

College of Business and Economics
School of Commerce

THE IMPACT OF MONITORING AND EVALUATION ON PROJECT PERFORMANCE: THE CASE OF REALITY REAL ESTATE PROJECTS IN ADDIS ABABA

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STATEMENT OF DECLARATION

I Michael Kefelegn, have undertaken an independent research study titled “The Impact of Monitoring and Evaluation on Project Performance the Case of Reality Real Estate Projects in Addis Ababa” as a fulfilment of the requirement s for MA program in Project Management

I confirm that this study represents my original work and has not been presented for any academic degree or diploma in this or any other educational institution before.

Michael Kefelegn

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Signature

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ABSTRACT

Real estate sector in Addis Ababa has faced extremely fast expansion in recent years yet many projects continue to face relentless challenges regarding delays, quality issue, cost overruns and client dissatisfaction. Regarding this concerns this study shows how monitoring and evaluation (M&E) practice influence project performance specifically on Reality real estate projects in Addis Ababa. The study design to provide practical and context specific insights how Monitoring and Evaluation systems contribute to improve key performance dimensions like time, cost, quality and client satisfaction. A quantitative research approach employing descriptive and explanatory research designs was adopted. The study utilized a deductive approach and a cross-sectional survey design. The target population consisted of professionals directly involved in project implementation, including project managers, site engineers, contractors, consultants, and monitoring and evaluation officers. A purposive sampling technique was employed to select respondents with relevant experience and knowledge of project management practices. Primary data were collected using a structured questionnaire administered through Google Forms. The questionnaire employed a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5) to measure monitoring practices, evaluation processes, and project performance dimensions. From N=110 questionnaires distributed N=98 valid responses were obtained representing an 89.1% response rate. The data was analyzed using ***Statistical Package for the Social Sciences (SPSS) version 27*** *applying both descriptive and inferential statistical techniques like frequencies, percentages, means, standard deviations, reliability analysis, correlation analysis, and multiple regression analysis. Descriptive findings indicated that evaluation related practices were more strongly implemented than monitoring practices. Evaluation criteria (M = 4.61, SD = 0.683) and lesson application (M = 4.54, SD = 0.776) recorded the highest mean scores, whereas preplanning activities (M = 3.33, SD = 0.976) and budget performance (M = 2.92, SD = 0.881) showed comparatively lower ratings. The reliability analysis confirmed strong internal consistency of the measurement scales with Cronbach's alpha values of 0.861 for monitoring practices 0.932 for evaluation processes and 0.951 for project performance. The inferential results revealed that both monitoring and evaluation were positively associated with project performance but their effects differed substantially. Correlation analysis showed significant positive relationships between monitoring and project performance ($r = 0.649$, $p < 0.01$) and between evaluation and project performance ($r = 0.785$, $p < 0.01$). Multiple regression analysis indicated that the overall model was statistically significant ($F = 76.274$, $p < 0.001$) explaining 61.6% of the variance in project performance ($R^2 = 0.616$; Adjusted $R^2 = 0.608$). Evaluation becomes a significant positive predictor of project performance ($\beta = 0.752$, $p < 0.001$) but monitoring did not show a statistically significant direct effect ($\beta = 0.041$, $p = 0.708$). These findings suggest that the contribution of monitoring to project performance depends largely on how monitoring information is interpreted and utilized through evaluation processes. The study concludes that effective project performance is not achieved through monitoring alone but through the integration of monitoring and evaluation as a continuous and interdependent process. It emphasizes the need for organization to strengthen evaluation mechanism improves the use performance data and adopt a more learning-oriented approach to project management. These findings contribute to both theory and practice by offering a more refined understanding of Monitoring and Evaluation systems within the context of private real estate development in Ethiopia.*

Key words: Evaluation Processes, Monitoring & Evaluation (M&E), Project Performance, Real-estate Projects, Monitoring Practices, Project Management

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ACRONYMS

AA: Addis Ababa

AACRA: Addis Ababa City Revenue Authority

GDP: Gross Domestic Product

ICB: Individual Competence Baseline

IPMA: International Project Management Association

M&E: Monitoring and Evaluation

NGO: Non-Governmental Organization

OECD: Organization for Economic Co-operation and Development

PMBOK: Project Management Body of Knowledge

PMI: Project Management Institute

RBM: Result-Based Management

SPSS: Statistical Package for Social Sciences

UNDP: United Nations Development Program

CHAPTER ONE

INTRODUCTION

1.1 Background

Real estate development has become one of the most fast growing and extremely expanding sectors in Addis Ababa. Fast urbanization, population growth and income level increasing have significant impact on the demand of commercial and residential properties in the city (World Bank,2021). Even real estate activities continue to grow managing such projects become complicated. Project managers and developers are now needed to balance multiple constraints such as time, cost and quality while responding stakeholder expectations and regulatory requirements.

Across various sectors and countries monitoring and evaluation (M&E) recognized as critical tools for successful project management. Effective M&E systems support project performance by increasing accountability, transparency improvement and increase informed decision making through the project lifecycle (OECD,2019). Through systematic tracking of actions and results of periodic assessment M&E helps project teams to evaluate progress with planned objectives and to find out rising challenges before they escalate.

Effective M&E Practice plays important role in detecting difficulty of meeting schedules, cost overruns, lack of quality and implementation gaps at early stages. This enables to take corrective actions on time to reduce the risk of project failure (Kusek & Rist,2014). In real estate and construction sectors projects frequently involve lot of parties such as suppliers, consultants, contractors and regulatory authorities. Monitoring and Evaluation also facilitates communication & coordination with stakeholders. On various project management literature, projects supported by strong monitoring and evaluation frameworks shows better performance on completion on time, cost efficiency, quality delivery and client satisfaction (PMI,2021; Ngacho & Das,2017).

Even the real estate sector becomes more important in Ethiopia evidence shows many project faces continuous performance problems such as delays, budget overruns, and customer dissatisfaction is common challenges in the sector (Ayalew & Kinde, 2019). Previous studies show this kind of problems comes from weak or poorly implemented M&E systems, limited

reporting system, poor project documentation & ineffective feedback mechanism (Abebe, 2021). This kind of challenges shows the need of more structured and systematic approach to manage real estate projects specially in a fast-growing urban area like Addis Ababa.

Despite the growing importance of monitoring and evaluation in improving project outcomes, empirical evidence regarding its influence on the performance of private real estate projects in Ethiopia remains limited. Existing studies have primarily focused on general construction challenges and public-sector projects, with little attention given to the role of monitoring and evaluation practices in private real estate developments. This gap highlights the need to investigate how monitoring practices, evaluation processes, and the overall M&E system influence project performance. Therefore, this study examines the influence of monitoring and evaluation on the performance of Reality Real Estate projects in Addis Ababa.

Reality Real Estate has become one of widely known private developer contributes to the growth of Ethiopia's real estate sector. It established in 2006 and officially registered in 2016 the company starts its project in Sebeta before expands in to Addis Ababa where it completed its first major project in 2016. Since then, the company continuously developed its presence in the sector by delivering a variety of commercial & residential projects.

Through time the firm has diversified its segment to include modern commercial developments and high-end residential apartments. This expansion shows both the growing demand for quality real estate and the company's strategic focus on meeting increasing urban hosing and business needs. With a workforce more than 300 employees the company has built operational capacity to manage different kind of projects while keeping standards related to quality, delivering on time and client satisfactions.

The organization's project portfolio shows its engagement in both commercial and residential development. Its residential projects are characterized by multi-story buildings designed accommodate urban living often with features like backup generators, recreational facilities & security infrastructure. And its commercial developments contribute to developing & expansion of business spaces in the center and key areas of Addis Ababa, supporting offices, service-oriented activities and retail shops.

Besides its completed developments Reality Real Estate continues to undertake new projects in strategically located areas of Addis Ababa. These projects integrate modern architectural designs with functional requirements reflecting the evolving nature of urban real estate development. The increasing scale and complexity of such projects demand effective planning, coordination and performance management mechanisms. Results-Based Management Theory suggests that systematic monitoring and periodic evaluation enable organizations to track progress toward intended objectives, identify implementation challenges and facilitate timely corrective actions. Within this context monitoring practices, evaluation processes and the overall monitoring and evaluation system become critical components for enhancing project performance. Effective application of these concepts contributes to achieving project objectives related to timely completion, budget adherence, quality standards and client satisfaction. Therefore, examining the influence of monitoring and evaluation practices within Reality Real Estate provides an opportunity to understand how these mechanisms support improved project performance in the real estate sector.

Based on the involvement of a lot of large-scale developments and the wide scope of its operations reality real estate gives relevant context for examining project management practices. Understanding how M&E processes are used within such a company gives valuable insights about factors influence project performance. This makes the organization suitable for investigating the relationship between monitoring and evaluation practices & the outcomes of real estate projects in Addis Ababa.

1.2 Statement of the Problem

Despite the visible growth of the real estate sector in Addis Ababa the performance of many projects remains concerning. Based on fact a very large number of real estate developments still experiencing completion periods extension, cost escalation, compromised construction quality and non-stop client complaints. Reports from Addis Ababa City Administration (2020) shows these are the usual challenges in the sector and suggesting the investment growth and the improvement of project delivery isn't matched.

One of the major contributing factors for this performance challenge is the poor M&E practices at the project level. Inadequate monitoring practices like infrequent site inspections, poor progress report and record keeping plays critical role in construction project delay in Ethiopia.

(Gebrehiwot 2020). Many real estate companies lack systematic evaluation procedures for review project progress which makes late performance problem identification and too late for corrective action (Ayalew & Kinde, 2019). Also, poor use of performance indicators & limited reliance on evidence-based decision making further undermine project outcomes (Abebe, 2021).

The private real estate sector in Addis Ababa has experienced substantial growth over the past decade driven by rapid urbanization, population growth and increasing demand for residential and commercial properties. Despite this expansion many real estate projects continue to encounter persistent challenges related to schedule delays, cost overruns, quality concerns and client dissatisfaction. These recurring performance issues suggest weaknesses in project monitoring, reporting mechanisms, evaluation processes and the utilization of performance information for timely decision-making. From a practical perspective private real estate developers require effective monitoring and evaluation systems that can support early identification of implementation challenges and facilitate corrective actions to enhance project outcomes.

Although international studies have demonstrated the contribution of monitoring and evaluation practices to improved project performance empirical evidence within Ethiopia's private real estate sector remains limited. Existing studies have predominantly focused on public infrastructure projects or the construction industry in general providing little insight into how monitoring practices, evaluation processes and monitoring and evaluation systems influence project performance in privately developed real estate projects. Consequently, there is insufficient context-specific evidence to guide project managers and developers in strengthening monitoring and evaluation practices within this rapidly expanding sector. Therefore, this study seeks to examine the influence of monitoring and evaluation practices on the performance of Reality Real Estate projects in Addis Ababa, with the aim of generating evidence that can contribute to improved project management practices and enhanced project performance.

1.3 Research Questions

Main Research Question?

> What is the relationship of M&E on the performance of real estate projects in Addis Ababa?

Specific Research Questions

1. How do monitoring practices influence the performance of real estate projects in Addis Ababa?
2. How does evaluation process affect project performance in the real estate sector?
3. How does M&E systems contribute to improve time, cost, quality and client satisfaction?

1.4 Research Objectives

General Objective

> The primary objective of this study is to examine the relationship between monitoring and evaluation on project performance regarding time, cost, quality and client satisfaction in the real estate sector in Addis Ababa.

Specific Objectives

1. To assess the influence of monitoring practices on the performance of real estate projects.
2. To analyze the influence of evaluation processes on project performance.
3. To examine the contribution of M&E systems to improving time, cost, quality, and stakeholder satisfaction performance dimensions.

1.5 Significance of the Study

The findings of this study are significant in various respect. First the study has practical significance for real estate project managers, monitoring and evaluation officers, consultants and other decision makers involved in real estate projects. By examining the relationship between monitoring and evaluation practices and project performance the study provides practical knowledge that may help organizations in making their monitoring and evaluation systems strong. The use of effective monitoring and evaluation practices is expected to improve project

control, meeting project schedules, budget control, increase construction quality and provide higher level of client satisfaction.

Second the study contributes to academic knowledge by providing empirical evidence on the relationship between monitoring and evaluation practices and project performance within Ethiopia's real estate sector an area that has received limited scholarly attention. Although monitoring and evaluation have been extensively examined in international project management literature there remains a noticeable lack of context-specific studies focusing on private real estate developments in Ethiopia. By grounding the analysis in the context of Addis Ababa this study seeks to address this gap and enhance the applicability and relevance of existing monitoring and evaluation theories and frameworks to the local real estate sector.

Third for the policy makers and regulatory institutions in overseeing real estate development this study expected to be relevant. Organizations like Addis Ababa City Administration may use the findings to formulate or refine monitoring guidelines, evaluation standards and regulatory frame works to improve project performance in the sector. The study also is expected to help evidence-based decision making & accountable project implementation practices.

Finally, the study is expected to serve as reference for future researchers which has interest on monitoring and evaluation, project management and construction performance in Ethiopia. The research is intended to provide a foundation by giving empirical insights and structured analytical approach for future studies that may explore similar issues in other sector or regions of the country.

1.6 Scope of the Study

The study main focus is reality real estate projects currently on progress in Addis Ababa. The scope of the study is crafted to examine how monitoring practices, evaluation process and M&E systems influence project performance in real estate sector. Particularly the attention is on key performance dimensions like time management, cost control, quality and client satisfaction because they relate to M&E practices application.

Methodologically the study adopted a quantitative research approach and to collect primary data from employees, managers, contractors and consultants working in reality real estate. These

respondents are selected based on their direct involvement in project monitoring and evaluation activities. Other stakeholders like end user and supplier are not included in the study because the research aims to get data from responsible persons for managing & overseeing project performance in the organizational structure.

Geographically the study is limited to Addis Ababa and will not cover other real estate project outside cities of the country. This delimitation is because of all the projects of reality real estate are in Addis Ababa.

Timely the study examined monitoring and evaluation practices and project performance based on data collected during the 2025/2026 academic year from projects that were active during the period of the study. The selected time frame was considered appropriate because it enabled the researcher to capture recent experiences and current monitoring and evaluation practices within ongoing projects. Focusing on this period also enhanced the relevance and accuracy of the findings by reflecting the existing project management environment and organizational practices within Reality Real Estate.

1.7 Limitations of the Study

First the study was conducted reality real estate projects in Addis Ababa which may limit the generalizability of the results in other regions and other real estate organizations. Institutional frameworks, market dynamics and project management practices vary across different locations. Furthermore, although the study achieved a high response rate of 89.1%, the sample was limited to professionals directly involved in Reality Real Estate projects and may not fully represent the broader real estate and construction industry in Ethiopia.

Second the study depends primarily on self-reported data collected through structured questionnaires. Although this approach facilitated the collection of standardized quantitative data from a relatively large number of respondents the responses may have been influenced by personal perceptions, recall limitations or social desirability bias. As a result, the findings reflect respondents' perceptions regarding monitoring and evaluation practices and project performance.

Third the study employed a cross-sectional research design in which data were collected at a single point in time. While this design was appropriate for examining the relationships among

the study variables it limited the ability to establish definitive causal relationships between monitoring and evaluation practices and project performance.

Fourth the study focused specifically on monitoring and evaluation practices as determinants of project performance. Although these variables explained a substantial proportion of the variation in project performance other factors that may influence project outcomes such as leadership effectiveness, organizational culture, resource availability, and stakeholder engagement were beyond the scope of the study.

Finally, the assessment of project performance was based predominantly on primary data obtained from respondents as access to comprehensive organizational records and objective performance reports was limited. Consequently, the measurement of project performance relied largely on perceptual assessments rather than fully verified operational data.

Over all while these limitations don't undermine the validity of the study, they show important considerations for interpreting the findings and give important direction for future research.

1.8 Definition of Terms

Monitoring: In the context of this study, monitoring refers to the ongoing process through which information on project activities is systematically collected, reviewed, and reported in order to track progress against planned schedules, budgets, and quality standards during project implementation (Kusek & Rist, 2014; PMI, 2021).

Evaluation: Evaluation is understood as a structured and objective process through which an ongoing or completed project is assessed to relate to its relevance, efficiency, effectiveness, relationship, and sustainability, with the aim of generating lessons that can support improvement in current and future projects (OECD, 2021; Kusek & Rist, 2014).

Monitoring and Evaluation (M&E) System: For the purpose of this study, an M&E system denotes an organized framework that includes tools, procedures, human resources, and reporting mechanisms established to support the planning, collection, analysis, and use of performance information for informed decision-making (UNDP, 2009; Kusek & Rist, 2014).

Project Performance: Project performance refers to the extent to which a project is able to achieve its intended objectives. In this study, performance is expected to be assessed using key dimensions such as adherence to time schedules, control of project costs, quality of outputs, and levels of client satisfaction (PMI, 2021; Kerzner, 2022).

Real Estate Projects: Real estate projects are taken to mean construction and development initiatives undertaken by private or public real estate developers, including residential, commercial, and mixed-use developments within an urban setting (Peiser & Hamilton, 2012).

Time Performance: Time performance describes the degree to which a project is completed in accordance with its planned timeline, including the achievement of scheduled activities and milestones (PMI, 2021).

Cost Performance: Cost performance refers to the extent to which a project is implemented within the limits of its approved budget and financial plan (Kerzner, 2022; PMI, 2021).

Quality Performance: Quality performance denotes the extent to which project outputs meet the required technical standards, specifications, and expected levels of workmanship (PMI, 2021).

Client Satisfaction: Client satisfaction reflects the perceptions of project beneficiaries or property buyers regarding the quality, timeliness, and cost-effectiveness of the real estate product delivered (Shenhar & Dvir, 2007; PMI, 2021).

Addis Ababa Real Estate Sector: In this study, the Addis Ababa real estate sector refers to the network of private and public real estate developers operating within Ethiopia's capital city, characterized by rapid growth, strong demand, and complex project management environments (World Bank, 2021; Ethiopian Investment Commission, 2023).

1.9 Organization of the Study

This thesis is organized into five interconnected chapters, each building on the previous one to present a clear and logically structured account of the research process and findings.

Chapter One introduces the research context and explains the importance of the study. It presents the background of the study, statement of the problem, research objectives, and research questions that guide the investigation. The chapter also discusses the significance of the study, outlines its scope and limitations, defines key terms, and concludes with the organization of the thesis.

Chapter Two reviews relevant literature on monitoring, evaluation, and project performance. It synthesizes theoretical perspectives, empirical findings, and conceptual discussions to provide a comprehensive understanding of the subject. The chapter critically examines previous studies to identify knowledge gaps that the current study seeks to address and concludes by presenting the conceptual framework underpinning the research.

Chapter Three describes the methodology employed in the study. It explains the research design and approach adopted and justifies their suitability for addressing the research questions. The chapter further presents the target population, sampling technique, sample size, data collection instruments and procedures, validity and reliability measures, ethical considerations, and the techniques used for data analysis.

Chapter Four presents the findings of the study and provides an analysis of the data collected. It begins with the response rate and demographic characteristics of the respondents, followed by descriptive statistics and reliability analysis of the study variables. The chapter also reports the results of correlation and regression analyses, hypothesis testing, and discusses the findings in relation to existing literature.

Chapter Five summarizes the major findings of the study and presents the conclusions drawn from the empirical evidence. It discusses the implications of the findings for theory and practice, acknowledges the limitations of the study, and provides recommendations for practitioners and policymakers. The chapter concludes by suggesting areas for future research.

CHAPTER TWO

REVIEW OF LITERATURE

2.1 Concepts of Project Performance

Project performance is conceptualized as a multidimensional construct reflecting the extent to which a project achieves its planned objectives efficiently and effectively. Traditional project management literature continues to conceptualize performance using the "iron triangle" of time, cost, and quality, while more recent approaches incorporate client satisfaction and broader stakeholder value (Kerzner, 2017; PMI, 2021).

In real estate development project performance is particularly critical because delays, cost overruns, or quality failures directly affect financial returns, market reputation, and client trust. Scholars therefore recommend assessing project performance using both efficiency indicators, such as time and cost, and effectiveness indicators, such as quality and client satisfaction, to provide a balanced evaluation (Hoxley, 2019).

2.1.1 Dimensions of Project Performance

Project performance is commonly described as a multidimensional concept that reflects how effectively a project achieves its intended objectives. Traditionally performance has been assessed using the core dimensions of time, cost, and quality, often referred to as the "iron triangle" of project management. These dimensions evaluate whether a project is completed within the planned schedule, remains within the approved budget, and meets the required technical and quality standards. However, contemporary project management literature increasingly recognizes that these traditional indicators alone do not fully capture project success. As a result, additional dimensions such as client or stakeholder satisfaction, safety, and long-term value creation have been incorporated into performance assessments. These expanded dimensions acknowledge that projects operate within complex environments where meeting stakeholder expectations and delivering sustainable benefits are just as important as achieving short-term efficiency goals (Kerzner, 2017; Shenhar et al., 2001).

2.1.2 Measurement of Project Performance

The measurement of project performance involves the use of systematic indicators and tools to assess how well a project is progressing and whether it is achieving its objectives. Performance measurement typically relies on a combination of quantitative and qualitative approaches. Quantitative measures include indicators such as schedule variance, cost variance, and earned value metrics, which provide objective information on time and cost efficiency. Qualitative measures on the other hand capture aspects such as perceived quality, stakeholder satisfaction, and managerial effectiveness, often through surveys, interviews, or performance reviews. Effective performance measurement requires clearly defined indicators, reliable data collection mechanisms, and consistent monitoring processes that allow project managers to identify deviations early and take corrective action. By integrating both numerical data and perceptual assessments performance measurement offers a more balanced and accurate understanding of project outcomes (Vanhoucke, 2009; Kerzner, 2017).

2.1.3 Perspectives of Project Performance

Project performance can also be understood from different perspectives depending on the interests and priorities of various stakeholders. From an internal project perspective performance is assessed in terms of operational efficiency, focusing on how well project activities are managed, resources are used, and targets are met. The stakeholder perspective evaluates performance based on the level of satisfaction among clients, users, and other key stakeholders, emphasizing the extent to which project outcomes meet expectations and deliver value. The organizational or strategic perspective considers project performance in relation to broader organizational goals, such as competitive advantage, learning, and long-term benefits. More recently, a sustainability and long-term relationship perspective has gained importance, highlighting that true project performance extends beyond project completion to include lasting economic, social, and functional outcomes. Together these perspectives provide a comprehensive view of project performance that goes beyond short-term outputs to consider long-term success and value creation (Shenhar et al., 2001; PMI, 2021).

2.1.4 Antecedents of Project Performance

In project management literature antecedents of project performance refer to the underlying conditions, practices, and organizational capabilities that are established before or during the early stages of a project and that significantly influence eventual performance outcomes. These antecedents do not represent performance results themselves; rather, they act as enabling or constraining factors that shape how effectively projects achieve their objectives in terms of time, cost, quality, and stakeholder satisfaction. Understanding these antecedents is essential, as they help explain why some projects perform successfully while others struggle despite operating under similar conditions.

Leadership and Project Management Competence

Leadership and managerial competence are widely regarded as fundamental antecedents of project performance. Effective project leaders combine technical expertise with interpersonal and behavioral skills including communication, motivation, conflict resolution, and decision-making. The literature consistently shows that leadership style, emotional intelligence, and the ability to build trust within project teams have a direct influence on coordination, commitment, and problem-solving effectiveness. When competent leadership is present from the outset, projects are better positioned to manage uncertainty, respond to change, and maintain alignment with objectives, thereby improving overall performance (Meredith & Mantel, 2018; Turner, 2014).

Planning and Risk Management Practices

Sound planning and proactive risk management also play a decisive role in shaping project performance. Comprehensive planning clarifies project scope, defines roles and responsibilities, allocates resources, and establishes realistic schedules and budgets. Risk management complements planning by identifying potential threats early and developing strategies to mitigate their relationship. Research indicates that projects with well-developed planning and risk management processes are more resilient and experience fewer disruptions, leading to better control over time, cost, and quality outcomes (Kerzner, 2017; Kendrick, 2015).

Organizational and Environmental Factors

Project performance is further influenced by organizational and environmental conditions that exist beyond the immediate control of the project team. Internal factors such as organizational culture, governance structures, and availability of resources can either support or constrain project execution. A supportive culture that promotes accountability, learning, and collaboration enables project teams to apply best practices more effectively. External environmental factors—including regulatory frameworks, market conditions, and stakeholder pressures—also shape project performance by affecting planning assumptions and implementation flexibility. The Project Management Institute recognizes these organizational and environmental factors as critical influences on project outcomes (PMI, 2021).

Team Characteristics and Collaboration

The characteristics of the project team itself constitute another important antecedent of project performance. Teams composed of skilled, experienced, and committed members are more capable of handling complex tasks, adapting to challenges, and maintaining quality standards. Equally important is the level of collaboration within the team. Clear communication, mutual trust, and shared goals improve coordination and reduce misunderstandings, thereby improving efficiency and performance. Numerous empirical studies identify team competence and effective collaboration as consistent predictors of successful project delivery particularly in construction and real estate projects (Turner, 2014).

Communication and Stakeholder Engagement

Effective communication and early stakeholder engagement are also recognized as key antecedents of project performance. Transparent and timely communication ensures that project requirements, expectations, and constraints are clearly understood by all parties. Engaging stakeholders early allows potential concerns to be identified and addressed before they escalate into conflicts or scope changes. Projects that neglect communication and stakeholder involvement often face rework, dissatisfaction, and performance shortfalls, whereas those that prioritize these aspects tend to achieve smoother implementation and stronger outcomes (Kerzner, 2017).

Technology, Tools, and Methodologies

The use of appropriate project management tools, technologies, and methodologies further influences project performance. Tools such as scheduling software, performance dashboards, and integrated information systems improve visibility into project progress and support informed decision-making. When these tools are effectively applied, project teams are better equipped to track performance, respond to changes, and maintain control over key deliverables. Technology and methodological capability function as enabling antecedents that support consistent and efficient project execution (IPMA, 2019).

Monitoring and Evaluation

Among the most critical antecedents of project performance is monitoring and evaluation (M&E). Although M&E is often perceived as a performance measurement activity, authoritative academic literature increasingly recognizes it as a managerial and institutional mechanism that actively shapes project outcomes. Monitoring involves the continuous tracking of project activities and outputs but evaluation provides systematic assessment of progress, efficiency, and effectiveness at different stages of the project lifecycle.

Kusek and Rist (2014) argue that when monitoring and evaluation systems are established early and integrated into project management processes, they influence performance by strengthening accountability, improving decision-making, and enabling timely corrective action. Projects that operate with clearly defined indicators, structured reporting systems, and effective feedback mechanisms are better able to detect delays, cost overruns, and quality deficiencies before these issues become severe.

Similarly, Cooke-Davies (2002) identifies monitoring and control processes as genuine predictors of project success rather than merely retrospective assessment tools. By providing reliable and timely performance information, M&E systems support evidence-based management and continuous learning. In complex sectors such as real estate development, where multiple stakeholders and regulatory requirements intersect, effective monitoring and evaluation improve coordination, transparency, and overall project performance.

Monitoring and evaluation function as causal mechanisms that precede and influence performance outcomes. They shape how projects are implemented, how deviations are addressed, and how lessons are incorporated into ongoing activities. Therefore, M&E is appropriately conceptualized as a central antecedent of project performance, particularly in studies that assess time, cost, quality, and client satisfaction dimensions.

2.2 Concept of Monitoring and Evaluation in Project Management

Monitoring and evaluation are viewed as interrelated but distinct management functions that together provide a comprehensive framework for assessing project performance. Monitoring refers to the continuous and systematic collection of data on predefined indicators to track progress against planned objectives while evaluation involves the periodic and objective assessment of a project's relevance, effectiveness, efficiency, relationship, and sustainability (Kusek & Rist, 2004; OECD, 2010). When effectively integrated, these functions are expected to offer both real-time operational insights and reflective learning opportunities that inform managerial decision-making.

Results-based management literature argues that well-designed monitoring and evaluation systems strengthen accountability by clearly linking inputs, activities, outputs, and outcomes, thereby enabling managers and stakeholders to assess whether projects are delivering intended results (Kusek & Rist, 2004; UNDP, 2019). In project-based environments, monitoring and evaluation therefore function not only as control mechanisms but also as learning systems that support continuous improvement and adaptive management

Monitoring and evaluation (M&E) are widely recognized as essential components of effective project management, particularly in sectors characterized by technical complexity, extended implementation periods, and high levels of financial exposure, such as real estate development. Contemporary project management literature emphasizes that project success depends not only on technical execution but also on the availability of systematic management control mechanisms that support planning, tracking, learning, and accountability (Kerzner, 2017; Project Management Institute [PMI], 2021). Given that real estate projects typically involve multiple stakeholders, strict regulatory requirements, and substantial capital investment the absence of

effective monitoring and evaluation systems is expected to significantly undermine project performance.

Globally, the growing adoption of results-based management continues to reinforce the role of monitoring and evaluation as tools for evidence-based decision-making, transparency, and organizational learning rather than mere reporting mechanisms (Kusek & Rist, 2004; OECD, 2010). Empirical and theoretical studies in construction and project management will consistently link weak monitoring and evaluation practices to schedule delays, cost overruns, quality deficiencies, and declining client satisfaction (Marchewka, 2014; UNDP, 2019). Accordingly, this chapter reviews relevant theoretical and empirical literature on monitoring and evaluation and examines their influence on the performance of real estate projects, with particular attention to time, cost, quality, and client satisfaction.

2.2.1 Monitoring in Project Management

Monitoring is considered a core project control function that enables managers to compare actual performance with planned targets and to take corrective action when deviations occur (PMI, 2021). It typically involves tracking schedules, costs, resource utilization, scope changes, and quality compliance using structured indicators and reporting tools (Kerzner, 2017). In real estate projects, where delays or cost overruns can have serious financial implications, continuous monitoring is expected to play a critical role in maintaining control throughout the project life cycle.

Beyond its technical function, monitoring is also recognized as an important governance mechanism. Transparent monitoring systems will promote accountability by clarifying responsibilities and providing stakeholders with timely and reliable performance information (Bourne, 2015). Construction management studies suggest that projects employing structured monitoring mechanisms such as milestone tracking, site inspections, progress reporting, and earned value analysis achieve superior time and cost performance compared to projects relying on informal supervision (Haponava & Al-Jibouri, 2010). These findings will highlight the importance of systematic monitoring practices in real estate development.

2.2.2 Evaluation in Project Management

Evaluation differs from monitoring in terms of scope, timing, and purpose. While monitoring focuses on ongoing implementation, evaluation provides analytical judgments about overall project performance and value (Patton, 2008). According to the OECD (2010), evaluation assesses whether a project has achieved its intended objectives and whether the results are sustainable and relevant to stakeholder needs.

Utilization-focused evaluation theory will emphasize that evaluation will contribute meaningfully to performance improvement only when findings are actively used by decision-makers (Patton, 2008). In real estate projects, evaluations conducted at mid-term or post-completion stages help identify systemic issues related to design adequacy, procurement strategies, contractor performance, and quality assurance processes (Bamberger et al., 2011). When integrated into project management systems, evaluation supports organizational learning and improve performance in future developments.

2.3 Importance of Monitoring and Evaluation in Projects

Projects across different sectors are particularly vulnerable to weak monitoring and evaluation systems due to their inherent complexity, resource constraints, uncertainty, and the involvement of multiple stakeholders. Regardless of the project type, ineffective monitoring and evaluation increase the risk of schedule delays, cost overruns, scope deviations, and quality shortfalls. Kerzner (2017) emphasizes that projects lacking structured monitoring and evaluation mechanisms often fail not because of poor technical design, but due to insufficient control and feedback during implementation.

Effective monitoring and evaluation systems improve accountability by clearly demonstrating how resources are used and whether project objectives are being achieved. This function will be especially important for organizations that are accountable to clients, donors, investors, regulators, or the public. According to the OECD (2010), monitoring and evaluation provide transparency and credibility, thereby strengthening trust between project implementers and stakeholders.

In addition, monitoring and evaluation support managerial decision-making by generating timely and reliable performance information. Such information will allow project managers to adjust schedules, reallocate resources, and revise implementation strategies as conditions change (UNDP, 2019). As a result, monitoring and evaluation are increasingly recognized as strategic management instruments that contribute directly to project success, rather than being treated as secondary or administrative requirements (PMI, 2021).

2.3.1 Influence of Monitoring Practices on Project Performance

Monitoring practices are expected to play a critical role in shaping project performance outcomes across sectors. Effective monitoring enables project managers to systematically track progress, compare actual performance against planned targets, and identify emerging risks at an early stage. By doing so, monitoring support coordination among project teams, contractors, consultants, and other implementing partners (Kerzner, 2017).

Common monitoring tools such as work plans, progress reports, performance indicators, budget tracking systems, and quality inspections provide early warning signals that allow corrective actions to be taken before problems escalate (PMI, 2021). Empirical studies in project management consistently show that projects supported by structured and continuous monitoring systems achieve stronger control over time and cost performance than those relying on informal or ad hoc monitoring arrangements (Haponava & Al-Jibouri, 2010).

Inadequate monitoring is associated with reactive management approaches, delayed responses to problems, increased rework, and inefficient use of resources. Marchewka (2014) notes that when monitoring information is incomplete or delayed managers are forced to rely on assumptions rather than evidence which undermines decision quality and negatively affects project performance. These findings highlight the importance of proactive and systematic monitoring practices as a foundational driver of successful project outcomes.

2.3.2 Influence of Evaluation Processes on Project Performance

Evaluation processes complement monitoring by offering deeper and more reflective insights into project effectiveness and outcomes. While monitoring will focus on tracking activities and outputs during implementation evaluation examines the extent to which project objectives are

achieved and explains why certain results occur (Bamberger, Vaessen, & Raimondo, 2016). Through this analytical function, evaluation will support learning and improvement both within ongoing projects and across future initiatives.

Evaluation findings are particularly valuable for strengthening planning assumptions, refining implementation strategies, improving quality management systems, and enhancing stakeholder engagement. However, scholars caution that evaluations conducted solely for compliance or reporting purposes tend to have limited influence on actual performance improvement (Patton, 2008). Evaluation is most effective when it is integrated into project management processes and explicitly linked to decision-making and organizational learning (OECD, 2010).

When evaluation is learning-oriented rather than punitive, it will encourage reflection, adaptation, and innovation. Over time, this approach contributes to improved standards, increased stakeholder confidence, and better performance outcomes in subsequent projects across different sectors and contexts (UNDP, 2019).

2.4 Contribution of Monitoring and Evaluation Systems to Key Performance Dimensions

2.4.1 Time Performance

Time performance refers to the extent to which a project is completed within its planned schedule. Research in project management indicates that regular progress monitoring and schedule variance analysis significantly increase the likelihood of timely project completion (PMI, 2021). Evaluation further contributes by identifying recurring scheduling challenges and improving planning accuracy in future projects (Kerzner, 2017).

2.4.2 Cost Performance

Cost performance is closely linked to integrated monitoring and evaluation systems. Aligning financial monitoring with physical progress measurement enables early detection of cost pressures and reduce the risk of budget overruns (Haponava & Al-Jibouri, 2010). Evaluation supports cost control by identifying structural causes of budget escalation, such as scope changes, procurement inefficiencies, and weak contract management (Marchewka, 2014).

2.4.3 Quality Performance

Quality performance depends on systematic inspections, compliance monitoring, and timely corrective actions. Monitoring systems that incorporate quality indicators and milestone-based inspections reduce defects and rework, leading to higher construction standards (PMI, 2021). Evaluations that include technical audits and post-completion assessments further strengthen long-term quality outcomes (Bamberger et al., 2011).

2.4.4 Client Satisfaction

Client satisfaction is increasingly recognized as a key indicator of project success in real estate development. Timely delivery, construction quality, cost transparency, and effective communication will strongly influence client perceptions and trust (Hoxley, 2019). Monitoring improves satisfaction by promoting transparency and regular reporting, while evaluation processes that incorporate client feedback support learning and long-term client relationships (Patton, 2008).

2.5 Empirical Literature

2.5.1 Empirical Evidence on Monitoring and Evaluation and Project Performance

Empirical studies across different sectors consistently demonstrate that monitoring and evaluation play a significant role in improving project performance. Research conducted in construction and infrastructure projects shows that projects supported by formal monitoring and evaluation systems tend to perform better in terms of schedule adherence, cost control, and quality outcomes compared to projects with weak or informal M&E practices (Haponava & Al-Jibouri, 2010; PMI, 2021). These studies emphasize that systematic tracking of project activities enables early identification of deviations and timely corrective action.

International evidence further suggests that monitoring and evaluation improve managerial decision-making by providing reliable performance data and evaluative insights that inform resource allocation and risk management strategies (Kerzner, 2017). Projects that integrate monitoring and evaluation throughout the project life cycle demonstrate greater resilience to uncertainty and will be more likely to achieve intended objectives (UNDP, 2019).

2.5.2 Empirical Studies on Monitoring Practices and Project Performance

Several empirical studies will examine the influence of monitoring practices on project performance, particularly in construction and real estate contexts. Haponava and Al-Jibouri (2010) will find that systematic monitoring using key performance indicators significantly is associated with improved time and cost performance by enabling proactive management interventions. Similarly, research synthesized by Kerzner (2017) will indicate that projects with structured progress monitoring and reporting mechanisms experience fewer schedule overruns and reduced cost escalation.

Empirical evidence will also highlight the role of monitoring in improving coordination among project stakeholders. Bourne (2015) will note that transparent monitoring and reporting systems reduce information asymmetry and improve accountability, leading to smoother project execution. In real estate development, continuous site supervision and financial monitoring will be shown to reduce rework and improve compliance with design specifications, thereby enhancing quality performance (PMI, 2021).

2.5.3 Empirical Studies on Evaluation Processes and Project Performance

Evaluation processes will also be empirically linked to improved project outcomes, particularly when they are learning-oriented and utilization-focused. Bamberger et al. (2011) will report that projects incorporating mid-term and post-completion evaluations are better positioned to identify systemic weaknesses and improve future performance. Their findings will suggest that evaluation contributes to long-term organizational learning rather than short-term operational control.

Patton (2008) will provide evidence showing that evaluation findings are more likely to influence project performance when decision-makers are actively involved in the evaluation process. In construction and real estate projects, evaluations that assess design effectiveness, contractor performance, and stakeholder satisfaction will be associated with improvements in quality standards and client confidence (Hoxley, 2019).

2.5.4 Empirical Evidence on M&E and Time Performance

Time performance will remain one of the most frequently examined dimensions in empirical project management research. Studies will consistently indicate that projects with regular progress monitoring and schedule variance analysis are more likely to be completed within planned timelines (PMI, 2021). Evaluation will further support time performance by identifying recurring causes of delays, such as poor planning, coordination issues, and contractor inefficiencies (Kerzner, 2017).

2.5.5 Empirical Evidence on M&E and Cost Performance

Cost performance will be widely examined in empirical studies related to monitoring and evaluation. Research will show that integrating cost monitoring with physical progress measurement reduces the likelihood of budget overruns (Haponava & Al-Jibouri, 2010). Evaluation will contribute by identifying structural causes of cost overruns and improving financial control in future projects (Bamberger et al., 2011).

2.5.6 Empirical Evidence on M&E and Quality Performance

Empirical literature will strongly support the link between monitoring and evaluation and quality performance. Systematic quality monitoring through inspections and compliance checks will reduce defects and rework, while post-completion evaluations will improve quality assurance practices in subsequent projects (PMI, 2021; Bamberger et al., 2011).

2.5.7 Empirical Evidence on M&E and Client Satisfaction

Empirical studies will indicate that transparent monitoring and regular progress reporting improve client trust and confidence by reducing uncertainty (Bourne, 2015). Evaluation processes that incorporate client feedback will further improve satisfaction and strengthen long-term client relationships (UNDP, 2019).

2.6 Conceptual Framework

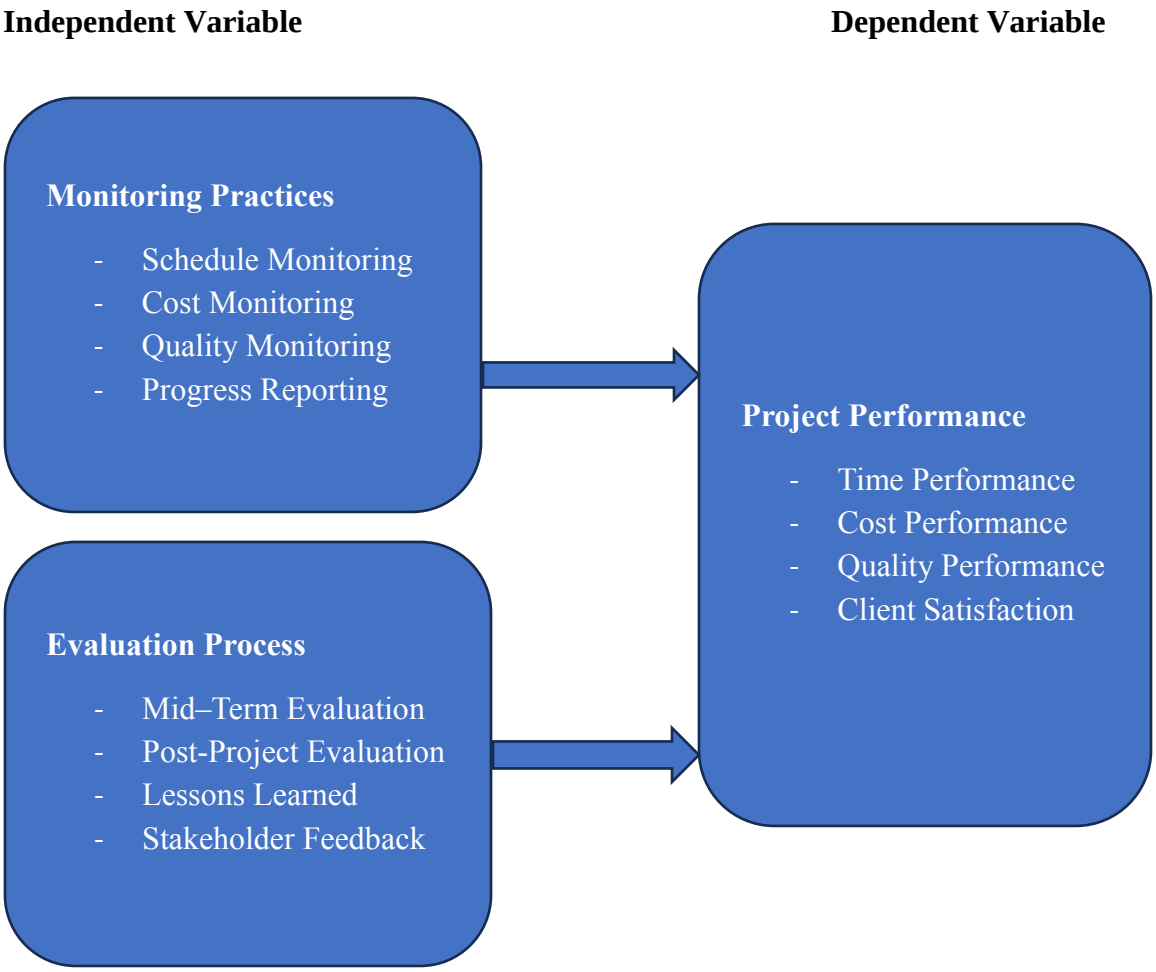
The conceptual framework developed for this study explains how monitoring and evaluation practices are influencing project performance across different types of projects. Drawing from established project management theory and results-based management principles, the framework assumes that projects perform well when systematic mechanisms are in place to track progress, assess results, and inform managerial decisions throughout the project life cycle.

Within this framework, monitoring and evaluation are the key explanatory variables. Monitoring is understood as the continuous process of tracking project activities, schedules, costs, and quality standards, as well as documenting progress through regular reporting. Evaluation, on the other hand, is viewed as a structured process that involves periodic assessments such as mid-term reviews, end-of-project evaluations, lessons learned exercises, and the incorporation of stakeholder feedback. Together, these practices strengthen accountability, support timely decision-making, and promote organizational learning.

Project performance is positioned as the outcome variable and is assessed through commonly accepted dimensions, including adherence to planned timelines, effective cost control, achievement of required quality standards, and the satisfaction of clients or beneficiaries. The framework assumes that effective monitoring enables early identification of deviations from plans and supports prompt corrective action, while evaluation contributes deeper insights into the reasons behind performance trends and the effectiveness of management responses.

Overall, the framework reflects the view that monitoring and evaluation do not merely assess performance after the fact but actively shape how projects are implemented. By influencing how information is generated, interpreted, and used monitoring and evaluation practices play a central role in improving project performance across a wide range of project contexts.

Conceptual Framework Diagram



2.7 Research Hypotheses

Based on the research objectives, research questions, and the theoretical and empirical literature reviewed this study formulates a set of research hypotheses to guide the empirical investigation. The hypotheses are grounded in project management theory and results-based management principles, which emphasize that effective monitoring and evaluation practices strengthen project control, improve organizational learning, and support evidence-based decision-making. In line with these theoretical perspectives the study assumes that systematic monitoring and evaluation practices contribute to improved project performance outcomes.

The general hypothesis of the study proposes that monitoring and evaluation are significantly associated with the performance of real estate projects in Addis Ababa. Accordingly, the null hypothesis states that monitoring and evaluation have no significant influence on the performance of real estate projects, while the alternative hypothesis asserts that monitoring and evaluation have a significant positive influence on the performance of real estate projects in Addis Ababa.

To allow for more detailed statistical testing and deeper analytical insight the general hypothesis is disaggregated into specific hypotheses focusing on monitoring practices and evaluation processes. With regard to monitoring practices, the study hypothesizes that effective monitoring positively influences overall project performance. More specifically, schedule monitoring is hypothesized to improve time performance, cost monitoring is expected to improve cost performance, and quality monitoring is assumed to strengthen quality performance. In addition, regular and systematic progress reporting is hypothesized to improve client satisfaction in real estate projects.

Concerning evaluation processes, the study hypothesizes that evaluation positively affects overall project performance. Mid-term evaluation is hypothesized to improve time and cost performance by identifying implementation challenges early while post-project evaluation is assumed to improve quality performance by assessing compliance with established standards. Additionally, the effective use of lessons learned from evaluation is hypothesized to improve future project performance and the incorporation of stakeholder feedback through evaluation processes is assumed to improve client satisfaction.

Finally, the study advances hypotheses linking integrated monitoring and evaluation systems to specific performance dimensions. Monitoring and evaluation systems are hypothesized to positively influence time performance, cost performance, quality performance, and client satisfaction by strengthening accountability, transparency, and managerial decision-making throughout the project life cycle.

H_1: Monitoring practices have a statistically significant positive influence on project performance in Reality Real Estate projects in Addis Ababa.

H_1: Evaluation processes have a statistically significant positive influence on project performance in Reality Real Estate projects in Addis Ababa.

H_1: Integrated monitoring and evaluation systems have a statistically significant positive influence on project performance dimensions (time performance, cost performance, quality performance, and client satisfaction) in Reality Real Estate projects in Addis Ababa.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research design and methodology that were employed to examine the relationship between monitoring and evaluation (M&E) practices and the performance of reality real estate projects in Addis Ababa. It explains the procedures followed in collecting and analyzing the data, as well as the rationale behind the methodological choices made. Specifically, the chapter describes the research design, research approach, target population, sampling technique, data collection methods, measurement of variables, and data analysis techniques. Issues of validity, reliability, and ethical considerations are also addressed to demonstrated the rigor and credibility of the study.

3.2 Research Methodology

Research methodology refers to the overall plan that will guides the collection, measurement, and analysis of data. It will provide a structured framework that links the research objectives with suitable methods and procedures, thereby ensuring that the research questions were addressed effectively. According to Saunders, Lewis, and Thornhill (2016), research design will serve as a blueprint that integrates research philosophy, strategy, methodological choice, and time horizon. Zikmund et al. (2013) also explain that research design will specify the procedures required to obtain and analyze information needed to solve a research problem.

The research design of this study was defined in terms of its purpose, methodological orientation, and time horizon. The design was both descriptive and explanatory in nature. The descriptive aspect was used to identify and describe existing monitoring and evaluation practices within reality real estate projects and the explanatory aspect was used to examine the influence of these practices on project performance. The study followed a cross-sectional time horizon as data were collected from respondents at a single point in time. This approach was appropriate given the nature of the research objectives and the practical constraints related to time and resources.

The descriptive and explanatory research methodology was selected because it allowed the study not only to document current monitoring and evaluation practices but also to analyze the relationships between these practices and project performance indicators such as cost efficiency, time adherence, quality achievement, and stakeholder satisfaction. This approach enabled the study to generate meaningful evidence on how monitoring and evaluation practices contributed to improved performance of reality real estate projects in Addis Ababa.

3.3 Research Approach

A research approach refers to the general orientation of the study in terms of how theory and empirical data was linked. It explains whether the study begins with existing theories and test them using collected data or whether it generates theory from observed data. Saunders et al. (2016) identify deductive, inductive, and abductive approaches as the main research approaches used in business and management research.

This study adopted a quantitative research approach. The quantitative approach was considered appropriate because the study sought to examine the relationships between monitoring and evaluation practices and project performance using numerical data collected from respondents. The approach enabled the researcher to objectively measure the study variables and apply statistical techniques to test the proposed hypotheses. Data were collected through structured questionnaires and analyzed using the Statistical Package for the Social Sciences (SPSS) version 27.

In line with the quantitative methodological choice the study used a deductive research approach. The deductive approach begins with existing theories and empirical evidence and proceeds toward testing hypotheses using collected data (Saunders et al., 2019). In this study, theories and previous empirical findings relating to monitoring, evaluation and project performance were reviewed to establish a theoretical foundation. Based on this foundation hypotheses were formulated and empirically tested using quantitative data obtained from respondents involved in Reality Real Estate projects in Addis Ababa.

The deductive approach was appropriate because the study aimed to verify established theoretical relationships within the specific context of private real estate projects rather than generating new theories. Therefore, the study focused on determining whether previously

identified relationships between monitoring and evaluation practices and project performance were supported by evidence from Reality Real Estate projects in Addis Ababa.

3.4 Study Population

A study population refers to the entire group of individuals or units that possess characteristics relevant to the study and from which data can potentially be collected. According to Zikmund et al. (2013), the population includes all elements that meet the criteria defined by the research objectives.

The target population of the study consisted of professionals directly involved in the planning, execution, monitoring and evaluation of reality real estate projects in Addis Ababa. These included project managers, site engineers, contractors, consultants and monitoring and evaluation officers. These groups were selected because they possess practical experience and direct involvement in project activities, making them well-positioned to provide reliable and relevant information regarding monitoring and evaluation practices and project performance.

The unit of analysis for this study was the individual professional involved in Reality Real Estate projects. Specifically, project managers, site engineers, contractors, consultants, and monitoring and evaluation officers constituted the units of analysis because the study sought to capture their perceptions and experiences concerning the influence of monitoring and evaluation practices on project performance. Although the study focused on project performance within Reality Real Estate, data were collected and analyzed at the individual respondent level.

The accessible population comprised 110 professionals from which data were collected. As reflected in Chapter Four, 98 valid responses were obtained, representing an 89.1% response rate which enhanced the reliability and credibility of the findings.

3.5 Sampling Technique

Sampling refers to the process through which a subset of individuals selected from a larger population in order to represent the entire population. Proper sampling enables the researcher to draw valid conclusions while minimizing the time and cost required to study the full population.

Saunders et al. (2016) emphasize that the choice of sampling technique should align with the research objectives and the characteristics of the population.

This study used a purposive sampling technique. Respondents were deliberately selected based on their roles, responsibilities, and involvement in reality real estate project management and monitoring and evaluation activities. Purposive sampling was considered appropriate because it ensured that data are collected from knowledgeable professionals who were capable of providing informed and relevant responses. Based on sample size determination guidelines suggested by Saunders et al. (2016), a total of 110 questionnaires were distributed, out of which 98 valid responses were received and used for analysis. This sample size was considered adequate for statistical analysis and consistent with similar studies in project management research.

3.6 Measurement, Variables and Instruments

Measurement in this study involved the careful and systematic assignment of values to the study variables in order to capture the research concepts in a meaningful and accurate manner. The study treats monitoring and evaluation practices as the independent variable, while project performance considered the dependent variable. This distinction allows the research to examine how variations in monitoring and evaluation practices influence overall project outcomes.

Monitoring and evaluation practices measured using key dimensions commonly applied in project management and results-based management literature. These dimensions included planning for monitoring and evaluation activities, data collection and tracking mechanisms, reporting practices, and feedback and learning processes. Project performance on the other hand was assessed using widely accepted project success indicators namely cost control, adherence to planned schedules, achievement of required quality standards and the level of client satisfaction.

Primary data were collected through a structured questionnaire developed through Google Forms. The study used a tested and validated questionnaire which was adopted and adapted from previous empirical studies that have examined the relationship between monitoring and evaluation practices and project performance. Using an established instrument is expected to strengthen the accuracy and credibility of the measurement process, as the items have already been applied and validated in similar research contexts.

Primary data were collected using a structured self-administered questionnaire developed through Google Forms. The questionnaire was adopted and adapted from previously validated instruments used in empirical studies examining monitoring and evaluation practices and project performance. The adaptation process involved modifying the wording of certain items to reflect the context of private real estate projects in Addis Ababa while preserving the original intent and conceptual meaning of the measures.

The questionnaire consisted of two major sections. The first section collected respondent's demographic and professional information including position, educational background, years of experience, and involvement in project activities. The second section comprised items designed to measure the study variables. Respondents were asked to indicate their level of agreement with statements relating to monitoring practices, evaluation processes, and project performance indicators.

All measurement items in the second section were assessed using a five-point Likert scale, where 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree. The use of the Likert scale enabled the quantification of respondents' perceptions and facilitated the application of descriptive and inferential statistical techniques.

To ensure the appropriateness of the instrument within the study context minor contextual modifications were made to selected questionnaire items. These modifications were intended to improve clarity and relevance to the operational environment of Reality Real Estate projects without altering the underlying constructs being measured.

The use of an online questionnaire provided several advantages including ease of distribution, faster data collection, and improved response management. It also allowed respondents to complete the survey at their convenience which contributed to the highest response rate.

3.7 Data Types and Data Sources

This study primarily employed quantitative data because its objective was to examine the relationship between monitoring and evaluation practices and project performance using measurable indicators and statistical techniques. Quantitative data enabled the researcher to

objectively assess respondents' perceptions regarding monitoring practices, evaluation processes, and project performance dimensions and to test the proposed hypotheses.

The study relied mainly on primary data which were collected directly from project managers, site engineers, contractors, consultants, and monitoring and evaluation officers through a structured questionnaire administered using Google Forms. The primary data constituted the principal source of information for the analysis and were subjected to descriptive and inferential statistical procedures using SPSS version 27. Descriptive statistics including frequencies, percentages, means, and standard deviations were used to summarize respondent's characteristics and describe the key study variables. Inferential statistics particularly correlation and multiple regression analyses were employed to examine the relationships between monitoring and evaluation practices and project performance and to test the study hypotheses.

3.8 Data Collection Procedures

Data collection commenced after obtaining formal permission from the authorized personnel of reality real estate and informed respondents about the purpose and significance of the study.

The questionnaire was created and distributed via Google Forms and the survey link was shared with selected respondents through email and professional communication channels. Respondents were informed about the purpose of the study and were assured that their participation was voluntary, Adequate time was provided for completing the questionnaire.

Once the responses were received, the data were reviewed for completeness and accuracy. Incomplete or inconsistent responses were excluded, resulting in 98 valid responses used for analysis.

3.9 Data Analysis Techniques

The collected data were coded, entered, cleaned, and analyzed using the Statistical Package for the Social Sciences (SPSS) version 27. Prior to conducting the main statistical analyses, the reliability of the measurement instrument was assessed using Cronbach's alpha coefficient to determine the internal consistency of the questionnaire items measuring the study constructs. Cronbach's alpha values of 0.70 and above indicate acceptable reliability.

Following the reliability assessment both descriptive and inferential statistical techniques were employed to analyze the data. Descriptive statistics including frequencies, percentages, means, and standard deviations were used to summarize respondent's demographic characteristics and describe the key variables of the study.

To address the research objectives and test the proposed hypotheses inferential statistical techniques were applied. Pearson correlation analysis was conducted to examine the strength and direction of the relationships between monitoring practices, evaluation processes, and project performance. Furthermore, multiple regression analysis was employed to determine the extent to which monitoring and evaluation practices influenced project performance and to assess the predictive power of the independent variables on the dependent variable.

3.10 Validity and Reliability

Ensuring the quality of the research instrument was a key consideration in this study. Validity was addressed by adopting measurement items from established literature and aligning them with the study objectives. The questionnaire was also reviewed to ensure clarity and relevance to the reality real estate context. Reliability was assessed using Cronbach's alpha during data analysis. As reported in Chapter Four, all constructs recorded values above the acceptable threshold of 0.70, indicating strong internal consistency. These steps ensured that the instrument measured the intended variables accurately and consistently. According to Saunders, Lewis, and Thornhill (2019), validity and reliability are fundamental quality criteria in survey-based research, as they relate to the trustworthiness of the conclusions drawn from empirical data.

3.10.1 Validity

Validity refers to the extent to which a research instrument accurately measures what it is intended to measure (Zikmund et al., 2013). In this study, several forms of validity will be addressed to ensure that the questionnaire adequately captures the concepts of monitoring and evaluation practices and project performance in the context of real estate projects in Addis Ababa.

Content validity was established by ensuring that the questionnaire items fully represent the key dimensions of the study variables. The constructs of monitoring practices, evaluation processes, and project performance was derived from established literature on monitoring and evaluation and project management. Questionnaire items were adopted from previously validated instruments used in related studies and refined to reflect the real estate context. In addition, the initial version of the questionnaire was reviewed by academic supervisors to assess the relevance, clarity, and completeness of the items. This expert review process helped ensure that the instrument adequately covers all aspects of the research objectives (Saunders et al., 2019).

Construct validity was addressed by ensuring that each variable is measured using multiple items that reflect its theoretical definition. Monitoring practices were operationalized through indicators such as progress tracking, reporting frequency, and corrective action mechanisms, while evaluation processes were measured through indicators related to performance assessment, feedback, and learning. Project performance was assessed using time, cost, quality, and client satisfaction dimensions. The alignment between the theoretical constructs and their corresponding measurement items enhanced confidence that the instrument adequately reflected the concepts under investigation (Zikmund et al., 2013).

Face validity was considered during the questionnaire development stage. The wording and structure of the items were designed to appear logical and meaningful to respondents who are directly involved in real estate project management. A pilot test will be conducted with a small group of respondents similar to the study population to confirm that the questions are understandable and interpreted as intended. Feedback from the pilot study will be used to refine ambiguous or unclear items before the final data collection (Saunders et al., 2019).

3.10.2 Reliability

Reliability refers to the degree to which a measurement instrument produces consistent and stable results when applied under similar conditions (Zikmund et al., 2013). In this study, reliability were assessed to ensure that the questionnaire yields dependable responses across different respondents.

Internal consistency reliability examined using Cronbach's alpha coefficient. This method is widely recommended for assessing the reliability of multi-item scales in quantitative research (Saunders et al., 2019). Each construct monitoring practices, evaluation processes, and project performance were tested separately to relate to the extent to which the items within each scale are consistently measuring the same underlying concept. A Cronbach's alpha value of 0.70 or higher considered acceptable indicating satisfactory internal consistency.

To further improve reliability the questionnaire items were formulated using clear, simple, and unambiguous language to reduce the likelihood of misinterpretation. The response format was standardized using a Likert-type scale which is commonly used in project management research and has been shown to support reliable measurement of perceptions and attitudes (Zikmund et al., 2013).

Overall, by systematically addressing both validity and reliability through careful instrument design, expert review and statistical analysis, this study ensured that the data collected accurately and consistently reflect the influence of monitoring and evaluation practices on the performance of real estate projects in Addis Ababa.

Variable	**Cronbach's Alpha**
Monitoring	0.861
Evaluation	0.932
Project Performance	0.951

3.11 Ethical Considerations

Ethical principles were strictly observed throughout the research process. Participation in the study was entirely voluntary and respondents were informed about the purpose of the research before completing the questionnaire. Confidentiality and anonymity were maintained by ensuring that no personal identifiers were included in the data analysis or reporting. The data collected were used solely for academic purposes. Overall, the study adhered to accepted ethical standards to protect the rights and privacy of all participants, as emphasized by Saunders et al. (2016).

CHAPTER FOUR

RESULT AND DISCUSSION

4.1 Introduction

This chapter presents the analysis and interpretation of the data collected to examine the influence of monitoring and evaluation (M&E) practices on project performance in real estate projects. The findings are organized according to the study objectives and presented using tables, followed by detailed explanations and interpretations. Where appropriate the results are discussed in relation to existing literature to provide deeper academic context and meaning.

4.2 Response Rate and Demographic Characteristics

4.2.1 Response Rate

Table 4.1: Response Rate

Description	**Frequency**	**Percentage (%)**
Distributed Questionnaires	110	100
Valid Responses	98	89.1
Invalid/Incomplete	12	10.9

Source: Field Survey Data (2026)

Explanation

Out of the 110 questionnaires distributed 98 were completed and returned resulting in a response rate of **89.1%**. This level of response is considered highly satisfactory for survey-based research and improves the reliability of the findings (Kothari, 2004).

From a methodological perspective a high response rate minimizes non-response bias and is associated with improved the representativeness of the sample. This suggests that the data collected can reasonably reflect the realities of monitoring and evaluation practices within real estate projects.

4.2.2 Respondents' Profile

Table 4.2: Professional Roles of Respondents (n = 98)

Role	Frequency	Percentage (%)
Project Manager	16	16.3
Site Engineer	34	34.7
M&E Officer	6	6.1
Consultant	6	6.1
Contractor	23	23.5
Other	13	13.3
Total	98	100

Explanation

The results show that site engineers (34.7%) and contractors (23.5%) constitute the largest groups of respondents followed by project managers (16.3%).

This distribution indicates that the majority of participants are directly involved in project execution. Their practical involvement strengthens the credibility of the responses as they are more likely to have firsthand experience with monitoring and evaluation processes. According to Kerzner (2017), practitioners who are actively engaged in project operations tend to provide more reliable and experience-based insights.

4.2.3 Work Experience

Table 4.3: Work Experience (n = 98)

Experience	Frequency	Percentage (%)
Less than 5 years	25	25.5
5-10 years	52	53.1
11-15 years	18	18.4
More than 15 years	3	3.1
Total	98	100

Explanation

More than half of the respondents (53.1%) have between 5 and 10 years of experience but others possess even longer professional exposure.

This suggests that the study benefits from respondents who have accumulated sufficient knowledge and practical understanding of project processes. Experience is a critical factor in project management as it improves the ability to interpret data and make informed decisions (Kerzner, 2017). Therefore, the responses can be considered both informed and credible.

4.2.4 Type of Project Involvement

Table 4.4: Project Type (n = 98)

Project Type	**Frequency**	**Percentage**
Residential	13	13.3
Commercial	6	6.1
Mixed-use	77	78.6
Other	2	2
Total	98	100

Explanation

The majority of respondents (78.6%) are involved in mixed-use projects which are typically complex and require coordination across multiple components.

Such environments demand strong monitoring and evaluation systems to ensure efficiency and effectiveness. The dominance of mixed-use projects in the sample suggests that the findings are grounded in complex project settings where M&E practices are particularly relevant (Project Management Institute PMI, 2021).

4.3 Descriptive Statistics

Table 4.5: Descriptive Statistics of Key Variables

Variable	Mean	Std. Deviation
Preplanning	3.33	0.976
Schedule Preparation	3.49	0.840
Site Inspection	4.41	0.716
Cost Monitoring	4.39	0.808
Evaluation Criteria	4.61	0.683
Lesson Application	4.54	0.776
Client Satisfaction	3.93	0.763
Budget Performance	2.92	0.881

Source: Field Survey Data (2026)

Benchmark for Mean: 1.00–1.80 = Very Low: 1.81–2.60 = Low: 2.61–3.40 = Moderate: 3.41–4.20 = High: 4.21–5.00 = Very High.

Explanation

The descriptive results indicate varying levels of implementation across the key study variables. Based on the established benchmark, preplanning (M = 3.33, SD = 0.976) was practiced at a moderate level, whereas schedule preparation (M = 3.49, SD = 0.840) was rated high. In contrast, site inspection (M = 4.41, SD = 0.716) and cost monitoring (M = 4.39, SD = 0.808) attained very high mean scores, suggesting that monitoring activities were more intensively implemented during project execution stages.

These findings imply that Reality Real Estate projects place greater emphasis on tracking ongoing activities than on strengthening monitoring during the planning phase. However, the Project Management Institute (2021) emphasizes that effective monitoring should commence during project planning to facilitate timely corrective actions and improve project outcomes.

With respect to evaluation practices evaluation criteria (M = 4.61, SD = 0.683) and lesson application (M = 4.54, SD = 0.776) were both rated at very high levels. This suggests that respondents perceived evaluation activities and the use of lessons learned as integral components of project management practices within the organization. Kusek and Rist (2014) argue that evaluation enhances organizational learning by transforming performance information into actionable knowledge for continuous improvement.

Regarding project performance dimensions client satisfaction recorded a high level (M = 3.93, SD = 0.763), indicating that projects generally met client expectations. However, budget performance exhibited only a moderate level (M = 2.92, SD = 0.881) suggesting challenges in maintaining project expenditures within approved budgets. This finding aligns with previous studies indicating that cost overruns remain one of the most persistent challenges affecting construction projects (PMI, 2021).

4.4 Reliability Analysis

Table 4.6: Reliability Statistics

Variable	**Cronbach's Alpha**
Monitoring	0.861
Evaluation	0.932
Project Performance	0.951

Explanation

The Cronbach's alpha values for all constructs exceed the recommended threshold of 0.70, indicating strong internal consistency.

This confirms that the measurement instruments used in the study are reliable and capable of producing consistent results. Reliability is essential in ensuring that the observed relationships among variables are accurate and not due to measurement error (Hair et al., 2010).

4.5 Correlation Analysis

Table 4.7: Correlation Matrix

Variables	Monitoring	Evaluation	Performance
Monitoring	1		
Evaluation	0.809	1	
Performance	0.649	0.785	1

($p < 0.01$)

Benchmark: (Evans, 1996) 0.00–0.19 = Very Weak: 0.20–0.39 = Weak: 0.40–0.59 = Moderate: 0.60–0.79 = Strong: 0.80–1.00 = Very Strong.

Source: SPSS Output (2026)

Explanation

Pearson's correlation analysis was conducted to determine the strength and direction of the relationships between monitoring practices, evaluation processes, and project performance. The results revealed statistically significant positive correlations among all study variables at the 0.01 significance level.

Based on Evans (1996) benchmark for interpreting correlation coefficients, the relationship between monitoring practices and project performance ($r = 0.649$, $p < 0.01$) was strong and positive. This finding suggests that improvements in monitoring practices are associated with improvements in project performance outcomes.

Similarly, evaluation processes exhibited a strong positive relationship with project performance ($r = 0.785$, $p < 0.01$). The magnitude of this coefficient indicates that evaluation activities, including performance assessment and the utilization of lessons learned, are closely linked with enhanced project outcomes.

Furthermore, the correlation between monitoring and evaluation ($r = 0.809$, $p < 0.01$) was found to be very strong and positive, implying that projects characterized by effective monitoring

practices also tend to exhibit stronger evaluation processes. This finding supports the view that monitoring and evaluation function as complementary components of project management systems.

The comparatively stronger association between evaluation and project performance suggests that while monitoring generates performance information, evaluation contributes to interpreting that information, facilitating learning, and informing managerial decision-making. This observation is consistent with the argument advanced by Cooke-Davies (2002), who emphasized that project success depends not only on performance measurement but also on the organization's ability to learn and adapt based on available evidence

4.6 Regression Assumption

Table 4.8: Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
1	0.785	0.616	0.608	0.399

Table 4.9: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	24.285	2	12.143	76.274	0.000
Residual	15.124	95	0.159		
Total	39.409	97			

Table 4.10: Coefficients

Variables	B	Std. Error	Beta(β)	t	Sig.	Tolerance	VIF
Constant	- 0.040	0.333	-	- 0.121	0.904	-	-
Monitoring	0.053	0.142	0.041	0.375	0.708	0.345	2.897
Evaluation	0.815	0.117	0.752	6.949	0.000	0.345	2.897

Table 4.11: Collinearity Statistics

Variable	Tolerance	VIF
Monitoring	0.345	2.897
Evaluation	0.345	2.897

Explanation

The results from the model summary point to a strong association between the explanatory variables and project performance. With an R value of 0.785, the relationship can be considered substantial suggesting that the predictors collectively align well with variations in performance. The coefficient of determination ($R^2 = 0.616$) indicates that about 61.6% of the variation in project performance can be accounted for by monitoring and evaluation. When adjusted for the number of predictors the explanatory power remains largely stable (Adjusted $R^2 = 0.608$), which reinforces confidence in the model and suggests that the results are not inflated by unnecessary variables.

The ANOVA results further confirm the usefulness of the model. The F-statistic of 76.274, with a significance level well below 0.05 ($p < 0.001$), demonstrates that the model as a whole is statistically meaningful. In practical terms, this means that monitoring and evaluation, when considered together, provide a reliable basis for explaining variations in project performance.

Despite this strong overall model, the individual regression coefficients reveal an important distinction between the two predictors. Evaluation stands out as a key factor with a large positive coefficient ($\beta = 0.752$) and a statistically significant result ($p < 0.001$). This suggests that improvements in evaluation practices are closely associated with better project outcomes. In contrast monitoring shows only a very small positive coefficient ($\beta = 0.041$) and is not statistically significant ($p = 0.708$). This implies that on its own monitoring does not make a meaningful contribution to performance once evaluation is taken into account.

This pattern of results points to a more detailed understanding of how these two functions operate in practice. Monitoring plays an important role in tracking activities and generating data, but its value appears to lie more in supporting decision-making rather than directly influencing

outcomes. Evaluation, on the other hand, goes a step further by interpreting that information and guiding improvements. This interpretation is consistent with the view that evaluation serves as a critical mechanism for turning routine monitoring data into practical insights that improve effectiveness and accountability (Organization for Economic Co-operation and Development OECD, 2019).

To ensure that the estimates obtained from the regression are reliable multicollinearity was also examined. The tolerance values for both variables (0.345) are comfortably above the minimum recommended threshold of 0.1, while the Variance Inflation Factor (VIF = 2.897) remains well below the commonly accepted upper limit of 5. These results indicate that there is no serious overlap between the independent variables meaning that each contributes distinct information to the model the regression coefficients can be interpreted with a reasonable degree of confidence (Hair et al., 2010).

The findings suggest that monitoring and evaluation jointly explain a considerable portion of project performance. However, evaluation clearly emerges as the more influential factor. While monitoring remains necessary as a foundational process, its role appears to be complementary, providing the data that evaluation Finally uses to drive meaningful improvements in project outcomes.

4.7 Mediation Analysis

The study further examined whether evaluation serves as a mediating variable in the relationship between monitoring and project performance. This analysis was conducted using a stepwise approach based on correlation and regression results.

Initially monitoring was found to have a positive association with project performance at the bivariate level. In addition, monitoring demonstrated a strong and statistically significant relationship with evaluation ($r = 0.809$, $p < 0.01$), indicating that improvements in monitoring practices are closely associated with stronger evaluation processes. Additionally, evaluation was found to significantly predict project performance ($\beta = 0.752$, $p < 0.001$).

But when monitoring and evaluation were included simultaneously in the regression model, the direct relationship between monitoring and project performance became statistically insignificant ($\beta = 0.041$, $p = 0.708$), while evaluation remained highly significant.

These results confirm the presence of a full mediation influence.

Final Explanation

"The results indicate that evaluation fully mediates the relationship between monitoring and project performance. Monitoring significantly predicts evaluation and evaluation significantly predicts performance. However, when both variables are included in the model the direct influence of monitoring becomes insignificant confirming a full mediation influence."

4.8 Hypothesis Testing

Hypothesis	Statement	Result
H1	Monitoring significantly affects performance	Rejected
H2	Evaluation significantly affects performance	Accepted
H3	M&E jointly affect performance	Accepted

Explanation

The rejection of H1 should not be interpreted as evidence that monitoring is unimportant in influencing project performance. Rather, it indicates that monitoring does not exert a statistically significant direct influence when considered independently within the regression model. Instead, its role appears to be more foundational and indirect. Monitoring primarily facilitates the systematic collection and tracking of project-related data, which forms the basis for subsequent analysis and decision-making. In this sense, its contribution lies not in directly driving outcomes, but in enabling processes that lead to improved performance.

The acceptance of H2 confirms that evaluation has a statistically significant and substantial influence on project performance. This finding highlights the critical role of evaluation as the mechanism through which monitoring data is interpreted, assessed against established criteria, and translated into actionable insights. Through this process, evaluation supports informed

decision-making, continuous learning, and corrective action, all of which are essential for enhancing project outcomes.

These findings suggest that the relationship between monitoring and project performance is not direct but operates through evaluation. Monitoring maintains a positive association with performance; however, its influence becomes meaningful only when its outputs are effectively used within evaluation processes. This indicates the presence of a mediated relationship in which evaluation acts as the key link connecting monitoring practices to performance outcomes.

Therefore, the results support a more integrated and process-oriented interpretation of monitoring and evaluation, where monitoring provides the necessary data inputs, evaluation transforms these inputs into knowledge, and project performance reflects the outcomes of decisions informed by that knowledge. This reinforces the view that monitoring and evaluation should be understood as complementary and interdependent components within an effective project management system.

4.9 Discussion of Findings

The findings of this study provide a more refined understanding of how monitoring and evaluation (M&E) practices relate to project performance in real estate projects. Rather than functioning as separate or parallel activities, the results indicate that monitoring and evaluation operate as interlinked stages within a continuous performance management process. This perspective is consistent with results-based management approaches, which emphasize the integration of data generation, analysis, and learning as key drivers of project success (Kusek & Rist, 2014; OECD, 2019).

A central insight emerging from the analysis is the clear differentiation in the roles of monitoring and evaluation. Monitoring practices were found to be widely implemented particularly during the execution phase reflecting a strong focus on tracking ongoing project activities. However, the regression results reveal that monitoring does not have a statistically significant direct relationship with project performance. This should not be interpreted as a lack of importance; rather, it indicates that monitoring serves a foundational role by generating data which alone is insufficient to improve outcomes unless it is effectively interpreted and used. In this sense, monitoring functions as an enabling mechanism that supports performance indirectly by

providing the informational inputs required for further analysis (Mackay, 2007; Kusek & Rist, 2014).

Evaluation emerges as the most influential component demonstrating a strong and statistically significant relationship with project performance. This highlights the critical shift from data collection to data utilization. Evaluation transforms monitoring information into actionable knowledge by assessing performance against defined criteria, identifying gaps, and guiding corrective actions. Through this process, evaluation facilitates learning and adaptive decision-making, which are essential for improving project outcomes (OECD, 2019; Cooke-Davies, 2002).

When considered together these findings point to a mediated and sequential relationship in which monitoring influences project performance indirectly through evaluation. Monitoring provides the data; evaluation interprets and contextualizes that data and project performance reflects the outcomes of decisions informed by this process. In this regard, the findings support a process-based understanding of M&E, where monitoring generates data, evaluation transforms that data into actionable insights and project performance reflects the outcomes of informed decision-making. This reinforces the view that effectiveness depends not merely on the availability of information but on how that information is analyzed and applied in practice.

The descriptive results further support this interpretation. Monitoring activities such as site inspection and cost tracking were strongly emphasized indicating a focus on implementation-stage control. However, relatively weaker attention to preplanning and scheduling suggests that monitoring tends to be reactive rather than proactive. This imbalance may limit its overall effectiveness as insufficient early-stage monitoring reduces the capacity to anticipate and mitigate risks. Existing literature similarly stresses the importance of integrating monitoring practices across all project phases, particularly during planning, to improve performance outcomes (PMI, 2021).

Evaluation practices demonstrated consistently high levels particularly in relation to the use of evaluation criteria and the application of lessons learned. This indicates that organizations are engaging in reflective processes and utilizing feedback to inform decisions. The strength of

evaluation practices helps explain their significant association with project performance as continuous learning and adaptation are widely recognized as critical components of effective project management (OECD, 2019; Kusek & Rist, 2014).

An additional insight concerns the imbalance observed in performance dimensions. While client satisfaction was relatively strong budget performance remained comparatively weak. This suggests that projects are often successful in delivering acceptable quality outcomes but face persistent challenges in financial control. One possible explanation is the limited integration between M&E systems and financial management practices, which may constrain the effective use of cost-related information in decision-making. This observation is consistent with broader evidence identifying cost overruns as a common issue in construction and real estate projects (PMI, 2021).

The study also highlights the importance of contextual factors particularly professional experience. Respondents with greater experience are more likely to possess the analytical and practical capabilities required to interpret monitoring data and apply evaluation findings effectively. This underscores the role of human capacity in strengthening M&E systems as experienced professionals are better equipped to translate information into informed decisions (Kerzner, 2017).

Importantly the finding that monitoring does not directly influence project performance contrasts with a substantial portion of project management literature, which traditionally treats monitoring as a direct control mechanism. This divergence suggests that, in practice, monitoring systems may often function as routine reporting tools without being effectively used for decision-making. As a result, the presence of monitoring alone does not guarantee improved performance. Instead, its effectiveness depends on how well it is integrated into evaluation processes that support interpretation, learning, and corrective action. This highlights a critical gap between theoretical assumptions and practical implementation, particularly in real estate project environments.

The findings demonstrate that the effectiveness of M&E systems lies not in the independent application of monitoring and evaluation, but in their integration. Monitoring generates the necessary data, evaluation converts that data into actionable knowledge, and project performance

reflects the quality of decisions informed by that knowledge. This integrated perspective provides a more comprehensive and realistic understanding of how M&E practices contribute to project success in complex project environments (Kusek & Rist, 2014; OECD, 2019).

4.10 Chapter Summary

This study proposes a Process-Based Monitoring and Evaluation Performance Model which conceptualizes project performance as the outcome of an integrated process where monitoring generates data, evaluation transforms that data into actionable insights, and managerial decisions Finally influence performance outcomes. This chapter has presented and analyzed the study findings. The results indicate that evaluation plays a dominant role in influencing project performance, while monitoring serves a supportive function. Together, these practices contribute significantly to project success, particularly when supported by experienced professionals and effective decision-making processes.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the conclusions from the study based on the empirical findings and analysis discussed in the pervious chapter. It outlines the theoretical contribution of the study gives critical in relation to existing literature and offers practical recommendations.

Finally, the chapter gives limitation & suggest directions for future research.

5.2 Conclusions

Based on the findings of this study it can be concluded that the effectiveness of monitoring and evaluation in improving real estate project performance lies not in their isolated application but in their functional integration within unified performance management system.

The study establishes that monitoring although essential for tracking project progress and generating performance data doesn't independently produce a significant improvement in project outcomes. Its role is primarily assessment providing information on what is happening within project. However, without systematic interpretation and utilization such information remains unused. This indicates that monitoring should not be considered as an end in itself but rather as a foundational input that requires further analytical processing.

Evaluation surfaces as the critical component that transform monitoring data into actionable insights. The finding shows that evaluation has a strong and statistically significant influence on project performance as it facilitates reflection, learning and evidence-based decision making. Through evaluation organizations are able to identify performance gaps, understand fundamental causes and set up corrective actions. This confirms the argument advanced by the Organization for Economic Co-operation and Development that feedback and learning process are central to achieving effective and sustainable results.

Despite the presence of relatively strong monitoring and evaluation practices the study reveals that budget performance remains weak. This shows a critical gap in the integration of monitoring and evaluation systems with financial management processes. It suggests that the benefits of

monitoring and evaluation are not fully realized in cost control possibly due to the absence of financial indicators, weak cost analysis mechanisms or limited alignment between technical and financial management systems. Then improving project performance requires not only improving M&E practices but also ensuring their alignment with financial management frameworks.

As the study highlights the importance of human capital particularly work experience in improving project performance. Experienced professionals play a important role in interpreting monitoring data, applying evaluation findings and translating insights in to effective actions. This indicates that the success of M&E systems is not solely dependent on tools and processes but also on the competencies of the individual who use them. Therefore, investments in capacity building and professional development are essential for maximizing the effectiveness of M&E practices.

Overall, the findings confirm that monitoring and evaluation are not independent predictors of project performance but rather interdependent components of a sequential and merged system. Monitoring provides the necessary data inputs while evaluation servs as the mechanism that converts these inputs into meaningful insights. Project performance is therefore related to by how effectively this transformation process is carried out. This relationship can be designed as a pathway.

Monitoring _____ Evaluation _____ Project Performance

Where evaluation acts as the critical link that drives performance improvement.

The study demonstrates that the true value of monitoring and evaluation lies not only in the collection of information but in its effective analysis, interpretation and application. Organizations that successfully integrate monitoring with evaluation align these systems with financial management and improve human capacity are more likely to achieve improved and sustainable project performance.

5.2 Theoretical Contribution of the Study

The findings of this study contribute to the existing body of knowledge on monitoring and evaluation by testing and extending established theoretical perspectives within the context of private real estate projects in Addis Ababa. Using a deductive approach the study examined

whether the theoretical assumptions underlying monitoring and evaluation practices and project performance are supported by empirical evidence from the Ethiopian real estate sector.

The study provides empirical support for the view that monitoring and evaluation are related but conceptually distinct functions within project management. While monitoring focuses primarily on tracking project activities and generating performance information evaluation utilizes that information to facilitate learning, inform decision-making, and enhance project outcomes. The findings demonstrated that evaluation practices had a statistically significant positive influence on project performance whereas monitoring practices did not exert a direct significant effect when evaluation was taken into account.

From a theoretical perspective these results refine the understanding of the relationship between monitoring, evaluation and project performance by suggesting that the contribution of monitoring to project success may operate primarily through its interaction with evaluation processes rather than as an independent driver of performance. In this regard, the study does not propose a new theory rather it tests and contextualizes existing theories and frameworks particularly those associated with results-based management and adaptive project management within the setting of private real estate development in Ethiopia.

Furthermore, the study extends the applicability of established monitoring and evaluation theories which have largely been examined in public sector and development contexts by demonstrating their relevance within the private real estate sector. The findings reinforce theoretical arguments emphasizing the importance of organizational learning, feedback mechanisms and evidence-based decision-making as critical determinants of effective project implementation (Kusek & Rist, 2014; OECD, 2019).

Therefore, the principal theoretical contribution of this study lies in its empirical validation and contextual refinement of existing monitoring and evaluation theories thereby enriching the understanding of how these concepts operate within the Ethiopian real estate environment.

5.3 Critical Discussion with Existing Literature

The result of this study is widely consistent with previous research highlighting the significance of evaluation in improving project outcomes. A lot of studies highlighted that evaluation plays

important role in improving accountability, learning, and decision making within projects (Kusek & Rist, 2014; OECD, 2019). The strong & important influence of evaluation discovered in this study supports these arguments and strengthen the idea that evaluation is the key component for converting information into performance improvement.

Even so the findings that monitoring doesn't have a statistically important direct influence on project performance provides an interesting starting point from some earlier studies. In some contexts, monitoring has been stated as a key driver of performance especially where real time tracking and feedback mechanisms are well merged into management systems (Mackay, 2007). The difference observed in this study may be categorized to differences in how monitoring is implemented. Where monitoring is limited to usual data collection without effective feedback mechanism its relationship on performance remains limited.

This suggest that the strength of monitoring cannot be evaluated separately. Rather its value depends to the length which it is merged with evaluation and decision-making processes. So, the findings support that monitoring and evaluation should be understood as pairing element of wider result-based management system than independent tools.

Also, the reasonable connection between monitoring and evaluation discovered in the collinearity analysis shows these functions are closely related in practice. This supports existing literature that shows their related nature during also highlighting the need to keep conceptual clarity between them (Crawford & Bryce, 2003).

5.4 Recommendation

Based on the empirical findings of this study the following recommendations are proposed to enhance monitoring and evaluation practices and improve project performance within Reality Real Estate and similar organizations.

Strengthen Evaluation Practices as a Strategic Management Function

The regression results revealed that evaluation had a statistically significant positive effect on project performance whereas monitoring did not independently predict performance outcomes. This finding suggests that organizations should prioritize strengthening evaluation mechanisms by institutionalizing periodic performance reviews, systematic lessons-learned sessions, and feedback systems that translate performance information into corrective actions. Evaluation should be integrated as a continuous management function rather than being treated as an end-of-project requirement.

Enhance the Integration Between Monitoring and Evaluation Processes

The study found a very strong positive relationship between monitoring and evaluation indicating that these functions are highly interrelated. Therefore, organizations should establish clear procedures linking monitoring outputs with evaluation activities. Monitoring data should be routinely analyzed during evaluation exercises to support evidence-based decision-making and improve project implementation.

Improve Monitoring During the Planning Stage

The descriptive findings indicated that preplanning activities received only a moderate rating while monitoring practices during project execution, such as site inspection were rated very highly. This imbalance suggests that monitoring efforts are concentrated during implementation rather than at the project initiation stage. Accordingly, project managers should strengthen early-stage monitoring by establishing measurable performance indicators, developing detailed monitoring plans, and conducting preliminary risk assessments before project implementation begins.

Strengthen Financial Monitoring and Evaluation Systems

Among the project performance dimensions assessed budget performance recorded the lowest mean score indicating challenges in maintaining expenditures within approved budgets. To address this issue, organizations should integrate financial performance indicators into their monitoring and evaluation frameworks. Regular budget reviews, variance analyses, and cost evaluation mechanisms should be incorporated into project management practices to improve financial accountability and resource utilization.

Build Staff Capacity in Evaluation and Data Utilization

Given the strong influence of evaluation on project performance, organizations should invest in enhancing the analytical competencies of project personnel. Training programs focusing on data analysis, interpretation of evaluation findings, and evidence-based decision-making should be provided to project managers, engineers, and monitoring and evaluation staff. Strengthening these competencies will improve the practical application of evaluation findings and support informed managerial decisions.

Promote Organizational Learning Through Evaluation Findings

The high mean score for lesson application demonstrates the perceived importance of learning from project experiences. Organizations should capitalize on this strength by creating formal knowledge-sharing mechanisms, including post-project review meetings, documentation of best practices, and cross-project learning forums. Such initiatives can facilitate continuous improvement and enhance future project performance.

Recommendations for Future Research

Since the present study employed a cross-sectional design, future researchers should consider adopting longitudinal research designs to examine how the relationships among monitoring, evaluation, and project performance evolve over time. In addition, future studies may incorporate other determinants of project performance, such as leadership effectiveness, organizational culture, stakeholder engagement, and technological capability. Further research employing mediation analysis is also recommended to examine whether evaluation mediates the relationship between monitoring and project performance.

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Appendices

Survey Questionnaire

Introduction:

This questionnaire is used to collect data for an academic study that aims to examine the relationship of monitoring and evaluation on the performance of real estate projects in Addis Ababa. Your participation will be voluntary, and all information provided will be treated with strict confidentiality. The data collected will be used solely for academic purposes.

You are requested to indicate the extent to which you agree with each statement based on your experience in real estate project implementation.

Section I: Demographic Information

Your current role in the real estate project is:

☐ Project Manager

☐ Site Engineer

☐ M&E Officer

☐ Consultant

☐ Contractor

☐ Other (please specify): _____

1. Your years of experience in real estate project management are:
   ☐ Less than 5 years
   ☐ 5–10 years
   ☐ 11–15 years
   ☐ More than 15 years
2. The type of real estate projects you are involved in:
   ☐ Residential

☐ Commercial

☐ Mixed-use

☐ Other (please specify): _____

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
No	Questions	1	2	3	4	5
	Section II: Monitoring Practices					
	Monitoring					
M1	Monitoring activities are planned before project implementation begins					
M2	Monitoring indicators for time, cost, and quality are clearly defined					
M3	Monitoring Schedules are prepared and followed throughout the project life cycle					
M4	Monitoring plans are aligned with the overall project objectives and scope					
M5	Regular site inspection is conducted to track project progress					
M6	Actual project progress is consistently compared with planned schedules					
M7	Project costs are regularly monitored to control budget overruns					
M8	Construction quality is monitored continuously during implementation					
M9	Standard monitoring tools, such as progress reports and checklists are used					
M10	Monitoring reports are prepared on time and shared with relevant stakeholders					
M11	Monitoring data is accurate and reliable for decision-making					
M12	Monitoring reports help to identify potential project risks at an early stage					
	Section III: Evaluation Process					
	Evaluation					
E1	Project evaluations are conducted at key stages of implementation					
E2	Evaluation criteria include cost, time, quality, and client satisfaction					
E3	Evaluation findings are documented in a systematic manner					
E4	Evaluation process follows established professional standards					

E5	Evaluation findings are used to improve ongoing project activities					
E6	Lessons learned from evaluations applied in future real estate projects					
E7	Evaluation results support management decision-making					
E8	Stakeholders are informed about evaluation outcomes					
	Section IV: Project Performance					
	Project Performance					
PP1	The projects are completed within the planned schedule					
PP2	Project delay is minimal and effectively managed					
PP3	The projects are completed within the approved budget					
PP4	Cost overruns are effectively controlled					
PP5	The completed projects meet the required construction quality standards					
PP6	Defects and rework are minimal in the project					
PP7	Clients are satisfied with the final project outcomes					
PP8	Stakeholder expectations are adequately met					

Thank you for your participation