



**ADDIS ABABA UNIVERSITY**  
**SCHOOL OF COMMERCE**

**ASSESSMENT ON THE CAUSES OF CONSTRUCTION PROJECT  
FAILURE AND ABANDONMENT: THE CASE OF YEKA HILLS  
4STAR HOTEL CONSTRUCTION PROJECT IN ADDIS ABEBA.**

**BY:**

**EDOM ELIAS**

**June, 2020**  
**Addis Ababa, Ethiopia**



**ADDIS ABABA UNIVERSITY**  
**SCHOOL OF COMMERCE**  
**GRADUATE STUDIES PROGRAM**  
**MASTER OF ARTS IN PROJECT MANAGEMENT**

**ASSESSMENT ON THE CAUSES OF CONSTRUCTION PROJECT FAILURES  
AND ABANDONMENT: THE CASE OF YEKA HILLS 4STAR HOTEL  
CONSTRUCTION PROJECT IN ADDIS ABEBA.**

*A research project submitted to the department of project management  
Presented in partial fulfilment of the requirement for the degree of Master of Arts in  
Project Management (MAPM)*

**By: Edom Elias**

**Advisor: Tekelegiorgis Assefa (Asst Prof.)**

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# Letter of Certification

This is to certify that Edom Elias has carried out this research work on the topic entitled **“ASSESSMENT ON THE CAUSES OF CONSTRUCTION PROJECT FAILURE AND ABANDONMENT: THE CASE OF YEKA HILLS 4STAR HOTEL CONSTRUCTION PROJECT IN ADDIS ABEBA”** under my supervision. This work is original in nature and suitable for the submission in partial fulfilment of requirement for the award of Masters of Arts Degree in Project Management and the student has my permission to present it for assessment.

Advisor Tekelegiorgis Assefa (Asst. Prof.)

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

# Declaration

I hereby declare the study entitled “**ASSESSMENT ON THE CAUSES OF CONSTRUCTION PROJECT FAILURE AND ABANDONMENT: THE CASE OF YEKA HILLS 4STAR HOTEL CONSTRUCTION PROJECT IN ADDIS ABEBA**” is the result of my research and is my original work except for the literature review which sources have clearly been stated and duly acknowledged. This study has not been presented for any degree in this university or any other.

By: - Edom Elias

Signature

Date

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## **Abstract**

*Construction is a great deal of economy when it comes to Ethiopia where it claimed about 40% of the total investment of projects in the nation. Construction projects just like any projects are defined as a temporary endeavor with a defined beginning and end; and usually is with constraints of time, budget, and quality undertaken to meet unique goals and objectives, and add business value. Therefore, a project is considered a failure when it has not delivered to the required deliverables. There are numerous reasons for failure and abandonment. In Ethiopia's context, projects are associated with failures and abandonment because of many reasons such as, lack of funding, poor project planning, poor governance policy, poor workforce, lack of communication, lack of consultation to the project clients, inability to work in triple constraints, select capture among others. The main purpose of this paper is to identify the common causes of construction project failures and abandonment through the use of questionnaires and semi-structured interviews focusing on the construction project, Yeka Hills 4Star hotel. The major issues being studied for this particular research are causes that are related to the client, the consultant, the contractor, the external environment, and the time & budget issues. Under which there are a total of 34 sub-factors that are caused by the abandonment and failure of the Yeka Hills 4Star construction project in AA. The researcher used both qualitative and quantitative approaches and used questionnaires and semi-structured interviews to gather relevant data. Out of 26 respondents, 23 questionnaires were distributed to the consultant and contractor professional that was involved in the construction project. The rest 3 respondents are from the client-side and data was gathered by interviewing. Based on the data gathered an analysis was made by using the SPSS data converter. Results, discussions, and recommendations are made based on the analysis from the research study.*

*Keywords: Construction projects, construction abandonment and failure, causes of construction abandonment and failure*

# Acknowledgments

First and for most I will like to thank the almighty God for his infinite blessings. It is through his guidance that I have reached this point, and I owe all of my achievements to him.

Am great full to my advisor Tekelegiorgis Assefa (Asst. Prof.) for his comments and guidance through the stages of preparing thesis.

Kind gratitude and sincere acknowledgment to the consultant, the contractor and the client of the Yeka Hills 4Star hotel construction project who participated in filling out the questionnaires and provided valuable information to conduct this study.

Finally, I would like to express my sincere gratitude to my families, and all those people who made this thesis possible and an unforgettable experience for me.

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# List of Abbreviation/Acronyms

A.A. – Addis Abeba

A.U – African Union

BoQ – Bill of Quantity

CM – Construction Management

EBCS- Ethiopian Building Code of Standards

EU- European Union

PCMH- Patient Centred Medical Home

PMI- Project Management Institute

SPSS- Statistical Package for the Social Science

ToR- Terms of Reference

UN- United Nations

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# Chapter 1: INTRODUCTION

## 1.1 Background

According to Ethiopian construction industry, construction have a huge part of Ethiopia's economic recovery. Report on the Ethiopian economy, Volume VI 2006/2007, the current state is the construction industry, states that an investment related to real estate activities claimed about 40% of the total investment projects. The report states that the building sector has seen double-digit growth, expanding by 37% annually, and is ushering in a new phase of development for the country.

According to a journal written by Abimbola Olukemi Windapo & Keith Growth (2013), the construction industry plays a very dominant role in the socio-economic development of any nation. It is considered as one of the best ways of eliminating poverty, especially for developed countries such as Ethiopia. The construction in Ethiopia has become the most vigorous section to develop Ethiopia and plays a critical role in decreasing the unemployment rate.

Just like any project, a construction project is defined as a temporary endeavor with a defined beginning and end; usually with time, funding -constrained, and often deliverables, undertaken to meet unique goals and objectives, typically to bring about beneficial change or added value (Enterprise 2012). Therefore, a project is considered a failure when it has not delivered what was required, in line with expectations (Project Smart 2012).

According to an architectural research done by Okey Nwanekezie, Walpole Nwanguma (2019), the failure and abandonment of development projects is the act of discontinuing any activities or maintenance works on such construction development project within a given time frame of the contract agreement and with no intention of returning to the development. For the case where the main stakeholders agreed that a project had to outstrip its initial cost the project may still be considered a success. Even if a project delivered all the things that was in the pointed out in the project designs, it may still be considered a failure if it didn't include vital elements that the key stakeholders needed. Therefore this suggests that project success and failure aren't just about the facts, nor is it simply about what was delivered. It's also critical about how the project is perceived. Therefore, in order to succeed, a project must deliver the constraints i.e. cost, quality, and time and it also must deliver the business benefits presented in the case.

Usually, the aspiration to invest in the hotel business in Addis Abeba is inspired by the availability of market opportunities for hotel development. There is a high demand for high standard hotel services at present due to the city being a permanent location of different international organizations. The fact that Ethiopia being the home to the third-largest diplomatic community in the world after New York and Geneva, the country and Addis Abeba, in particular, has become home to several new star hotels, the business has increased the demand for the hotel business sector, bringing foreign currency to the tourism economy. There are limited hotels that can meet the required standards to host such high-end clients and businessmen. This obliges the city to expand the hotel service industry to cope with the flow in demand for international standard hotel service.

Abandoned projects inadvertently affect the government; massive sums of money are usually tied down. Contractors, consultants, clients, development firms, merchants/suppliers of building materials, and indeed all stakeholders are impacted by the occurrence of abandonment and failure.

In Ethiopia's context, projects are associated with failures and abandonment because of many reasons which include, lack of funding, poor project planning, poor governance policy, poor workforce, lack of communication, lack of consultation to the project beneficiaries, inability to work in triple constraints, elite capture among others. Despite the seriousness of the issue, there appears to be a lack of inclusive research involving both questionnaire surveys and interviews with all key stakeholders.

This paper seeks to discuss the causes of construction project failures and abandonment: the case of Yeka Hills 4Star Hotel construction project that is located in Addis Abeba. Also, the researcher will highlight the recommendations to be done to avoid / minimize such causalities.

## **1.2 Statement of Problem**

The construction industry has been one of the critical sectors of Ethiopia's economy. Despite its role in the economy, it has been confronted with a lot of challenges as a result of its inability to achieve the desired goals. Issues regarding project failure and abandonment have been left unresolved and this has opened entry for different negative effects on the construction industry specifically and the entire economy. Lack of funding, poor project planning, poor governance policy, poor workforce, lack of communication,



lack of consultation to the project clients, inability to work in triple constraints are of the major challenges faced in the Ethiopian context of construction.

Despite the efforts put forward by Consultants and Construction Companies to bring to actualization the conception of a project, projects are still massively abandoned at different stages of construction. This affects the client and construction consultancy firms as a result of its massive investment loss to all the involved parties and government not being able to benefit from the intended purpose.

According Onyekpere, (2011) the impact of failed projects in terms of cost and schedule overruns on a nation's economy is enormous. Construction project planning is the key measure in executing a project within the project constraints; time, cost, quality. Developing the budget and schedule of work is a critical task in managing the construction. Technical aspects and organizational decisions about the relationship between project participants and even which organizations to include in a project. No other research has been done on why the project is now registered as a failed and abandoned the project and the researcher believed that it's necessary to investigate the factors responsible for the failure and abandonment of the Yeka Hills 4star Hotel building project located in A.A.

### **1.3 Research Questions**

The research questions encompass:

- What are the major causes that led the Yeka Hills 4Star hotel construction project to be failed and abandoned?
- What are external environmental issues faced during the construction of the project?
- How can the identified factors for containing construction project failure and abandonment be evaluated?

### **1.4 Objectives of the study**

#### **1.4.1 General Objective:**

The aim of this research is to assess the causes of construction project abandonment and failure in the case of Yeka Hills 4Star Hotel construction project.

### **1.4.2 Specific Objective:**

The specific objective of this paper is:

- To identify the causes of failure and abandonment of the project from the perspective of the client, the contractor and the consultant;
- To identify external environmental factors for construction project failure and abandonment;
- To examine the factors for construction project failure and abandonment;
- To propose possible alternative solution that would minimize or contain failure and abandonment of a construction project.

### **1.5 Significance of the study**

Abandonment and failure in construction project can occur to any project if not properly managed and this study is significant to all the stakeholders of the project including the client, the consultant, the contractor and even the government itself in decreasing/ eliminating an investment failure by identifying the root causes of abandonment and failure of a construction project and helps in suggesting solutions/ approaches to prevent further occurrence of the problem. It also helps other researchers to further investigate in the area.

### **1.6 Scope of the study**

The research study is only limited to the causes of construction abandonment and failure in the case of Yeka Hills 4Star Hotel construction project. It only focuses on the causes of the failure and abandonment by ranking the causes. For the purpose of this research, Data was collected from only three parties; i.e. the client, the consultant and the contractor.

### **1.7 Limitation of the study**

While doing the study, the researcher has encounter with shortage of time and stress of work. The research study was held during a recent pandemic that has spread around the world including our country. Due to that there was a much difficulty in collecting data, the closing of schools and libraries has forced all the literature review to be gathered from the internet. Since the study focuses only on one construction project, Yeka Hills 4Star Hotel construction project in Addis Abeba, the Number of respondents are small.

# Chapter 2: LITRATURE REVIEW

## 2.1. Theories

### 2.1.1. Project Planning Definition

According to PMBOK Guide 5th edition, planning is one of the management functions which involve the determination of missions, goals, and methods to realize these predetermined objectives. It gives a base course for implementation, monitoring, and evaluation of activities. Similarly, project planning is among the first phases and activities to be accomplished which enables project managers to see project scope that defines what's to be included within the project and what's not.

### 2.1.2 Construction Project Planning

According to constructor.org, construction project planning could be a plan that is ready by the project and construction managers with their respective key staff members. After that, the plan is put into project scheduling. Therefore, the project plan is that the most important vital tool for fulfilment or failure of the project.

It says, planning should be done logically, thoroughly, and honestly to pass an opportunity to succeed. This will be done effectively through communication with all the required involved parties within the project. Amongst these parties, different ideas and requirements is put out. The ideas can be from the client, potential external or internal delaying factors, etc. For that matter, such potential problems shall be tackled to scale back their negative effect in preparing the master plan of the project and later scheduling of the project.

#### 2.1.2.1 Types of Construction Project Planning

According to the constructor.org the three major types of construction project planning are:

a. *Strategic planning*: this involves the high-level selection of the project objectives. This is done by the owner's corporate planners. This is often done by owner's operate planners. During this, they decide what project to make and what the completion date has got to be to satisfy the owner's project goals. The development teams formulates the rules set within the strategic and contracting plans.

b. *Operational planning*: this involves the detailed planning required to satisfy the strategic objectives. Operational planning is completed by construction teams. The usually asked questions before making operational plan for the project are:

- Questions regarding the operational plan meeting the strategic planning target date?
- Are sufficient construction resources and services available within the corporate to satisfy the project objectives?
- What is that the impact of the new project on the present work load?
- Where to get the resources to handle any overwork?
- Company policies that may prevent the plan from meeting the target date?
- If there are long delivery equipment or materials involved?
- Are the project concepts and style firmly established and prepared to start out the construction?
- Is the first contracting plan still valid?
- Is it more economical to use a fast-track scheduling approach?

All these questions are answered in preparation of the development plan before detailed scheduling of the project.

c. *Scheduling*: this puts the detailed operational plan on a duration set by the strategic objectives.

## **2.2 What is Construction Management?**

According to Shanmukha (2017), Construction management deals with the economical consumption of the resources available within the least possible time for the successful completion of a construction project. 'Men', 'materials', 'machinery', and 'money' are termed as resources in construction Management.

### **2.2.1 Objectives of Construction Management:**

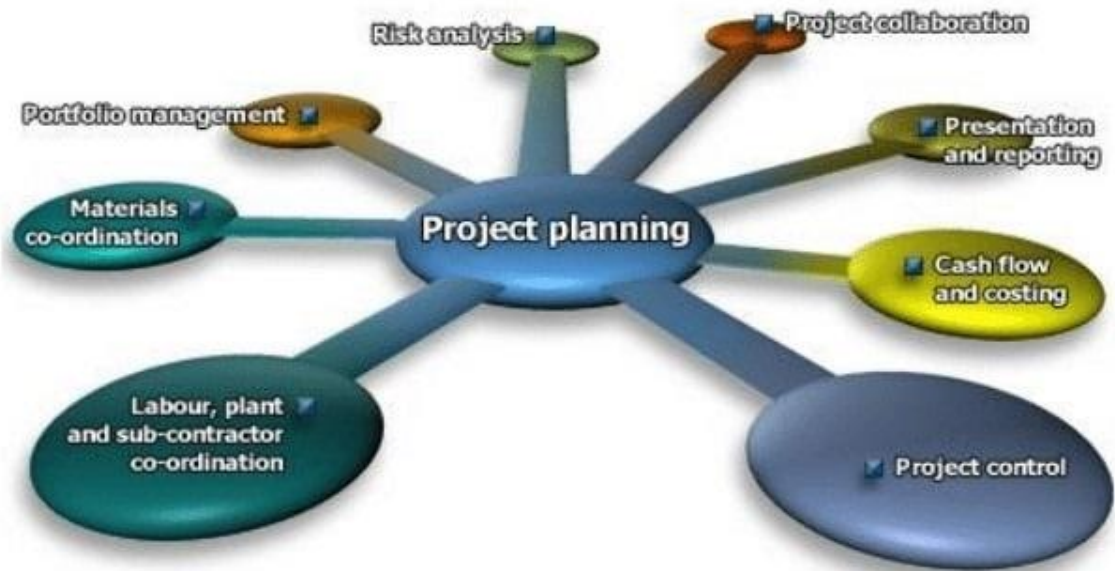
In Shanmukah (2017), planning, scheduling in construction management, it's stated the most objectives of construction management:

- Completing the work within estimated budget and specified time.
- Maintaining a reputation for top quality workmanship
- Taking sound decisions and delegation of authority
- Developing a company that works as a team.

### 2.2.2 Functions of Construction Management:

The functions of construction Management are:

- Planning: is the process of selecting a particular method and the order of work to be adopted for a project from all the possible ways and sequences in which it could be done. It essentially covers the aspects of ‘What to do’ and ‘How to do it’.



*Fig 2.1\_Source: the constructor civil engineering home*

Importance of construction project planning:

- Planning helps to reduce the price by optimum utilization of accessible resources.
- Planning helps to reduce actions like making irrational approaches, duplicating of works and inter departmental conflicts.
- Planning encourages innovation and creativity among the development managers.
- Planning imparts competitive strength to the enterprise.

- b. **Scheduling:** is that the fitting of the ultimate work decide to a continuance. It shows the duration and order of assorted construction activities. It deals with the aspect of ‘when to try to do it’.

The main importance of construction project scheduling:

Scheduling of the programming, planning and construction process could also be an important tool in both the daily management and reporting of the project progress.

- c. **Organizing:** organizations are concerned with decision of the general construction work into manageable departments/sections and systematically managing various operations by delegating specific tasks to individuals.
- d. **Staffing:** is that the supply of right people to each section / department created for successful completion of a construction project.
- e. **Directing:** is anxious with training sub ordinates to carryout assigned tasks, supervising their work and guiding their efforts. It also involves motivating staff to achieve desired results.
- f. **Controlling:** involves a relentless review of the work plan the see on actual achievements and to seek out and rectify deviation through appropriate corrective measures.
- g. **Coordinating:** involves bringing together and coordinating the work of assorted departments and sections so on have good communication. It’s necessary for each section to tune in to its role and thus the help to be expected from others.

Importance of Construction Management:

- It practices regularly cause a maximum production a minimum of cost. Authentic construction management finishes up in the completion of a construction project within the agreed-upon budget.
- Provides importance for the finest exploitation of resources. Meaning it ends up in the completion of a construction project with sensible use of accessible resources.

- It provides the essential leadership, it motivates employees to complete the difficult tasks well in time and it also extracts the potential talents of its employees.
- It's beneficial to the society since effective and efficient management of construction projects will avoid, the escalation of costs, time overrun, wastage of resources, unlawful exploitation of labor, and pollution of the environment.

## **2.3 Importance and challenges of construction projects**

### **2.3.1 Importance**

According to the ministry of urban development and construction, the Construction industry policy of Ethiopia (July 2012), the construction industry is the major sector where public and private sectors are investing a huge amount of funds. The percentage share of the construction sector to GDP at the constant basic price has increased from 4.3% in 1993 E.C to 5.8% by 2002 E.C. the expansion of the economic infrastructure being critical towards achieving the country's Growth and Transformation Plan (GTP). An extensive amount of the country's budget is allocated to economic development through financing infrastructures for the development of different building construction, railway and infrastructure and industrial projects. The share of the private sector in the value add of construction is also significant by investing its capital for the achievement of various fixed assets such as acquiring new technology and construction of new buildings and building maintenance doings. The construction industry of Ethiopia contributes so much to the reduction of poverty, in increasing job opportunities through small and medium enterprise development and job creation through the construction of low-cost houses in Addis Ababa which was subsequently replicated to other regions. Ethiopia has also issued successive public procurement reforms to adhere to good governance principles, reform efforts were made to promote competitive tendering for the selection of suppliers and for effective delivery of projects with predictable cost and time.

Ethiopia has now began a long-term development Vision 2025 whose overall goal is to achieve sustainable human development with all pre-requisites for a middle-income country by the year 2025. The ministry of urban development and construction (July, 2012), foresees the creation of a robust, varied, strong and competitive economy which

will effectively deal with the challenges of development and that can easily adapt to the dynamic market and technological conditions in the regional and global economy. The significances identified because the essential compound for the attainment of the Vision 2025 objective include the expansion of infrastructure as a crucial ingredient towards the attainment of faster economic growth.

### **2.3.2 Challenges of construction in Ethiopia**

According to the ministry of urban development and construction, the construction industry policy of Ethiopia, the inefficient and deteriorated state of the construction industry with poor performance has detrimental effects on the development of the industry. Challenges hampering the performance and development of the industry include:

- Low capacity and capability of the local contractors and consultants because of weak resource base and inadequate experience.
- Work and opportunities are scarce and unpredictable
- Ineffective and a procurement system that is non-transparent leading to corruption and financial mismanagement in public/private sectors.
- Unfavorable donor conditionality's which tend to marginalize local construction enterprises.
- Low standards of safety and occupational hazards on construction sites that leads to poor working environment
- Weak and non-facilitative policies and regulatory framework
- Low productivity and quality Low technological base.

### **2.4 Construction Abandonment and Failure**

A journal by Dumo Mac-Barango (2017) suggests that there exists a conceptual difference between projects that are outrightly abandoned and those that are suspended due to one reason or the other. He referred Jacobson (2007) abandonment definition that implies an abandoned project is referred to as a building that is unoccupied and show visible signs of physical distress (i.e. boarded up, burned, exposed to the elements or have deteriorated).



According to a review on abandoned construction project cause and effects (2015), when a progress of a specific work faces too many problems and seems to be impossible to continue further on resulting the project/task to prevent completely, it's therefore defined as an abandoned project. Akindoyeni A. (1989), stated that if projects are to be executed completely, planning is that the most vital agenda to be administrated. This statement is further elaborated by Ogunsemi D.R. (1991) the successful completion of a project depends on adequate planning where financial planning is additionally included.

Many articles written in construction business states that the development industry contains a supreme role within the economy of any nation, where a full of life economy usually experiences a rise within the construction activities also, but in a very slow economy, the existence of project abandonment tends to be more extensive. In keeping with Abdul Aziz Hussin and Abdelnaser Omran (2011)], the difficulty of abandoned projects may be a global phenomenon that and this issue may be a negative factor to the stakeholders of these projects, plus the general public itself.

Reviews show the difficulties of a project abandonments is pursuing the construction development industry in some countries. All construction types are exposed to such occurrences. As a result, the cause of abandonment opposing effects is reflected in the client, contractor, and consultant. S.M. Ahmed, S. Azhar, M. Castillo, P. Kappagantula (2011), stated that the results on these parties are in terms of argumentative relationships, unpredictable, lawsuits, conciliation, cash-flow problems, and a general feeling of concern towards one other. It is important to outline the actual causes of project abandonment that prevention might be found.

Makalah, Contoh (2008), and Oyelola. W (2010), has reasoning on the failure or abandonment of a project, which are: 1) incorrect estimation; 2) unskilled personnel; 3) inadequate planning; 4) poor risk management; 5) misunderstanding of the work requirement; 6) poor quality control by regulatory agencies; 7) corruption and communication gap among the personnel. They researchers also added further on other factors like 1) cost; 2) the developer and the contractors where the clients have difficulties

in engaging with the contractors and as well as with the designers where they do not meet to the expectations of the clients; and 3) contractors fail to prepare vital inputs such as materials, manpower, and machines efficiently on time.

#### **2.4.1 Types of Abandonment in Construction**

Cotney Construction law states that there are two types of abandonment cases in construction contracts that contractors should know, namely, the contract abandonment and the abandonment of the construction project.

##### **2.4.1.1 Contract Abandonment**

The contract abandonment of construction happens when both parties involved within the binding contract have led themselves in a manner that the novel contract isn't any longer is valid. This can happen from both parties breaking the contract and violating their terms of the agreement. In this particular case, both parties must mutually agree to abandon the contract and if both parties can't make this decision, it could lead to another dispute resolution or lawsuit.

##### **2.4.1.2 Abandonment of a Construction Project**

The abandonment of a construction project happens when the contractor can no longer be able to perform the project work. There are different reasons for this to happen like if the contractor doesn't start on the project within a reasonable amount of time if the contractor can't complete the agreed-upon project work, or it can be from the contractor's failure in resuming the project work in a reasonable amount of time. This is considered to be failing on the contractor's part. The occurrence of such is referred to as an abandonment of a construction project. Without any valid or legal excuse, an abandonment of a construction project leads to disciplinary action for the contractor where it may be forced to compensate the project owner for any costs incurred.

#### **2.5 Causes of Abandonment and Failure of Projects**

According to project management institute (PMI), Project failure can happen in any organization and to any project. There are a number of reasons for failure, and some of these reasons can be out of control of the project manager or the project team members. In failed projects the people that are involved in the failure usually give quick-fixes which is mostly ineffective and it sometimes produces a disastrous side effect.

The goal of project management therefore is to produce a successful product or service. Often this goal is hindered by the errors of omission as well as commission by management, project managers, team members and others associated with the projects. The purpose of this paper is to enable the identification of the common causes of project failures through the use of surveys and questionnaires to provide information which can be used to mitigate their occurrence and in many cases repair the damage caused and hopefully, recover the projects.

According to the PMI, projects most commonly fail because there is a lack of attention and efforts being applied to seven project performance factors:

*1. Focus on business value, not technical detail.* It involves establishing a transparent connection between the project and the organizations key strategic practices. The project plan needs to cover the planned delivery, the change in business required and the realization of means of benefits.

*2. Establish clear accountability for measured results.* A pure view of the interdependencies between the projects, the benefits, and the criteria against which success will be judged. It is essential to establish a stable requirement baseline before any other work start. Requirements may still continue to creep. Nearly all projects there will be of some degree of learning what the essential requirements really are while building the project or product.

*3. Have consistent processes for managing unambiguous checkpoints.* Successful projects naturally have a software measurement programs for capturing productivity and quality historical data that can be used to compare it against similar projects in order to judge the validity of schedules, costs, quality, and other project related factors. An effective quality centered mechanisms can be a major contributor to both cost and schedule overruns.

*4. Have a consistent methodology for planning and executing projects.* A detailed plan should be developed before the release of a project to avoid inadequate planning that is one of the major reasons why projects turn out of control.

*5. Including the client at the beginning of the project and continually involve the client as things change so that the required adjustments can be made together.* A successful projects occur when end users and the project members work as teams in the same

workspace, although this may not be always possible. Projects are less likely to fail if there are informed clients which can give a meaningful input during every phase of the project life cycle. The client needs to be asking, on how the project result are used over time and what the client gets out of the results.

*6. To Manage and motivate people so that the project there will be an ideal experience to have on an optimal performance throughout the lifecycle.* This involves managing and retaining the most highly skilled and productive people. Knowledge is money. A project team made up of people with the needed specialized skills is worth more than training scheduled to be productive.

*7. Provide the project team members the tools and techniques the need to produce consistently successful projects.* A skilled and experienced project team of the project team with clear defined roles and responsibilities.

## **2.6 Construction Industry Policy objectives in Ethiopia**

### **2.6.1 Need for Construction Industry Policy**

Since 2001 there has been a significant increase of uncoordinated initiatives geared towards nurturing the construction industry. This has involved the identification of solutions to varied problems inhibiting the performance of the industry and the preparation of supportive systems and processes. For these initiatives in touch tangible results, on a sustainable basis, there's a need to implement policies that are deliberately designed to develop and sustain the local construction development industry.

Moreover, the construction sector needs a comprehensive policy to ensure compliance with the national, social, and economic development objectives and goals. The Policy is aimed toward attaining the need for the National Development Vision 2025.

#### **2.6.1.1 Objectives**

The main objectives of the construction development industry Policy include enhancing the capacity and competitiveness of the local construction enterprises (contractors, consultants and informal sector), to enhance the capacity and performance of the general public sector and personal sector clients so on as to ensure efficient, transparent and effective implementation and management of construction projects, to make sure efficient and price effective performance of the construction development industry that will

guarantee value for money on constructed facilities in line with best practices, to ensure application of practices, technologies and products which are not harmful to both the environment and human health, to mobilize adequate resources from both the public sector and the private sector for construction and maintenance of public infrastructure, to enhance participation in regional and international cooperation arrangements for the purpose of promoting the capacity and competitiveness of the industry and developing markets for export of its services and products, to improve coordination, collaboration and performance of the institutions supporting the development and performance of the construction industry.

### **2.6.3 Policy Directions**

The attainment of the policy's goal and objectives requires the implementation of the mutually reinforcing policy directions and methods identified in two categories: overall housing industry directions, and policy directions for cross-cutting issues.

#### **2.6.3.1 Overall Construction Industry Policy Directions**

##### **2.6.3.1.1 Capacity and Performance Improvement of Local Construction Enterprises**

###### **a) Issues**

The participation of the local housing industry in available work opportunities currently especially in the road sector is about 42% in terms useful. Enhanced participation in construction sector work opportunities may be a cry of each local supplier of products and Services. Low participation may be a result of stiff competition from foreigners aggravated by the poor capacity of the local players (be it contractors, consultants, or material suppliers) and inadequate supportive environment. Inadequate capacity of local contractors and consultants may be a result of factors that include lack of skills, inadequate capital, unfavorable donor conditions, and application of inappropriate delivery practices.

###### **b) Objective**

To improve the capacity and competitiveness of the local construction enterprises (contractors, consultants, and informal sector) to enable them to undertake most of the development projects by the year 2012.

###### **c) Policy Directions**

- the government together with the private sector shall promote the appliance of best practice standards on productivity, quality management and appropriate, state of the art, delivery arrangements;
- the government shall support the establishment of financing facilities for the development sector enterprises to access capital in terms of credit, bonds, guarantees, training funds, and capital for tools and equipment.
- The government shall ensure both local and donor procurement policies provide a comprehensive framework for fostering the local housing industry in Ethiopia.
- the government shall make sure that public-funded works administered within the country involve the partnership with local players.

### **2.6.3.2 Improvement of Public Sector Delivery**

#### a) Issues

Since Ethiopia began the Economic Recovery Program, the implementation of physical infrastructure projects has demonstrated the inadequate capacity of the general public sector – at the central government level – to efficiently manage the procurement process and contract supervision and administration. Local authorities face even more constraints thanks to the very fact that contracting of works and services are new regimes. Public delivery bottlenecks are thanks to factors that include lack of appropriate technical and managerial skills, understaffing, inadequate working facilities, lack of appropriate operating systems and procedures, poor remuneration, bureaucracy, inadequate accountability, and corruption. Such delivery bottlenecks have partly contributed to the dismal performance of the industry and its poor image. The attainment of the long-term development

Vision 2025 for Ethiopia demands accelerated infrastructure development. This in turn places an on us on public sector delivery agencies to perform beyond current capacity. Thus, the rapid development of the capacity is required to make sure effective management of the delivery process during a way that makes an enabling environment for the performance improvement of the industry and value for money of the constructed facilities.

#### b) Objective

To improve public sector delivery capacity

#### c) Policy Directions

The government and therefore the private sector shall adhere to established appropriate procurement practices so as to ensure quality and price effectiveness within the delivery process.

The government in collaboration with the private sector shall promote training, research, and information dissemination on delivery processes geared towards the application of innovative and/or state of the art delivery processes.

- the gov't shall develop the capacity of its staff in project management and contract administration.

- the gov't together with the private sector shall formulate standard guidelines for procurement and project delivery arrangements.

## **2.7 Challenges in project management policy implementation**

In Gilbert Bolaji Folorunso research on “An Examination of the Causes of Project Delay and Abandonment in Nigeria Public Service, a Case Study of Abuja - Lokoja Road”, he stated that there are various challenges listed in the project management policy implementation faced by the Federal Ministry of Works which can be summarized as follows:

### **2.7.1 Funding Gap**

Funding projects has been through the budgetary provisions and executed by traditional method of direct contract award. This method has proven to be inadequate and most often unimplemented creating a funding gap for execution of road projects.

### **2.7.2 Cost Overrun**

One of the main functions of project management is to forecast and track costs to avoid cost overruns. While poor execution of project management tasks can lead to increased costs or delay and abandonment of project brings about cost increase or budget overrun which involves unexpected costs increase in excess of budgeted amounts due to stoppage, delay and abandonment of the construction work.

### **2.7.3 Cost Escalation**

Cost escalation is caused by the growth in a budgeted cost due to factors such as inflation due to delay and abandonment of public project thereby increasing the final cost of the project.

### **2.7.4 Dispute and Arbitration**

Associated delay problems can also result in dispute, arbitration and protracted litigation by the parties. To some extent the contract parties through claims usually agree upon the

extra cost and time elongation associated with delay. Nevertheless, this has in many cases given rise to heated arguments between the parties. The question of whether a particular delay to progress of work warrants an extra cost and or extension of project duration is usually the cause of disagreement.

#### **2.7.5 Inadequate Planning**

The Federal Ministry of Works activities and schemes were marred by inadequate planning as this goes on to show in its project management as evident by series of abandonment of projects under its care.

#### **2.7.6 Poor Design**

Due to the ineptitude of most of the Ministry project management staff, project designs are usually poorly handled and executed thereby leading to serious project failure, delay and abandonment.

#### **2.7.7 Ineffective Supervision**

Effective supervision is another challenge of the Ministry's project management policy as this was evident in the quality of most of its project's output completed or abandoned.

#### **2.7.8 Bureaucratic Project Management Structure**

The bureaucratic structure of the Ministry and its grandiose bureaucratic arrangements of its management practices use in converting the raw total of available bureaucratic labor into effective labor inputs in the completion of public projects is necessary for any project success, but these are seriously lacking in the Ministry's approach towards its projects thereby resulting in projects failure.

#### **2.7.9 Lack of Strong Quality Assurance**

The quality assurance of the Ministry was nothing to write home about as it was evident in most of its project management policies and practices. It was recently that the Ministry created a quality control department for road construction materials under the watch of the new materials, geo-technics & quality control department. Therefore, what happens to the projects the Ministry had executed before the creation of the department?



# Chapter- 3 METHODOLOGY

## 3.1 Research Approach and Design

This study collects data by using a mixed approach, which mainly consists of both qualitative and quantitative approaches. The research design adopted to conduct this study is that of a case study approach. This design is because of the nature of the study and research questions are designed in such a way to address the key issues in the implementation of different causes of abandonment and failure in the case of Yeka Hills 4Star Hotel project.

A case study analyses an in-depth study of a particular research problem rather than taking a widespread statistical survey. It helps in narrowing down a broad field of research into one or to a more manageable researchable example.

The study uses a mixed approach i.e. both qualitative and quantitative approaches. According to the PCMH resource center, 2013 the term "mixed methods" refers to an emergent methodology of research that advances the systematic integration, or "mixing" of quantitative and qualitative data within a single investigation or sustained program of inquiry. The basic premises of this methodology is that such integration permits a more complete and synergistic utilization of data than do separate quantitative and qualitative data collection analysis. Mixed methods are especially useful in understanding contradictions between quantitative results and qualitative findings. It gives a voice to study participants and ensure those study findings are grounded in participants' experiences. It also has a great flexibility and is adaptable to many study designs, such as observational studies and randomized trials, to elucidate more information that can be obtained in only quantitative research.

## 3.2 Areas of the study

The research is a case study in the cases of construction abandonment and failure in Addis Abeba, the case of Yeka Hills 4star Hotel Project. Analyzing the causes of abandonment and failure of construction in Addis Abeba is stemmed from the fact that the construction industry is a major factor in the economy of Ethiopia and to eliminating or decrease the

causes to the problems will have a great role in having an effective result in the construction sector.

### **3.3 Population of the study**

The Yeka Hills 4star Hotel construction project has a total number of 23 professionals working there (excluding the labor workers). And the data is collected from the HR department of the FABB + Partners, African consulting partners, and AsEph Engineering.

### **3.4 Sampling Technique**

The researcher found it to be difficult to cover the entire population in the research. Saunders, et al., (2007) contends that sampling provides a valid alternative to a census when it would be impracticable to survey the entire population; you have budget and time constraints or have collected all the data but need the results quickly. Writing about why we need to sample, Miller (2003) points out two major reasons. The first reason is that sampling minimizes the cost of collecting data. Such cost, according to them, can be in terms of money, time, and energy. The second reason is that it increases precisions in the data collected.

Thus, taking into consideration that it is difficult to assess and examine the causes of construction abandonment and failures in all the constructions held in Addis Abeba. It was more realistic to choose one case, the construction of Yeka Hills 4Star Hotel Project.

Accordingly, this research relies upon on non-probability sampling methods. Of this type of sampling, a purposive sampling technique was used to select the specific center. The target groups in this study are the consultant, the contractor, and the client.

#### **3.4.1 Non-probability Sampling**

According to explorable.com (2009), non-probability sampling is a sampling technique where the samples are gathered in a process that does not give all the individuals in the population equal chances of being selected. A true random sampling is always difficult to achieve. Most researchers are bounded by time, money, and workforce and because of these limitations, it's almost impossible to randomly sample the entire population and it

is often necessary to employ another sampling technique, i.e. the non-probability sampling technique.

Subjects in a non-probability sample are usually selected based on their accessibility or by the purposive personal judgment of the researcher. Advantages of this techniques are the possibility to reflect the descriptive comments about the sample, it's cost effective and time effective compared to probability sampling, and it's very effective when it is unfeasible or impractical to conduct probability sampling.

There are 5 techniques under non-probability sampling, and purposive/ judgmental sampling is one of the techniques. Purposive sampling according to Ashely Crossman (2017), is where the researcher chooses a sample based on their knowledge about the population and the study itself. The study participants are chosen based on the study's purpose.

Critical case sampling is a purposive sampling in which just one case is chosen for study because the researcher expects that studying it will reveal insights that can be applied to other like cases (Ashely Crossman, 2017).

This being said, the researcher used is the judgmental/ purposive sampling technique, because the population is limited to one case and the number of expertise in the area is on a smaller group to a specific field. This research studies about the causes of construction abandonment and failure: the case of Yeka Hills 4Star hotel project and provide a necessary solution and recommendation on the causes of the problem and serve as a future reference for upcoming construction projects.

### **3.5 Data Collection Method**

Tashakkori and Teddlie in Saunders, er al., (2007) argues that multiple methods are useful if they provide a better opportunity for you to answer your research questions and where they allow you to better evaluate the extent to which your research findings can be trusted and inferences made from them. Thus, the researcher employed both qualitative and quantitative data collection techniques to counterbalance the shortcomings of each technique.

The researcher will employ the gathering of both primary and secondary data to address research questions. Structured questioners and semi-structured interviews will be used

together as primary data to generate all the necessary information from different personnel of the area. Different published materials including archived documents will also be examined to get a better understanding of the area under investigation.

The questionnaire is designed to obtain further information to support the research study objectives and also to identify the main sub-factors that cause the abandonment and failure in construction projects in the case of Yeka Hills 4Star hotel construction project. It can also be used for further assisting the construction business in Addis Abeba on identifying the root causes of abandonment and failure in the construction sector and propose a solution or recommendation in overcoming or decreasing the problem from occurring in future projects. The researcher collected data by distributing questionnaires to the consultant, contractor, and the client of this project.

The questionnaire consists of five pages and was developed as a research tool for this study and it of closed questions. The questionnaire is developed in English and consist of the following sections;

1. Section one- General information;
2. Section two- Respondents rank the main causes of construction abandonment and failure;
3. Section three- Respondents rank sub-factors that cause construction abandonment and failure;
4. Section four- General questions obtained from necessary personnel involved in the Yeka Hills 4Star Hotel construction project about the causes of the abandonment and failure by the organization.

The interview is conducted from a direct conversation and through phone between the interviewer and the interviewees. The interviews were conducted with the client, the head Architect, the project manager and the contractor. The interview questions consisted of closed and open ended questions. This research study depends on facts and professional opinions.

Secondary data is obtained from published documents like articles, browsers, and other related reports that was searched using websites and other sources of information accessible via the information technology.

### **3.6 Data Analysis Techniques**

The data collected was analyzed and presented to enable the researcher to answer the research questions and meet the objective of the study from which a conclusion and recommendations were drawn. The quantitative data were analyzed by SPSS. For the reader of this study to understand the data properly, the data was reduced to a manageable size and was analyzed using categorization support finding of the quantitative result. The analysis is based on the statement of the problem, research objective, and research questions.

### **3.7 Importance of the Study**

The study mainly showcased the causes of contraction project abandonment and failure: the case of Yeka Hills 4Star Hotel construction project on Addis Abeba. It investigated the major factors; the client related factors, the consultant related factors and the contractor related factors, external environmental factors, and time & budget factors that led the construction project to be abandoned and failed. The study will help as a guideline in eliminating or decreasing the causes that are leading a project to an abandonment and failure for the future of the organization performance.

### **3.8 Ethical Considerations**

During the study the research participants were not subjected to any harm in any way. Respect for the dignity for the respondents is prioritized with a full consent for respondents is given prior to the study. The privacy and confidentiality are kept.

### **3.9 Validity and Reliability**

According to Zikmund (2003) reliability is defined as the degree to which measures are free from errors and therefore provide consistent results. Cronbach's alpha a reliability measure designed by Lee Cronbach in 1951 is a coefficient of reliability used to measure the internal consistency of a scale; it has a maximum value of 1. Values closer to 1 reflect a stronger relationship between the test items. Tests with low Alpha's would indicate that there was a little similarity of responses (Tavakol and Dennick, 2011).

To fulfill the purpose of the current research 23 questionnaires were distributed, and all were returned, leading to a 100 % response rate. After checking the filled questionnaires to evaluate the suitability, it was coded with SPSS 23 for further analysis. The reliability of the data has been checked with Cronbach's Alpha and the result is indicated in table 4.21 of the discussion part.

To insure the validity of the study appropriate and acceptable standards were applied. The questionnaires used for this purpose of study is from previous research done on a similar topic; Seven causes of project failure: how to recognize them and how to initiate project recovery Discenza, R. & Forman, J. B. (2007).

# Chapter- 4 RESULT AND DISCUSSION

## 4.1 Introduction

This chapter is organized according to the research questionnaires and it discusses the interview questions conducted and the results have been collected from all the 26 participants of which 23 questionnaires have been distributed among the consultant and the contractor, and additional interviews included with some of the necessary personnel engaged in the Yeka Hills 4Star Hotel Construction project. 3 of the respondents are from the client side who have been phone interviewed. Out of these 23 questionnaires distributed, 18 were respondents from FABB + Partners, i.e. director manager of FABB + Partners, architects, consultants, electrical engineers, mechanical engineer, project managers, project assistants, civil engineers, sanitary engineers, and quantity surveyors. The rest 5 respondents were from the contractor, AsEpH Engineers, the structural engineers, Project managers and the Site engineer of the Yeka Hills 4Star Hotel construction project.

Since the researcher used both qualitative and quantitative method, this chapter will be divided into two sections.

The first one is on findings of the quantitative research which consists of four parts. The first part discusses about the organizational profiles. The second part and third part were designed to identify and rank the most common causes and sub factors that causes of construction project abandonment and failure in the case of Yeka Hills 4Star Hotel construction project. The final part discusses about the general questions about the causes of abandonment and failure in construction project in the case of Yeka Hills 4Star Hotel Construction project.

The second section is on findings of the qualitative research which is gathered from interview questions held between the consultant, contractor and the client. In this section the researcher discusses about objectives of the project, tools and techniques used, assignment of project managers, identification of the needs and requirements of the client, project performance criteria, senior management criteria, initial estimated time to complete the project, sequence of work to be done, estimation of resource required to complete the work, financial resource of the project, sequencing the work to be done, initial project schedule, preparation of risk management plan, documentation of the project plan, stakeholder communication management plan and challenges faced.

Finally, the researcher discusses about the findings of this research whether the findings are consistent with previous claims of theories or not.

## 4.2 Quantitative Analysis

### 4.2.1 Part one: Organizational profile

This part consists of the general information collected about the respondents in terms of positions, years of experience, qualification, institute type and project types that their organization deals with.

Table 4.1 Organizational profile

	Description	Frequency #	Percent %
Position	Consultant	13	56.5
	Contractor	5	21.7
	Project Manager	4	17.4
	Head Architect	1	4.3
Years of experience	1 to 5 years	3	13
	5 to 10 years	6	26.1
	10 to 15 years	8	34.8
	15 to 20 years	6	26.1
Qualification	MSc/MA	7	30.4
	BSc	16	60.9
	Diploma	2	8.7
Institution type	Private sector	23	100
Types of projects held in organization	Building	23	100

*Source: own source (June, 2020)*

Table 4.1 shows the frequency and percentage of the respondents. It's indicated that out of 23 respondents 1 was Head Architect with 4.3%, 4 were Project Managers with 17.4%, 5 were contractor with 21.7% and 13 were from the consultant with 56.5% making them the largest respondent groups of the research.

Under years of experience of the respondents there are five sub categories listed. Table 4.2 shows out of the 23 respondents, 3 of them had an experience ranging from 1 to 5 years with 13%, 6 of them had an experience ranging from 5 to 10 years with 26.1%, 8 of them had an experience ranging from 10 to 15 years with 34.8%, and 6 of them had an



experience ranging from 15 to 20 years with 26.1%. Here it shows that the respondents with an experience ranging from 10 to 15 years have the highest percentage followed by the 15 to 20 years of experience and 5 to 10 years with the same percentage and finally the respondents with the experience of 1 to 5 years.

Under qualification of respondents table 4.3 shows that the majority of the respondents i.e. with the frequency of 16 with 60.9%, have a qualification of BSc, followed by MSc/MA with frequency of 7 with 30.4%, and Diploma with 8.7%.

All the respondents are engaged in a private institution and the type of projects held are of buildings.

#### **4.2.2 Part Two: Main causes of construction project abandonment and failure in the respondent's organization.**

This part discusses the results obtained from participants about the main causes of abandonment and failure. In this part, the causes are classified into five groups which are:

- Causes related to the client
- Causes related to the consultant
- Causes related to the contractor
- Causes related with the external environment
- Causes related to time and budget

The result of this study provides an indication of the frequency, rank of the major groups that caused the abandonment and failure of Yeka Hills 4Star Hotel construction project held in Addis Abeba. Table 4.6 shows summary of frequency and percentage according to all respondents.

Table 4.2 indicates that, according to the respondents, out of five main factors that causes construction abandonment and failure in the Yeka Hills 4Star Hotel construction project, causes related to external environment has a greater impact, followed by causes related with the client, then with time and budget, the consultant and the contractor with the percentage of 73.9%, 69.6%, 65.2%, 56.5% and 47.8% respectively.

Therefore, it can be concluded that causes related with the external environment have led the construction failure and abandonment of the Yeka Hills 4Star Hotel construction project by 73.9%.

Table 4.2 Frequency, main causes of construction abandonment and failure

Major factors	Degree	Frequency #	Percent %	Rank	
Causes Related to Client	High	7	30.4	2	Very High 69.6%
	Very High	16	69.6	1	
	Total	23	100		
Causes related to Consultant	Medium	2	8.7	3	High 56.5%
	High	13	56.5	1	
	Very High	8	34.8	2	
	Total	23	100		
Causes related to Contractor	Medium	3	13	3	High 47.8%
	High	11	47.8	1	
	Very High	9	39.1	2	
	Total	23	100		
Causes related to Time and Budget	Medium	1	4.3	3	Very High 73.9%
	High	5	21.7	2	
	Very High	17	73.9	1	
	Total	23	100		
Causes related to Time & Budget	High	8	34.8	2	Very High 65.2%
	Very High	15	65.2	1	
	Total	23	100		

Source: own source (June, 2020)

#### 4.2.3 Part Three: Sub-Factors that are causes of construction project abandonment and failure

This part discusses about the sub-factors that are causes of construction project abandonment and failure, i.e. the sub factors under each group, affecting the cause of abandonment and failure.

##### 4.2.3.1 Group one: Sub-Factors related to client

Under factors related to clients, there are five sub factors listed which include:

- Client's reputation
- Client's trust in other parties
- Flexibility to changes and variations
- Client's financial capability
- The degree of desired client's involvement

Table 4.3 Frequency statistics, sub-factors related to client

<b>Factors Related to Client</b>	<b>Valid</b>	<b>Missing</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>
Client's reputation	23	0	3	3	3.00
Client's trust	23	0	4	4	4.00
Flexibility to changes and variation	23	0	2	3	2.04
Client Financial Capability	23	0	3	4	3.70
Desired Involvement	23	0	1	4	3.09
<b>Average Mean</b>					<b>3.166</b>

*Source: own source (June, 2020)*

From table 4.3 summarized factors related to client's causality of abandonment and failure of the construction project in the Yeka Hills 4Star Hotel, Addis Abeba. It indicates that all the data entered are valid and missing data are not shown.

The above table concluded that under factors related to client, client's trust is with a mean 4.00 followed by client's financial capability with a mean of 3.70, client's desired involvement with a mean of 3.09, client's reputation with a mean of 3.00, and client's flexibility to change 2.04.

Table 4.4 Frequency, Sub-factors related to client

	Degree	Frequency #	Percent %	Rank	
Client's reputation	Medium	23	100	1	Medium 100%
	Total	23			
Client's trust	High	23	100	1	High 100%
	Total	23			
Flexibility to changes and variation	Low	23	100	1	Low 100%
	Total	23			
Client Financial Capability	Medium	7	30.4	2	High 69.6%
	High	16	69.6	1	
	Total	23	100		
Degree of desired involvement	Very Low	2	8.7	3	High 47.8%
	Low	5	21.7	2	
	Medium	5	21.7	2	
	High	11	47.8	1	
	Total	23	100		

*Source: own source (June, 2020)*

Table 4.4 has five sub-categories under and shows the frequency, respondents and has ranked the results of the respondents. The first sub category indicates all the respondents indicate that client's reputation has a medium cause of 100%. The second sub category respondents' client trust which all respondents have a high cause of 100%. The third sub category indicates that the flexibility of change and variation with a medium cause of 100%. So it can be concluded that all the respondents believe that sub factors related to client's reputation, client's trust and client's flexibility to change and variation is with medium, high and medium sub factors under the causes related to client of a construction project abandonment and failure respectively. The respondents responded with a high cause of 69.6% to the fourth sub category Clients' financial capability. The fifth category is about the desired involvement of client in the project. Here the respondents responded with a high cause of 47.8%.

#### 4.2.3.2 Group two: Sub-Factors related to Consultant

Under factors related to consultant, there are ten sub factors listed which include:

- Client's trust on consultant from reputation
- Availability of qualified personnel
- Performance capability
- Reputation in finishing within a given time and budget
- Communication between project team and client
- Clients requirement clearly defined before project began
- Realistic and complete initial project estimates before project began
- Realistic project schedule with resource availability and other important factors
- Interest and support form client during project performance
- Project completion clearly defined

Table 4.5 Frequency Statistics, sub factors related to consultant

	<b>Valid</b>	<b>Missing</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>
Trust in consultant	23	0	4	4	4.00
Qualified personnel	23	0	4	5	4.26
Performance capability	23	0	4	4	4.00
Reputation in finishing in time & budget	23	0	3	4	3.78

Communication b/n project team & client	23	0	4	4	4.00
Client requirement clearly defined	23	0	4	5	4.26
Realistic cost schedule	23	0	3	4	3.70
Realistic project schedule	23	0	3	4	3.70
Support from client	23	0	3	4	3.48
Project completion defined	23	0	4	4	4.00
<b>Average Mean</b>					<b>3.92</b>

Source: own source (June, 2020)

From table 4.5 summarized the sub factors that are related to the consultant in the causes of abandonment and failure of the Yeka Hills 4Star Hotel construction project held in Addis Abeba. It is indicated that all the data entered are valid and no missing data shown. From the above table's information it can be concluded that under the sub factors related with the consultant the one's with the highest mean are the qualified personnel and client requirement clearly defined with 4.26, followed by trust in the consultant, performance capability, trust in consultant, communication b/n project team & client and defined project completion time with a mean of 4.00 each, reputation in finishing in time and budget with each having a mean of 3.78, realistic cost schedule and realistic project schedule each with a mean of 3.70, and finally support form client with a mean of 3.48.

Table 4.6 Frequency, Sub factors related to consultant

Sub-factors	Degree	Frequency #	Percentage %	Rank	
Trust in consultant	High	23	100	1	High 100%
	Total	23	100		
Qualified personnel	High	17	73.9	1	High 73.9%
	Very High	6	26.1	2	
	Total	23	100		
Performance capability	High	23	100	1	High 100%
	Total	23	100		
	Medium	5	21.7	2	High 78.3%

Reputation in finishing in time & budget	High	18	78.3	1	
	Total	23	100		
Communication between project team & client	High	23	100	1	High 100%
	Total	23	100		
Client requirement clearly defined	High	17	73.9	1	High 73.9%
	Very High	6	26.1	2	
	Total	23	100		
Realistic cost schedule	Medium	17	73.9	1	Medium 73.9%
	High	6	26.1	2	
	Total	23	100		
Realistic project schedule	Medium	7	30.4	2	High 69.6%
	High	16	69.6	1	
	Total	23	100		
Support from client	Medium	12	52.2	1	Medium 52.2%
	High	11	47.8	2	
	Total	23	100		
Project completion defined	High	23	100	1	High 100%
	Total	23	100		

*Source: own source (June, 2020)*

Table 4.6 have ten sub categories under and shows the frequency, respondents and has ranked the results of the respondents. The first sub category indicates all the respondents indicate that client's trust in the consultant has a high cause with 100%. The second sub category of availability of qualified personnel of high cause with 73.9%, third one a performance capability is of high cause with 100%, fourth sub category reputation in finishing with budget and time is of high cause of 78.3%, fifth sub category effective communication between project team and client is of high cause with 100%, the sixth sub category client requirement clearly defined is of high cause with 73.9%, the seventh sub category realistic cost schedule of medium cause with 73.9%, the eighth sub category realistic project schedule of high cause with 69.6%, the ninth sub category support from client during the project performance is of medium cause with 52.2% and the final sun category completion of project clearly defined is of high cause with 100%.

#### 4.2.3.3 Group three: Sub-Factors related to Contractor

Under factors related to contractor, there are seven sub factors listed which include:

- Consultant trust on contractor from reputation
- Consultant qualified personnel
- Contractor’s performance capability
- Reputation in finishing with given time and budget
- Effective communication between consultant and contractor
- Realistic project schedule with resource availability and other important factors
- Project completing clearly defined and communicated

Table 4.7 Frequency Statistics, sub factors related to contractor

	<b>Valid</b>	<b>Missing</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>
Consultant trust on contractor from reputation	23	0	4	5	4.26
Contractor’s qualified personnel	23	0	4	4	4.00
Contractor’s performance capability	23	0	4	4	4.00
Reputation in finishing with given time and budget	23	0	3	4	3.70
Effective communication between consultant & contractor	23	0	3	4	3.83
Realistic project schedule with resource availability and other	23	0	3	4	3.70
Project completion clearly defined and communicated	23	0	4	4	4.00
<b>Average mean</b>					<b>3.922</b>

*Source: own source (June, 2020)*

From table 4.7 summarized the sub factors that are related to the contractor in the causes of abandonment and failure of the Yeka Hills 4Star Hotel construction project in Addis Abeba. It is indicated that all the data entered are valid and that there are no missing data shown. From the above table’s information it can be concluded that under the sub factors related with the consultant, consultant trust in the contractor from reputation is the highest mean with 4.26, followed by contractor’s qualified personnel, Contractor’s performance capability, and project completion clearly defined and communicated each with a mean of 4.0. Effective communication between consultant & contractor is with mean 3.83.

Reputation in finishing with given time and budget and realistic project schedule with resource availability and other factors with a mean of 3.70.

Table 4.8 Frequency, Sub factors related to contractor

Sub-factors	Degree	Frequency #	Percent %	Rank	
Consultant trust on contractor from reputation	High	17	73.9	1	High 73.9%
	Very High	6	26.1	2	
	Total	23	100		
Contractor's qualified personnel	High	23	100	1	High 100%
	Total	23	100		
Contractor's performance capability	High	23	100	1	High 100%
	Total	23	100		
Reputation in finishing with given time and budget	Medium	7	30.4	2	High 69.6%
	High	16	69.6	1	
	Total	23	100		
Effective communication between consultant & contractor	Medium	4	17.4	2	High 82.6%
	High	19	82.6	1	
	Total	23	100		
Realistic project schedule with resource availability and other	Medium	7	30.4	2	High 69.6%
	High	16	69.6	1	
	Total	23	100		
Project completion clearly defined and communicated	High	23	100	1	High 100%
	Total	23	100		

Source: own source (June, 2020)

Table 4.12 have seven sub categories under and shows the frequency, respondents and has ranked the results of the respondents. The first sub category all the respondents responded consultant trust on contractor from reputation has a high cause with 73.9%. The second sub category of contractor's qualified personnel of high cause with 100%, third one a performance capability is of high cause with 100%, fourth sub category reputation in finishing with budget and time is of high cause of 69.6%, fifth sub category effective communication between consultant & contractor is of high cause with 82.6%, the sixth sub category realistic project schedule with resource availability and other is of high cause with 69.9%, and the seventh sub category project completion clearly defined and communicated high cause with 100%.



#### 4.2.3.4 Group four: Sub-Factors related to External environmental factors

Under factors related to external environment, there are seven sub factors listed which include:

- Degree of complexity of project
- Governmental construction policy
- Economic conditions
- Other party involvement/ participation
- Legal issues
- Material Availability
- Workers condition

Table 4.9 Frequency Statistics, sub factors related to external environment

	<b>Valid</b>	<b>Missing</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>
Degree of complexity of project	23	0	4	4	4.00
Governmental construction policy	23	0	3	5	4.04
Economic conditions	23	0	3	4	3.83
Other party involvement	23	0	2	4	3.48
Legal issues	23	0	2	4	2.83
Material availability	23	0	3	4	3.39
Workers condition	23	0	2	3	2.30
<b>Average mean</b>					<b>3.552</b>

*Source: own source (June, 2020)*

From table 4.9 summarized the sub factors that are related to external environmental factors that are causes of abandonment and failure of the Yeka Hills 4Star Hotel construction project in Addis Abeba. It is indicated that all the data entered are valid and that there are no missing data shown. From the above table's information it can be concluded that under the sub factors related with external environment, governmental construction policy is with the highest mean 4.04, followed by the degree of complexity of project with a min of 4.00, material availability with a mean of 3.39, economic condition with a mean of 3.83, other party involvement with a mean of 3.48, material availability with a mean of 3.39, legal issues with a mean of 2.83 and workers condition with 2.30.

Table 4.10 Frequency, sub factors related to external environment

Sub-factors	Degree	Frequency #	Percent %	Rank	
Degree of complexity of projects	High	23	100	1	High 100%
	Total	23	100		
Governmental construction policy	Medium	4	17.4	3	High 60.9%
	High	14	60.9	1	
	Very High	5	21.7	2	
	Total	23	100		
Economic conditions	Medium	4	17.4	2	High 82.6%
	High	19	82.6	1	
	Total	23	100		
Other party involvement	Low	2	8.7	3	High 56.5%
	Medium	8	34.8	2	
	High	13	56.5	1	
	Total	23	100		
Legal Issues	Low	6	26.1	2	Medium 65.2%
	Medium	15	65.2	1	
	High	2	8.7	3	
	Total	23	100		
Material Availability	Medium	14	60.9	1	Medium 60.9%
	High	9	39.1	2	
	Total	23	100		
Workforce condition	Low	16	59.6	1	Low 59.6%
	Medium	7	30.4	2	
	Total	23	100		

Source: own source (June, 2020)

Table 4.14 have seven sub categories under external environmental factors and shows the frequency, respondents and has ranked the results of the respondents. The first sub category all the respondents responded on the degree of complexity of project with high with 100%. The second sub category of governmental construction policy has a high with 60.9%, third sub category economic conditions is with high with 82.6%, the fourth condition that is other party involvement is high with 56.5%, the fifth sub factor legal issues is medium with 60.9%, and finally the sub factor workforce condition is of low with 59.6%.

#### 4.2.3.5 Group five: Sub-Factors related to time and budget

Under factors related to time and budget, there are five sub factors listed which include:

- Speed
- Time and cost constraints of project
- Delays obtaining environmental approval
- Time and cost control
- Price certainty prior to commencement

Table 4.11 Frequency Statistics, sub factors related with time and budget

	<b>Valid</b>	<b>Missing</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>
Speed	23	0	3	4	3.78
Time and budget constraints	23	0	3	5	4.00
Delays obtaining environmental approval	23	0	2	4	3.61
Time and cost control	23	0	3	5	4.04
Price certainty prior to commencement	23	0	4	5	4.48
<b>Average mean</b>					<b>3.982</b>

*Source: own source (June, 2020)*

From table 4.11 summarized the five sub factors that are related to time and budget that caused the abandonment and failure of the Yeka Hills 4Star Hotel construction project in Addis Abeba. It is indicated that all the data entered are valid and that there are no missing data shown. From the above table's information it can be concluded that under the sub factors related with time and budget, price certainty prior to commencement is with the highest mean 4.48, followed by time and cost control with mean 4.04. Time and budget constraints are of mean 4.00, speed is with mean 3.78 and delays obtaining environmental approval is with 3.61 mean.

Table 4.12 Frequency, sub factors related with time and budget

Sub-factors	Degree	Frequency #	Percent %	Rank	
Speed	Medium	5	21.7	2	High 78.3%
	High	18	78.3	1	
	Total	23	100		
Time and budget constraints	Medium	3	13	2	High 79.9%
	High	17	79.9	1	
	Very High	3	13	2	
	Total	23	100		
Delays obtaining environmental approval	Low	2	8.7	3	High 69.6%
	Medium	5	21.7	2	
	High	16	69.6	1	
	Total	23	100		
Time and cost control	Medium	3	13	3	High 69.6%
	High	16	69.6	1	
	Very High	4	17.4	2	
	Total	23	100		
Price certainty prior to commencement	High	12	52.2	1	High 52.2%
	Medium	11	47.8	2	
	Total	23	100		

*Source: own source (June, 2020)*

Table 4.12 have five sub categories under factors related with time and budget and shows the frequency, respondents and has ranked the results of the respondents. The first sub category speed respondents responded of high with 78.3%. The second sub category of time and budget constraints is with cause high 79.9%, third sub category delays obtaining environmental approval is with cause of high 69.6%, fourth sub category time and cost control is with a high 69.6% and the final sub factor price certainty prior to commencement is of high with 52.2%.

#### **4.2.4 Part Four: General questions regarding the causes of abandonment and failure in the case of Yeka Hills 4Star hotel construction project (professional opinion)**

This part discusses about the general scenarios, of the organization culture and construction process, issues that mostly occur when dealing with a building construction

project, and general professional opinion of the respondents on the causes of abandonment and failure of a construction project.

Table 4.13 Frequency, General questions regarding causes of abandonment and failure in the case of Yeka Hills 4Star hotel contraction project

	Description	Frequency #	Percentage %
Satisfaction about the construction process and culture of your organization	Yes	18	78.3
	No	5	21.7
Commonly faced issues during a building construction project in your organization	Planning issue	7	30.4
	Time and Financial issue	10	43.5
	Communication with client issue	1	4.3
	Legal and governmental policy issues	5	21.7
Common issues faced during the construction project Yeka Hills 4Star Hotel	Planning issue	3	12.7
	Time and Financial issue	6	26.4
	Communication with client issue	2	8.7
	Legal and governmental policy issues	12	52.2
Major causes of abandonment and failure of a project (professional opinion)	Planning issue	9	39.1
	Time and Financial issue	10	43.5
	Communication with client issue	3	13
	Legal and governmental policy issues	1	4.3

*Source: own source (June, 2020)*

Table 4.13 shows that out of 23 respondents 78.3% are satisfied about the construction process and culture of their organization. The other 21.7% of the respondents indicate that they are not satisfied about the construction process and culture of their organization.

Out of 23 respondents 43.5% are responded time and time and financial issues are the issues that they commonly face during a building construction project in their

organization, followed by planning issues with 30.4%, legal and governmental issues with 21.7% and communication with client issues with 4.3%. Out of 23 respondents 52.2% responded that legal and governmental issues is the major issue faced during the construction project of Yeka Hills 4Star Hotel, followed by planning issues with 39.1% and time and financial issue with 8.7%. Out of 23 respondents 43.5% responded time and financial issues are the major causes of abandonment and failure of a construction project in their professional opinion, followed by planning issues with 39.1%, communication with client issue with 13% and legal and governmental policy issues with 43.3%.

### 4.3 Reliability Analysis

Cronbach’s alpha is a technique used for this study to access the reliability for the measurement of each competency component. Cronbach's alpha is a coefficient that is used to measure reliability or internal consistency of items; it indicates how closely the items are related to each other, and how free they are from bias (Tavakol and Dennick, 2011). If Cronbach's alpha value is more than 70% for all variables, then reliability is assumed. (Samuel, 2019). The reliability test results are reflected in Table 4.14.

Table 4.14 Reliability statistics Cronbach’s Alpha coefficient

Reliability Statistics		Cronbach's alpha	Internal consistency
Cronbach's Alpha	No. items	$\alpha \geq 0.9$	Excellent
.869	30	$0.9 > \alpha \geq 0.8$	Good
		$0.8 > \alpha \geq 0.7$	Acceptable
		$0.7 > \alpha \geq 0.6$	Questionable
		$0.6 > \alpha \geq 0.5$	Poor
		$0.5 > \alpha$	Unacceptable

Source: own source (June, 2020)

### 4.4 Qualitative Analysis

In Addis Abeba, there is a high demand of construction projects for the city being the capital of Ethiopia and Africa. Besides it also being the home of many international organizations.

And the government also is opening up vast opportunities towards the construction sector since it plays a great role in the economy of the nation especially for a country like Ethiopia categorized as a third world country. According to ministry of urban

development and construction, the Construction industry policy of Ethiopia (July 2012), the construction industry is the major sector where public and private sectors are investing huge amount of fund. The percentage share of the construction sector to GDP at constant basic price has increased from 4.3% in 1993 E.C to 5.8% by 2002 E.C.

Ethiopia has promising opportunities with this fast pace growing rate of economy and facing the abandonment and failure of projects will only pull back from reaching the goal that the country has appointed by the next decade.

#### **4.4.1 Objective of the project**

The major objective of the project is to add to a business value to the organization and to participate in the growth of the organization and nationwide. The specific objectives include:

- Building and operating a 4Star Hotel in Addis Abeba.
- Contribute to the development of construction industry in Ethiopia
- Generate employment opportunity
- Adding a bossiness value to the organization

#### **4.4.2 Tools and techniques**

The occupancy rate reported in Addis Abeba and also in other parts of Ethiopia points towards a competitive need for a good construction. The decision to invest in the hotel business on Addis Abeba by the owners is inspired by the availability of market opportunities for hotel development. The requirement of the construction building project industry is with a high demand for local and international clients and developments to be accommodated and being finished within the requirements set by the clients and the other related policy.

#### **4.4.3 Assignment / Recruitment of project manger**

The project management is divided into three and each had their own project manager. The client, the consultant and the contractor. On the client's side the managers were selected based on favoritism i.e. from friends, relatives, or people that they have a previous history with. The consultants were selected through the recommendation due to their good name, good work and talents. Construction Bid was held to select the contractor.

#### **4.4.4 Identification of the true needs and requirements of the client**

To identify the true needs of the client, a feasibility study was done to study the market that was conducted by the Consultant to give a better understanding of the hotel industry market in the city, then it was presented to the clients and was approved. In the market search, primary and secondary data were gathered on the hotel industry and the construction business in Addis Abeba. Interviews were conducted with Addis Abeba city administration culture and tourism bureau, public officials, and other stakeholders that gave their opinion on the trends and demands of the sector in Addis Abeba. The secondary data sources of vital information in the current construction sector and hotel business in the city were covered. Past trends in the arrival of international tourists in the country and foreign exchange earned from the sector were also examined. The consultant has been able to access the necessary information from the Addis Abeba city administration culture and tourism bureau.

The next step, the client explained and prepared a document about the project for the consultant. The consultant tried to analyze and interpret the client's needs and prepared a design based on the necessary specifications and details.

#### **4.4.5 Initial estimated time to do the project**

The building started on February, 2014 set to be finished in June, 2016. The project was recorded as abandoned and failed project by the organization in July, 2017.

#### **4.4.6 Estimation of resources required to complete the work, project schedule and financial resource of project**

When conducting this project, a proper estimation for the project was made and all the required resources and equipment were all laid out. No trust and unity issue was occurring between the three parties (client, consultant, and contractor).

The project schedule estimation was prepared after the consultant was selected. The consultant submitted a project schedule to the client, the client reviewed the plan and approved and acted accordingly to some extent.

The project is to be financed by the client with an estimated birr 39.8 million birr of total contact agreement.



#### **4.4.7 Sequencing of the project work to be done**

The consultant is mainly for designing, quantifying, and preparation of the specification document. For the project planning process, the consultant used the EBCS. The client specified the things that they want to incorporate in the design of the project with a similar format of a ToR to the consultant. Based on the client's specification the consultant developed a conceptual design that can satisfy the client's needs then puts the concept into a drawing, digital and physical 3D model for the client to have a clear picture of what is to be done. Then they discuss these concepts with the clients and see if they are on board with the idea and accept it. If so, then the next step would be to move to the preliminary design, which is a form of detailed design including detailed descriptions and cost of the project and will be presented to the client.

The client then reviews the preliminary design, and if satisfied the projects move to the next step if not modifications will be done by the consultant and be reviewed again by the client.

After the approval of the preliminary design, the consultant moves to a design development stage where construction documentation is established. At this stage, the client has less of a say unless and otherwise there comes a case where there needs to be a modification in the design of the project. This document is a full detailed document that includes the specification and detail drawings of the project. It includes all the necessary information about the project which includes design, support engineering documents, BoQ, and other necessary special details. This is a document that will be ready for bidding.

The bidding process is the next stage. Based on the specifications laid out by the consultant on the specification document, contractors will review the document and set their price and submit it to the consultant. After dealing with the legal issues with construction permit from the municipality, the best contractor for the job is selected after reviews are done on the technical and financial report submitted by the contractors. After the project is handed to the contractor, consultants will check if the project work is being done and work with the contractor for the project to be completed with the given time and budget until the project is finished and handed over to the client.

#### **4.4.8 Preparation of risk management plan**

There were no proper/ formal risk management plan done by any of the parties involved in the project. Whenever unexpected events occur they just discuss amongst themselves and solve it, or take a measures by themselves without discussing with all the necessary professionals and this sometimes caused problem on the project.

#### **4.4.9 Documentation of project plan**

It can be said that documentations of the Yeka Hills 4Star Hotel construction project have been documented properly by all parties, i.e. the client, the consultant and the contractor.

#### **4.4.10 Communication with client planning**

The contractor directly reported to the consultant monthly, weekly, and daily (when necessary). The consultants monitored the contractors and reviewed the reports that they received from the contractors and report back to the client by preparing a proper document and update the client on the progress of the project. Site visits are made to monitor the project performance. The consultant presents a report on a monthly or weekly basis based on the importance and has meetings every week as needed to follow up on the project. The consultant's report includes; financial reports so the client can understand whether the project is going per schedule and cost.

#### **4.4.11 Challenges**

Most of the challenges that were faced by the consultant and the contractor are the legal and governmental policy issues. Because of the change in the building height regulation that was issued after the project has been launched, major changes had to be made which held the project and go out of schedule. In order to go by the new height regulation, design modifications had to be done and with that redesigned project building sacrifices had to be made to the requirements of the clients' initial ToR. Going through the permitting process and necessary amendments according to the new regulations created the gap of client satisfaction and also a loss on the consultant and the contractor's initial cost and time. Aside from the legal and governmental policy issues, the USD component was also playing a great role in delaying the construction project which in return made an investment failure to all parties (client, consultant, and contractor). The project has

completed 25%-30% of the agreed-upon design before the change of height regulation occurred.

A meeting was organized by the consultant to discuss the issues regarding with the government's new regulation between the client and the project team of the consultant. The consultant offered to re-design the building project based on the newly added regulation on the existing phase of the project, but the client was not willing to make an additional payment for the redesign and a gap was created, which then finally the consultant was forced to stop the Yeka Hills 4Star hotel construction project and recoded it as an abandoned and failed project.

#### **4.5 Discussion**

As indicated in table 4.14, the Cronbach's Alpha test reveals that the instrument's internal consistency as 86.9 % which is well above the acceptable value (i.e. 70%). Therefore, the research instrument is reliable, and the forthcoming findings & conclusions are acceptable and concrete. This section deals with the analysis and interpretation of data collected from the questionnaires. Responses are summarized and presented using tables to facilitate easy understanding.

Generally, respondents were asked to rate 43 major causes and sub-factors that led the construction project to fail and be abandoned identified from the literature review and from previous research done on the failure of a project. This involved the use of a five point scale, spanning 1 for very high to 5 very low. A mean item score was used to rank the major causes of abandonment and failure of this particular construction project.

Based on the research conducted, i.e. the interview and the questionnaire, the researcher was able to understand that among the five factors that causes of a construction abandonment and failure in the case of Yeka Hills 4Star Hotel construction project, the major factor was Legal and governmental policy issues. And because of the gap a lot of issues arise like planning issues and financing issues.

Similar challenges were also observed in "Abandonment of Construction Projects in Nigeria: Causes and Effects" which was conducted by Ayodele Elijah Olusegun and Alabi Olumuyiwa Michael. The research illustrates how inadequate planning has been identified as one of the causes of project abandonment; this is in agreement with Essenwa (2004) and Adedeji (1998) and Opara (1986) who were of the opinion that adequate

project planning proceeds construction work if it is not to be abandoned along the way. Another cause of abandonment of project is inadequate funding/finance. This is in consonance with the affirmation of Odenyinka and Yusuf (1997) that owner's cash flow problem is a major factor responsible for abandonment of project.

In the literature review, chapter two, according to ministry of urban development and construction, the construction industry policy of Ethiopia states that Weak and non-facilitative policies and regulatory framework is one of the constraints that hampers the performance and development of the industry.

For this project, consultant followed a typical building construction process by first preparing documents for bidding and negotiation, awarding the selected a contractor and start the construction project. But since there were legal and governmental issues that occurred while executing the project and that needed a revision of the design which the consultant was willing to do but the client was not willing to pay for the construction project to continue.

## Chapter 5: CONCLUSIONS & RECOMMENDATIONS

### 5.1 Conclusion

Based on the results obtained from this research, the following research conclusions are drawn.

- Based on the study the researcher was able to conclude that the commonly faced challenges in causes of construction project abandonment and failure in the case of Yeka Hills 4Star Hotel construction project is the legal and governmental policy issues, which can lead to planning issues, financial and time issues.
- A total of 34 sub-causes causing a project to be abandoned and fail were synthesized under 5 main groups, i.e. causes related to the client, causes related to the consultant, causes related to contractor, causes related to external environment and causes related with time and budget. Data was collected from relevant parties involved in the Yeka Hills 4Star Hotel construction project. The findings from the study shows that out of 5 main causes the most issue that caused the abandonment and failure of the project is causes related to external environment, followed by causes related with the client, causes related with time and budget, causes related to consultant, and lastly causes related to contractor.
  1. Causes related to External environment = 73.9%
  2. Causes related to Client = 69.6%
  3. Causes related to Time and budget = 65.2%
  4. Causes related to consultant = 56.5%
  5. Causes related to contractor = 47.8%
- Under causes related to external environment, seven sub-causes were listed. Out of which all of them scored above 50%. From the questionnaire that was distributed, the respondents responded saying that the degree of complexity of a project has a high cause in leading a project to be abandoned and fail followed by economic conditions, legal issues, government construction policy, material availability, work force condition and other party involvement.
- Under causes related to client, five sub-causes were listed. Out of which four of them scored above 50%. The client trust and financial capability have a high score that the respondents believed it was the cause of the project of abandonment and failure.

- Under factors related to time and budget, there are five sub-causes listed. The highest scorers are time & budget constraint, speed, time & cost control and delays obtaining environmental approval.
- Under factors related to consultant, there are ten sub-causes where respondents identified client's trust in consultant, performance capability and communication between client and project team, and project completion clearly defined are that scored the highest.
- Under factors related with the contractor, there are seven sub-causes where respondents identified contractor qualified personnel, performance capability and project completion communicated are the highest scores.
- When conducting the research the researcher was able to conclude that there weren't much of the two parties being the major cause of abandonment and failure but the external environmental causes and the causes related with the client are the major factors.
- The result gives an indication of that more than 75% of the respondents are happy about the construction process and culture of their organization.

## **5.2 Recommendation**

The recommendations for this research are:

- The researcher observed in order to decrease/eliminate the causes of construction abandonment and failure, governmental policies and regulations should be made by studying the effect that it can cause to the ongoing projects.
- Clients should be open to necessary amendments for the issues that are raised because of the external factors.
- Client should undertake an adequate of financial planning for the project at the beginning and that should be enough finance available based on a reliable estimate made by a professional.
- Consultant should prepare a risk management plan or legal mechanism in order to avoid major losses that can ruin the reputation of their organization.
- The government should put in all efforts to reduce inflation and review the USD currency shortage to the industry
- Previously started projects should not be compromised by new policies abandoned for their new idea.

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# **Appendix 1: Questionnaire (English)**

**Part one: General Information** (Please circle the choice from the given letters).

1. Position, \_\_\_\_\_
  - a. Consultant
  - b. Contractor
  - c. Project Manager
  - d. Head Architect
  
2. Years of experience in the line of work, \_\_\_\_\_
  - a. 1 to 5 years
  - b. 5 to 10 years
  - c. 10 to 15 years
  - d. 15 to 20 years
  - e. More than 20 years
  
3. Qualification, \_\_\_\_\_
  - a. PhD
  - b. MSc/MA
  - c. BSc
  - d. Diploma
  
4. Institution type, \_\_\_\_\_
  - a. Governmental
  - b. Non-governmental (NGO)
  - c. Private
  - d. International
  
5. Type of projects heald in the organization, \_\_\_\_\_
  - a. Buildings
  - b. Infrastructure
  - c. Industrial

**Part two: Main causes of construction project abandonment and failure in your organization.**

\*Please carefully identify the degree of causality of construction project abandonment and failure in your organization. (Please tick in the appropriate box).

- Very High Causal = 5
- High Causal = 4
- Medium Causal = 3
- Low Causal = 2
- Very Low Causal = 1

No.	Main Causes	Degree				
		Very high = 5	High = 4	Medium = 3	Low = 2	Very Low = 1
A	Factors related to the client					
B	Factors related to Consultant					
C	Factors related to contractor					
D	External environmental factor					
E	Factors related with time and budget					

**Part three: Sub- Factors that are the causes of construction project failure and abandonment.**

From your experience, please express your opinion on the causality of the following sub-factors for abandonment and failure of a construction project in the case of Yeka Hills 4Star Hotel construction project. (Please tick in the appropriate box).

- Very High Causal = 5
- High Causal = 4
- Medium Causal = 3
- Low Causal = 2
- Very Low Causal = 1

No.	Main Causes	Degree				
		Very high = 5	High = 4	Medium = 3	Low = 2	Very Low = 1
<b>A</b>	<b>Factors related to the client</b>					
1	Client's reputation					
2	Client's trust in other parties					
3	Flexibility for changes and variations					
4	Client's financial capability					
5	The degree of desired client involvement					
<b>B</b>	<b>Factors related to Consultant</b>					
1	client trust on consultant from reputation					
2	Availability of qualified personnel					
3	Performance capability					
4	Reputation in finishing within a given time and budget					
5	Were communications between the project team					

	and stakeholders (client), frequent and effective?					
6	Were the customer requirements clearly communicated (or defined) before the project began (or at least before development or deployment of the solution began)?					
7	Were the initial project estimates (cost and schedule) complete and realistic, before performance began?					
8	Was the project schedule realistic considering the resource available and other important factors?					
9	During project performance, did the project receive interest and support from client?					
10	Was project completion clearly defined and communicated to the project team?					
<b>C</b>	<b>Factors related to contractor</b>					
1	Consultant trust on contractor's from reputation					
2	Availability of qualified personnel					
3	Contractor's Performance capability					
4	Reputation in finishing within a given time and budget					
5	Were communications between the consultant project team and contractor, frequent and effective					

6	Was the project schedule realistic considering the resource available and other important factors?					
7	Was project completion clearly defined and communicated to the contractor?					
<b>D</b>	<b>External environmental factor</b>					
1	Degree of complexity of project					
2	Governmental construction policy					
3	Economic Conditions					
4	Other party involvement /role/ participation					
5	Legal issues					
6	Material Availability					
7	Workers Condition					
<b>E</b>	<b>Factors related with time and budget</b>					
1	Speed					
2	Time and cost constraints of project					
3	Delays obtaining environmental approval					
4	Time and cost control					
5	Price certainly prior to commencement					

**Part four: General Information** (Please circle the choice from the given letters).

1. Are you satisfied about the construction process and culture of your organization?
  - a. Yes
  - b. No
2. What kind of issues do you commonly face during a building construction project?
  - a. Planning issues
  - b. Time and Financial issues
  - c. Communication with client issues
  - d. Legal and Governmental policy issues
  - e. Other
3. What are the most common issues that you faced during the construction of Yeka Hills 4Star Hotel construction project?
  - a. Planning issues
  - b. Time and Financial issues
  - c. Communication with client issues
  - d. Legal and governmental policy issues
  - e. Other
4. What do you think the major causes of the abandonment and failure of the project?
  - a. Planning issues
  - b. Time and Financial issues
  - c. Legal and governmental policy issues
  - d. Communication with client issues
  - e. Other

**Thank you for your cooperation!!**

**Researcher: Edom Elias**



# **Annex 2: Interview (English)**

## Interview Questions

1. Summary about the Yeka Hills 4Star Hotel construction project in Addis Abeba.
2. What kind of problems do you face in most construction projects?
3. What do you think are the major causes of abandonment and failure of a project?
4. What do you think made the Yeka Hills 4Star Hotel construction project to be abandoned and fail?
5. What impact(s) did the project had made to the organization?
6. How do you describe the relationship that you had with the project owner?
7. In you belief, what kind of method(s) or improvement(s) can prevent/eliminate this kind of failures?
8. How did you identify the problems that can lead a project to abandonment and failure?
9. What made you decide to abandon the project?
10. What are the common gaps or problems observed in the construction business regarding project abandonment and failure?
11. What other losses did you face because of the abandonment of the project?
12. What challenges did you face with the contractor?
13. Did external factors played a great role in the abandonment and failure of the project?