statement by the respondents and ranges from 1 to 5; A-Higher response integer (5); and N-total number of respondents.

3.6.1Measurement of variables

The likert scale was used to measure the strength of respondents' feelings or attitude towards statements that were formulated on the variables and their dimensions. The variables were measured using nominal and ordinal types of measurements on the scale of 1-5, represented by strongly disagree, disagree, neutral (not sure), agree and strongly agree. Data was presented in the form of frequency distribution tables, graphs and pie charts that facilitated description and explanation of the study findings.

3.7 Ethical Consideration

The researcher recognizes that the issue under study is sensitive. Therefore, there was need to protect the identity of the respondents as much as possible. This means that the questionnaires did not require the respondent's names or details that may reveal their

identity. The researcher also adhered to strict confidentiality of the information gathered and assured the respondents that the research will meant for academic purposes only.

CHAPTER FOUR

PRESENTATION OF RESEARCH FINDINGS

4. INTRODUCTION

This chapter is a presentation of the research findings obtained from the survey data.This section includes the background information of, presentation of findings and analysis based on the findings on four key objectives areas of the study and as explored by questionnaires. After the data was collected, it was analyzed and presented in both (frequency distibution tables) and relative importance index RII.

4.1 Presentation of Research Findings

4.1.1 Response Rate

Table 4-1: response rate

Questionnaires Administered	Questionnaires filled & returned	Percentage
74	52	70.2%

The study targeted 74 respondents team derived from the Human Resource, Information Technology, Customer service, Finance and Credit Departments. However, only 52 respondents responded and returned their questionnaires contributing to 70.2% response rate. The current global pandemic (COVID 19) is the factor behind the relatively low response rate in this study. According to Mugenda and Mugenda (1999), a response rate of 50% is adequate for analysis and reporting; a rate of 70.2% is good while a response rate of 70% and over is excellent; therefore, this response rate was adequate for analysis and reporting

4.1.2 Reliability Analysis

Prior to the actual assessment, the researcher carried out a pilot study to pretest the validity and reliability of data collected using the questionnaire. The pilot study allowed for pre-testing of the research instrument. The results on reliability of the research instruments are presented in the Table below

Table 4.1.2: Reliability Analysis

Reliability Statistics

Cronbach's Alpha	N of Items
.916	29

4.1.3 Demographic Data of Respondents

Table 4.1.3: Distribution of Respondents by Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	>25	11	21.2	21.2	21.2
	25-35	23	44.2	44.2	65.4
	36-45	12	23.1	23.1	88.5
	<45	6	11.5	11.5	100.0
	Total	52	100.0	100.0	

From the findings, majority of the respondents, 44.2% indicated that they were of aged between 25-35 years. A sizeable number, 23.1% indicated that they were between 36-45years while 11.5% were of the respondents were above 45 years. 21.2% of the respondents were years, while those below 20 years trailed at 8%. The findings therefore reveal that majority of people working in information technology projects were of productive age bracket and are mature people who are advantaged with knowledge in M&E and thus can help in assessing the performance of M & E systems in CBE.

4.1.4 Level of Education of the Respondents

Table 4.1.3: Academic Qualification

	Frequency	Percent	Cumulative Percent

Valid	Bachelor	43	82.7	82.7
	Master	9	17.3	100.0
	Total	52	100.0	

Source: Survey Data, 2020

From the findings, very large number of the respondents, 82.7% indicated that they had achieved bachelor degree certificates. Another, while a minority, 17.3% had attained a postgraduate degree. The findings implied that all of the employees of Caritas Torit had attained higher level education, indicating they had the knowledge, capacity, skills and management expertise to conduct M & E activities well.

4.2 Top Management Influence on M & E Systems

The researcher sought to find out how organizational leadership influenced the systems used in M & E in various aspects. The findings he acquired in his study are explained in tables below.

Table 4.2: Ways in which top management influenced M & E systems at

Item description	N	Minimum	Maximum	Mean	Std. Deviation
TM actively engages in M&E design change of objectives	52	2	5	4.08	.763
TM actively engages in M&E modifications	52	2	5	3.98	.874
TM encourages processes & sub processes regarding M&E objectives	52	2	5	4.06	.836
TM concerned with	52	3	5	3.83	.785

operational performance of M&E					
TM taking part in M&E planning	52	2	5	3.52	.804
TM supporting initiative of implementing M&E systems	52	2	5	3.06	.725
TM communicating M&E results to all	52	2	4	2.69	.579
TM approving sufficent resources dealing with M&E requirements	52	2	4	2.88	.646
Valid N (listwise)	52				

From the findings, majority of the respondents agreed with the statements that Top management actively engages in M&E Designing-Change of objectives and modifications, meaning their influence were felt in designing the system and making key decisions which affect projects and M&E activities. While encouraging processes & sub processes regarding M&E objectives with mean scores of 4.08, 3.98 and 4.06 respectively. The staff of commercial bank of Ethiopia project offices were also agreed that leaders are concerned with the operational performance of the M&E for IT project with mean score of 3.83. The findings also indicated that even if majority the respondents are in agreement with the statement that Top management initiative to take part in Planning of M&E. while cosideralble portion of the respondents goes to be neutral with the role of leadership for planning and supporting implementation initiatives having mean scores 3.52 and 3.06. Consequently, the later variables indicate that most of the staff felt that the organization's leadership has an average role to play in supporting initiative of implementation of M&E systems, communicating M&E results and approving sufficient resource to deal with M&E requirements when it is deemed necessarily. This was attributed to the fact that the management plays a big role in allocation of resources, designing the system, communication of results and making key

decisions which affect projects and monitoring and evaluation activities. Their commitment to the implementation of monitoring and evaluation system is paramount. It is through this that they will ensure that adequate funds and other resources are allocated to M&E. If there is no goodwill and support from organization's management, then the M&E system will perform poorly leading to ineffectiveness (World Bank,2011).

4.3 Budget Allocation for M&E

The study sought to determine the extent to which respondents agree or disagree with the following statements concerning M&E in relation to the organization's projects.

Table 4.3 Shows the mean and standard deviations

Item description	N	Minimum	Maximum	Mean	Std. Deviation
The bank provides sufficent funds for M&E activities	52	2	5	3.65	.883
Funds for M&E usually channeled to the right purpose	52	2	5	3.38	.866
Reialistic estimation for M&E is undertaken when planning	52	2	4	2.71	.723
Budget of projects provides clear and adequate amount for M&E	52	1	4	2.40	.823
The bank ensures timely provision of funds allocated and used	52	1	5	2.42	.801

Over all budget allocation of the bank influences M&E effectiveness	52	1	4	2.52	.851
Valid N (listwise)	52				

Source: Survey Data, 2020

From the findings, majority of the respondents felt to be neutral with the statements associated with budget allocation for M&E system with a mean scores ranging from 2.4 up to 3.65. The respondent also asked whether the Overall budget allocation of the bank influences M&E effectiveness, the bank ensures there is timely provision of funds allocated are used for M&E activities only where most of the respondent again goes to be neutral with the statement with mean 2.52 and mean 2.42. This show that there is need for understanding about the value of monitoring and evaluation of IT projects by CBE. Although, Sufficient funding is very crucial for the effective and M&E process to take place having the highest mean of 3.65 followed by the statement that funds for M&E are usually channeled to the right purpose with a mean score 3.38. Overall performance of banks budgetary system towards M&E effectiveness can be accounted-for having a realistic estimation, clear and adequate provision for M&E activities with in the budget of projects. This concured with the observed fact in which that inclusion of M&E budget in the strategic plan is crucial and some projects had stalled or performed poorly due to underfunding. He also notes that a budget should be all-inclusive taking into account all cost and expenses likely to be incurred (Barasa ,2014).

4.4 Stakeholder Participation

The study sought to determine the influence of the influence of stakeholders' participation on the effectiveness of Monitoring and Evaluation as such respondents were asked to indicate the extent of their agreement the following propositions

Table 4.4 shows the mean and standard deviations

Item description	N	Minimum	Maximum	Mean	Std. Deviation

Stakeholders are involved in M&E data collection process	52	3	5	4.06	.752
The bank involves stakeholders in identification of indicators	52	3	5	4.33	.760
Stakeholders views are usually incorporated in the M&E process	52	3	5	4.27	.744
Stakeholders are given feedback of the M&E process	52	3	5	4.33	.834
Overall Stakeholder Participation in M&E influence the effectiveness of M&E of IT projects	52	3	5	4.04	.839
Valid N (list wise)	52				

Source: Survey Data, 2020

From the findings, a high percentage of the respondents, 40.4% (21) strongly agree that the overall stakeholder participation in monitoring and evaluation influence the effectiveness of monitoring and evaluation of IT projects while 23.1% (12) of the respondents agreed that stakeholder participation in monitoring and evaluation determine the effectiveness of monitoring and evaluation commercial bank of Ethiopia IT projects. 19 respondents (36.5 %) were neutral that stakeholder participation in monitoring and evaluation determine the effectiveness of monitoring and evaluation system for projects.The results therefore indicated that most respondents were in agreement that the organization involves the stakeholders in M & E in identification of indicators, data collection and feed back thus leading to high level of participation and this influences to a large extent the effectiveness of M & E system towards achieving expected results. Which accords with the saying that it is best to involve key stakeholders such as volunteers, community members, local authorities, partners and donors, as much as possible in the evaluation process since their participation helps to ensure different perspectives are considered so that the evaluation findings can be owned and act as a lesson (Gray & Larson,2008).

4.5 Competence of Staff handling the M&E

The respondents were requested to indicate the extent to which the competence staff handling M&E determines the effectiveness of monitoring and evaluation system for projects.

Table 4.5 shows the mean and standard deviations

Item description	N	Minimum	Maximum	Mean	Std. Deviation
Staff have the Technical capability and skills needed to conduct M&E	52	3	5	4.35	.648
Staff can dedicate enough time to tasks related to M&E	52	3	5	4.15	.648
Staff clearly understand the operational processes for which they were responsible in M&E	52	3	5	3.77	.757

Existence of experience sharing and/or support among the project team members to realize M&E system related targets in the	52	2	5	3.13	.768
Existence of functional team or mix of appropriate M&E personnel within the project teams	52	2	4	2.77	0.703
Valid N (list wise)	52				

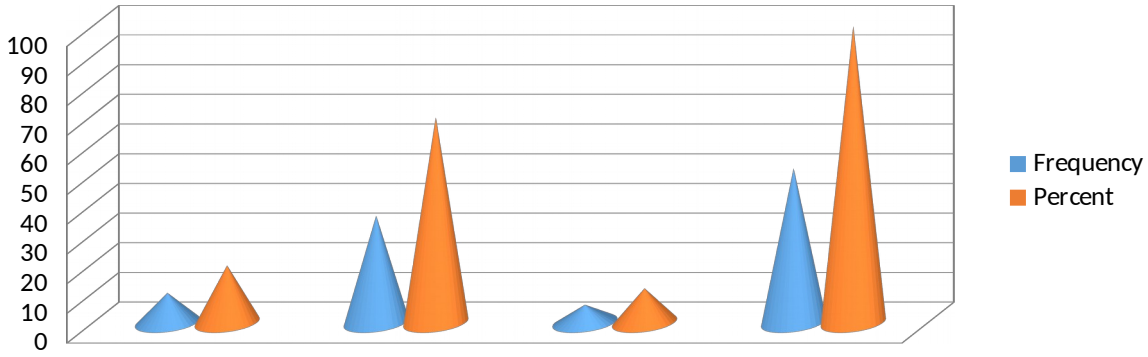
Source: Survey Data, 2020

From the finding the respondent agreed with the statement Staff has a Technical skills needed to undertake M&E, Staff can dedicate enough time to tasks related to M&E and Staff clearly understand the operational processes for which they were responsible in M&E with mean value of 4.35, 4.15 and 3.77 respectively. This implies that many of the respondents had Knowledge on M&E. where as, experience sharing and/or support among the project team members to realize M&E system related targets in the Bank and Existence of functional team or mix of appropriate M&E personnel within the project teams have 3.13 and 2.77 which indicates low level of experience sharing among staff and lack of adequate staff dedicated for M&E with in project teams.

4.6 Effectiveness of M&E

The respondents were required to state their perception on the effectiveness of their M&E system. Based on the findings, only 11.5% of the respondents agree that the M&E was effective while 69.2% indicated that they are not sure whether it is effective or not and 19.2% disagree that the system was effective and 0% indicated that it was very ineffective.

Figure1: effectiveness of M&E system



Source: Survey Data, 2020

The respondents were also requested to indicate the extent to which they agree or disagree with the following selected attributes concerning effectiveness of M&E System.

Table 4.6 shows the mean and standard deviations

	N	Minimum	Maximum	Mean	Std. Deviation
Results and findings from M&E are relevant and useful	52	4	5	4.44	.502
The M&E activities are carried out within schedule	52	2	5	3.83	.648

The cost of M&E activities is always within the budget	52	1	4	2.71	.605
The M&E objectives are largely achieved	52	2	5	3.67	.648
Valid N (list wise)	52				

Source: Survey Data, 2020

The findings in the table 4.6 indicate that majority of the respondents agreed that results from M& E are relevant and useful, while opposing that the M & E activities are carried out within schedule and cost of M & E is always within the budget with mean scores of 4.44,3.83 and 2.71 respectively. Some respondents were not sure whether M & E objectives are largely achieved with a mean score of 3.67.

INDEX 1 : Factors influencing effectiveness of monitoring and evaluation system

Factors	**1**	**2**	**3**	**4**	**5**	**W**	**RII**	**RANK**
Organizational leadership							**0.70240385**	**3**
TM actively engages in M&E design change of objectives	0	1	10	25	16	212	0.81538462	
TM actively engages in M&E modifications	0	1	17	16	18	207	0.7961538	

							5	
TM encourages processes & sub processes regarding M&E objectives	0	0	18	13	21	211	0.8115384 6	
TM concerned with operational performance of M&E	0	0	21	19	12	199	0.7653846 2	
TM taking part in M&E planning	0	5	20	22	5	183	0.7038461 5	
TM supporting initiative of implementing M&E systems	0	11	28	12	1	159	0.6115384 6	
TM communicating M&E results to all	0	19	30	3	0	140	0.5384615 4	
TM approving sufficient resources dealing with M&E requirements	0	14	30	8	0	150	0.5769230 8	
Budget Allocation for M&E							**0.5698717 9**	**4**
The bank provides sufficient funds for M&E activities	0	0	33	4	15	190	0.7307692 3	
Funds for M&E usually channelled to the right purpose	0	6	27	12	7	176	0.6769230 8	
Realistic estimation for M&E is undertaken when planning	0	23	21	8	0	141	0.5423076 9	
Budget of projects provides clear and adequate amount for M&E	9	15	26	2	0	125	0.4807692 3	
The bank ensures timely provision of funds allocated and used	16	1	33	1	1	126	0.4846153 8	
Overall budget allocation of the bank	9	13	21	6	1	131	0.5038461	

influences M&E effectiveness							5	
Stakeholder Participation							**0.8407692 3**	**1**
Stakeholders are involved in M&E data collection process	0	0	13	23	16	211	0.8115384 6	
The bank involves stakeholders in identification of indicators	0	0	9	17	26	225	0.8653846 2	
Stakeholders views are usually incorporated in the M&E process	0	0	9	20	23	222	0.8538461 5	
Stakeholders are given feedback of the M&E process	0	0	12	11	29	225	0.8653846 2	
Overall Stakeholder Participation in M&E influence the effectiveness of M&E of IT projects	0	0	19	12	21	210	0.8076923 1	
Competence of Staff handling the M&E							**0.7269230 8**	**2**
Staff have the Technical capability and skills needed to conduct M&E	0	0	0	34	18	226	0.8692307 7	
Staff can dedicate enough time to tasks related to M&E	0	0	2	40	10	216	0.8307692 3	
Staff clearly understand the operational processes for which they were responsible in M&E	0	0	22	20	10	196	0.7538461 5	
Existence of experience sharing and/or support among the project team members to realize M&E system related targets in the Bank	0	10	27	13	2	163	0.6269230 8	

Existence of functional team or mix of appropriate M&E personnel within the project teams	0	20	24	8	0	144	0.55384615	

4.7 Factors influencing effectiveness of M & E system of projects

For a Likert five-point response item, Relative Importance Index (RII) produces a value ranging from 0.2 - 1.0 (Badu et al., 2013). Therefore, the group index is the average of the Relative Importance Index for the variables in the various groups (Fugar & Agyakwah, 2010). The values 0.7024,0.5698, 0.7269, 0.8470 and indicate respectively, the RII values of organizational leadership, budgetary allocation, competence of staff handling M&E, stakeholder involvement and effective M&E.

Likewise, the RII values indicate that, primarily, stakeholder involvement is the first significantly influential factor that accounts for effectiveness of the banks monitoring and evaluation system on its information technology projects. This was followed by competence of staff handling M&E.then organizational leadership and budgetary allocation ranked third and fourth respectively.

4.7.1 Stakeholder Participation

Stakeholder's involvement was ranked the first significant influential factor that accounts for effectiveness of monitoring and evaluation sytem of IT projects at CBE. Individually, Stakeholder's involvement in data collection process, identification of indicators and overall effectiveness of stakeholder involvement are the highest variables all having score points greater than (0.807) this can be attributed to the nature of the projects under study which requires strong relations between various stakeholders such as service providers, software developers, customers and users.

4.7.2 Competence of Staff handling the M&E factor

Competence of Staff handling the M&E was ranked the second significantly influential factor that accounts for monitoring and evaluation sytem of projects by the respondents.

Individually, Technical capability and skills (0.8115) and adequate time dedicated by staff to conduct M&E (0.865) was ranked the highest variable under Competence of Staff factor indicating it is more significant to Commercial bank of Ethiopia than the other variables

4.7.3 Organizational leadership

Organizational leadership was the third significantly influential factor that accounts for of monitoring and evaluation system of projects by the respondents. Individually, top management engagement in M&E sytem design and modifications are the highest scored variables regarding M&E system effectiveness. Where as, communicating M&E results to all from top management approving sufficent resources in the process showing relatively lower spectrum.

4.7.4 Budgetary allocation

Budgetary allocation was ranked the least influencial factor of CBE's monitoring and evaluation system on its information technology projects. Individually, provision of funds and its direction towards its purpose are the highest variables in this factor group. On the other hand, Realistic estimation for M&E undertakings, clear and adequate amount provision for M&E activities within project budget and its timely provision were ranked low. Thus there is the need to strictly focus on these respective factors.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The purpose of this study was to investigate determinants of effective of monitoring and evaluation of information technology projects by commercial bank of Ethiopia. The results of the study were presented in the previous chapter. In this chapter, summary of the main findings, discussion, conclusion and recommendations will be made.

5.2 Conclusion of the study

The following conclusion can be made from the study:

The study sought to establish the influence of competence of staff handling M&E on effective M&E of commercial bank of Ethiopia IT projects. The findings of this study confirm competence of staff handling M&E influence to a great extent the effectiveness of Monitoring and evaluation.

Regarding the second objective which endeavored to determine the influence of stakeholder participation on effectiveness of M & E system, the study concluded that stakeholder participation is significant to M&E and effectiveness of M & E.

The study also wanted to determine the influence of budgetary allocation on effective M&E of commercial bank of Ethiopia IT projects. Overall finding reveal that budgetary allocation has moderate influence on the effectiveness of M&E.

Finally, the study found out that the level of commitment of top leadership and management in the organization determines to some extent the effectiveness of monitoring and evaluation system for projects. The study revealed that leaders encourage processes & sub processes regarding M&E objectives and also take active part in designing the M & E.

5.3 Recommendations

The following are recommendations based on the findings of the study:

There is need for training of the staff to equip them with the oversight skills and to be to understand and trust the M&E process. This would ensure that the M&E process is guided by relevant skills and technical know-how thus becoming highly effective.

There is need for proper budgeting practices that recognize the need for sufficient financial resource for monitoring and evaluation. The proportion budgeted for should be realistic and based on actual real expenditures. The leaders should continue to demand clear budget allocation to M&E and follow up on the precise break down of the budget during the M&E process.

The stakeholders need to be sensitized on the need to participate in M&E process. Appropriate strategies to involve stakeholders should be introduced to ensure that a bigger proportion of the stakeholders are involved. The stakeholders should be given information relating to the project to create interest in it.

Organization leaders should take active part in designing M & E system and offer timely support and guidance to projects' staff and ensure M&E activities are well executed and results and findings communicated and used in decision making and planning.

5.4 Suggestions for further research

The empirical study has indicated a number of relevant issues that the research project did not investigate, but which might be important for further research. Further research should be done on other factors influencing effectiveness of M&E system for projects other than competence of staff, budgetary allocation, stakeholders' participation and organizational leadership.

Further this study may be replicated into other banks to enable generalization to be made with regard to factors influencing effectiveness monitoring and evaluation of information technology projects by commercial bank of Ethiopia.

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Research Questionnaire

College of Commerce

Master of Arts in Project Management (MAPM)

Dear respondents, I am a post graduate student in the department of project management at Addis Ababa University college of commerce. Currently working a thesis research entitled **"factors influencing effectiveness of monitoring and evaluation system of IT projects in CBE"** in partial fulfilment of the requirements for the Master Degree in project Management. The purpose of this questionnaire is solely to gather the necessary information in order to assess the effectiveness of monitoring and evaluation system of **IT projects** in the Commercial bank of Ethiopia (**CBE**). The information you provide will be used only for the academic purpose and will be kept confidential. Hence please do not hesitate to provide any necessary information to the best of your knowledge. Thank you in advance for providing response timely and honestly.

Please put tick mark (🌍) in the appropriate box and write your response in the space provided to the questions.

Part I: The respondent's personal data

1. Gender:

a) Male ▲ b) Female ▲

2. Age:

a) Below 25 ▲ b) 25-35 ▲ c) 36-45 ▲ d) above 45 ▲

3. Academic qualification:

a) Diploma ▲ b) Bachelor ▲ c) Master ▲ d) PHD ▲

4. Years of service in the CBE Project office

a)Less than3 years ▲ b) 3 – 7 Years ▲

c) 8 – 10 years ▲ d)Greater than 10 years ▲

5. What is your current work category or position in the Authority?

a) Manager ▲ b) Team Leader ▲ c) Senior Expert ▲

d) Expert▲ e) Junior Expert ▲

Other, specify _____

Part II. Closed Ended questions

This questionnaire contains a table with different variables which are to be rated. Please mark a tick mark (🌍) a number which nearly reflected your view about the specific question which provided in the specific rows of table about the effectiveness of monitoring and evaluation of IT projects in the Commercial bank of Ethiopia. Writing your responses in the space provided for the open ended questions.

Note: 5=Strongly Agree 4= Agree 3= Neutral

2= Disagree 1= Strongly Disagree

If you have anything to say about the monitoring and evaluation system of IT projects in the Commercial bank of Ethiopia. Please state below on the space provided

---

Put🌍 in the box

5 – Strongly agree 4 – Agree 3 - Neutral 2 - Disagree 1 – Strongly disagree

Critical Success		**Description to each the predicted influencing Factor Candidates**	Stron gly di	Disagree	Neutral	Agree	Strongly Agree
Organizational Leadership support (OLS)	OLS1	Top management actively engages in M&E Designing-Change of objectives					
	OLS2	Top management actively engages in M&E Modifications					
	OLS3	Top management tries to encourage (processes & sub-processes) in regard to project demand and improvements.					
	OLS4	Top management is concerned with the operational performance of the M&E for IT project					
	OLS5	Top management tries to take part in Planning of M&E					
	OLS6	Top management support initiative of Implementation M&E systems					
	OLS7	Existence of communicating M&E resultsfor all employees in the organization from top Management					
	OLS8	Members of top management have been supportive to approve sufficient resource to deal with M & E requirements willing to provide stable funding to the M&E System activities, when it is deemed necessarily					

Ser. No	Influencing Factors		Description to each the predicted influencing Factor Candidates	Strongly disagree	Disagree	Neutral	Agree	Strongl Agree
2	Budgetary allocation (BDJA)	BDJA1	Our bank provides sufficient funds for monitoring and evaluation activities (about 5%-10% of projects budget)					
		BDJA2	Money for M&E are usually channeled to the right purpose					
		BDJA3	A realistic estimation for monitoring and evaluation is undertaken when planning for projects.					
		BDJA4	The budget of projects provide a clear and adequate provision for monitoring and evaluation activities					
		BDJA5	Our bank ensures there is timely provision of funds allocated are used for M&E activities only					

		BDJA6	Our banks budgetary allocation influences effectiveness of Monitoring and Evaluation system					
Ser.	**Influencing**		**Description to each the predicted**				Agree	
3	Staff technical capablity (TSC)	TSC1	Staff have the Technical capability and skills needed to conduct M&E					
		TSC2	Staff can dedicate enough time to tasks related to M&E					
		TSC3	Staff clearly understand the operational processes for which they were responsible in M&E					
		TSC4	Existence of experience sharing and/or support among the project team members to realize M&E system related targets in the Bank					
		TSC5	Existence of functional team or mix of appropriate M&E personnel within the project teams					

Ser. No	Influencing Factors		Description to each the predicted influencing Factor Candidates	Strongly disagree	Disagree	Neutral	Agree	Strongl
4	Stakeholders involvement	STA1	Stakeholders are involved in M&E data collection process					
		STA2	The bank involves stakeholders in identification of indicators					
		STA3	Stakeholders views are usually incorporated in the M&E process					
		STA4	Stakeholders are given feedback of the M&E process					
		STA5	Overall Stakeholder Participation in M&E influence the effectiveness of M&E of IT projects					

Put in the box

5 – Strongly agree 4 – Agree 3 - Neutral 2 - Disagree 1 – Strongly disagree

Effectiveness of M&E System	1	2	3	4	5
1. Results and findings from M&E are relevant and useful					
2. The M&E activities are carried out within schedule					
3. The cost of M&E activities is always within the budget					
4. The M&E objectives are largely achieved					
5.Overall monitoring and evaluation of banks IT project is effective					

Finally, I Have to Forward My Deepest Gratitude and Respect for Your Dedication for Properly and Completely Addressing the Entire Research Questions…!!!