INFLUENCE OF MONITORING AND EVALUATION PRACTICES ON PERFORMANCE OF NEW PRODUCT DEVELOPMENT PROJECTS IN COMMERCIAL BANKS IN NAIROBI COUNTY, KENYA

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DECLARATION

I declare that this research project report is my original work and that it has not been presented in any other university or institution for the purpose of academic credit.

Signature... Date...31/08/2018.......

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L50/82177/2015

This research project report has been submitted for examination with my approval as university supervisor.

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DEDICATION

This Research Paper is lovingly dedicated to my Wife Mercy Mwende, Dad Japheth Munyao and Mom Serena Munyao who have been my constant source of inspiration

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ABBREVIATIONS AND ACRONYMS

CBK:	Central Bank of Kenya
M&E:	Monitoring and evaluation
NDPC:	National Development Planning Commission
NPD:	New Product Development
PEOU:	Policy Evaluation and Oversight Unit
R & D:	Research and Development
SPSS:	Statistical Package for Social Sciences

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ABSTRACT

It's been established that monitoring and evaluation practices in projects is a very important and necessary process to be employed. It is very important to consider the various factors that influence monitoring and evaluation practices particularly in Kenya commercial banks new development projects were a lot of resources are being invested. The study undertook a more detailed analysis of influence of monitoring and evaluation practices on new product development projects in Kenya commercial banks .The study sought to establish how management commitment, level of resource allocation and level of staff training on monitoring and evaluation practices influence performance of new product development projects in Kenya commercial banks. The research questions were; how does level of management commitment in monitoring and evaluation practices influence performance of new product development projects in commercial banks in Kenya? To what extent does the resource allocation on monitoring and evaluation practices affect performance of new product development projects in commercial banks in Kenya? What is the effect of staff training in monitoring and evaluation practices on performance of new product development projects in commercial banks in Kenya? The study used theory of change by Carol Wess and realistic theory by Pawson. Both theories gave an insight on how monitoring and evaluation practices are effective during project undertakings in making set goals and out comes achieved without assumptions which make many projects so difficult to evaluate; also how outcomes from projects are produced giving the evaluator more detailed options on the intervention to take in order to make the product output more effective respectively in line with production of high performance products in commercial banks projects. The study adopted a descriptive survey design which targeted 48 credit unit officers from five departments'; retail banking, human resource, cooperate banking unit, consumer credit unit, information technology in Kenya commercial bank, equity bank, chase bank and cooperative banks in Nairobi County. The method used to obtain the units into the sample of the study was stratified sampling technique under proportional allocation .A pilot test was done using 10% of the population and the dependability of the questionnaire; the study used the Cronbach alpha (α) coefficient. This was done to determine the instruments validity, which the research supervisor considered the instrument contents viable and recommended the researcher. Quantitative data was applied with the significant use of descriptive analysis together with the inferential data which then was analyzed with the significant use of descriptive analysis together with the inferential based analysis of Pearson product moment correlation analysis to ascertain the score that become relevant to the monitoring and evaluation units of Kenya commercial banks .The correlation results established a positive and significant relationship between the independent and dependent variables .The findings showed that the correlation between management commitment on monitoring and evaluation practices and performance of new product development projects was 38% and was significant at 0.01 level ,staff training on monitoring and evaluation practices and performance of new product development projects was 32.2% and significant at 0.01 level and resource allocation on monitoring and evaluation practices and performance of new product development at 50% and significant at 0.05 level.93% of the respondents believed that monitoring and evaluation practices influence the performance of new product development projects. The study concluded that the organizations that employ increased management commitment, allocation of resources and staff training during new product management have increased productivity. The study recommends that management commitment and close involvement during new product development; Resources should be well allocated during new product development; Staff training is critical for every new product development projects, All to be incorporated in new product development projects for increased new products performance.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Monitoring and evaluation (M&E) is a tool that has become undeniably vital in achieving economic and social sustainability. The sustainability criteria and indicators for M&E are very crucial in defining, monitoring and reporting on all ecological, economic and social trends, tracking progress towards goals and influencing policy and practices (Behn, 2003). Monitoring and evaluation provide tools for organizations to assess the performance of program , through measuring progress and managing program inputs and outputs to achieve the highest outcome results.

Monitoring and evaluation (M&E) helps those involved with projects to assess if progress is being achieved in line with expectations. Monitoring is the ongoing collection and analysis of data that informs project managers of the progress towards the achievement of established goals. Evaluation is a comprehensive appraisal that looks at the both short term and long-term impacts of a project. It exposes what worked, what did not, and what should be done differently in future projects. When planning for M&E, it is indispensable to consider whether appropriate finances and staff time can be assigned to it. It is also vital to consider stakeholder participation in design and execution of M&E. Involving community partners is an excellent strategy for demonstrating accountability (Hettmut, 2002).

In china by the late 1900 new system of M&E systems were built in all government undertakings which there after they also went ahead to institutionalize M&E at audit level (Wong Christine (2012). The audit function is a critical component of an M&E system. The National Audit Office

(NAO) was created by the post-transition Constitution (1982), which called for setting up audit offices at the national, provincial, municipal, and county levels. Today the national network comprises more than 3,000 audit offices with 80,000 auditors (Yang, Xiao, and Pendlebury 2008).In the provincial capital, Guangzhou, a new Performance Monitoring approach was adopted that called for ex post evaluation of spending programs (Ma and Wu 2011)

Shanghai has also effected monitoring and evaluation in budgeting with ex post evaluation of spending programs, which is called results-oriented performance budgeting. For these programs, the Finance Bureau meets with the affected departments to adjust the budgets based on evaluation results—this has led, to increasing employment subsidies for relocated residents and rural labor under the Bureau of Labor and Social Security (Zhao, Li, and Li 2011).

According to the findings of a case study on Monitoring and Evaluation systems in Africa, monitoring systems that respond to political demand for reporting on performance against targets are being put in place in several African countries, for example in South Africa, the performance monitoring reporting is one quarterly. These reports are linked to the performance agreements of ministers and government departments. These outcome reports act as instruments that allow information to be discussed and reflected upon within cabinet. A significant number of African countries have a system of retreats to review the performance of the government. For instance, Uganda which holds biannual retreats. These retreats are attended by ministers and top public servants who review reports and issue recommendations (Porter, 2012).

An exploratory research on M&E systems in Africa by Dellote (2014) shows that Ghana, Kenya and Benin also have extensive reporting mechanisms in place. This is exhibited by the weight of resources allocated to M&E in these countries. These countries require government bodies to give detailed annual progress reports. Ghana operates a dual institutional mandate between Policy

Evaluation and Oversight Unit (PEOU) and the National Development Planning Commission(NDPC) in monitoring.

These reporting systems demand for evidence and accountability. However, it is important to note that although new Monitoring and Evaluation units can be created, there is need for knowledge of what constitutes high quality M&E. This knowledge enables the new to be an avenue of evidence and not a parallel system (Porter, 2012)

M&E in Kenya requires the production of two types of annual reports; that is, the Annual Progress Report against indicators within the National Integrated Monitoring and Evaluation System (NIMES) and the Public Expenditure Review. In Benin fairly elaborate systems are constructed around the two main initiatives- the poverty reduction strategy and the development assistance strategy. South Africa and Uganda have also moved to more regular monitoring systems (Porter, 2012).

According to Porter, monitoring is still dominant even though the demand for evidence is increasing. There are also attempts to align monitoring systems to emerging local demand. Furthermore, there is evidence of increasing demand through the implementation of government-led evaluation systems. The challenge is that the development of the Monitoring and Evaluation systems is not yet conceptualized within a reform effort to introduce a comprehensive results-based orientation to the public services of the countries. Results concepts do not yet permeate throughout the planning, budgeting and Monitoring and Evaluation systems of African cases. In addition the results-based notions that are applied in the systems appear to be generating incentives that reinforce upward accounting to the detriment of more developmental uses of Monitoring and Evaluation evidence.

According to Dellotte (2013), banks use continuous monitoring capabilities in order to protect customers. There is also need to keep pace with the rapidly changing regulatory requirements. This encourages banks to enhance continuous monitoring so as to create a pre-emptive compliance tool which improves the ability of banks to detect fraud. Based on the report, banks should clearly define the techniques used and outline the main business functions at risk; this will help focus continuous monitoring on specific areas.

1.2 Statement of the Problem

All high performing organizations, whether private or public have an interest in developing and deploying effective systems for measurement of management and performance. Commercial banks in Kenya are unexceptional as they play an important role in the country's economic growth by unceasingly channeling funds from depositors to investors. Moreover, the Kenyan banking industry is currently facing stiff competition from new entrants like mobile phone companies and international banks (CBK, 2015). This therefore means that commercial banks must take a global look of the industry, their competitors, and opportunities. According to Kathuni and Mugenda (2012), the performance of commercial banks is hinged on what strategies the banks pursue to ensure they build and accumulate competitive structures that allow them to perform better than their rivals.

A significant number of research studies that have been carried out indicate that there exist gaps in the M&E systems in commercial Banks in Kenya. These gaps include; too much emphasis by commercial banks on financial reporting, poor timing of Monitoring and evaluation, failure to use Performance indicators in M&E reports and Inadequate incentive mechanism system for monitoring and evaluating activities (ADB, 2005).

Despite the importance of an effective Evaluation and monitoring of the new product development to improving profitability of commercial banks in Kenya, M&E systems in the banking sector is in need of attention and improvement to increasing the overall profitability of the banks and improve in their competitive edge. According to Knox (1990), stakeholders have increased pressure on banks to employ effective monitoring systems. This study therefore assess the effects of monitoring and evaluation on performance of new product development projects in commercial banks in Kenya.

1.3 Objectives of the Study

This study was guided by the following objectives.

i. To establish how management commitment in monitoring and evaluation influence performance of new product development projects in commercial banks in Kenya.

ii. To examine the extent to which level of resource allocation for monitoring and evaluation influence performance of new product development projects in commercial banks in Kenya.

iii. To determine how staff training on monitoring and evaluation influence performance of new product development projects in commercial banks in Kenya.

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1.4 Research Questions

1. How does level Management commitment on monitoring and evaluation influence performance of new product development projects in commercial banks in Kenya?
2. To what extent does the resource allocation on monitoring and evaluation affects performance of new product development projects in Kenya commercial banks?
3. What is the effect of staff training in monitoring and evaluation on performance of new product development projects in commercial banks in Kenya?

1.5 Significance of the Study

The findings of the study may be of importance for the development of new projects and improvement in the quality of products and services provided by the commercial banks in Kenya. The findings may also ensure positive attitudes to meet the needs of economic development of the nation. This may support a visionary by the strategists to industrialize Kenya by the year 2015-2030. The findings of this study might help banking sectors and other sectors in evaluating the importance of monitoring and evaluation on the internal controls. This may help financial institutions recognize and identify sources of information on control failure such as customer complaints, suspicious transactions and increased fraud cases. The findings of this study may also be helpful to the policy makers because they may shed more light on monitoring and evaluation and project management which probably could assist in formulating M&E strategies. This study may help to identify the gaps in project management as a strategic management strategy in banking sector.

There is not enough literature on this subject. Therefore, this study would contribute to knowledge base on the subject of project monitoring and evaluation. The findings of this study will also add value to the existing body of knowledge as it recommends ways for improvement of Monitoring and evaluation by enhancing quality in implementation of new development products by commercial banks in Kenya.

1.6 Limitations

This study suffered from the lack of enough inventory of Monitoring and evaluation in product development in commercial banks in Kenya since there insufficient monitoring and evaluation established frameworks. Due to the nature of the organization and busy schedules of the employees during research the researcher was limited to only interviewing 3 respondents at most per department in the four commercial banks. This reduced the target population from 393 to 48 with reduced sample size to 43.Absenteeism of the respondents was anticipated; with key employees having very busy schedules thus not available for the participation of the research. Also Biased information from bank managers on monitoring and evaluation activities to safe guard their institutions incompetence was experienced.

1.7 Delimitation.

This study will confined itself to interviewing the bank employees in commercial banks in Kenya, in order to achieve this objective questionnaires were sent to employees in commercial banks. A stratified random sampling method was used for data collection since the population was manageable

1.8 Assumption of the Study

This study assumed that commercial banks that are currently operational in Kenya share common thread regardless of their diverse sectorial focus and all impacted by similar factors in their operating environment, however due to luck of existing monitoring and evaluation tools in Kenya commercial banks, it was not be feasible to develop a reliable sampling frame.

1.9 Definition of Significant Terms

Monitoring	This refers to an ongoing activity to track the progress of activities of a project. It is aimed at providing efficiency and effectiveness of the project by providing an oversight of implementation (Jarno 2011)
Evaluation	it is a systematic assessment and comparison of actual project impacts against the agreed goals, it deals with strategic issues of the project such as the idea the relevance, the performance and the impact of the project (Juho 2013)
Performance of new product development	This refers to projects designed on production of new products in banking sector. Performance of the products in the production and in the market (Gloria 2012)
Level of resource allocation	This refers to how resource allocation affects the performance of new product development projects and according to set indicators to track the progress in production and market of new products (D. Buhrman 2011)
Management commitment	This refers to how the management of the undertakings is involved to a close detail during the production of new product development projects and as to according set obligation standards of management involvement in banking sector (Christian 2013)
Level of staff training	This refers to the instilling skills and knowledge to staff in project team so as to make sure resources are not wasted and the undertakings of new product development are achieved at high standards hence improving the performance of new product (Jelena 2011)

1.10 Organization of the Study

This study is organized as follows:

Chapter One: This chapter presents the background of the study, statement of the problem, objectives of the study, research hypothesis, significance of the study, delimitations of the study, limitations of the study, assumptions of the study, and definition of terms.

Chapter Two: This chapter reviews the empirical and theoretical literature relevant to Monitoring and Evaluation and the performance of new project developments as argued by other researchers. The review also covers on conceptual framework which captures dependent and independent variables, review of the study variables, summary of the literature review and the knowledge gaps under this study and finally summary of literature review.

Chapter Three: This chapter explains the research methodology of the study, and justifies the research methods and choices by presenting an objective research process. The topics discussed include It covers the research design, population of the study, sampling procedure, data collection procedure, data analysis and research instruments.

Chapter Four: This chapter discusses the data analysis and findings from questionnaires completed by the Kenya commercial banks employees.

Chapter five: This chapter concludes the study report. A summary of the research is presented and the findings of the study are discussed and interpreted.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews both the empirical and theoretical literature relevant to Monitoring and Evaluation and the performance of new project developments as argued by other researchers. The review also covers on conceptual framework which captures dependent and independent variables, review of the study variables, summary of the literature review and the research gaps under this study.

2.2 Performance of New Product Development

In Kenya, the Banking Sector is composed of the Central Bank of Kenya, as the regulatory authority and the regulated Commercial Banks, Non-Bank Financial Institutions and Forex Bureaus. Kenyan licensed commercial banks are 43 in number and 1 mortgage finance company. A total of 31 commercial banks are incorporated as local companies while the other thirteen are foreign owned. According to CBK (2016), locally owned financial institutions in Kenya comprise 3 banks with significant shareholding by the Government and State Corporations, 27 Commercial Banks and 1 Mortgage Finance Institution.

The Banking sector in Kenya has been booming over the last few years due to continued growth in assets, deposits, profitability and products offering. The growth has been mainly attributed to the industry's wide branch network expansion strategy both in Kenya and in the East African community region, the automation of a large number of services, and a move towards emphasis on the complex customer needs rather than traditional 'off-the-shelf' banking products. Players in this sector have experienced increased competition over the last few years resulting from increased innovations among the players and new entrants into the market (CBK, 2015).

According to Kathuni and Mugenda, (2012), the performance of commercial banks is hinged on what strategies the banks pursue to ensure they build and accumulate competitive structures that allow them to perform better than their rivals. On this note, Commercial banks have been reinforcing and introducing new M&E systems as per the Basel committee on banking supervision requirement. The committee requires all banks to have effective compliance policies and procedures for identification and correction of mistakes.

According to ADB (2005), Effective monitoring and evaluation systems enable banks to: Identify problems affecting strategy implementation; Provide information along with insights for decision making; Ensure that funds and resources are used for agreed purposes and Generate information on the validity of policies, strategies and projects under implementation towards the achievement of stated targets. Therefore, banks should establish a compliance function in Provision of regulatory and compliance advice to the bank, Development of policies, procedures and guidelines in conjunction with bank units.

The compliance department is required to test the effectiveness of bank's policies and procedures and escalate identified issues to the bank's management and board of directors for resolution. Moreover, according to SIA, (2005) Conducting training and education programs to keep the staff and banks' business units informed on the policies, procedures and regulatory requirements is vital in the monitoring and evaluation process.

2.3 Empirical Review

This section sets an outline of the empirical research of this study within the framework of the literature study that this research shall cover. Discussion of the findings of all the variables as obtained by other researchers under this study shall be discussed.

2.3.1 Monitoring and Evaluation Training and Performance of New Product Development

Regardless of how experienced individual members are, once a team to implement a project has been identified, training and capacity building for M&E reporting is important. This, it has been observed, enhances understanding of the project deliverables, reporting requirements and builds the team together (Wysocki & McGary, 2003). Generally, everybody involved in project implementation is also involved in the implementation of M&E, including partners, and should receive training (Acharya et al, 2006). Training of implementers in M&E is deliberately participatory to ensure that those responsible for implementing and using the system are familiar with its design, intent, focus, and how to use the M&E tools.

According to UPWARD (2011), the topics of M&E training help implementers and other data collector to understand questions like "who this is all for – who are we gathering information for, how do we expect they will use this information and why have we decided to gather the information in the ways that we have". It is important, particularly for those responsible for collecting and sharing information for the M&E system that they understand the rationale behind the system and their role in it.

According to Wood hill, Jim, & Lisa, (2012), M&E training should include topics on roles and responsibilities. At the conclusion of the training, management and staff should have a clear understanding of their individual role and responsibilities in ensuring the effective operation of the M&E system and where their role fits in relation to the roles of other managers and staff members.

On the sequence of events in M&E training, it has been observed that, normally it is tailored towards the needs of the project in terms of how complex and hence tend to vary from one project to another (Reviere et al, 1996). The most important part of the training is however, the development of M&E tools using the project log frame matrix which, it has been argued by many researches should involve would-be users (Narayan-Parker et al, 2009).

Regarding M&E training, M&E resource and capacity assessment carried out earlier during project planning helps identify initial capacity gaps in M&E as well as the resources needed to conduct M&E training. Thereafter, training needs assessments can be informal based on knowledge of staff experiences and performance or can be a more formalized process (Pfohl et al, 2009). The route to choose depends on the size and complexity of the project being implemented. On larger projects with more staff, it is important to be sure the training plan is very well tailored to staff capacity gaps, as there will be a limited number of opportunities to engage with individual staff members. With training needs identified, there is need to develop an M&E training and capacity building plan that include topics to be covered and persons to be trained (Alcock, 2009).

Similarly, some training will occur periodically and will include initial training for management and staff at M&E system inception and in-service training over the life of the project in order to improve practice (Gray, 2009). This aspect contributes to influencing project performance. Topics covered in M&E training are very important in shaping up the entire process of data collection. They include, at a minimum, the M&E system to be followed the key performance indicators for the project information gathering methods and tools and data analysis (UNDP, 2006). Such content of training significantly refocuses the implementation team in M&E data collection, which contributes to understanding of how a project is performing at any given time hence can be influenced positively.

As alluded to earlier, M&E training should also include a review of key performance indicators to be collected. Issues covered in the review include the definition of each indicator, how the indicator is measured, how data on the indicator will be collected, the timeline for collecting and reporting the indicator, and how the indicator satisfies client needs (Alcock, 2009). In essence, such information enables implementers to understand more how M&E will contribute to project performance.

2.3.2 Level of Resource Allocation and performance of New Product Development

Enough resources and attention should be assigned to the M&E function in terms of training and staff time in order to carry out M&E activities effectively. Most organizations carry out the Monitoring and evaluation function on impromptu basis. Resource capacity plans and allocation plans have a significant impact on the performance of new product development projects. This is particularly evident in situations where multiple projects compete concurrently for limited resources, Peter H Tag (2006).

Resource shortages and conflicts can plague organizations ability to deliver. Understanding the resource capacity and skill sets that exist within an organization gives the ability to balance demand and utilize the right resources adequately at the right time. This makes the difference between successfully executing strategy and failing to meet deadlines. It also delivers quality products and services, and serves the interests of shareholders and stakeholders. According to Pennypacker (2009), there is a strong correlation between organizational performance and the level of resource management maturity.

Use of incentives encourages project managers, Monitoring and evaluation officers and stakeholders to perceive the usefulness of Monitoring and evaluation, not as a bureaucratic task but as an opportunity to discuss problems openly, reflect critically and criticize constructively. It is more of implementing encouragements and removing disincentives (Jones, 2011). Incentive systems should be equitable, applied in a timely manner, compatible with venture's principles and methodologies. They should provide incentives for specific work to promote organizational goals (Khan, 2003).

Efficient M&E systems also require managers and stakeholders to be kept on track and motivated. This involves the use of incentives for M&E in order to encourage managers and stakeholders to perceive the usefulness of M&E, not as a bureaucratic task, but as an avenue to discuss problems openly, reflect critically and condemn constructively in order to learn the changes needed to enhance impact (IFAD 2002).

Building up an effective undertaking for the most part includes the advancement of observing and assessment frameworks and work processes (Yaghootkar & Gil, 2011). There ought to be a complete picture suggesting monetary limit, human limit, time and space limit (ampleness), and innovation limit. A setback in any capacity adversely impacts on framework execution. It is a common restraining factor in a number of developing countries which have inadequate resources (Hardlife et al, 2013). Use of M&E advocates for development of an M&E culture and evidence-based decision making. M&E champions advocate for the use of data for policymaking and decision making, and would explain the importance of Monitoring and Evaluation (Caribbean Health Research Council, 2011).

A study by Kaburu (2014) established that number of M &E staff affected the performance of M&E, whereby, the more the number of staff the better the performance. In addition, good governance structures were found to impact on the M&E performance positively. Moreover, more funding to the M&E activities increased the performance. Finally, the adopted tools for evaluation which were found to be interviews and questionnaire as well as proper indictors impacted positively on the performance of the Monitoring and Evaluation.

2.3.3 Management Commitment and Performance of New Product Development

Developing a result based monitoring and evaluation system is not an easy task. It requires continuous commitment and resources (Kusek, 2004). These requirements can be enhanced by the management. The management should be conversant with the functions of an M&E system to set a precedence on utilization of M&E system in the organization, a study by Wachamba (2013), on determinants of effective monitoring an evaluation system in Non-governmental organizations highlights the role of management in the operations of M&E systems and advises the management to have a technical know-how in running the M&E system as. Project managers in charge of M&E systems should employ staff with the required technical expertise. They should also offer training on effective handling of M&E systems.

The management should decentralize the monitoring process and involve the locals for successful and effective monitoring (Adindu, 2010). Management cuts across in every stage of new product development hence improving its performance since every step is well managed through monitoring and evaluation frameworks put in place for that specific design Create linkages with M&E sections in other organizations for sharing information and experiences, not only on issues but on M&E techniques and matters related to information management and promote sense of belonging, ownership and pride in keeping up the M&E's true role (Khan, 2003). The management promotes product performance by understanding where technology is stack.

Product life cycle management is an all-encompassing approach for innovation, new product development and introduction (NPDI) and product information management from ideation to end of life. Product life cycle need to be managed by enabling technology which integrates people, processes, and business systems in order to achieve good economies of scale in production, John Smyrk (2012).

Achieving the objectives of the M&E plan depends on the strong relationships established and maintained among all stakeholders (Karani et al., 2014) conducted a study on effective use of monitoring and evaluation systems in managing HIV/AIDS related projects in local NGOS in Kenya. They established that factors such as incompetence of the project managers affected effective use of M&E systems.

The management also develops an M&E communications and advocacy strategy. This is usually a concise document outlining how M&E information will be communicated to all stakeholders. This strategy could include the use of print media to inform these stakeholders on M&E and other relevant data. It also outlines the type of information to be shared, the time-lines for correspondence and the correspondence components to be used (CHRC, 2011).

2.4 Theoretical Review

This study will consider Monitoring and Evaluation theories; the theory of change and Realistic Evaluation theory as part of the theoretical framework covering this research.

2.4.1 Theory of Change by (Carol Wess, 1995)

The theory of change is defined quite basically as a theory of how and why an initiative works. It was first published by Carol Weiss in 1995 on a famous book on New Approaches to Evaluating Comprehensive Community Initiatives. It focuses not just on generating knowledge about whether a project is effective, but also on explaining how and what methods it uses to be effective (Cox, 2009).

Weiss, (1995) hypothesized that a key reason complex programs are so difficult to evaluate is that the assumptions that inspire them are poorly articulated. Stakeholders of community initiatives are typically not clear about how the change process will unfold. These stakeholders will therefore pay little attention to the early and mid-term changes that need to happen in order for a longer-term goal to be fulfilled. This lack of clarity about the "mini-steps" not only makes the task of evaluating a complex initiative challenging, but also reduces the probability of addressing all the essential factors related to the long-term goal.

The theory of change provides a model of how a project is supposed to work by providing a road map of where the project is trying to reach. Monitoring and evaluation tests refine the road map while communications help in reaching the destination by helping to bring about change. Further, the theory of change provides the basis for arguing that the intervention is making a difference (Msila et al., 2013). This theory suggests that by understanding, what the project is trying to achieve. how and why, project staff and evaluators will be able to monitor and measure the desired results and compare them against the original theory of change (Alcock, 2009).

This theory especially in the development arena, understanding of the approach and the methods necessary to implement it effectively are not uniform however falls short since project success is much more complex (Babbie et al., 2006). Truth be told, there is confirmation of some perplexity about what the term 'theory of change' actually means and in some cases what some program designers portray as speculations of progress are basically essentially log outlines or different methodologies that don't incorporate the intricacy of the theory of change approach.

Monitoring and evaluation gathers enough knowledge and understanding in order to predict how a project might work in a different circumstance, or how it needs to be modified to get similar or better results, hence influencing project performance (Jones, 2011). Theories of change therefore, are essential in this research in strengthening M&E. They also help understanding and assessing impact in areas hard to measure, such as capacity strengthening, institutional development and governance.

2.4.2 Realistic Evaluation Theory by (Pawson 1997)

Realist evaluation is theory-driven, but is set apart by its explicit philosophical underpinnings. Realistic evaluation theory was first published by Pawson in 1997. This model is centered on finding out what outcomes are produced from project interventions, how they are produced, and the significant aspects about the varying conditions in which the interventions take place (Pawson et al., 2004).

The model allows the evaluator to understand what aspects of an intervention make it effective or ineffective and what contextual factors are needed to replicate the intervention in other areas (Cohen et al., 2008). Pawson and Tilley stated that evaluations need to identify 'what works in which circumstances and for whom?', rather than merely 'does it work? Realistic evaluation seeks to find the contextual conditions that make interventions effective therefore developing lessons about how they produce outcomes (Fukuda et al., 2002).

The principles of realism are what drive realist data analysis. Realist evaluation explains change brought about by an intervention by referring to the actors who act and change (or not) a situation under specific conditions and under the influence of external events (including the intervention itself). The actors and the interventions are considered to be embedded in a social reality that influences how the intervention is implemented and how actors respond to it (or not). The context-mechanism-outcome configuration is used as the main structure for realist analysis.

This theory can greatly aid in understanding how project deliverables are produced, however it falls short, as it is not explicitly about that influences project performance – the concern of this study. Realist evaluation also yields information that indicates how the intervention works and the conditions that are needed for a particular mechanism to work thus, it is likely to be more useful to policymakers than other types of evaluation.

2.5 Conceptual Frame Work

The conceptual framework demonstrates the interaction between independent variables and the dependent variable (Mugenda et al., 2003). An independent variable influences the change of another variable.. This study has three independent variables; level of management commitment, level of staff training, level of resource allocation on monitoring and evaluation and are considered to have a directly proportional influence on performance of new product development projects the dependent variable. The prevailing organizational culture could affect the relationship between the independent and dependent variables .Dependent variable is the one which is tested and measured to draw out the results of independent variable as shown in figure 1

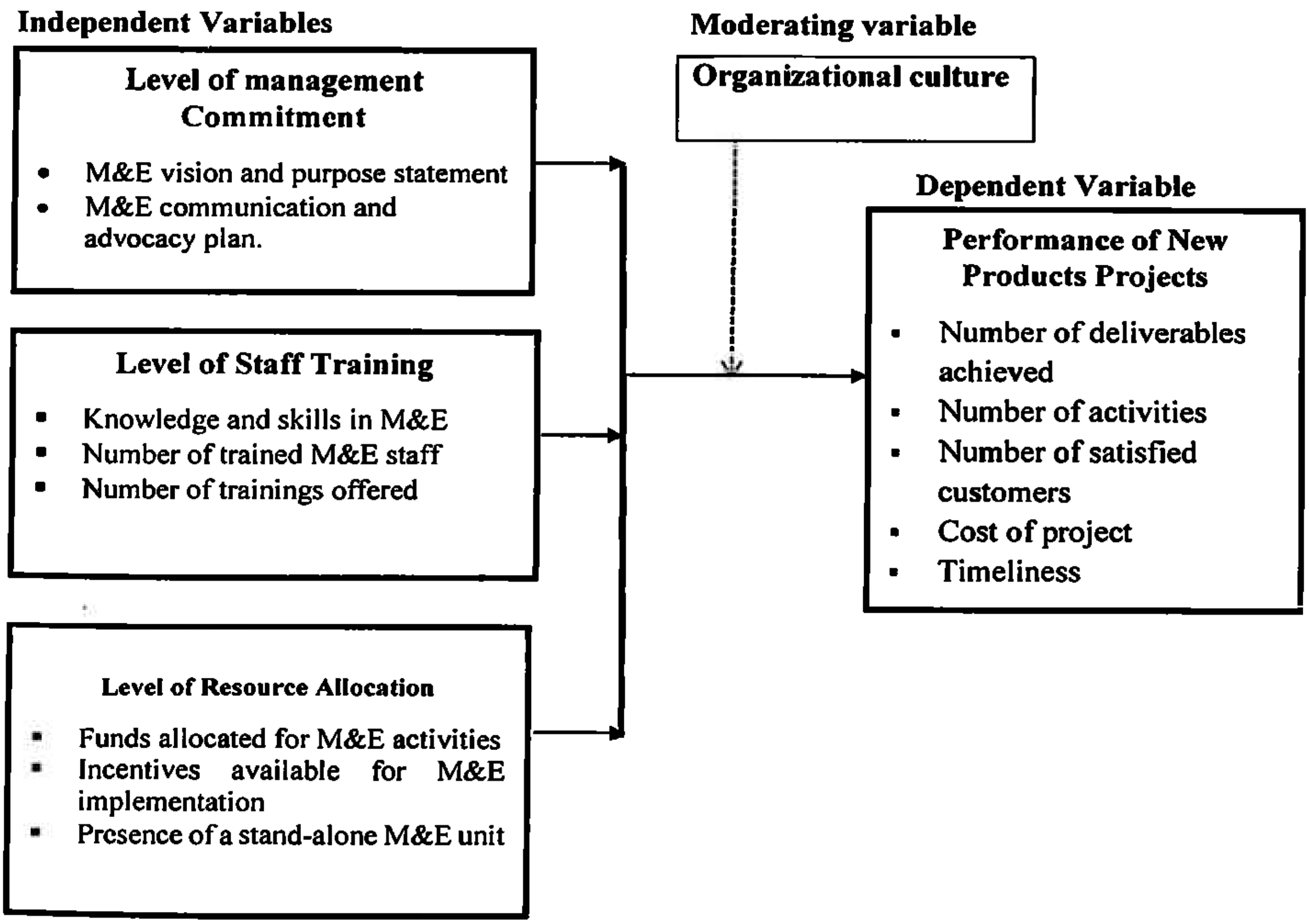

Figure 1: Conceptual Framework

Table 2.1: Knowledge Gap

Author	Area of study	Methodology used	Findings	Knowledge gap	Focus of current study
C. Omar(2009)	Evaluating new product development performance in small to medium sized firms	Descriptive survey ,regression and correlation	Strategies employed in production of new product seemed to have short term emphasis .managers tend not to look for external sources to improve their new product performance	The study did not consider the allocation of resources in every development stage in new performance of new product development.	this study considered resource allocation in line with M&E in improving new product performance
Peninah Wausi(2016)	Influence of monitoring and evaluation strategies on internet banking performance	Expletory and descriptive survey research design	competitive benchmarking helped improve firms products and monitoring and evaluation ought to be used during product development	The study did not consider management commitment in line with monitoring and evaluation techniques for new performance of new products	This study considered management commitment in line with monitoring and evaluation practices in new product development
Sook-Fun Fong (2014)	New product development and performance in banking industry	Descriptive survey design	Firm image, brand strength ,product innovation were the were the important things for successful implantation of M&E	The study did not put in consideration staff training in M&E as an important aspect which improves the performance of new product	This study considered staff training as an important tool to increase performance during new product development

2.6 Summary of Literature Review

This chapter has presented a review of literature, which has shown among others, the evolution of M&E, and illustrated that given its ability to address progress of projects, it has a wider application on project performance. Commercial Banks product development is key to competitive financial performance. This chapter has reviewed about the importance of monitoring and evaluation of new products developments in commercial banks in Kenya as an outcome of high financial performance. This section presents how M&E activities influence project performance, different opinions by researcher pointed out that; M&E training promotes team building and unity of purpose; project Information systems ensures that collected data is organized in a usable manner to generate knowledge and enhancing effective communication among the project stakeholders

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter explains the research methodology that was employed in the study, and justifies the research methods and choices by presenting an objective research process. The topics discussed include covers the research design, population of the study, sampling procedure, data collection procedure, data analysis and research instruments.

3.2 Research Design

This study adopted a descriptive research design. A descriptive research is concerned with determining the frequency with which something occurs or the relationship between variables (Bryman et al., 2003). Descriptive research design is a valid method for researching specific subjects and as a precursor to quantitative studies. According to Kothari (2004) this approach helps to describe the prevailing state as they exist without manipulation of variables.

3.3 Target Population

A population is defined as a complete set of individuals, case or objects with some common observable characteristic (Mugenda et al., 2003). The population of interest in this study is monitoring and evaluation of commercial banks managers and employees in Kenya. The study targeted 48 employees in the credit units and specifically employees in retail banking, human resource unit, cooperate banking, consumer unit, information technology unit of Kenya commercial bank, equity bank, chase bank and co –operative bank.

Table 3.1: Target Population

Variable	Frequency	Percentage
Retail banking	15	31
Human resource	8	17
Co-operate banking	12	25
Consumer credit	9	19
Information technology	4	8
Total	**48**	**100.0**

Source author

3.4 Sampling Size and Sampling Procedures

A sample is a proportion of an entire population; a selection from the population (Kothari., 2004). The method used to obtain the units into the sample of the study was stratified sampling technique under proportional allocation. This study adopted stratified random sampling technique. This was because there was evidence of natural but relatively homogeneous groupings in the statistical population under study and the population was easy to be divided into significant and relevant clusters based on the ownership of the financial institutions. Stratified random sampling increased a sample's statistical efficiency, providing adequate data for analyzing the various sub-populations and also enabled different research methods and procedures to be used (Coopers, 2011)

According to (Mugenda & Mugenda 2013), a sample of 10% is sufficient to represent a population and recommends a criteria for selecting a sample size which was adopted for a sample model to this study as follows: our target population in this study was less than 10,000 thus the sample of 48 was adjusted as follows using the following formula suggested by (Mugenda and Mugenda 2003)

$$n = \frac{z^2pq}{d^2} = \frac{1.96^2 * 0.5 * 0.5q}{0.05^2} = 384$$

In this study therefore

$$n_f = \frac{n}{1 + \frac{n}{N}} = \frac{384}{1 + \frac{384}{48}} = 42.6$$

Table 3.2: Sampling Size and Sampling Procedure

Category	Population	Sample size
Retail banking	15	13
Human resource unit	8	7
Cooperate banking	12	11
Consumer credit unit	9	8
Information technology	4	4
Total	48	43

3.5 Data Collection Instruments

The researcher used questionnaire method to collect data. The data was edited and coded into statistical package for social sciences (SPSS) for data analysis. The questionnaires used contained both closed and open-ended questions, while the interview schedule was open-ended. Questionnaires were considered for this study since they provided a high degree of data standardization and also they were relatively quick to collect information from people in an amicable way and they are faster to administer. Interviews on the other hand give an insight to the required information. According to Kombo and Tromp (2006), a self-administered questionnaire is the only way to elicit self-report on people's opinion, attitudes, beliefs and values.

3.6 Pilot Testing of the Instrument

A pilot study is also known as feasibility study and involves collecting data from a small group of respondents in a population in comparison to those who will be used in entire research, polit et al (2001).Pilot study since it's a pretesting technique helps detect problems and defeciencies like unclear directions, wrong phrasing of questions, vague questions etc, Hair et al (2010) .Thus the pilot test was conducted using 10% of the population as recommended by Connelly (2008).

3.7 Validity of Research Instruments

Validity is described as the degree to which a research instrument measures what it intends to measure and performs as it is designed to perform (Cherry, 2015). Validity of the questionnaire and interview was established by the research and supervisor by reviewing the items. The feedback from the supervisors helped in modifying the instruments. A content validity, consisting of a match between test questions and content of the subject area of M&E and project performance was used. Content validity is an important research methodology term that refers to how well a test measures the behavior for which it is intended (Lune et al., 1998). As such only inferences related to the variables under discussions were considered during the match between test questions and content of the subject area of M&E and project performance.

3.8 Reliability of the Research Instrument

Reliability is the degree to which an assessment tool produces stable and consistent results (Cherry, 2015). It contributes to standardization of research instruments. Standardization is important so that the results of a study can be generalized to the larger population. In this study, an internal consistency was done using Cronbach's Alpha to measure how well the items were correlated to each other for all the questionnaires issued to different groups of pilot respondents. Zinbarg, (2005) recommends an alpha value of 0.70 and above as an indicator that the data collected has achieved a relatively high internal consistency and can hence be generalized to be representative of the target population. The rule of the thumb for Cronbach Alpha is that the closer the alpha is to 1 the higher the reliability (Sekaran, 2010) and a value of at least 0.7 is recommended as shown on table 3.2

Table 3.3 Reliability Results from the Study

Variable	Crown Bach Alpha	No of items
Management commitment	0.719	3
Level of staff training	0.650	3
Level of resource allocation	0.850	3
Performance of new products	0.770	3
Overall	0.890	4

The study reported a Cronbach's alpha value of 0.719, 0.650, 0.850 and 0.770 and 0.890 for management commitment, level of staff training and level of resource allocation and performance of new products. These values were above 0.70 thresholds as recommended by Zinbarg, (2005) implying that the data collected had achieved a relatively high level of consistency and could be used for further analysis.

3.9 Data Collection Procedures

The researcher, sought approval for permission from the targeted banks that were served with an introduction letter explaining the purpose of the study. The data collected was aided by research assistants who were trained and taken through the questionnaire and interview schedule before data collection process. The questionnaires were administered through drop and pick later method. Interviews and telephone calls were used for clarification of questions. A deadline was set for the collection of the completed questionnaires.

3.10 Data Analysis and Processing

According to Bryman Bell (2003) data analysis refers to a technique used to make references from data collected by means of systematic and objective identification of specific characteristics. This study generated both qualitative and quantitative data. The qualitative data was analyzed using content analysis which involves forming an opinion from the majority response. Quantitative data was analyzed using both descriptive statistics and inferential statistics. Descriptive statistics are in form of frequency distribution tables and measures of central tendency (the mean), measures of variability (standard deviation) and measures of relative frequencies. Inferential statistics were obtained from fitting a multiple regression model for the objectives of the study. The model is $y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$

Where;

X_1 =Level of management Commitment

X_2 =Level of Staff Training

X_3 =Level of Resource Allocation

y= Performance of New Products Projects

3.11 Ethical Consideration

The researcher sought authorization from the Kenya commercial banks branch managers with regard to permission to administering of the questionnaire .A permit letter from university was administered to the researcher upon request to which the researcher used to request for another permit letter from the National commission for science technology and innovation .Confidentiality was observed to ensure non-disclosure of the information to third parties. Acknowledgement of all other researchers work in referencing was observed and appreciated.

Table 3.4: Operationalization of Variables

Objective	Indicator variable	Measures	Data collection	Scale	Level of analysis
To establish how management commitment in monitoring and evaluation influence performance of new product development projects in commercial banks of Kenya	Management commitment	Involvement of management in new product. Management involvement in measuring sustainability impacts, evaluation on performance of new products, and staging proactive measures to counter fraudsters in new product development products projects	Questionnaire	Ordinal	Descriptive Statistics Inferential statistics
To examine the extent to which level of resource allocation for monitoring and evaluation influence performance of new product development projects in commercial banks of Kenya	Level of resource allocation	Consultation and involvement of stakeholders in resource allocation. Monitoring and evaluation frameworks of new product development. Specific department to carry monitoring and evaluation. Effective utilization of resources using M&E practices in new product development	Questionnaire	Ordinal	Descriptive Statistics Inferential statistics
To determine how staff training influence performance of new product development projects in commercial banks of Kenya	Level of staff training	Management involvement in training staff. Effective allocation of resource for staff training. Staff M&E Periodic practices trainings before and during new product development projects	Questionnaire	Ordinal	Descriptive Statistics Inferential statistics

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION

4.1 Introduction

This chapter presents research findings and discussions of the study as set out in research methodology. The study findings are presented to establish the factors influencing performance of new products. The data was gathered exclusively from the questionnaires as the research instrument. The questionnaires were designed in line with the objectives of the study. Descriptive statistics and inferential statistics were obtained from the data gathered from the questionnaires.

4.2 Response Rate

Response rate refers to the number of questionnaires sent to the field divided by the number which was completed and returned. For this study, 43 questionnaires were distributed out of which 40 were completed and returned. The questionnaires that were used for the analysis were therefore 40. This translated to a response rate of 93%. This was considered an appropriate response rate as supported by Bryman and Bell (2011) who contends that a response rate of 50% is adequate, 60% good & above 70% as excellent.

Table 4.1 Response Rate

Response	93%
Non response	7%

4.3 Demographic Information

The study presents the respondents demographic information and it was basically concerned with evaluating the influence of monitoring and evaluation practices on performance of new product development projects in Nairobi county Kenya. The respondent's information captured include: gender, age bracket, total number of years worked within the organization.

4.3.1 Gender Respondents

The gender of the respondents who took part in the research were as presented in the table below

Table 4.2 Gender Distribution of Respondents

Gender	Frequency	Percent
Male	22	51.2
Female	21	48.8
Total	**43**	**100.0**

From table 4.2 above it is clear that a bigger number of respondents were male at 51 percent with only 49 % being female. This clearly shows that in Kenya banking sector, monitoring and evaluation is highly practiced by male with the female slightly behind in practice. According to Supriti Benzbaruah (2015) women have obtained higher educational qualifications and are challenging male dominant career's in the banking sector, although according to world economic forum, (2014) it will still go for eight decades before gender parity is achieved in work places.

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4.3.2 The Age Distribution of Respondents

The respective banks staff members also filled in their age brackets upon request and the results appear below.

Table 4.3: Table the Age Distribution of Respondents

Age bracket	Frequency	Percent
<20 years	10	23.3
21-25 years	5	11.6
26-30 years	16	37.2
31-35 years	7	16.3
41-45 years	4	9.3
46-50 years	1	2.3
Total	**43**	**100.0**

The table 4.3 shows that at 37% had their ages between 26-30 years followed by 23% young ranging from 20 years and below and 11% ranging from 21-25 with cumulative 88% above 31 years. This shows clearly all age groups where involved in the monitoring and evaluation practices on performance of new product development projects in the banking sector.

4.3.3 The Existence of the Organization in the Market that the Respondents Work In.

The respondents indicated for how long has their respective Bank been in existence and operation, the findings are shown below.

Table 4.4: The Existence of the Organization in the Market that the Respondents Work In.

No of Years	Frequency	Valid Percent
0-5 years	1	2.3
11-20 years	13	30.2
>20 years	29	67.4
Total	**43**	**100.0**

The information displayed on the table 4.4 demonstrates that 2% of the banks were in existence for 0-5 years, while 30% were in existence for a period between 11-20 years and 67% of the institutions in existence for over 20 years. That clearly shows that the commercial banks in Kenya have vast experience in new product development in relation with M&E practices in projects.

4.3.4 Duration Worked in the Bank

Consequently, the respondents indicated the number of years they had worked at KCB, Equity Bank, Chase bank and co-operative bank as required, the findings are presented in below table

Table 4.5: Duration Worked in the Bank

Years worked	Frequency	Valid Percent
0-5 years	23	53.5
6-10 years	1	2.3
11-20 years	11	25.6
>20 years	8	18.6
Total	**43**	**100.0**

The information about level of work experience in table 4.5. Demonstrates that 53% had worked for 0-5 years, while engaged in monitoring and evaluation practices on new product development projects, while 25% had worked for 11-20 years followed by 18% with over 20 years' experience. The experience to which an employee has in an organization stipulates credibility of information that could be gathered (Gladys, 2010).Their competence and experience over years has significant value on monitoring and evaluation practices on new product development projects in their respective institutions.

4.3.5. Number of Employees in your Organization

The total number of the employees in the respective banks were enumerated as seen below.

Table 4.6: Number of Employees in your Organization

Number of employees	Frequency	Percent
0-50	4	9.3
51-100	1	2.3
>100	23	53.5
4	7	16.3
5	8	18.6
Total	43	100.0

From table 4.6 its clear that 53.5% of the banks had staffs above 100 who had vast experience and hands on monitoring and evaluation practices skills on new product development projects,18% had 5 employees,16% had 4 employees,9% had employees ranging from 0-50 and very few banks at 2% with 51-100 employees

4.3.6 Descriptive Analysis

The main objective of the study was to establish the association between management commitment, level of staff training, and level of resource allocation on performance of new products. The respondents were presented with a set of statements measuring the different sub-processes and were required to indicate the extent to which the statements applied in their banks. The extent of implementation was indicated by the percentages and the means scores, while the variance on respondent perception was indicated by the standard deviations. A high standard deviation indicated high variation, while a standard deviation of less than two indicated less variation

4.4 Performance of New Product Development Projects in Commercial Banks

The performance of new product development projects is purely the dependent variable

The results are seeing below.

Table 4.7: Performance of New Product Development Projects

STATEMENTS	Very great extent (%)	Great extent (%)	Moderate extent (%)	Little extent (%)	No extent (%)	M	STD DIV
Sales evaluation performance of new product	22(51.2)	17(39.5)	0(0.0)	0(0.0)	4(9.3	4.38	1.102
Sustainability performance of new products	13(30.2)	25(58.1)	0(0.0)	0(0.0)	5(11.6)	4.05	1.260
Market share achieved	12(27.9)	17(39.5)	4(9.3)	7(16.3)	3(7.0)	3.83	1.299
Efficiency in resource utilization	7(16.2)	22(51.2)	8(18.6)	0(0.0)	6(14.0)	3.75	1.276
Impacts of new product in the market	13(30.2)	20(46.5)	3(7.0)	5(11.6)	2(4.7)	3.98	1.121
Effective communication in product development	8(18.6)	21(48.8)	8(18.6)	5(11.6)	1(2.3)	3.95	1.037
Payback period evaluation of new products	8(18.6)	25(58.1)	4(9.3)	4(9.3)	2(4.7)	3.95	1.061
Net present value of new products	10(23.3)	27(62.8)	3(7.0)	3(7.0)	0(0.0)	4.10	.841
Internal rate of return assessment of new product	9(20.9)	28(65.1)	3(7.0)	3(7.0)	0(0.0)	3.90	1.150
Technical performance of new product during development	16(37.2)	25(58.1)	0(0.0)	2(4.7)	0(0.0)	4.25	.840
metric tracks performance on return on investment	11(25.6	16(37.2)	11(25.6)	0(0.0)	3(7.0)	3.98	1.121

The information collected from table 4.7 ,shows that a bigger number of employees at 90% agreed ,11% disagreed this implies that that the banking sector often performed Sales evaluation of new product to measure performance of new product in the market. Juho (2013) had mentioned that evaluation of sales in the market was an indicator of performance of new product in the market;the present results show high performance of new product development as far as sales evaluation is concerned

On whether the commercial banks new product development projects observed Sustainability performance new products 88% agreed ,11% disagreed .This shows monitoring and evaluation is very instrumental in relation to measuring sustainability of new product developed. According to francisco-Jose (2012) measuring sustainability of newly developed project helps to improve the monitoring and evaluation frameworks deployed during production stages.

When asked if banks used monitoring and evaluation practices to measure or gauge market share achieved 66% agreed, 9% undecided, 23% disagreed. This shows a bigger percentage of financial institutions use monitoring and evaluation to measure market share of their new product development projects in relation with also the performance of the products. A big market share is a clear indication of good reception of the products developed and high increasing performance to the customer's (John et al., 2012).

When the respondents were asked if their financial respective institutions used monitoring and evaluation to measure Efficiency in resource utilization on new product developed 67% agreed,18% undecided,14%disagreed.the results suggest that most banks use monitoring and evaluation frameworks to measure efficiency in resource utilization during development of new product development. Good resource utilization with good distribution established channels helps give a better output and outcomes of products developed (Christian, 2013).

On whether banks used monitoring and evaluation practices in measuring the Impacts of new product in the market 77% agreed, 7% undecided, 16% disagreed. This implies that a good number of financial institution uses monitoring and evaluation practices after development of new products to measure its performance in terms of impacts in the market. According to David Erickson et al (2011) in every production line of new product development guidelines for measuring impacts are always set so as to understand the viability of the product in the desired market.

When respondents were asked if their organization used monitoring and evaluation practices and effective communication in product development 68% agreed, 19% undecided 12% disagreed. This again suggests that effective communication is somewhat practiced in new product development and has great value in increasing the performance of new product developed and in agreement with KCB corporate affairs(2017) that the functions and processes that are well coordinated and assigned in communication lines give high performance of products development thus increasing the performance

On whether the organization uses evaluation practices on performance on new product development to measure Payback period of new products 77% agreed,9% undecided ,14% disagreed. On net present values 86% agreed, 7% undecided,7% disagree. On Internal rate of return assessment of new product 86% agreed,7% undecided,7% disagreed again holistically this implies that a bigger number of commercial banks use payback period method, net present value, internal rate of return to evaluate the performance of new products developed (Alamba et al., 2008) had observed that payback period ,internal rate of return, and net present value appraisals are important since they help organizations understand the risks ,timelines and also projected profits so as not to run the projects at loss.

Lastly the respondents were asked whether the their organizations used metric tracks on return on investment to measure performance of new products developed

62% agreed, 25%undecided, 7% disagree this show monitoring and evaluation practices was positively instrumental on performance on new product development projects in commercial banks

4.4.1 Management Commitment

The study sought to establish the extent to which management commitment affected performance of new products. The measurement was done using four sub-processes of management commitment indicated in Table 4.2. The results were as shown below.

Table 4.8: Management Commitment in Monitoring and Evaluation on Performance of New Product Development Projects in Kenya Commercial Banks

STATEMENTS	Strongly agree (%)	Agree (%)	Undecided (%)	Disagree (%)	Strongly Disagree (%)	M	STD
Monitoring and evaluation has helped in making informed decisions in operations management in new product development, performance and delivery in banking sector.	31(72.1)	5(11.6)	6(14.0)	0(0.0)	1(2.3)	4.48	.816
Managers incorporate monitoring and evaluation of products periodically to assess the impacts and extent to which the new products has performed with regard to the desired parameters.	25(51.1)	14(32.6)	4(9.3)	0(0.0)	0(0.0)	4.45	.783
Monitoring and evaluation has helped in tracking down the progress of new products development by banks to measure their impacts.	24(58.8)	10(23.3)	9(20.9)	0(0.0)	0(0.0)	4.20	1.043
Monitoring and evaluation of new products has increased their performance since they are measured on impacts and outcomes before released to consumers.	54(28.8)	10(23.3)	9(20.9)	0(0.0)	0(0.0)	4.20	.758
Monitoring and evaluation has helped in measuring the	20(46.5)	12(27.9)	11(25.6)	0(0.0)	0(0.0)	4.10	1.008

sustainability of new product developed by commercial banks.							
Monitoring and evaluation of the performance of new product development has ensured the most effective use of resources.	20(46.5)	12(27.9)	11(25.6)	0(0.0)	0(0.0)	4.18	1.238
Monitoring and evaluation of new product development has instilled discipline to fraudsters since they know that the product is being tracked and monitored on its performance.	18(41.9	21(48.8)	4(9.3)			4.05	.959
By use of monitoring indicators in banks new product development stage proactive measures can be taken where financial, human, material and technical resources are falling out, resulting to high performance of the end product.	18(41.9)	17(39.5)	4(9.3)		4(9.3)	3.80	1.363

From the information gathered in the Table 4.8, it shows that the bigger percentage 83% strongly agree that monitoring and evaluation has helped in making informed decisions regarding operations management in new product development, performance and delivery in banking sector. Only 2% strongly disagree and 14% were undecided. This clearly shows that decision making is very important while executing projects which seek to develop new projects. Projects that employed M&E in decision making. According to PMI (2015) collaborative decision making during implementation of projects is very important so as to improve weak ideas and make them stronger, decisions need to be evaluated before action is taken and also monitored during execution of projects to keep project well on course.

On the account of if banks had incorporated monitoring and evaluation practices on products periodically to assess the impacts and extent to which the new products had performed with regard to the desired parameters 84% strongly agree and 9% were undecided. This suggests that M&E is highly useful in measuring impacts in every new product development and the performance new product development is well achieved as agreed by khan (2014) that periodic evaluation is essential for project growth and performance.

When the respondents asked whether monitoring and evaluation is usually conducted to track down the progress of new product to measure it impacts 82% strongly agreed 20% undecided. This shows that monitoring and evaluation has been used extensively in tracking down the progress of newly developed products by the management of financial institutions in Kenya.

On whether management commitment on monitoring and evaluation practices to measure sustainability of new product developed 75% strongly agreed to indicate management commitment to employ monitoring and evaluation practices in new product development gave the financial institutions a leverage in the competitive market. 25% undecided this showed that there is reluctance in practice of monitoring and evaluation in some institution while measuring sustainability of the new products in management.

When respondents were asked whether management commitment has ensured proper utilization of resources by use monitoring and evaluation frameworks in new product development 75% strongly agreed showing that the management had employed M &E during resource utilization in new product development and working staff have the skills on the same, 25% undecided.

On whether monitoring and evaluation has instilled discipline in banking sector thus level of fraudster has reduced the respondents information was 42% strongly agree,49% agree,9% undecided. This shows that management commitment on reducing level of fraudsters in banking industry by use of monitoring and evaluation practices on new product development had big impact hence the staff are well trained to curb fraud in production line. Management commitment in all levels of project undertaking is very important since it helps strengthen good working relationships since the undertaking is done by one team, Kusek (2010).

When respondents were asked to what extent has monitoring and evaluation indicators in banks new product development projects affected financial resources, human resources, technical resources resulting to high performance of the end product 42% strongly agreed,40% agreed,9% disagreed,9% strongly disagreed. This showed clearly management commitment in employing indicators to measure development stages of new product has gained banking sector a huge success with a bigger percentage of employees affirming that. Monitoring and evaluation indicators are always important were financial resource, human and technical are being employed Zahra (2012).

4.4.2 Level of Staff Training

The study sought to establish the extent to which level of staff training affected performance of new products. The measurement was done using four sub-processes of level of staff training indicated in table 4.9. The results were as shown below.

Table 4.9: Level of Staff Training in Monitoring and Evaluation on Performance of New Product Development Projects in Kenya Commercial Banks

STATEMENTS	Strongly agree (%)	Agree (%)	Undecided (%)	Disagree (%)	Strongly Disagree (%)	M	STD
Moral hazard on the part of senior management, institution officers and consumers of the new product Developed arises when products are developed without consultation of stakeholders.	33(76.7)	5(11.6)	1(2.3)	(00.0)	4(9.3)	4.30	1.159
Commercial banks must have in place monitoring and evaluation frameworks to guide in new product developments hence increasing its performance.	23(53.5)	16(37.2)	0(0.0)	1(2.3)	3(7.0)	4.28	1.086
Monitoring and evaluation is quite involving delicate and very important process which need to be conducted by a department on its own in banking industry.	38(88.4)	4(9.3)	1(2.3)	0(0.0)	0(0.0)	4.60	.810
Human resource officers should consider hiring or conduct on job training to officers especially for monitoring and evaluation in all new product development projects.	30(69.8)	12(27.9)	0(0.0)	1(2.3)	0(0.0)	4.40	.955
By incorporating monitoring and evaluation of new products at developmental stages has ensured the most effective use of resources helps in proper utilization of resources	33(76.7)	5(11.6)	5(11.6)	0(0.0)	0(0.0)	4.45	.959

From the Table 4.9, 77% strongly agree, 12%agree, 9% strongly disagree, 2% undecided. This implies that stakeholders are very important aspect to be observed in trainings in line with new product development stages. This is in agreement with Mulwa (2013) stakeholder training and inclusion during development of projects improves the performance of the product as reducing conflict during the undertakings

When asked to whether banks used monitoring and evaluation frameworks to guide in new product development stages55%agreed, 37%agreed,7%strongly disagreed, 2% disagree. This shows that a bigger percentage of the financial institutions use trainings on monitoring and evaluation frameworks to guide the in production line in new product development projects hence increasing products performance.

On whether human resource officer should consider hiring or conduct on job trainings for staffs especially for monitoring and evaluation skills before and during new product development stages so as to increase performance 70% strongly agreed,29% agree,2% disagreed. This implies that the level of staff training in monitoring and evaluation is very important and it has high influence in performance of new products. According to Lemarleni (2017) trainings are very important in projects they inspire confidence to project team in order to take up challenging tasks hence improving the products being developed

4.4.3 Level of Resource Allocation.

The study sought to establish the extent of level of resource allocation on performance of new products. The measurement was done using five sub-processes of level of resource allocation indicated in Table 4.10. The results were as shown below.

Table 4.10: Level of Resource Allocation in Monitoring and Evaluation on Performance of New Product Development Projects in Kenya Commercial Banks

STATEMENTS	Strongly agree (%)	Agree (%)	Undecided (%)	Disagree (%)	Strongly Disagree (%)	M	STD
The organization management commits on training staff on resource allocation in monitoring and evaluation on performance of new product development projects.	17(39.5)	21(48.8)	5(11.6)	0(0.0)	0(0.0)	4.25	.840
Organization allocates resources in training staff on monitoring and evaluation during new product development and even after.	23(53.5)	14(32.6)	3(7.0)		3(7.0)	4.15	1.099
Staff training in monitoring and evaluation on performance of new product development is implemented and conducted by your organization periodically	26(60.5)	10(23.3)	4(9.3)		3(7.0)	4.25	1.032

In the Table **4.10**, whether organization management was committed on training staff on resource allocation in monitoring and evaluation on performance of new product development projects 40% strongly agree, 10% undecided, 50% agreed this shows clearly that for products to achieve high performance during development stages good training on resource allocation is very important. According to Derek Ariel (2010), resource allocation in banking undertakings helps in building up capacity hence increasing the performance of the set targets. On Whether the management allocates enough resources to train staff on monitoring and evaluation during new product development and after while measuring impacts in the, market 54% strongly agreed,33 agreed,7% undecided,7%strongly disagree. This implies that many banks in Kenya pump enough resources during new product development and also allocate resources in measuring the impacts of the new product in the market. Gekenia Nyokabi,(2008) agrees to this results noted that in order to achieve monitoring and evaluation practices efficiently in new product development good resource allocation by management in line with its commitment is very important.

When the respondents were asked how frequent did the management offer monitoring and evaluation skills on new product development to improve product performance 61% strongly agreed,23% agreed,9% undecided,7% strongly disagreed. This implies that many organizations periodically train their employees on emerging skills on improving the performance of new product using monitoring and evaluation techniques.

When the respondents were asked on overall to what extend had their organization (bank) established an appropriate monitoring and evaluation frameworks during production, after production of new products 60% strongly agreet,30% agree, 10% undecided. This implies that most financial institutions have it as a culture in having monitoring and evaluation frameworks instilled in their organization undertakings for use during new product development stages and increase performance of developed products. According to Jung-Yoon Kim et al (2010) effective impacts on new product development are as a result to key management commitment on allocation of resources in new product development and innovation by use of effective frameworks.

4.5 Correlation Analysis

The study conducted a Pearson product moment correlation analysis in order to specify the strength and direction of the linear relationship between the independent variables and performance of new products, the correlations between the computed study variables and the dependent variables were conducted

4.5.1 Correlation Results for Dependent and the Independent Variables

To check the significant value of the relationship between the variables, Pearson correlation analysis while calculated and computed results are shown in Table 4.11

Table 4.11: Correlation Results for Dependent and the Independent Variables.

Correlations					
		Performance of new product development projects	Management commitment level	Level of staff training	Level of resource allocation
NP	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	40			
MC	Pearson Correlation	.384*	1		
	Sig. (2-tailed)	.016			
	N	39	40		
LST	Pearson Correlation	.322*	.310	1	
	Sig. (2-tailed)	.046	.051		
	N	39	40	40	
LR	Pearson Correlation	.503**	.621**	.213	1
	Sig. (2-tailed)	.001	.000	.187	
	N	39	40	40	40

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Correlations between independent variables management commitment, level of staff training, Level of resource allocation and dependent variable- performance of new product development projects in commercial banks of Kenya were found to be significant at 0.05 level of significance as shown in the Table 4.11

Management commitment and performance of new product development

The study in Table 4.11 shows that there is a positive relationship between management commitment and performance of new product development by $r=0.384$, $p=0.016 <0.05$.This implies that management commitment in new product development projects increases product performance. These outcomes are in agreement with Petri (2013) who examined the management involvement and commitment in projects and found out that the more the management is committed and involved in every development stage of a project the end product are remarkable.

Level of staff training and performance of new product development

The correlation results indicate a low positive and statistically significant relationship between level of resource allocation and performance of new product development projects as shown by $r=0.322$,$p=0.046<0.05$.This is in agreement with Gloria (2012) who affirms through her study that the future of new product development relies on effective training on the employees to enable then undertake challenging tasks during new product development, well trained employees will yield an organization relatively high profits since they have the skills on job and by reducing level of defects on new products during production it increases performance of new products.

Level of resource allocation and performance of new product development

The study established a positive and acceptable relationship between level of resource allocation and performance of new product development projects as shown by $r=0.603$,$p=0.001<0.01$.this implies that increase in resource allocation during production stages would significantly increase the performance of new product development in projects .Christian et al (2013) Resource allocation is very important in development of new products it helps increase efficiency and performance of new products in project which are innovative especially in a dynamic market.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction.

This chapter presents analyzed summary of the study findings, discussions guided by objectives of the study, based on the findings will conclusions will be made and recommendations for father research suggested.

5.2 Summary of the Findings

The underlying objectives of the study were achieved thus the research study a success, with 93% percent of the respondents targeted by the research whom were reached making the data collection successful.

5.2.1 Influence of Management Commitment on Development of New Products Development Projects.

When it comes to first objective which was to find out how management influence performance of new product development, most of the respondents were aware of management commitment and its influence on service delivery. An average percentage of ninety-four percentage of the respondents indicated that they agree that the management commitment played role in development of new products.

5.2.2 Influence of Level of Staff Training on Development on Development of New Products

When it come to the second objective which entailed to examine how level of staff training influenced performance of new products. Majority of the respondents were of view that level of staff training was being employed in the organization and this seemed to be having a positive effect on performance of new products.

5.2.3 Influence of Resource Allocation on Performance of New Product Development

As pertains to the third objective to establish how resource allocation influences performance of new products .an outstanding majority of the respondents indicated that organization did need to allocate more resource to improve performance of new products

5.3 Conclusions

From the researcher objectives and the research questions, the underlying objectives of the study were achieved. Studied organization seem to improve performance of products with increased management commitment, allocation of resources and staff training. That keeps the organization a breast with competitive market hence giving organization a competitive edge.

Management commitment is healthy for development of new product development of new products. From the results it can be concluded that when banks are facing competition they become more creative to develop new products and improve performance of these products. That's its effected by management commitment towards product improvement were the management is closely involved in development and production stages to improve quality of the products by use of total quality management techniques to reduce defects of products.

Staff training is very crucial in new product development products since it equips the staff with skills and knowledge to take up difficult and challenging tasks hence executing the undertakings with high competence. In order for banks to stay competitive in production of new products they must invest heavily in training of staff since the market is very competitive and dynamic. Customer preferences keep on changing over time to time and also customer and staff relationship which is earned after a period of time helps Bank staff members understand the market niche and fill the gap with new products.

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Resources are very important in new product development they are the key requirements for anticipated out puts and outcomes in new product development. Proper allocations of resources in banks for new product development need to be emphasized to greater extent. Poor allocation of resources may lead to poor or low quality product development. Management need to allocate enough resources during new product development and also create a proactive frame works to manage the resources to avoid down scaling of funds allocated in new product development products.

5.4 Recommendations

1) Management through managers should commit fully and get closely involved in every new product development stages, this will aid in streamlining the process to achieve good and quality new products since every stage of new product will be well evaluated and monitored.
2) Financial institutions should allocate adequate resources in new product development projects .This will ensure quality products are achieved and it minimizes time wastage in re-doing a particular production stage due to lack of enough resources. The quality of a product is highly depended on the resources used in production thus good allocation of resources both physical and financial need to be well forested in production of new product development projects in commercial banks.
3) Financial Organizations need to train their staff so as to equip them with skills and knowledge so as they can take up challenging tasks vis a vis execute well in new product development projects. The training is good since the market is dynamics hence it keeps on changing. A well trained staff is in a position to keep the organization abreast with the completion while managing the pressure during the completion. Trained staff have high moral with both intrinsic and extrinsic motivation to strive well in the market since their

esteem is well boosted thus developing good working relationship with each other and the job. That helps to retain the staff members hence retaining an experienced worker who grows with the job and have always a point of reference in production line of new product development projects.

4) Organization culture need to be revisited annually and reviewed for consistency of quality products due to changing dynamic Markets.

5.5 Areas of Further Study

The study recommends further research to explore the inventory of monitoring and evaluation of new product development in commercial banks in Kenya vis a vis existing monitoring and evaluation frameworks.

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APPENDICES

Appendix I: Introduction Letter

Munyao Salem
P.O. Box 169-90138
MAKINDU
Kenya.

Dear Sir/Madam,

RE: RESEARCH INTERVIEW GUIDE

I am a Masters Student at the University of Nairobi currently pursuing a Master of Arts in project planning and management. As part of my training, I am required to submit a research paper on, "in Influence of monitoring and evaluation practices on new product developments in Kenya commercial banks projects".

I am therefore requesting you to allow me to collect data by means of an questionnaire guide (see sample attached below) from your organization .Please note that all your responses will be kept strictly CONFIDENTIAL and will remain anonymous if you so desires. This will be enforced by ensuring that you are not asked for any personal information and every response you make will be gotten rid of immediately data analysis is completed.

Thank you for your support.

Yours Faithfully,

Salem Munyao

Appendix II: Questionnaire

Kindly answer the following questions by ticking the appropriate box or filling the spaces provided.

PART A: GENERAL INFORMATION

1. Organization (BANK's) name
2. What is your gender ( )male female( )
3. What is your age bracket?

   Below 20 yrs. [ ]   21-25yrs [ ]   26-30 yrs. [ ]   31-35 yrs. [ ]

   36-40 yrs. [ ]   41-50 yrs. [ ]   46-50yrs [ ]   Over 50 yrs. [ ]

4. For long have you worked in your organization

   0-5 years

   6-10 years

   11-20 years

   Above 20 years

5. For how long has the organization been in existence

   0-5 years

   6-10 years

   11-20 years

   Above 20 years

6. What is the total number of employees in your organization

   0-50

   51-100

   Above 100

PART B: Management commitment in monitoring and evaluation of new product development projects.

To what extend do you agree with the following statements on the influence of monitoring and evaluation on performance of new product development in your organization? Please indicate so by marking X or a check mark ( ) in the column that appropriately fits your organization key: 5 very great extent; 4 great extent; 3 undecided; 2 little extent; 1 not at all

Statement	5	4	3	2	1
To what extent has Monitoring and evaluation helped in making informed decisions regarding operations management in new product development, performance and delivery in banking sector					
To what extend has Managers incorporated monitoring and evaluation of products periodically to assess the impacts and extent extent to which the new products has performed with regard to the desired parameters					
To what extent has Monitoring and evaluation helped in tracking down the progress of new products development by banks to measure their impacts					
To what extent has Monitoring and evaluation helped in measuring the sustainability of new product developed by commercial banks					
To what extent has management attitude in Monitoring and evaluation practice of new products helped in increasing performance of new products					
monitoring and evaluation of the performance of new product development has ensured ensure the most effective use of resources					
Monitoring and evaluation of new product development has helped instilled discipline to fraudsters since they know that the product is been tracked and monitored on its performance					
By use of monitoring indicators in banks new product development stage pro- active measures can be taken were financial, human, material, and technical resources are falling out, resulting to high performance of the end product					

Section C: Resource allocation in monitoring and evaluation of new product development projects

To what extend do you agree with the following statements on the moral hazard in relation to monitoring and evaluation on performance of new product development projects as observed in your organization? Please indicate so by marking an X or a check mark ( ) in the column that appropriately fits your organization key:5 strongly agree;4 agree;3 undecided;2 disagree; strongly disagree

Statement	**5**	**4**	**3**	**2**	**1**
Moral hazard on the part of senior management ,institution officers and consumers of the new product developed arises when products are developed without consultation of stakeholders					
Commercial banks must have in place monitoring and evaluation frameworks to guide in new product developments hence increasing its performance					
Human resource officers should consider hiring or conduct on job training to officers especially for monitoring and evaluation in all new product development projects					
Monitoring and evaluation is quite involving, delicate and very important process which need to be conducted by a department on its own in banking industry					
By incorporating monitoring and evaluation of new products at developmental stages has ensured ensure the most effective use of resources helps in proper utilization of resources					

Section C: Staff training on monitoring and evaluation during new product deployment projects

To what extend do you agree with the following statements on the monitoring and evaluation on the performance of new product development management practices as observed in your organization? Please indicate so by marking an X or a check mark ( ) in the column that appropriately fits your organization key: 5 strongly agree; 4 agree; 3 undecided;2 disagree;1 strongly disagree

Statement	5	4	3	2	1
The organization management commits on Training staff in monitoring and evaluation on performance of new product development projects					
Your organization allocates resources in training staff on monitoring and evaluation during new product development and even after					
Staff training in monitoring and evaluation on performance of new product development is implemented and conducted by your organization periodically					

How does lack of effective training on monitoring and evaluation skills during new product development affect staff competence and new product performance?

....

....

....

Section D: monitoring and evaluation of new product development practices

The following are monitoring and evaluation methods used in measuring performance of new product development, please indicate which your bank adopts. (Tick where applicable)

Statement	**5**	**4**	**3**	**2**	**1**
Sales evaluation performance of new product					
Sustainability performance of new products					
Market share achieved					
Efficiency in resource utilization					
Impacts of new product in the market					
Effective communication in product development					
Payback period evaluation of new products					
Net present value of new products					
Internal rate of return assessment of new product					
Technical performance of new product during development					
metric tracks performance on return on investment					

On overall to what extend has your bank established an appropriate monitoring and evaluation frameworks during and after new product development? Very great extent ( ) Great extent ( ) Moderate extent ( ) little extent ( ) No extent

How does lack of effective monitoring and evaluation affect performance of new product development in commercial banks?

....

....

....

Appendix III: Authorization Letter

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SCHOOL OF OPEN AND DISTANCE LEARNING
DEPARTMENT OF OPEN LEARNING
NAIROBI LEARNING CENTRE

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Telephone: 318262 Ext. 120

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N A I R O B I

17th July, 2018

REF: UON/ODeL/NLC/29/41

RE: SALEM MUUO MUNYAO - REG NO.L50/82177/2015

The above named is a student at the University of Nairobi Open, Distance and e-Learning Campus, School of Open and Distance Learning, Department of Open Learning pursuing Master of Arts in Project Planning and Management.

He is proceeding for research entitled "Influence of Monitoring and Evaluation Practices on Performance of New Product Development Projects on Commercial Banks in Kenya."

Any assistance given to him will be appreciated.

17 JUL 2018

CAREN AWILLY
CENTRE ORGANIZER
NAIROBI LEARNING CENTRE

APPENDIX IV: KENYA BANKING SECTOR

List of Banks in Kenya

1. African Banking Corporation Ltd.
2. Bank of Africa Kenya Ltd.
3. Bank of Baroda (K) Ltd.
4. Bank of India
5. Barclays Bank of Kenya Ltd.
6. CFC Stanbic Bank Ltd.
7. Charterhouse Bank Ltd
8. Chase Bank (K) Ltd.
9. Citibank N.A Kenya
10. Commercial Bank of Africa Ltd.
11. Consolidated Bank of Kenya Ltd.
12. Co-operative Bank of Kenya Ltd.
13. Credit Bank Ltd.
14. Development Bank of Kenya Ltd.
15. Diamond Trust Bank (K) Ltd.
16. Dubai Bank Kenya Ltd.
17. Ecobank Kenya Ltd
18. Equatorial Commercial Bank Ltd.
19. Equity Bank Ltd.
20. Family Bank Ltd
21. Fidelity Commercial Bank Ltd
22. Fina Bank Ltd
23. First community Bank Limited
24. Giro Commercial Bank Ltd.
25. Guardian Bank Ltd
26. Gulf African Bank Limited
27. Habib Bank A.G Zurich
28. Habib Bank Ltd.
29. Imperial Bank Ltd
30. I & M Bank Ltd
31. Jamii Bora Bank Ltd.
32. Kenya Commercial Bank Ltd
33. K-Rep Bank Ltd
34. Middle East Bank (K) Ltd
35. National Bank of Kenya Ltd
36. NIC Bank Ltd
37. Oriental Commercial Bank Ltd
38. Paramount Universal Bank Ltd
39. Prime Bank Ltd
40. Standard Chartered Bank (K) Ltd
41. Trans-National Bank Ltd
42. Victoria Commercial Bank Ltd
43. UBA Kenya Bank Ltd.

Mortgage Finance Institutions in Kenya

1. Housing Finance Ltd

(Source: Central bank of Kenya 2017)

Appendix VI: PLAGIARISM REPORT

INFLUENCE OF MONITORING AND EVALUATION PRACTICES ON PERFORMANCE OF NEW PRODUCT DEVELOPMENT PROJECTS IN COMMERCIAL BANKS IN NAIROBI COUNTY, KENYA

by Salem Muuo Munyao

Submission date: 24-Aug-2018 01:37PM (UTC+0300)

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INFLUENCE OF MONITORING AND EVALUATION PRACTICES ON PERFORMANCE OF NEW PRODUCT DEVELOPMENT PROJECTS IN COMMERCIAL BANKS IN NAIROBI COUNTY, KENYA

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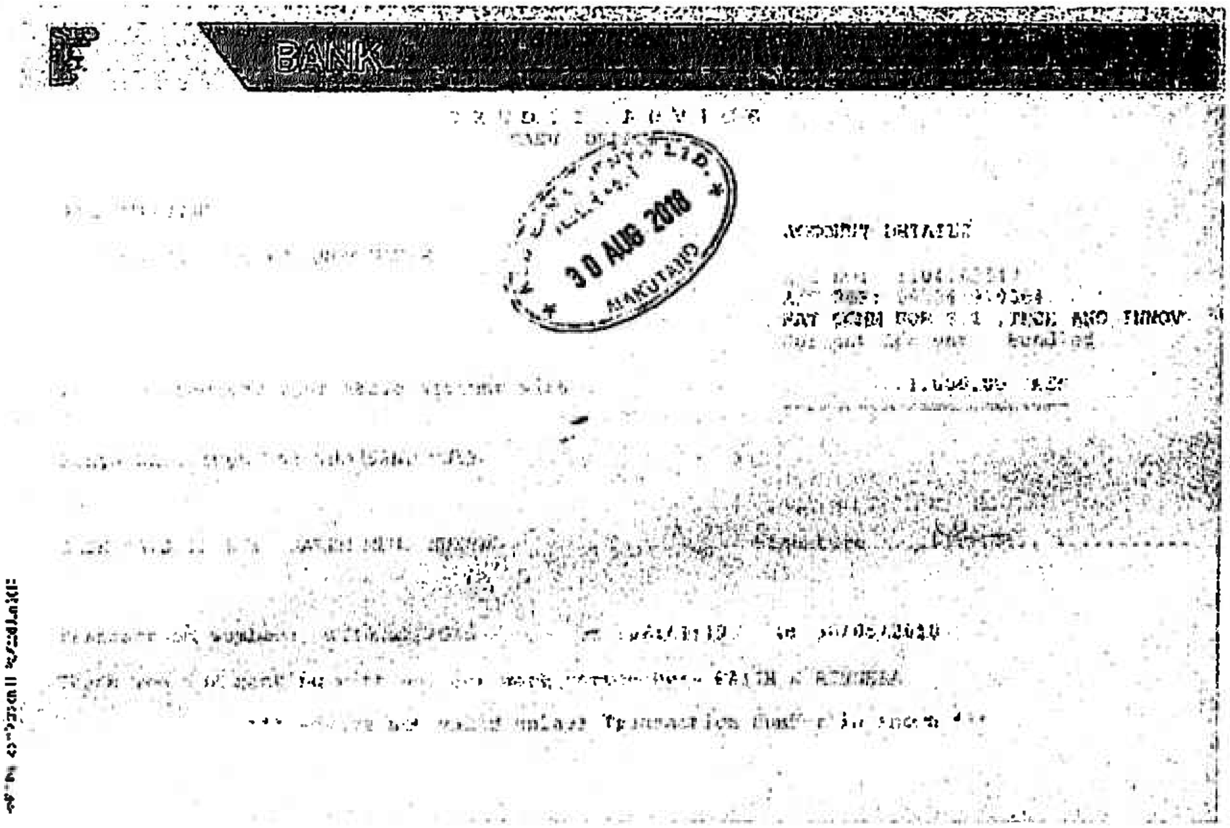

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