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DEPARTMENT OF LEADERSHIP AND GOOD
GOVERNANCE

PROJECT LEADERSHIP AND MANAGEMENT
PROGRAMME

FACTORS LEADING TO THE TERMINATION
OF PROJECTS: THE CASE OF OROMIA
INVESTMENT AND INDUSTRY BUREAU

By:

FIRAOL BEKELE

June, 2024

Addis Ababa, Ethiopia

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MANAGEMENT

June, 2024

Addis Ababa, Ethiopia


DECLARATION

I, Firaol Bekele, declare that this research thesis titled “Factors Leading to the Termination of Projects” is my original work. I confirm that:

The research design, data collection, analysis, and interpretation presented in this thesis are my independent efforts, except where otherwise specified. This thesis's material, data, and findings were all gathered and presented ethically and truthfully without fabrication or falsification of any facts. This thesis has not been submitted, either in part or in whole, for the award of any other educational institution.

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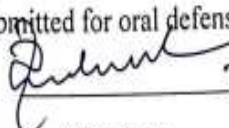

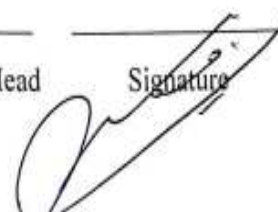
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I certify that I have supervised, read, and evaluated this thesis/dissertation titled “**Factors Leading to the Termination of Projects**” by **Firaol Bekele Dega** prepared under my guidance.

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Approval of Thesis after Defense

As members of the board of examiners, we examined this thesis entitled '**Factors Leading to the Termination of Projects**' by **Firaol Bekele**. We hereby certify that the thesis is accepted for fulfilling the requirements for the award of the degree of “**MA in Project Leadership and Management**”.

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Table of Contents

DECLARATION	i
Approval of Thesis for Defense	ii
Approval of Thesis after Defense	iii
ACKNOWLEDGEMENT	iv
Table of Contents	v
List of Tables	viii
List of Figures	ix
ABBREVIATIONS	x
Appendices.....	xi
<i>Abstract</i>	xii
CHAPTER ONE	1
INTRODUCTION	1
1.1. Background of the Study	1
1.2. Statement of the Problem.....	5
1.3. Research Questions	7
1.4. Objectives of the Study	7
1.4.1. General objective	7
1.4.2. Specific objectives	7
1.5. Scope of the Study	7
1.6. Limitations of the Study.....	8
1.7. Significance of the Study	8
1.8. Operational Definitions.....	9
1.9. Organization of the Study	9
CHAPTER TWO	11
2. REVIEW OF RELATED LITERATURE	11
2.1. Theoretical Review	11
2.1.2. Review of theories	11
2.2. Empirical Review.....	12
2.3. Research Gap	18
2.4. Conceptual Framework.....	18
CHAPTER THREE	20
3. RESEARCH METHODOLOGY	20

3.1. Description of Study Area	20
3.2. Research Paradigm, Design, and Approach.....	21
3.2.1. Research paradigm.....	21
3.2.2. Research design	21
3.2.3. Research approach	22
3.3. Types and Sources of Data	22
3.3.1. Types of data.....	22
3.3.2. Source of data	22
3.4. Design of Sampling.....	22
3.4.1. Population and sampling frame.....	22
3.4.2. Sampling unit	22
3.4.3. Determination of sample size.....	23
3.5. Data Collection Instruments	23
3.6. Validity and Reliability of Data	24
3.6.1. Validity of data	24
3.6.2. Reliability.....	25
3.7. Methods of Data Analysis.....	25
3.7.1. Quantitative Data Analysis	25
3.7.2. Model specification.....	26
3.7.3. Measurement of variables	29
3.8. Ethical Considerations	30
CHAPTER FOUR.....	31
4. RESULTS AND DISCUSSIONS	31
4.1. Introduction.....	31
4.2. Characteristics and Response Rate of Respondents.....	31
4.2.1. Discussions of demographic characteristics.....	32
4.3. Findings and Discussions of Descriptive and Inferential Statistics	34
4.3.2. Inferential Statistics	35
CHAPTER FIVE	46
5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....	46
5.1. Summary of Findings.....	46
5.1.1. Introduction.....	46
5.1.2. Summary of key findings.....	46

5.2 Conclusions.....	48
5.3. Recommendations.....	50
5.4. Future Research Direction	51
<i>References</i>	xiii

List of Tables

Table 3: 1 Sample Size	23
Table 3: 2 Reliability Statistics	25
Table 4: 1 Gender of Respondents	31
Table 4: 2 Age of the Respondents	31
Table 4: 3 Marital Status of Respondents	31
Table 4: 4 Organizations of the respondents	32
Table 4: 5 Roles of the respondents in the organization	32
Table 4: 6 Educational level of respondents	32
Table 4: 7 Descriptive Statistics	34
Table 4: 8 ANOVA Table	35
Table 4: 9 Coefficients	40
Table 4: 10 Collinearity Diagnostics	41
Table 4: 11 Correlations	43
Table 4: 12 Model Summary	44

List of Figures

Figure 2: 1 Conceptual Framework Diagram	19
Figure 3: 1 Organogram of Oromia Investment and Industry Bureau	20
Figure 4: 1 Histogram	37
Figure 4: 2 Normal P-P Plot of Regression Standardized Residual.....	38
Figure 4: 3 Homoscedasticity	39

ABBREVIATIONS

Analysis of Variance	
ANOVA	26
Cheif Executive Officer	
CEO	8
Cost Variance	
CV	27
Earned Value Management	
EVM	27
Ethiopian Civil Service University	
ECSU	9
Factors Leading to the Termination of Projects	
FLTP	19
internal rate of return	
IRR	30
inverse of document frequency	
idf_Termination	35
Multivariate Analysis of Variance	
MANOVA	26
Net Present Value	
NPV	11
Oromia Investment and Industry Bureau	
OIIB	22
Return on investment	
ROI	13
Small and medium-sized enterprises	
SMEs	5
Variance of inflation factor	
VIF	31

Appendices

Appendix I: Research Questionnaires	xv
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Abstract

This study focused on the termination of investment projects in the Oromia Region, specifically those awarded to Private Owners, SMEs, and farmers by the decision of the Oromia Investment Board. The study examines the factors contributing to project termination, including financial considerations, stakeholder decisions, inadequate project monitoring and assessment (sometimes referred to as project mismanagement), and social or environmental concerns. Using a positivist research paradigm and a descriptive research design, the study used a quantitative research methodology. Project managers, financiers, and other stakeholders who had a direct stake in the abandoned projects were given a standardized questionnaire to complete to gather data. The sample size was determined by 135 participants, representing 20% of the total population of 675. The collected data included quantitative information related to project characteristics, financial aspects, industry and market factors, and stakeholder dynamics. The research findings aimed to identify patterns, correlations, and statistical relationships between the identified factors and project termination. Construct validity, content validity, criteria validity, internal validity, and internal consistency reliability were among the strategies used to guarantee the validity and reliability of the data. The proposed conceptual framework provides stakeholders with a project measurement point direction to reduce termination, facilitate financial aspects, enable timely stakeholder decisions, address project mismanagement, and incorporate stakeholder perception of environmental or social responsibility and adherence to standards. The research was conducted through multiple regression analysis. The four significant factors were identified: financial aspects, stakeholder decisions, project mismanagement (inadequate project monitoring and evaluation), and environmental or social concerns. These factors, referred to as the "vital few," contributed 80.5% towards project termination, indicating dominance over other termination factors. The research concluded by summarizing the descriptive and inferential statistics and their implications. The researcher offered suggestions for preventing or lessening project terminations in the recommendation at last.

Key Words: Termination, Premature, Validity, Reliability

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

According to the Project Management Institute (2009), identifying needs, modifying plans, specifications, and methods to meet stakeholders' varying needs and expectations, and striking a balance between competing demands for quality, scope, time, and money are all common components of project management.

Project termination refers to the formal conclusion of a project, marking the end of the project lifecycle. It involves the systematic and organized closure of all project activities, ensuring that all deliverables are completed, resources are released, and stakeholders are informed (Project Management Institute, 2017a).

The key aspects of project termination include: Completing all project work and deliverables; Transferring ownership and responsibility of project outputs to the appropriate parties; Releasing project resources, including personnel, equipment, and facilities; Documenting lessons learned and archiving project records; Obtaining formal acceptance and signoff from the project sponsor or client, and Communicating the project closure to all stakeholders.

Premature project termination refers to a project's unplanned and early cessation before it has reached its intended goals or deliverables. This can occur due to various reasons, such as a change in organizational priorities, a significant shift in the project's business environment, the availability of new technology that renders the project obsolete, or the inability to secure the necessary resources or funding (Harold Kerzner, 2017).

Premature Project Terminations: A Global Perspective

Premature project termination, where projects are cancelled or abandoned before completion, is a pervasive issue that has plagued organizations and governments worldwide. This phenomenon has had significant economic, social, and strategic implications across diverse industries and sectors.

One of the earliest documented cases of premature project termination occurred in the 1970s with the cancellation of the Concorde supersonic airliner program by the British and French governments. Despite significant investment and technological progress, the

project was abandoned in 1976 due to high costs, limited commercial viability, and environmental concerns (Concorde, BBC News, 2020).

In the 1980s, the United States government faced criticism for the premature termination of several high-profile defense projects, such as the B-1 bomber and the Sergeant York anti-aircraft gun system. These cancellations were attributed to cost overruns, technological challenges, and shifting strategic priorities (Congressional Research Service, 1977).

During the 1990s and 2000s, the information technology sector experienced a surge of premature project terminations, with examples including the cancellation of the FBI's Virtual Case File system and the US Department of Defense's Transformational Satellite Communications System. These failures were often linked to poor project management, changing requirements, and technological complexities (Goldstein, 2005).

In the 2010s, the global financial crisis led to the premature termination of various infrastructure and public works projects, as governments and organizations struggled with budget constraints and shifting priorities. Notable examples include the cancellation of the high-speed rail project in the United Kingdom and the suspension of several major construction projects in Spain (Kasunic, 2010).

More recently, the COVID-19 pandemic has contributed to a rise in premature project terminations across industries, as organizations have faced disruptions to supply chains, workforce challenges, and changing market conditions (Deloitte, 2020).

While the specific reasons for premature project terminations vary, common themes include unrealistic expectations, poor planning, changing priorities, technological challenges, and resource constraints. Addressing these issues through improved project management practices, risk analysis, and stakeholder engagement has been a focus of ongoing research and industry efforts to reduce the frequency and impact of such project failures (Project Management Institute, 2019).

Ethiopia has experienced several instances of premature termination of investment projects, which have had significant economic and social consequences for the country.

One notable example is the cancellation of the sugar industry expansion program in the early 2010s. The Ethiopian government had planned to build 10 new sugar factories and expand existing ones, with the goal of making Ethiopia a major exporter of sugar.

However, the project faced numerous challenges, including cost overruns, delays, and poor management, leading to the premature termination of several sugar factory projects. This resulted in a shortage of sugar supply in the country and the need to import the commodity (Berhanu, 2012).

In the agricultural sector, the government's large-scale land leasing program, which aimed to attract foreign and domestic investors to cultivate crops for export, has also faced significant setbacks. Several investors have prematurely terminated their projects due to various issues, such as lack of infrastructure, unclear land tenure rights, and conflicts with local communities. This has led to underutilization of land resources and missed economic opportunities for the country (Lavers, 2012).

The textile and garment industry has also experienced premature investment project terminations. For instance, in 2016, the government's plan to establish an industrial park in Hawassa, intended to attract global apparel brands, faced challenges, including delays and disagreements with investors. This resulted in the premature withdrawal of some investors and a slower-than-expected development of the park (Oqubay, 2018).

In the renewable energy sector, Ethiopia has witnessed the premature cancellation of several wind and solar power projects. These include the termination of the Metehara Solar Park project in 2019 and the Ashegoda Wind Farm project in 2018, both of which were attributed to various factors, such as land acquisition issues, technical challenges, and changes in government priorities (Teshome, 2019).

The premature termination of these investment projects has had significant economic consequences for Ethiopia, including lost job opportunities, reduced foreign direct investment, and missed opportunities for economic growth and development. To address these challenges, the Ethiopian government has sought to improve its investment policies, strengthen land tenure rights, and enhance project management capabilities to create a more conducive environment for sustainable investment (World Bank, 2019).

The key aspects of premature project termination include: Discontinuing the project before the planned completion date or before all intended project objectives have been achieved; Reallocating or releasing project resources, including personnel, equipment, and facilities, ahead of the original plan; Communicating the project termination to all stakeholders, including the project sponsor, client, and project team; Documenting the

reasons for the premature termination and any lessons learned; Determining the impact of the termination on the organization, including financial, reputational, and strategic implications and Ensuring the appropriate transfer of project outputs or deliverables to the responsible parties.

Project termination is a significant issue in project management, as it can have profound implications for organizations, stakeholders, and project teams. Understanding the factors that lead to project termination is crucial for project managers and organizations to mitigate the risks and ensure the successful delivery of projects. Numerous important reasons that lead to project termination have been discovered by the literature currently in publication. Conforto & Amaral (2010) conducted a study that highlighted poor project planning, lack of stakeholder engagement, and inadequate resource allocation as primary drivers of project termination. Similarly, Harold Kerzner (2017) emphasized the importance of effective communication, risk management, and project governance in preventing project termination.

Moreover, Pinto & Mantel (1990) explored the relationship between project performance and termination, finding that projects with poor performance metrics, such as cost overruns and schedule delays, are more likely to be terminated. Furthermore, project termination was found to be influenced by political and organizational issues by Ika (2012), including shifting priorities and power relations.

Oromia With a comparatively larger part of national investment distributions, regional states are the nation's top investment priority areas. In light of the country's improving business climate and the government's policy focus, it is anticipated that local and foreign direct investment levels will rise in the upcoming years. The participation of the regional states increases proportionately with this increase in the size of the national investment. Larger investors are expected to come to Oromia, a regional state with a high investment priority (Oromia Investment Commission, 2016).

All projects have to end eventually. However, for reasons decided by top managers of the parent organization, certain projects are discontinued before they reach the final stages of their life cycle (George, 2020).

The owners of the projects are certified by the revised proclamation of the Oromia Regional State Investment Implementation Act (Proclamation No. 249/ 2023) and they

signed agreements with the Oromia Investment and Industry Bureau. According to this proclamation if they do not start the execution phase of the projects their investment is going to be terminated

The factors or variables that are being followed in terminating projects are financial aspects, stakeholder decisions, inadequate project monitoring and evaluation (project mismanagement), and environmental or social concerns (Project Management Institute, 2017).

This study focused on the samples taken from the investment projects in the Oromia Region which were awarded to Private Owners, SMEs, and farmers by the decision of the Oromia Investment Board. Private owners of investment projects may have varied project management practices depending on their background, access to training, and the complexity of their projects. Small and medium-sized enterprises (SMEs) may have more informal, ad-hoc project management approaches than larger organizations. They may rely more on individual experience and less on standardized project management methodologies. Farmers and rural enterprises may have project management practices that are closely tied to agricultural cycles, seasons, and available resources. Their approach may be more reactive to environmental factors.

The role of the Oromia Investment and Industry Bureau in implementing various projects is to facilitate conditions like investment licenses, working areas, and training regarding the execution of projects on time.

Understanding these factors is essential for project managers and organizations to develop strategies and best practices to mitigate the risk of project termination and ensure the successful delivery of projects.

1.2. Statement of the Problem

There are numerous justifications, for ending a project early (Tonnquist, 2013). It's possible that the resources are needed for other, higher-priority projects or that the selected solution cannot be implemented. Another reason could be the simultaneous release of a competing product and the project's execution.

Premature project termination can also be caused by organizational ownership and senior management changes and adopting new, strategic business objectives. Political decisions

and changes in legislation may impact the project and its quick improvements, especially in information technology (Tonnquist, 2013).

It is a known reality that far too many projects are launched and far too few are terminated too soon. A more thorough examination and evaluation of ongoing initiatives by corporate management and project sponsors would likely lead them to the grasp that many of them would never contribute to the organization's overall objectives (Tonnquist, 2013).

According to Dr Carlo Kopp (2005), even when a project is going well, it is frequently sustained even when it is challenging, no longer feasible, or helpful. Numerous case studies exist of projects that have gone on, frequently to operational deployment, even though the product itself was a failure, the demand had expired, or the budget had been severely overspent.

The termination of projects can have significant financial and operational consequences for organizations. Understanding the key factors that lead to project termination is crucial for project managers and organizations to mitigate these risks and improve project success rates (Harold Kerzner, 2017).

Terminating projects in the Oromia Region is a significant concern that can negatively affect investors and the regional economy.

Despite the favorable business environment and increased investment size in the Region, 225 projects have been terminated before reaching their intended completion since 2015-2016 E.C. Factors such as financial considerations, stakeholder decisions, project mismanagement, and environmental or social concerns play a role in the termination process.

Nevertheless, a thorough knowledge of the particular causes behind project terminations in the Oromia Region is lacking. Additionally, there is a need to explore the implications of project termination on the investors and the regional economy.

This study aims to determine and examine the variables that have led to project terminations in the Oromia Region. It also seeks to explore the implications of project termination on the investors and the regional economy. Decision-makers may be reluctant to terminate a project due to the significant resources already invested, even if the project is no longer financially viable.

1.3. Research Questions

- ❖ What key financial factors contribute to terminating projects in the Oromia Region?
- ❖ What role do Stakeholder decisions play in terminating projects in the Oromia Region?
- ❖ How does inadequate project monitoring and evaluation contribute to project termination?
- ❖ What are the primary environmental or social concerns that lead to the termination of projects?

1.4. Objectives of the Study

1.4.1. General objective

To investigate and identify the main factors that lead to premature project termination at the Oromia Investment and Industry Bureau.

1.4.2. Specific objectives

- 1) To examine the relation between financial aspects and the termination of projects.
- 2) To investigate the relationship between stakeholders' decisions and the termination of projects.
- 3) To analyze the relationship between inadequate project monitoring, evaluation, and control aspects of the termination of projects.
- 4) To assess the influence of environmental or social concerns on the termination of investment projects.

1.5. Scope of the Study

The magnitude of research would be centered on the projects that private owners, businesses, and farmers have obtained investment permits for and want to carry out in the Oromia Regional state.

The terminated projects are from 20 city administration and 22 zones in the region. They are categorized into three sectors these are Manufacturing, Agro processing and services. The data collected was based on experts' and project managers' responses who had the know-how about the project terminated. While Bureau experts and project managers are

well-positioned to provide insights on the factors contributing to project termination, their responses may be subject to biases or incomplete information.

The terminated projects with case of all unnatural termination (termination by extinction, termination by addition, termination via integration, starvation termination) were possessed by the Oromia Investment Board which involves the regional president and his higher officials committee.

1.6. Limitations of the Study

The sample size, while sufficient for statistical analysis, was relatively small. The study was limited to projects terminated since 2015-2016 E.C at the Oromia Investment and Industry Bureau level. The generalizability of the findings to projects in other sectors or locations is uncertain. The researcher couldn't earn the board CEO and its members who have the authority to decide on the termination of projects for the interview questionnaires, and the qualitative analysis part was not included in the paper.

The study focused on a limited set of potential factors influencing project termination, as guided by the existing literature. There may be other important variables, such as organizational culture, project complexity, or legal dynamics that were not included in the study.

1.7. Significance of the Study

The importance of the study came from analyzing variables that cause projects to terminate earlier before completion. The findings from this research hold valuable insights that can inform project management practices and serve as a foundation for further exploration in this important area. This study gives project managers and organizational leaders a better knowledge of the crucial issues that must be addressed to improve project success by identifying the major causes contributing to project termination. The insights gained can help inform stakeholder decision-making, project monitoring, and evaluation strategies, improve financial aspect problems, and focus on a sustainable environment or good faith of social concerns.

Moreover, the study's exploration of factors beyond those traditionally covered in the existing literature, such as organizational culture, project complexity, and legal dynamics,

can aid in developing a more thorough comprehension of the intricate dynamics underlying project termination.

Ultimately, the significance of this study lies in its potential to help organizations and project managers navigate the challenges of project termination more effectively. By shedding light on critical factors influencing the project to terminate, this research can inform practices and policies that foster more successful project outcomes, leading to better utilization of resources, enhanced organizational performance, and greater value creation for stakeholders.

1.8. Operational Definitions

Operational Definitions of Project Termination:

Project Completion: Project completion is the achievement of all project objectives and deliverables, as defined in the project plan or contract(Project Management Institute, 2017b).

Project Cancellation: Project cancellation is the termination of a project before its completion, typically due to changes in organizational priorities, lack of resources, or the inability to meet project objectives(J. Pinto, 2016).

Project Suspension: Project suspension is a temporary halt in project activities, to resume the project later, either due to external factors or internal organizational changes(Larson, 2018).

Project Termination Processes: Project termination processes involve a series of administrative, contractual, financial, and technical activities that ensure the orderly and comprehensive closure of a project(Harold Kernzer, 2018).

Lessons Learned: Lessons learned document the experiences, insights, and best practices gained throughout the project, which can inform future projects and contribute to organizational learning(Project Management Institute, 2013).

1.9. Organization of the Study

The research was organized by following a standard format of the Ethiopian Civil Service University (ECSU) format and some common sections typically included in a research. These included the study's title, abstract, introduction (which provided background information), issue statement, research questions, study objectives, an evaluation of

relevant literature (both an empirical and a theoretical review), research gap, conceptual framework, explanation of study area, research paradigm, design and approach, sources and types of data, sampling strategy, instruments of data collection, validity and reliability of data, data analysis techniques, research findings and discussions, executive summary, research recommendations, conclusion, and references, as well as ethical considerations.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2.1. Theoretical Review

2.1.1. Review of concepts

Inadequate or missing requirements, irrational expectations, a lack of managerial support, insufficient resources, and inadequate project planning are the main causes of project failure. Not all unsuccessful ventures, nevertheless, are abandoned. While some people, bounce back others are unlucky and limp to a humiliating and shameful conclusion ("Conference Paper," 1998).

According to Miguel et al., (2017), there are two types of project termination: (i) natural, where the project ends because its intended goals were met, and (ii) unnatural, when the project halted due to an issue and did not meet its goals.

Meredith & Mantel (2000) state that there are four primary ways in which a project can end "unnaturally":

- i. Termination by extinction: when a project ends because a result has been achieved, regardless of success or failure.
- ii. Termination by addition: although the project is external, it becomes a fully integrated part of the parent company.
- iii. Termination via integration: This approach, typically associated with prosperous projects, comprises incorporating the project or product into the parent company's or clients' regular business operations.
- iii. Starvation termination: denying resources until the project is shelved or terminated suddenly.

2.1.2. Review of theories

The termination of projects can occur due to various factors and circumstances. A combination of factors can influence some prominent theories commonly discussed in investment analysis.

Net Present Value(NPV)Theory: The idea recommends terminating an investment project if its net present value—the difference between the present value of cash inflows and outflows—is less than a predetermined threshold.

According to this theory, projects with negative or low NPV may not generate sufficient returns to justify their continuation (Stephen A. Ross, 2012).

Real Option Theory: Real option theory emphasizes the flexibility and adaptability of investment projects. It suggests that projects should be terminated if the value of the real options associated with them becomes negative or decreases significantly over time. Real options refer to the ability to make strategic decisions and take advantage of future opportunities during the project's lifespan (Amram, Martha & Kulatilaka, 1999).

Agency Theory: Agency theory focuses on the relationships between principals (investors) and agents (managers) in investment projects. It suggests that project termination can occur when conflicts of interest between these parties arise and result in sub-optimal decision-making. For example, if managers act in their self-interest rather than maximizing shareholder value, the project may be terminated to protect investor interests (Jensen & Meckling, 2012).

Market and Economic Factors Theory: External market and economic conditions can significantly impact investment projects. Changes in market demand, industry trends, technological advancements, or economic downturns can render a project unviable or less attractive. In such cases, termination may be a rational response to minimize losses or allocate resources to more promising opportunities (Pindyck, 1994)

Strategic Fit Theory: According to the strategic fit idea, initiatives should align with the organization investing's overarching strategic aims and objectives. If a project no longer fits within the strategic framework or if the organization's priorities change, termination may be considered to reallocate resources towards more aligned initiatives (Richter et al., 1962).

It is more important to recognize that the decision to terminate an investment project is a complex process influenced by a combination of financial, strategic, and contextual factors.

2.2. Empirical Review

Sussman (2002), stated the financial considerations in decisions of project termination.

Financial Considerations play a crucial role in the project termination decisions. Projects are typically initiated with the expectation of generating economic benefits. However, if a project becomes unprofitable or if its costs exceed the anticipated benefits,

it may be terminated to cut losses and allocate resources more effectively. Financial factors such as budget constraints, return on investment, cost overruns, and market conditions can influence the decision to terminate a project.

The financial viability and funding of a project can significantly impact whether the project is ultimately successful or terminated prematurely. Several key financial factors can influence project termination:

Insufficient funding or budget overruns:

If a project does not have adequate funding from the outset or costs escalate beyond the original budget, the project may be terminated due to a lack of resources (Doloi & Donovan, 2019).

Lack of return on investment (ROI):

If a project is not generating the expected financial returns or benefits, the organization may terminate it to redirect resources to more profitable endeavors (Harold Kerzner, 2017).

Changes in organizational priorities or funding:

Shifts in an organization's strategic focus or financial constraints can lead to the termination of projects that no longer align with the organization's current priorities (Rahschulte, 2018).

Poor financial management and control:

Ineffective financial management, including inadequate cost estimation, budgeting, and financial monitoring, can lead to project termination due to financial issues (R. Smyrk & Ofer Zwikael, 2002).

The termination of projects is often closely tied to the decisions and actions of key stakeholders. Stakeholders can include project owners, sponsors, managers, team members, and even external parties such as clients or regulatory bodies. Their decisions and behaviors can significantly impact the trajectory and ultimate outcome of a project.

According to a study published by Narbaev (2014), the following are some of the key ways in which stakeholders' decisions can lead to project termination:

Conflicting priorities and objectives: When stakeholders have divergent or competing priorities and objectives for the project, it can create tension and make it challenging to

align the project's direction. This can ultimately result in the project being terminated (Harold Kernzer, 2018).

Lack of commitment and support: If key stakeholders do not provide the necessary resources, funding, or engagement, the project may become unsustainable, leading to its termination (J. K. Pinto, 2019).

Poor communication and collaboration: Ineffective communication and a lack of collaboration among stakeholders can hinder the project's progress and decision-making, potentially resulting in its termination (Samuel J. Mantel, 2002).

Changes in organizational strategy or priorities: When an organization's strategic priorities shift, stakeholders may decide to terminate a project that no longer aligns with the new direction (Harold Kernzer, 2018).

Risk aversion and fear of failure: Stakeholders who are risk-averse or have a low tolerance for project failures may opt to terminate a project preemptively, even if it has the potential to succeed (J. Pinto, 2016).

Stakeholder power dynamics and politics: In some cases, the power dynamics and political maneuvering among stakeholders can lead to the termination of a project, even if it is technically viable (Mantel, 2020)

Lack of stakeholder support or commitment:

If key stakeholders, such as investors or sponsors, withdraw their financial support or commitment to the project, it can result in the project's termination (Dwivedi & Dwivedi, 2021).

The effective monitoring, evaluation, and control of a project are critical aspects of project management that can significantly impact the success or termination of a project. Inadequate attention to these areas can lead to a variety of issues that may ultimately result in the premature or undesirable termination of a project.

Inadequate Project Monitoring:

Project monitoring involves the systematic collection and analysis of information about the project's progress, performance, and resource utilization. When monitoring is inadequate, project managers may fail to detect problems or deviations from the project plan on time. This can lead to the escalation of issues, the accumulation of delays, and the

increased likelihood of project failure or termination. Without effective monitoring, project stakeholders may not have the necessary information to make informed decisions and adjustments to the project(J. K. Pinto, 2019).

Inadequate Project Evaluation:

Project evaluation involves the systematic assessment of the project's performance, efficiency, and effectiveness in achieving its objectives(Jeffrey K. Pinto, 2016). When project evaluation is inadequate, project managers may not have a clear understanding of the project's strengths, weaknesses, and areas for improvement. This can result in the continuation of ineffective strategies, the inability to identify and address the root causes of problems, and the missed opportunities to optimize project performance. Inadequate evaluation can also hinder the ability to make informed decisions about the project's viability and the need for termination.

Inadequate Project Control:

Project control refers to the processes and mechanisms used to monitor, measure, and adjust the project's performance to align with the project plan and objectives(J. K. Pinto, 2019). When project control is inadequate, project managers may not have the necessary tools, processes, or authority to intervene and address issues as they arise. This can lead to the escalation of problems, the inability to mitigate risks, and the loss of control over the project's trajectory. Inadequate control can also prevent project managers from taking timely and appropriate actions to either course-correct or terminate the project when necessary.

According to (Morrow, 2012), the following parties are involved in project termination: Project termination is always the consequence of a deliberate choice made by a significant stakeholder. It does not merely happen. Even if the announcement of a project termination may come as a shock, there are frequent indicators before such a decision is made, as the impacted parties may try to delay the inevitable decision. Given the nature of humans, an attempt to save the project will almost always be made, if only out of self-serving greed. The Project's anticipated likelihood of recovery and the proximity to the termination threshold will all influence whether the termination happens or not.

Stakeholders in a project might be many and diverse. Every project has its distinct set of goals, agendas, and personal interests. Despite this variance, the following classes or groups of stakeholders are considered to be the most significant in terms of having the capacity, likelihood, and willingness to conclude a project. Everyone can achieve this, directly or indirectly, by creating conditions that would compel a different significant stakeholder to decide on the project's termination. For instance, if a client rejects a change request, the project will miss crucial deadlines and get irrevocably behind schedule. Senior Management would terminate the project because they couldn't bear the associated expenditures.

Client: The client is prominently included in the list of critical stakeholders. The client, on the other hand, is no more eager to end a project than any other stakeholder, in certain ways, due to their stake in acquiring the project deliverables, they might continue to work on a failing project long after it should be abandoned.

Senior Management: Due to its involvement in initiating or accepting projects through client contracts, senior management has a critical role in determining whether to end them. Over senior management, the three primary stakeholder groups—clients, investors, and society—have significant influence. Paradoxically, the project manager frequently finds it more difficult to align with senior management, even though they are the stakeholders closest to the project.

Investor: Even though it does not apply to every project, an investor, like a venture capitalist, can make a big difference and often votes to end a project. The investor is very risk averse, mainly focused on return on investment, and has little personal stake in the enterprise other than that of an investment. As a result, thresholds are lowered, and termination choices could be made abruptly and without warning when an investor's interests and circumstances shift.

Society: Projects are social constructs that are created and overseen by individuals for individuals. They become an essential component of our surroundings, frequently bringing change to a customer who is resistant to it. The political, legal, regulatory, moral, and social factors that drive the project environment will unavoidably have an impact on the project's very existence.

With their objectives, the representatives of society could act directly or apply enough pressure to compel other significant stakeholders to exercise their termination authority. It will not be sufficient for a project's programmatic problems—difficulties with schedule, quality, or resource staffing—to justify a project's termination. These challenges merely serve to bring stakeholders' attention to the project and force them to reconsider their level of commitment. When the project is terminated, it will be because a stakeholder with the authority to do so determines that it no longer satisfies the needs in an area considered to be "vital ground." Therefore, the possibility of a project occurring is greatly reduced or even eliminated if a few crucial variables are monitored, particularly when a project might come as a complete surprise. The fundamental principles, beliefs, concepts, and goals that support and legitimize the project's existence are referred to as vital ground.

Decisions on the course of a project, including its termination, are heavily influenced by stakeholders, who include investors, customers, sponsors, and regulatory agencies. The choices made by stakeholders about a project's finance, support, and viability can have a direct effect on its outcome. A project may end if important stakeholders stop funding it or offering their support. Furthermore, a project may become irrelevant or impractical due to shifting stakeholder requirements, preferences, or outside forces, which could lead to its discontinuation.

Inadequate monitoring and assessment of a project can hurt its results and result in project termination due to mismanagement. Project delays, cost overruns, and failure to meet goals can be caused by inefficient resource allocation, poor planning, insufficient risk management, poor communication, and a lack of project control. Termination may be the best course of action to stop additional losses if project mismanagement reaches a critical point when the project is judged unable to recover (Meredith & Mantel, 2000).

Investment projects may be terminated due to environmental or social concerns, especially if they are considered unsustainable or detrimental to the environment or society. Organizations and regulatory agencies are increasingly considering projects' social and environmental effects when making decisions. Project termination may result from protests, legal challenges, or reputational hazards if the project is determined to

have severe negative consequences on the environment or communities (Leung et al., 2013).

2.3. Research Gap

Several possible research gaps can be found based on the theoretical and empirical research review that is provided.

Lack of comprehensive analysis: While the review touches upon various theories and factors influencing project termination decisions, there is a potential research gap in conducting a more comprehensive and integrated analysis of these factors.

Limited focus on specific industries: The review mentions that extensive research has been conducted, especially in high-tech projects. However, there is a potential research gap in exploring project termination in other industries or sectors.

Inadequate consideration of stakeholder perspectives: The review briefly discusses the importance of stakeholders in project termination decisions but does not loosen deeply into their perspectives and decision-making processes.

Limited exploration of project mismanagement: While the review briefly mentions project mismanagement as a potential cause of termination, there is a research gap in exploring the specific aspects and consequences of mismanagement that lead to project termination.

Insufficient analysis of environmental and social considerations: The review acknowledges the influence of environmental and social concerns on project termination but does not provide in-depth analysis or examples.

2.4. Conceptual Framework

To investigate the relationship between project termination and financial elements, financial performance indicators, budget deviations, ROI, net present value (NPV), cost-benefit ratios, and budget deviations are some examples of potential measuring variables.

Construct stakeholder decisions to examine the relationship between stakeholder decisions and project termination. Stakeholder influence, decision-making power, satisfaction, engagement, and perception of project viability are examples of potential measurement variables.

One may think about, assessing factors such as scope creep, timetable delays, cost overruns, inadequate project planning, low team coordination, poor communication, and quality difficulties to investigate the relationship between project mismanagement and project termination.

To assess the influence of environmental or social concerns on the termination of projects construct environmental or social concerns, and possible measurement variables are Environmental impact assessment, carbon footprint, social impact assessment, stakeholder perception of environmental or social responsibility, and adherence to environmental or social standards.

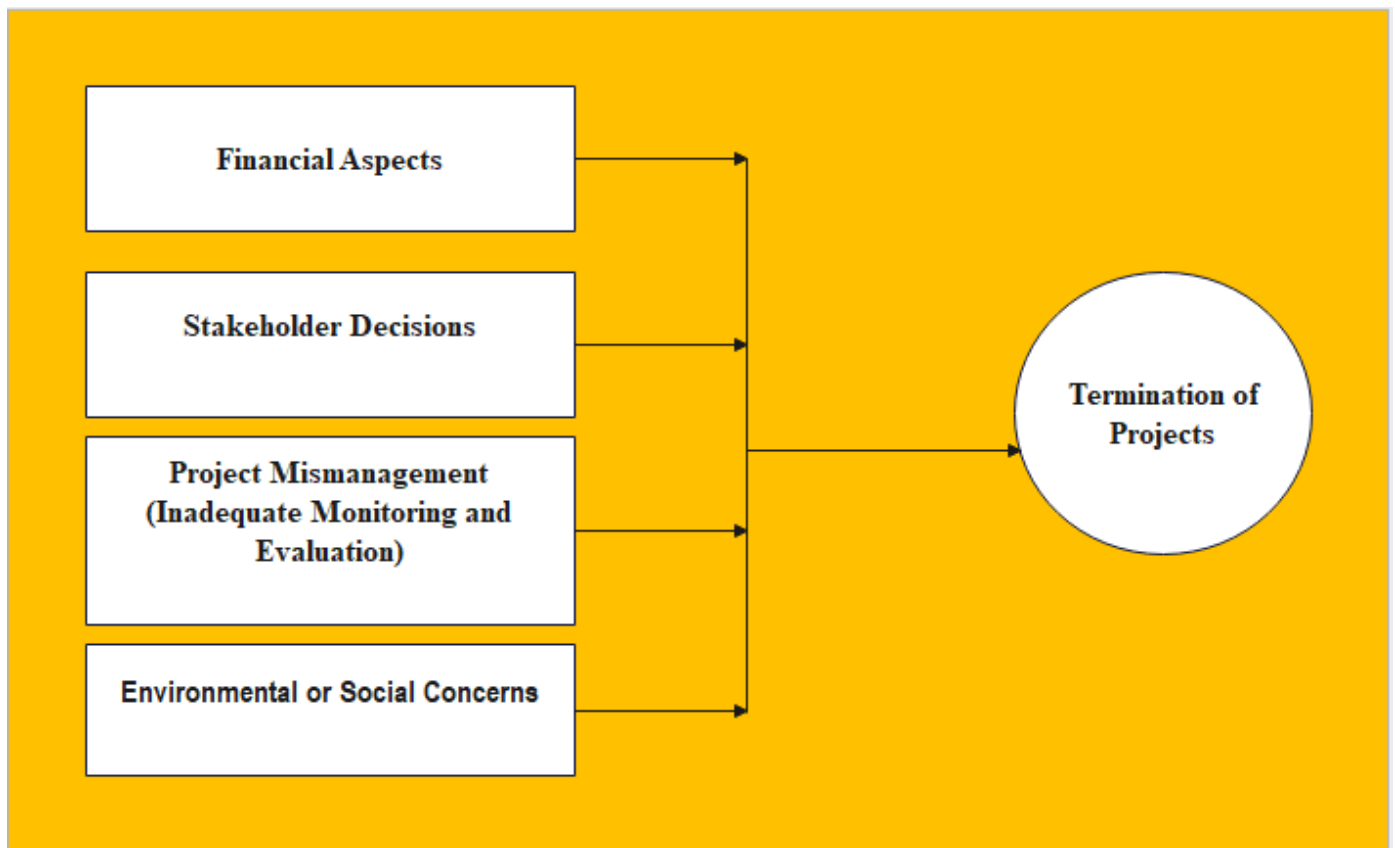


Figure 2: 1 Conceptual Framework Diagram

Source: FLTP, 2024

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1. Description of Study Area

The Oromia Investment and Industry Bureau was established to study investment potentials and opportunities in the region, to promote identified potentials. The Oromia Investment and Industry Bureau plays a crucial role in overseeing investment projects in the Oromia region of Ethiopia. Key aspects of their responsibilities are project inspection and adjustment, investment potential study, and industrial development objectives. The bureau's overall role is to facilitate investment, monitor projects, and ensure efficient service delivery. The organogram of the Oromia Investment and Industry Bureau includes the following key elements:

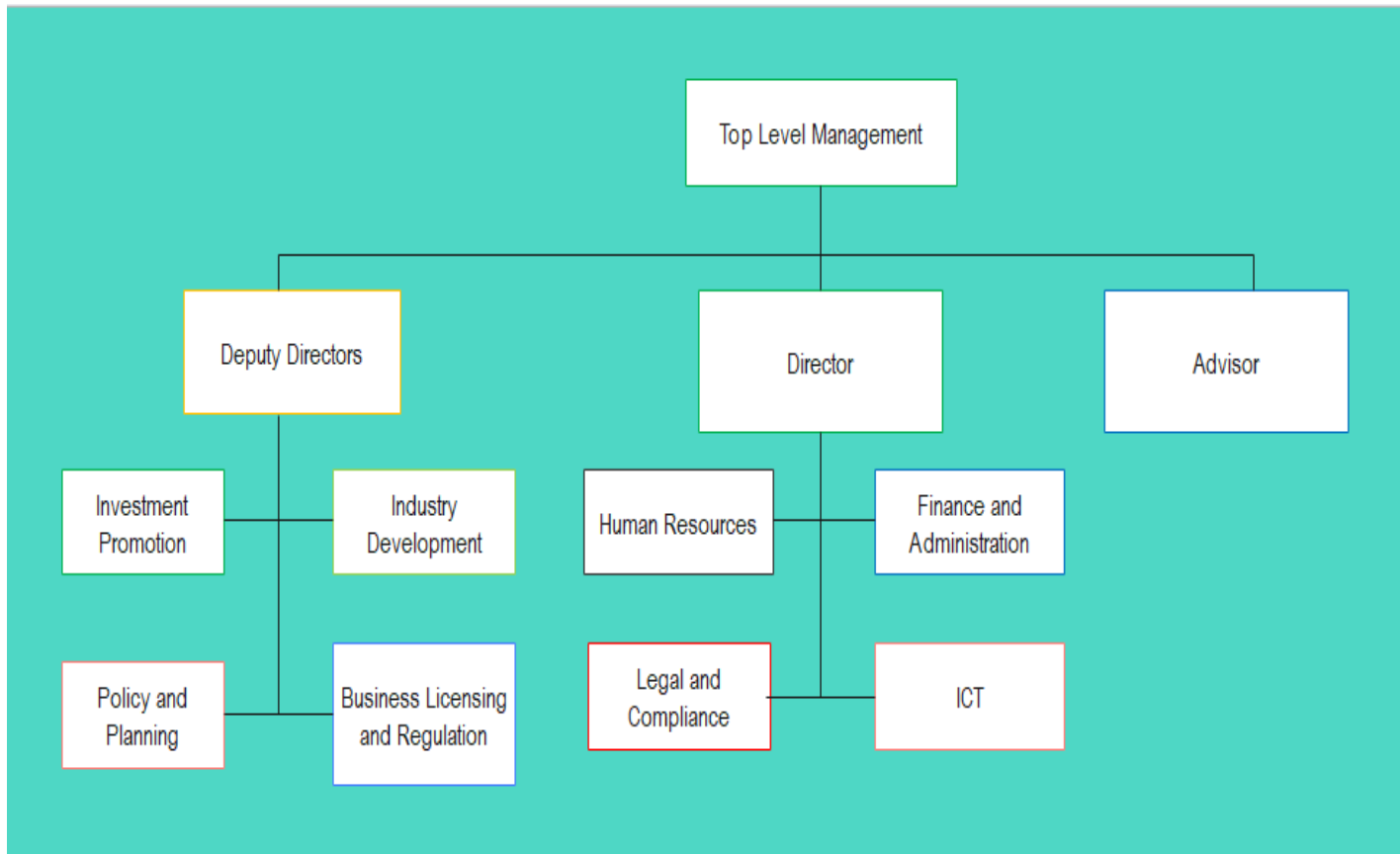


Figure 3: 1 Organogram of Oromia Investment and Industry Bureau

Source: FLTP, 2024

Project success or project failure are the two main phases of why projects are ended. According to (Lewis R., 2004), a project is considered successful if it has accomplished its objectives in terms of time, cost, and technical performance, and has demonstrated its operational or strategic alignment with the organization. A project failure signifies that it did not fit into the organization's future or did not fulfill its cost, time, and technical performance targets. Failed initiatives should normally be ended as soon as it is practical to do so, to save the organization's resources. Frequently, projects are carried out without a plausible chance of success. Because of this, the Oromia Investment and Industry Bureau terminated 225 projects in 2015-2016 E.C. that did not meet the requirements necessary for project success.

3.2. Research Paradigm, Design, and Approach

3.2.1. Research paradigm

Positivism has served as, the foundation for the research paradigm used to examine the factors that led to project terminations.

Positivism: The positivist aspect of the research paradigm involved the quantitative analysis of data to identify patterns, correlations, and statistical significance. The proposed study could objectively examine the relationships between the identified factors and project termination using the Employed statistical methods. This positivist perspective helped the generalizability of findings and provided a broader understanding of the factors affecting project termination across the regional government of Oromia.

3.2.2. Research design

As stated by Kothari (2004), a research design is a conceptual framework that directs the gathering, measuring, and analyzing of data as well as the conduct of the study.

In this research the key aspects of research design are incorporated. These aspects are: the research approach (quantitative), the research purpose (descriptive and explanatory), the research strategy (survey), and data collection method (questionnaires), sampling approach was non-probability sampling (Purposive), data analysis technique was statistical methods (descriptive and inferential statistics), and ethical considerations.

3.2.3. Research approach

This study adopted a quantitative research technique. Quantitative analysis through data collection from the primary source to identify patterns and correlations between project termination and the identified factors.

3.3. Types and Sources of Data

3.3.1. Types of data

The data collected provide insights into the project characteristics, contextual factors, and other relevant aspects that contribute to project termination. Numerical information that may be examined statistically is referred to as quantitative data. It provides a quantitative understanding of the factors associated with project termination. This proposed study used quantitative data to get information from the respondents on the quantitative data (project data, financial data, industry and market data, and stakeholder data). The information of these data were answered by the respondents in the questionnaires formulated.

3.3.2. Source of data

Sources of the quantitative data were purely primary data gathered from the respondents who knew about the terminated investments.

3.4. Design of Sampling

3.4.1. Population and sampling frame

There are 225 terminated projects in the Oromia Investment and Industry Bureau, where the study was conducted (OIIB annual projects report 2015-2016 E.C.). The study's entire population consisted of 675. Project managers, investors, and stakeholders are directly involved in the projects and taken as the sample data out of the population.

The population in this context refers to the entire set of projects that have terminated projects. The sampling frame was a list or representation of the projects from which the sample has been drawn.

3.4.2. Sampling unit

The sampling unit was the individual element or entity from the population selected for inclusion in the sample. The sampling units incorporated in this research are Oromia Investment and Industry Bureau experts, the terminated project owners, and managers,

twenty city administration, and twenty-two zones found in the Oromia Regional state which are the terminated projects came from.

3.4.3. Determination of sample size

In descriptive research, a sample size of 10% to 50% is suitable, (Oeri et al., 2020). Out of 675 total population, this study would be made a sample of 135 which is 20% of the total population.

Sampling Techniques and Sampling Procedures

Sampling Techniques: The sampling technique used for research on the factors leading to the termination of projects was purposive sampling. Termination is in its nature depends on the expert wise and the persons who are the authority given to them as they terminate the projects. Indeed, the researcher used non-probability sampling (purposive sampling) instead of probability sampling.

The intentional selection of specific universe units to create a sample that accurately represents the universe is known as purposeful sampling (Kothari, 2004).

Participants in this technique are chosen according to their experience and suitability in the implementation of projects and project termination.

Table 3: 1 Sample Size

Total Population (N)	Sample Size (n) n = 20% of N
675	135

Source: Kothari, 2004 & FLTP, 2024

3.5. Data Collection Instruments

A quantitative data-gathering tool could gather information on the causes that lead to project terminations.

A questionnaire is one tool that could be used for data collection.

A structured questionnaire to collect quantitative data on various factors contributing to project termination is developed. The questionnaire could include closed-ended questions with response options such as Likert scales. It incorporated variables like financial issues, technical challenges, market conditions, management decisions, or external influences. Made sure it included demographic questions used to gather information about the projects and respondents.

The guide contained open-ended questions that allowed participants to provide detailed insights into their experiences and perspectives on project termination factors.

3.6. Validity and Reliability of Data

3.6.1. Validity of data

Data validity is the extent to which the gathered information accurately measures or depicts the concept, or phenomenon being studied. It guarantees that the information gathered is pertinent, significant, and in line with the purpose of the study. Construct validity, content validity, criteria validity, and internal validity techniques were employed in this study to guarantee data validity.

Construct Validity: refers to the extent to which a measure accurately represents the theoretical construct it is intended to measure (Cronbach & Meehl, 1955). The techniques used are literature review (examining previous research and theory to establish the conceptual definition of the construct), factor analysis (statistically analyzing the relationships between items to identify the underlying constructs), and convergent and discriminant validity (demonstrating that the measure is related to other measures of the same construct (convergent) and unrelated to measures of different constructs (discriminant)).

Content validity: refers to the extent to which a measure represents all the facets of a given construct (Haynes et al., 1995). The technique used is a literature review (reviewing the existing literature to identify the key dimensions or components of the construct).

Criterion Validity: refers to the extent to which a measure is related to a specific outcome or criterion (Cronbach & Meehl, 1955). The techniques used are concurrent validity (demonstrating that the measure is related to a current, established criterion), predictive validity (demonstrating that the measure can predict future outcomes or behavior), and correlation analysis (calculating the correlation between the measure and the criterion variable).

Internal Validity: refers to the extent to which the observed changes in the dependent variable can be attributed to the independent variable(s) and not to other confounding factors (Vernon & Gage, 1965). The technique used is statistical control (controlling for potential confounding variables through statistical techniques, such as regression analysis).

3.6.2. Reliability

The uniformity and stability of the data collection process are referred, to as data dependability. It ensures that the research findings can be replicated or repeated, leading to consistent results. Some strategies used in this research to ensure data reliability were internal consistency reliability and data collection procedures. Ensuring internal consistency reliability the items within a research instrument (questionnaire) were consistent and measured the same construct. This can be evaluated by measuring the internal reliability of the instrument with statistical methods like Cronbach's alpha (α). According to Oeri et al (2020), above 0.7, Cronbach's alpha is the highest acceptable value.

Table 3: 2 Reliability Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
0.725	6
0.703	6
0.718	6
0.710	6
0.923	30

Source: FLTP, 2024

The measurement scale has a moderate and high degree of reliability, as indicated by a Cronbach's Alpha score of 0.703 to 0.923, which means that repeat testing of the same subjects on the same scale would yield consistent and repeatable results. This is an important property for a measurement instrument, as it ensures the stability and trustworthiness of the data collected.

3.7. Methods of Data Analysis

3.7.1. Quantitative Data Analysis

Descriptive statistics: The main characteristics of a dataset are summarized and characterized using these statistics, which include measurements of central tendency (like mean and median) and variability (like standard deviation) (Macdonald et al., 2008).

Regression Analysis: Regression analysis forecasts the value of a dependent variable using the values of one or more independent variables. Consequently, there is a comparable relationship between a correlation that shows the relationship between variables and the statistical method. Based on the main predictive object in regression, they differ, though. Regression analysis is a valuable tool for estimating the likelihood and accuracy of a group of proposed risk factors in forecasting the commencement of a particular criterion (Macdonald et al., 2008).

Regression can have one or more simple regressions. While the multiple techniques may employ Multiple independent variables to estimate and calculate the dependent variable, the simple method uses one (Alem, 2020).

Analysis of Variance (ANOVA) multiple t-test results are equivalent to the outcomes of an ANOVA. As a result, this approach may be more effective and reduce the likelihood of erroneous results and additional experiment-wise errors. It can also address the issue of the validity of the intricate statistical conclusions obtained by utilizing a series of t-tests. Interestingly, ANOVA compares groups based on differences in mean values rather than variance, despite its name based on variance.

One-way ANOVA and multifactor ANOVA are the two primary types of ANOVA.

To ascertain whether there is a statistically significant difference between the mean or average value of two or more levels of a single independent variable one-way ANOVA is utilized. The multifactor technique, on the other hand, is used for two or more independent variables or factors. When employing the MANOVA method, more than two independent variables are assumed to be related in some way (Taherdoost, 2020).

These analyses are accomplished by using SPSS version 26.

3.7.2. Model specification

Multiple regression analysis has been adopted as shown in the regression model below;

$$\text{Regression Model: } TP = \beta_0 + \beta_1 FA + \beta_2 SD + \beta_3 PMis + \beta_4 ES + \varepsilon \quad \text{----- (Equation 3: 1)}$$

Where;

TP- Project Termination (Dependent Variable)

β_0 – the constant term

$\beta_1 - \beta_4$ Coefficients of the independent variables

FA – Financial Aspects

SD– Stakeholder Decisions

PMis – Project Mismanagement

ESC – Environmental or Social Concerns

ε - Error term

Definitions of Variables:

i. Project Termination(Dependent Variable):

Project termination is the formal process of concluding a project, either at the end of its planned life cycle or due to circumstances that require the project to be stopped prematurely(Project Management Institute, 2017a). This involves wrapping up all outstanding activities, transferring ownership of deliverables, documenting lessons learned, and archiving project records.

ii. Financial Aspects:

Here are the definitions of the key financial aspects of a project:

Project Budgeting: The process of estimating the costs of all the resources required to complete a project(Project Management Institute, 2017b). This includes labor, materials, equipment, facilities, and other costs.

Cost Baseline: The approved time-phased budget for the project, which is used as a basis for comparison to actual results(Project Management Institute, 2017b).

Earned Value Management (EVM): A project management technique that measures the work performed and compares it to the planned work and the actual costs to complete the work, providing an objective measure of project performance(Quentin & Joel, 2010).

Cost Variance (CV): The difference between the earned value and the actual cost indicates whether the project is under or over budget (Project Management Institute, 2017b).

iii. Stakeholder Decisions:

Project stakeholders, such as the project sponsor, project manager, and client, play a key role in the decision to terminate a project. Some common reasons for project termination include:

Lack of business need or strategic alignment: The project is no longer aligned with the organization's strategic objectives or the original business need has changed or disappeared(Project Management Institute, 2017b).

Cost overruns and budget constraints: The project's actual costs have exceeded the approved budget, and the organization is unwilling or unable to provide additional funding(Project Management Institute, 2017b).

Schedule delays and missed milestones: The project is taking significantly longer to complete than the original schedule, and the delays are unacceptable to the stakeholders(Project Management Institute, 2017b).

Technological obsolescence or change in requirements: The project's deliverables or approach have become obsolete due to technological advancements or changes in the organization's requirements(Schwalbe, 2015).

The decision to terminate a project is often made collaboratively by the key stakeholders, considering the project's performance, the organization's strategic priorities, and the potential consequences of continuing or stopping the project.

iv. Project Mismanagement: Here are the definitions of project mismanagement in terms of project termination;

Scope Creep: Uncontrolled changes or growth in a project's scope, features, or requirements after the project has begun, often leading to increased costs, delays, and reduced quality(Project Management Institute, 2017b).

Poor Planning and Estimation: Inadequate or inaccurate planning of project activities, resource requirements, and timelines, resulting in underestimation of the effort needed to complete the project(Schwalbe, 2015).

Lack of Risk Management: Failure to identify, analyze, and plan for potential risks that could impact the project's success, leading to unmitigated issues and project failure(Project Management Institute, 2017b).

Poor Communication and Stakeholder Management: Ineffective communication with project stakeholders, including the client, sponsor, and team, resulting in misaligned expectations, lack of buy-in, and ultimately, project termination(Project Management Institute, 2017b).

Organizational or Resource Constraints: Limitations or changes within the organization, such as budget cuts, staffing changes, or restructuring that undermine the project's ability to succeed, leading to its termination(Harold Kernzer, 2018).

These types of project mismanagement can contribute to the decision to terminate a project, either due to the project's inability to achieve its objectives or the organization's inability to support the project's continued execution.

v. Environmental or Social Concerns:

Here are the definitions of environmental or social concerns in terms of project termination:

Environmental Impact: The project's negative impact on the environment, such as excessive resource consumption, pollution, or damage to ecosystems, can lead to project termination due to regulatory or public pressure(Silvius & Schipper, 2014).

Community Opposition: Resistance or opposition from the local community or affected stakeholders due to the project's negative social or cultural impact, which can result in project termination(Ramachandran, 2020).

Human Rights Violations: The project's involvement in or association with human rights abuses, such as labor exploitation, forced relocation, or discrimination, which can lead to project termination due to ethical, legal, or reputational concerns (Garriga, 2014).

Ethical Concerns: The project's engagement in activities or practices that are considered unethical, such as bribery, corruption, or conflicts of interest, which can result in project termination due to legal or reputational risks(Project Management Institute, 2017b).

These environmental and social concerns can lead to project termination if they are not adequately addressed or mitigated, as they can expose the organization to legal, regulatory, and reputational risks, as well as undermine the project's overall sustainability and acceptance by stakeholders.

3.7.3. Measurement of variables

Measuring the variables of factors leading to the termination of investment projects requires a comprehensive analysis of various considerations. Regarding this research, these are common variables and potential measurements:

Financial performance:

Return on Investment (ROI): The percentage known as return on investment, or ROI, is calculated by dividing the net return by the initial investment(Harold Kernzer, 2018).

Payback Period: the distance of time required for a project to generate enough income to pay for its start-up costs(Project Management Institute, 2017b).

Net present value, or NPV, is the present value of future flows discounted to the present at an appropriate discount rate(Schwalbe, 2015).

The discount rate that reduces the project's cash flows' net present value to zero is known as the internal rate of return or IRR.

3.8. Ethical Considerations

The researcher gave the respondents an explanation of the research and stated that it would only be used for academic purposes. It has been made clear that participants may leave the study at any moment while it is still ongoing and that participation is completely voluntary. The study participants would not be forced to participate. The decision to participate or not would be made with the participants' informed consent. They would have the assurance that a rigorous norm of anonymity would safeguard their privacy.

CHAPTER FOUR

4. RESULTS AND DISCUSSIONS

4.1. Introduction

The outcomes of several statistical methods used in this investigation were produced by SPSS version 26. In addition, it has been determined whether the empirical model is free from multi-collinearity using a correlation matrix by looking at the variance of inflation factor (VIF) tolerance, significance values of variables, and autocorrelation through (the Durbin-Watson test). In this chapter descriptive, and inferential statistics are discussed numerically in the tables and the figures.

4.2. Characteristics and Response Rate of Respondents

Table 4: 1 Gender of Respondents

What is your gender?	Frequency	Percent	Valid Percent	Cumulative Percent
Female	47	34.8	34.8	34.8
Male	88	65.2	65.2	100.0
Total	135	100.0	100.0	

Source: FLTP, 2024

Table 4: 2 Age of the Respondents

How old are you?				
	Frequency	Percent	Valid Percent	Cumulative Percent
18-30	11	8.1	8.1	8.1
31-43	93	68.9	68.9	77.0
44-56	31	23.0	23.0	100.0
Total	135	100.0	100.0	

Source: FLTP, 2024

Table 4: 3 Marital Status of Respondents

What is your marital status?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	14	10.4	10.4	10.4
	Married	118	87.4	87.4	97.8
	Divorced	3	2.2	2.2	100.0
	Total	135	100.0	100.0	

Source: FLTP, 2024

Table 4: 4 Organizations of the respondents

Which organization do you work for?				
	Frequency	Percent	Valid Percent	Cumulative Percent
Oromia Investment and Industry Bureau	108	80.0	80.0	80.0
Private investment project	27	20.0	20.0	100.0
Total	135	100.0	100.0	

Source: FLTP, 2024

Table 4: 5 Roles of the respondents in the organization

	Frequency	Percent	Valid Percent	Cumulative Percent
Bureau Head Office	1	0.7	0.7	0.7
Director	14	10.4	10.4	11.1
Team Leader	32	23.7	23.7	34.8
Expert	60	44.4	44.4	79.3
Project Manager	21	15.6	15.6	94.8
Other	7	5.2	5.2	100.0
Total	135	100.0	100.0	

Source: FLTP, 2024

Table 4: 6 Educational level of respondents

What is the level of education for your education?				
	Frequency	Percent	Valid Percent	Cumulative Percent
Diploma Holder	5	3.7	3.7	3.7
BA/BSc Degree Holder	78	57.8	57.8	61.5
MA/MSc Degree Holder	52	38.5	38.5	100.0
Total	135	100.0	100.0	

Source: FLTP, 2024

4.2.1. Discussions of demographic characteristics

The information provided shows the findings of a survey that has been done to ascertain the participants' gender distribution. According to the data, more men than women took part in the study. Specifically, the male respondents constituted a higher percentage (65.2%) than the female respondents (34.8%). The largest age group is 31-43, which makes up 68.9% of the sample. The next largest group is 44-56, at 23.0% of the sample.

The smallest group is 18-30, at 8.1% of the sample. The data suggests this sample skews towards middle-aged individuals, with the 31-43 and 44-56 age groups comprising over 90% of the total. The vast majority of the sample, 87.4%, are married.

10.4% of the sample are single. Only 2.2% are divorced. This suggests the sample is heavily skewed towards married individuals, with very low rates of singleness and divorce compared to what one might expect in a more representative population sample. The vast majority, 80.0% of the sample, are affiliated with the Oromia Investment and Industry Bureau. The remaining 20.0% are affiliated with private investment projects. This suggests the sample is heavily skewed towards individuals connected to the Oromia Investment and Industry Bureau, with a much smaller portion involved in private investment projects. The data reveals the distribution of job titles or positions held by the participants in the survey. Among the respondents, the most common job title identified was "Expert," which accounted for 44.4% of the participants. This was followed by "Team Leader" with 23.7%, "Project Manager" with 15.6%, and "Director" with 10.4%. The least represented job titles were "Bureau Head Office/General Director" with 0.7% and "Other" with 5.2%. The survey aimed to identify the educational backgrounds of the participants, categorizing them into three groups: "Diploma Holder," "BA/BSc Degree Holder," and "MA/MSc Degree Holder." The largest number of participants, 57.8%, had completed a Bachelor's degree (BA/BSc). This indicates that a significant portion of the surveyed population had pursued undergraduate education or obtained a Bachelor's degree in their respective fields. The second most common educational qualification among the respondents was a Master's degree (MA/MSc), with 38.5% of participants falling into this category. This suggests that a substantial number of individuals in the surveyed population had pursued advanced education beyond the undergraduate level and obtained a Master's degree. A smaller proportion, 3.7%, identified as Diploma Holders. This indicates that a limited number of participants had completed a diploma program as their highest level of formal education.

4.3. Findings and Discussions of Descriptive and Inferential Statistics

4.3.1. Descriptive statistics

Table 4: 7 Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
idf_Termination	135	1.56	4.29	3.1580	0.62871
Zscore(Financial_Aspects)	132	-2.31822	1.90101	0.0000000	1.00000000
Zscore(Stakeholder_Decisions)	132	-2.64820	1.72777	0.0000000	1.00000000
Zscore(Pro_Mismanagement)	132	-2.53021	1.86437	0.0000000	1.00000000
Zscore(Environmental)	135	-2.56015	1.77214	0.0000000	1.00000000
Valid N (listwise)	132				

Source: FLTP, 2024

This table provides basic descriptive statistics for the variables in the dataset, including the sample size, range of values, central tendency, and dispersion.

This information can be useful in understanding the characteristics of the data and assessing the appropriateness of the regression analysis.

Sample Size (N):

The total number of observations is 135 for the dependent variable (idf_Termination) and 132 for the independent variables (Zscore (Financial Aspects), Zscore(Stakeholder Decisions), Zscore(Project Mismanagement), and 135 for Zscore (Environmental)).

The difference in sample size is likely due to missing data for some observations.

Project Termination: The mean value for the "idf_Termination" variable is 3.1580, with a standard deviation of 0.62871. This indicates that on average, the projects undertaken by the Oromia Investment and Industry Bureau have a relatively high likelihood of termination.

Financial Aspects: The "Zscore (Financial Aspects)" variable has a minimum value of -2.31822 and a maximum value of 1.90101, with a mean of 0.0000000 and a standard deviation of 1.00000000. This suggests that the financial aspects of the projects exhibit a wide range of variability, with some projects facing significant financial challenges, while others may have more favorable financial conditions.

Stakeholder Decisions: The "Zscore (Stakeholder Decisions)" variable has a minimum value of -2.64820 and a maximum value of 1.72777, with a mean of 0.0000000 and a standard deviation of 1.00000000. This indicates that the stakeholder decision-making

processes and engagement levels vary considerably across the projects, which can impact the likelihood of project termination.

Project Mismanagement: The "Zscore (Project Mismanagement)" variable has a minimum value of -2.53021 and a maximum value of 1.86437, with a mean of 0.0000000 and a standard deviation of 1.00000000. This suggests that the level of project planning, execution, and control also exhibits a wide range, with some projects facing significant management challenges, while others may have more effective project management practices.

Environmental Factors: The "Zscore(Environmental)" variable has a minimum value of -2.56015 and a maximum value of 1.77214, with a mean of 0.0000000 and a standard deviation of 1.00000000. This indicates that environmental factors, such as political, economic, or regulatory conditions, vary significantly across the projects, which can contribute to the risk of project termination.

4.3.2. Inferential Statistics

1. Assumption One: Normality

Table 4: 8 ANOVA Table

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.763	4	10.191	136.065	0.000 ^b
	Residual	9.512	127	0.075		
	Total	50.274	131			
a. Dependent Variable: idf_Termination						
b. Predictors: (Constant), Zscore(Environmental), Zscore(Financial Aspects), Zscore(Stakeholder Decisions), Zscore(Project Mismanagement)						

Source: FLTP, 2024

The ANOVA table provides information about the overall fit and statistical significance of the regression model.

The sum of Squares:

The Regression sum of squares is 40.763, which represents the variation in the dependent variable (idf_Termination) that is explained by the independent variables.

The Residual sum of squares is 9.512, which represents the unexplained variation in the dependent variable.

The Total sum of squares is 50.274, which is the total variation in the dependent variable.

Degrees of Freedom (df):

The Regression model has 4 degrees of freedom, corresponding to the number of independent variables.

The Residual has 127 degrees of freedom, which is the number of observations (132) minus the number of parameters in the model ($4 + 1$ for the constant).

The Total has 131 degrees of freedom, which is the number of observations (132) minus 1.

Mean Square:

The Mean Square for the Regression is 10.191, which is the Regression sum of squares divided by the Regression degrees of freedom.

The Mean Square for the Residual is 0.075, which is the Residual sum of squares divided by the Residual degrees of freedom.

F-statistic and Significance (Sig.):

The F-statistic is 136.065, which is the ratio of the Regression Mean Square to the Residual Mean Square.

The p-value (Sig.) is 0.000, which is less than the commonly used significance level of 0.05. This indicates that the regression model as a whole is statistically significant and that at least one of the independent variables is significantly related to the dependent variable.

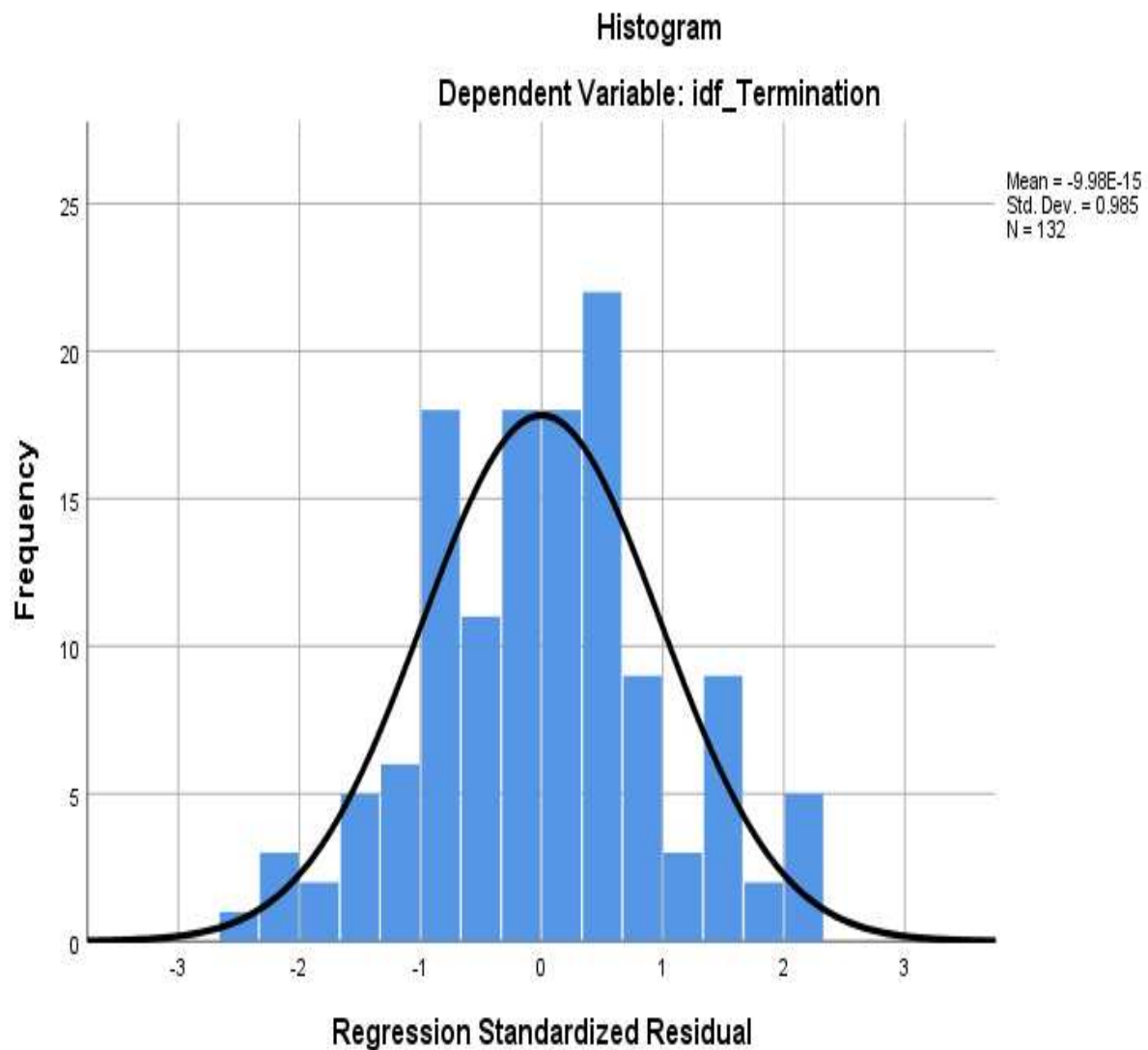


Figure 4: 1 Histogram
Source: FLTP, 2024

The histogram suggests that the majority of the values for idf_Termination are centered on a mean of 0.5. The bar charts are approximately under the bell shape. The bar charts are between -3 and +3, it demonstrates that the collected data are normally distributed.

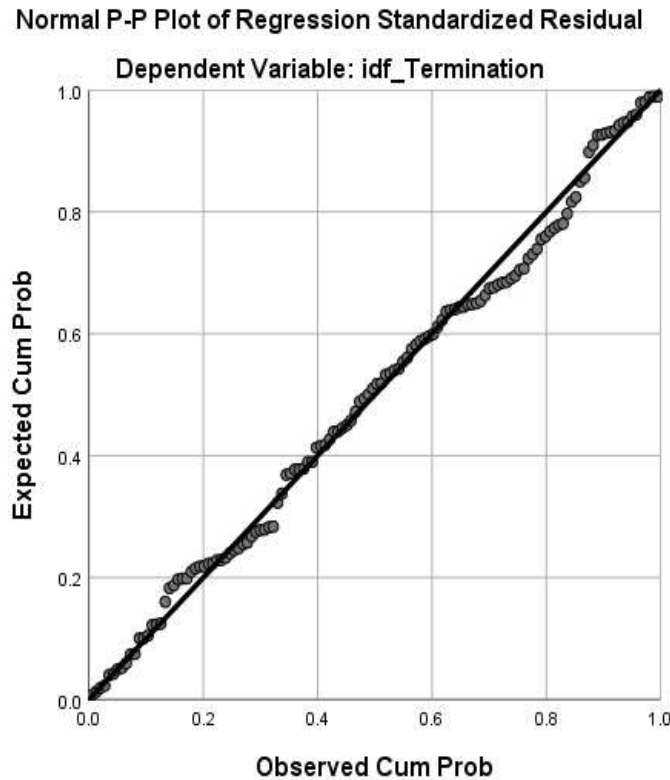


Figure 4: 2 Normal P-P Plot of Regression Standardized Residual

Source: FLTP, 2024

This plot is used to assess the normality assumption of the regression model.

The data points in this plot show that the standardized residuals are roughly normally distributed because they are around the diagonal line. There are a few minor deviations from the diagonal line, particularly at the tail of the distribution, but overall the plot shows a good fit to the normal distribution. The diagonal line and the data points are almost aligned, demonstrating that the regression model's parameter estimations and conclusions are reliable and that the model matches the data.

2. Assumption Two: Homogeneity of Variance (Homoscedasticity)

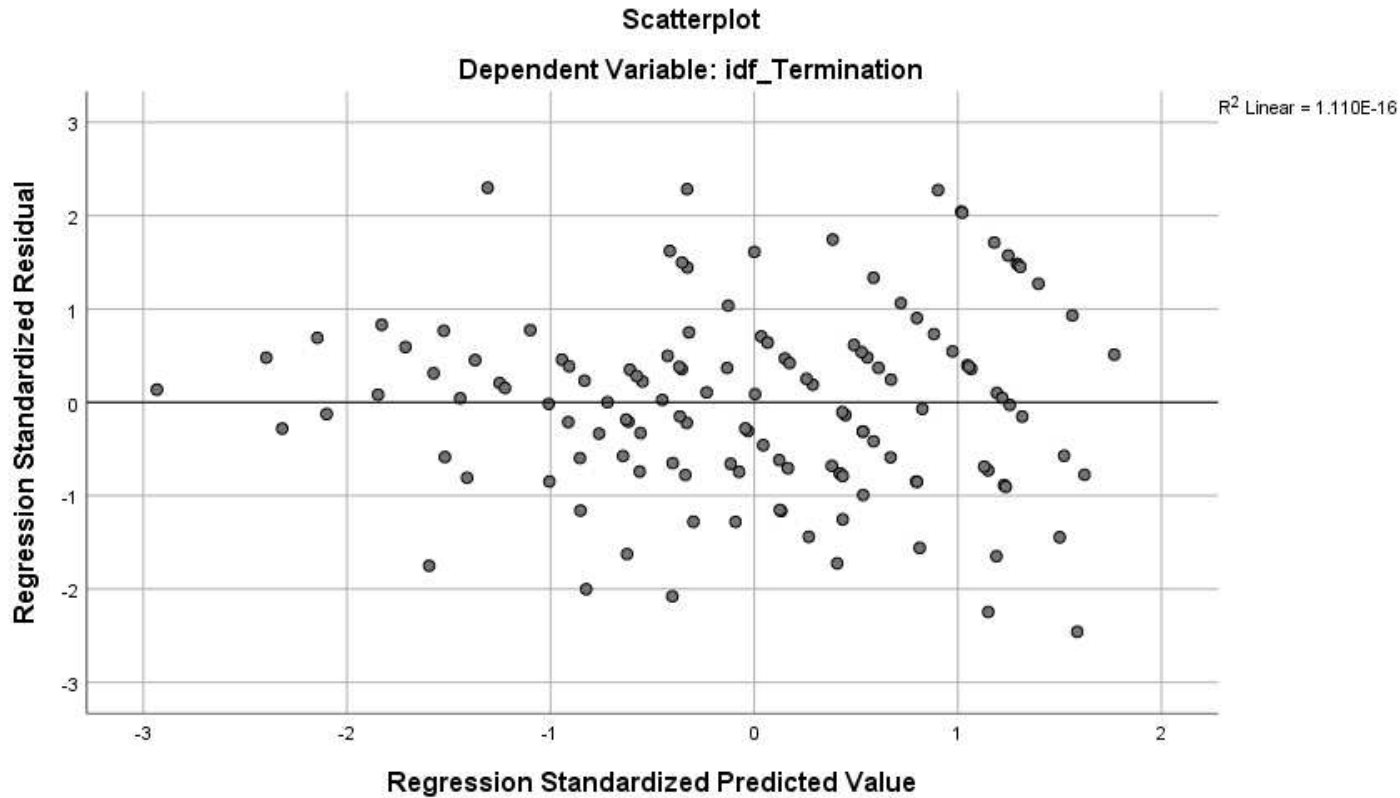


Figure 4: 3 Homoscedasticity

Source: FLTP, 2024

The variance of the population is the same across all groups or conditions.

This assumption ensures that the differences observed between groups are not due to differences in their variances. The points are well dispersed.

3. Assumption Three: Independence

Specific statistical tests can be used to assess the independence of the sample data. One common test is the Durbin-Watson test, which examines the autocorrelation in the residuals of a regression model. As shown in the model summary table below the value of the Durbin-Watson is **1.580** is found in the normal range of 1.5 and 2.5. It suggests that the residuals are uncorrelated, and the independence assumption is likely met.

4. Assumptions Four: No Multi-collinearity

Table 4: 9 Coefficients

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.164	0.024		132.787	0.000		
	Zscore(Financial_Aspects)	0.167	0.033	0.270	5.078	0.000	0.529	1.891
	Zscore(Stakeholder_Decisions)	0.255	0.035	0.412	7.324	0.000	0.472	2.120
	Zscore(Pro_Mismanagement)	0.087	0.037	0.141	2.374	0.019	0.425	2.353
	Zscore(Environmental)	0.139	0.040	0.225	3.451	0.001	0.351	2.847
a. Dependent Variable: idf_Termination								

Source: FLTP, 2024

The Coefficients table provides information about the individual predictors in the regression model and their statistical significance.

Financial Aspects: The unstandardized coefficient for the "Zscore(Financial Aspects)" variable is 0.167, which is statistically significant ($p < 0.001$). This indicates that as the financial aspects related to a project (such as budgeting, funding, or cost management) become more unfavorable, the likelihood of project termination increases.

Stakeholder Decisions: The unstandardized coefficient for the "Zscore (Stakeholder Decisions)" variable is 0.255, which is also statistically significant ($p < 0.001$). This suggests that issues related to stakeholder management, engagement, and decision-making processes have a strong positive impact on project termination.

Project Mismanagement: The unstandardized coefficient for the "Zscore (Project Mismanagement)" variable is 0.087, which is statistically significant ($p < 0.05$). This indicates that problems with project planning, execution, and control, such as resource allocation, timeline management, or quality control, contribute to an increased risk of project termination.

Environmental Factors: The unstandardized coefficient for the "Zscore (Environmental)" variable is 0.139, which is statistically significant ($p < 0.001$). This implies that external environmental factors, such as political, economic, or regulatory changes, play a significant role in influencing the termination of projects.

Relative Importance of Factors: The standardized beta coefficients provide insights into the relative importance of each factor. Stakeholder Decisions ($\beta = 0.412$) appears to be the most influential factor, followed by Financial Aspects ($\beta = 0.270$), Environmental factors ($\beta = 0.225$), and Project Mismanagement ($\beta = 0.141$).

t-statistics and Significance (Sig.):

The t-statistics and their associated p-values (Sig.) test the null hypothesis that the coefficient is equal to 0.

All the independent variables have p-values less than the commonly used significance level of 0.05, indicating that they are statistically significant predictors of the dependent variable.

Collinearity Statistics:

The Tolerance values range from 0.351 to 0.529, and the Variance Inflation Factor (VIF) values range from 1.891 to 2.847.

These values suggest that multi-collinearity, or high correlations among the independent variables, is not a major concern in this regression model because the maximum VIF value for the multi-collinearity problem is 10 and the moderate Tolerance is between 0.2 and 1 for none multi-collinearity problem.

The Multiple Regression Model:

$$TP = 3.164 + 0.167FA + 0.255SD + 0.087PMis + 0.139ESC + 0.024$$

Table 4: 10 Collinearity Diagnostics

Collinearity Diagnostics^a								
Model	Dimension	Eigen value	Condition Index	Variance Proportions				
				(Constant)	Zscore(Financial_Aspects)	Zscore(Stakeholder_Decisions)	Zscore(Project_Mismanagement)	Zscore(Environmental)
1	1	2.932	1.000	0.00	0.04	0.04	0.04	0.03
	2	1.000	1.712	1.00	0.00	0.00	0.00	0.00
	3	0.439	2.584	0.00	0.87	0.03	0.21	0.02
	4	0.374	2.799	0.00	0.03	0.88	0.28	0.03
	5	0.255	3.391	0.00	0.06	0.05	0.47	0.91
a. Dependent Variable: idf_Termination								

Source: FLTP, 2024

Collinearity diagnostics help identify potential multicollinearity issues among the predictor variables in a regression model.

Key points from the table:

Eigenvalues:

The table shows 5 dimensions (predictors) in the model.

The eigenvalues range from 2.932 to 0.255, indicating that the predictors have varying levels of importance in the model.

Condition Index:

The condition index values range from 1.000 to 3.391.

A condition index greater than 30 is generally considered an indicator of potential multicollinearity issues. In this case, the highest condition index is 3.391, which is well below the 30 threshold, suggesting no severe multi-collinearity concerns.

Variance Proportions:

The variance proportions indicate the proportion of the variance of each predictor that is attributed to each dimension.

For the first dimension, the variance proportions are relatively low (0.04 or less) for all predictors, suggesting this dimension does not account for a large portion of the variance in any single predictor.

For the second dimension, the variance proportion for the constant term is 1.00, indicating this dimension is entirely attributable to the constant term.

For the remaining dimensions (3, 4, and 5), the variance proportions show that each dimension is responsible for a significant portion of the variance in at least one of the predictors, suggesting the predictors have some degree of correlation with each other.

Overall, the collinearity diagnostics suggest the model does not have severe multicollinearity issues, as indicated by the condition index values being well below the critical threshold. However, there is still some degree of correlation among the predictors, as evidenced by the variance proportion values.

5. Assumption Five: Linearity

Table 4: 11 Correlations

Correlations						
		idf_Termination	Zscore(Financial_Aspects)	Zscore(Stakeholder_Decisions)	Zscore(Pro_Mismanagement)	Zscore(Environmental)
idf_Termination	Pearson Correlation	1	0.739**	0.813**	0.720**	0.758**
	Sig. (2-tailed)		.000	0.000	0.000	0.000
	N	135	132	132	132	135
Zscore(Financial_Aspects)	Pearson Correlation	0.739**	1	0.591**	0.577**	0.647**
	Sig. (2-tailed)	0.000		0.000	0.000	0.000
	N	132	132	132	132	132
Zscore(Stakeholder_Decisions)	Pearson Correlation	0.813**	0.591**	1	0.631**	0.681**
	Sig. (2-tailed)	0.000	0.000		0.000	0.000
	N	132	132	132	132	132
Zscore(Pro_Mismanagement)	Pearson Correlation	0.720**	0.577**	0.631**	1	0.730**
	Sig. (2-tailed)	0.000	0.000	0.000		0.000
	N	132	132	132	132	132
Zscore(Environmental)	Pearson Correlation	0.758**	0.647**	0.681**	0.730**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	135	132	132	132	135
**. Correlation is significant at the 0.01 level (2-tailed).						

Source: FLTP, 2024

The Correlations table provides information about the bivariate relationships between the variables in the regression model.

Pearson Correlation Coefficients:

The Pearson correlation coefficients range from 0.577 to 0.813, indicating strong positive correlations between all the variables.

The dependent variable (idf_Termination) has the strongest correlation with Zscore (Stakeholder Decisions) (0.813), followed by Zscore (Financial Aspects) (0.739), Zscore (Environmental) (0.758), and Zscore (Project Mismanagement) (0.720).

Significance (Sig. (2-tailed)):

All the correlation coefficients have p-values less than 0.01, indicating that the correlations are statistically significant at the 1% level.

Sample Size (N):

The sample size for the correlations varies slightly, with 132 observations for the correlations involving the three standardized independent variables, and 135 observations for the correlations involving the dependent variable (idf_Termination) and the Zscore (Environmental) variable.

The correlations table suggests that: there are strong positive relationships between the dependent variable (idf_Termination) and all the independent variables.

The independent variables are also strongly correlated with each other, which is not unexpected given the nature of the variables and their potential interdependencies.

The strong bivariate correlations are consistent with the findings from the regression analysis, where all the independent variables were found to be statistically significant predictors of the dependent variable.

Table 4: 12 Model Summary

Model Summary^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.900 ^a	0.811	0.805	0.27367	1.580
a. Predictors: (Constant), Zscore(Environmental), Zscore(Financial_Aspects), Zscore(Stakeholder_Decisions), Zscore(Pro_Mismanagement)					
b. Dependent Variable: idf_Termination					

Source: FLTP, 2024

The Model Summary table provides an overview of the overall fit and performance of the regression model.

Multiple R (R):

The Multiple R-value is 0.900, indicating a strong positive correlation between the independent variables and the dependent variable (idf_Termination).

R Square (R²):

The R² value is 0.811, meaning that the model explains approximately 81.1% of the variance in the dependent variable.

Adjusted R Square:

The Adjusted R² value is 0.805, which is very close to the R² value. This suggests that the model has a good overall fit and that the independent variables included in the model are relevant and important predictors of the dependent variable.

Standard Error of the Estimate:

The Standard Error of the Estimate is 0.27367, which represents the average amount that the observed values of the dependent variable differ from the predicted values.

In summary, the Model Summary table indicates that the regression model has a strong overall fit, with the independent variables explaining a large proportion (81.1%) of the variance in the dependent variable (idf_Termination). The Adjusted R^2 value and the Durbin-Watson statistic further suggest that the model is well-specified and the assumptions of the linear regression model are not violated.

These results provide confidence in the predictive power and reliability of the regression model for the given dataset.

CHAPTER FIVE

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1. Summary of Findings

5.1.1. Introduction

The overall purpose of this research study was to examine the key factors contributing to the termination of projects in the Oromia Region. The study specifically aimed to investigate the following research questions: what are the major financial variables that lead to project terminations, what part do stakeholder decisions play in project terminations, How does inadequate project monitoring and evaluation contribute to project termination, and What are the primary environmental or social concerns that lead to the termination of projects in the Oromia Region. The methodological approach used to analyze and specify the key factors leading to the termination of projects in this research study was multiple linear regression analysis.

5.1.2. Summary of key findings

The descriptive statistics provide a useful overview of the data and help to ensure that the variables are appropriately scaled and prepared for the regression analysis. The ANOVA table shows that the regression model is highly statistically significant, with the independent variables explaining a large portion of the variation in the dependent variable (idf_Termination). The F-statistic and the associated p-value (Sig.) provide strong evidence that the model as an entire is a good fit for the data. These results suggest that the independent variables included in the model are collectively important predictors of the dependent variable, and the model can be used for further analysis and inference.

The histogram and the normal probability plot provide strong evidence that the underlying assumption of normality is met for the regression model. The bell-shaped distribution of the dependent variable and the close fit of the standardized residuals to the normal distribution line indicates that the data are well-suited for the linear regression analysis. This supports the validity and reliability of the regression model's findings and conclusions.

The well-dispersed data points suggest that the variance of the population is consistent across the different groups or conditions. This supports the validity of the regression

model, as it ensures that the observed differences between groups are not simply due to differences in their variances. The homoscedasticity assumption being satisfied enhances the reliability and interpretability of the regression results.

The Durbin-Watson statistic of 1.580 suggests that the residuals of the regression model are uncorrelated, indicating that the independence assumption is likely met. When the Durbin-Watson value falls within the normal range of 1.5 to 2.5, it implies that there is no significant autocorrelation in the residuals. This finding supports the validity of the regression analysis, as the independence of the sample data is a crucial assumption for the reliability of the model's inferences and predictions.

The regression model shows that all four standardized independent variables – Financial Aspects, Stakeholder Decisions, Project Mismanagement, and Environmental - have statistically significant positive relationships with the dependent variable "idf_Termination". The Stakeholder Decisions variable has the strongest effect, followed by Financial Aspects and Environmental, with Project Mismanagement having the weakest but still significant effect. The collinearity diagnostics suggest that multi-collinearity is not a major concern in this model. These findings provide insights into the factors that, may contribute to the termination outcome being studied.

The collinearity diagnostics, including the eigenvalues, condition indices, and variance proportions, suggest that multi-collinearity is not a major issue in this regression model. The predictors appear to be reasonably independent, with each dimension representing a distinct component of the model. This supports the conclusion that the model's parameter estimates are reliable and the inferences drawn from the regression analysis are likely valid.

The correlation matrix reveals that the dependent variable "idf_Termination" has strong positive correlations with all four independent variables, suggesting they are important predictors of the termination outcome. However, the moderate to strong correlations among the independent variables also indicate potential multi-collinearity, which should be further examined in the regression analysis. The findings provide initial insights into the relationships between the variables, but the regression model's results will provide a

more comprehensive understanding of the relative importance and unique contributions of each predictor.

The model summary indicates that the model has a strong fit and that the independent variables have a significant influence on the dependent variable (idf_Termination). The high R-squared value and low standard error of the estimate suggest that the model provides a good explanation of the relationship between the variables.

5.2 Conclusions

This study found some factors leading to the termination of projects. Significant factors are found by taking the multiple regression analysis rule into account and all four selected factors, (financial aspects, stakeholder decisions, project mismanagement (inadequate project monitoring and evaluation), and environmental or social concerns) are found significant.

The descriptive statistics suggest that the owners of projects in the Oromia region face range of challenges related to financial aspects, stakeholder management, project management, and environmental factors, which collectively contribute to the relatively high likelihood of project termination observed in the data.

Findings in the coefficients table suggest that the Oromia Investment and Industry Bureau should focus on improving its project management practices, particularly in the areas of financial planning, stakeholder management, and environmental risk mitigation, to reduce the likelihood of project termination. Additionally, enhancing project planning and control mechanisms can also help mitigate the risks of project termination.

Significant Predictors of Project Termination: The model summary indicates that the four independent variables Zscore (Environmental), Zscore (Financial Aspects), Zscore (Stakeholder Decisions), and Zscore (Project Mismanagement) - are significant predictors of the dependent variable idf_Termination. This suggests that these factors play a crucial role in determining whether projects undertaken by the Oromia Investment and Industry Bureau are terminated or not.

Strength of the Predictive Model: The high R-squared value of 0.811 indicates that the model explains around 81.1% of the variance in project termination. This demonstrates

the strong predictive power of the model in explaining the factors leading to project termination.

Environmental Factors: The inclusion of the "Zscore(Environmental)" variable in the model suggests that environmental factors, such as political, economic, or regulatory changes, have a significant impact on the likelihood of project termination.

Financial Aspects: The "Zscore (Financial Aspects)" variable points to the importance of financial factors, such as budgeting, cost overruns, or funding issues, in contributing to project termination decisions.

Stakeholder Involvement: The "Zscore (Stakeholder Decisions)" variable highlights the critical role of stakeholder management and decision-making processes in project termination outcomes.

Project Mismanagement: The "Zscore (Project Mismanagement)" variable indicates that issues related to project planning, execution, and control, such as poor resource allocation, timeline management, or quality control, can also lead to project termination.

Implications for Project Management Practices: The findings suggest that the Oromia Investment and Industry Bureau should focus on improving its project management practices, stakeholder engagement, financial planning, and environmental risk mitigation to reduce the likelihood of project termination.

Using the suggested conceptual framework from the objectives, four characteristics that cause investment projects to fail are identified in the few methodologies and compared with prior research. For stakeholders seeking to reduce the impacts, the proposed conceptual framework offers an enlightening project measurement point direction. The framework reduces terminations, streamlines financial aspects, and prompts decisions to stakeholders when mismanagement occurs, addresses project mismanagement, and considers stakeholders' perceptions of environmental or social responsibility and adherence to social or environmental standards. It follows that the suggested framework is crucial for undertakings of a similar nature.

In general, this study is distinct within the suggested conceptual framework due to the utilization of the regression model.

5.3. Recommendations

The study may have offered suggestions for preventing or lessening project terminations in light of the findings.

Strengthen Financial Management:

- Implement robust financial planning and budgeting processes to ensure adequate funding and proper cost management for projects.
- Regularly review and monitor the financial aspects of projects, and address any emerging financial challenges on time.
- Explore strategies to secure stable and reliable funding sources for projects, such as diversifying funding streams or seeking alternative financing options.

Enhance Stakeholder Management:

- Develop a comprehensive stakeholder engagement plan to identify and manage all relevant stakeholders, including government agencies, investors, and local communities.
- Ensure effective communication and collaboration with stakeholders throughout the project lifecycle to address their concerns and incorporate their feedback.
- Establish clear decision-making processes and escalation channels to resolve conflicts and support timely decision-making.

Improve Project Management Practices:

- Invest in strengthening the project management capabilities of the organization, including training and development of project managers.
- Implement robust project planning, monitoring, and control mechanisms to ensure effective resource allocation, timeline management, and quality control.
- Develop a comprehensive risk management framework to identify, assess, and mitigate potential project-related risks, including those related to project mismanagement.

Address Environmental Factors:

- Conduct thorough environmental impact assessments and feasibility studies for project proposals to identify and address any potential environmental risks or regulatory challenges.

- Establish strong relationships and communication channels with relevant government agencies and regulatory bodies to stay informed about changes in the regulatory environment and proactively address any emerging issues.
- Develop contingency plans to address unexpected environmental or political changes that may impact project implementation.

Foster a Culture of Continuous Improvement:

- Encourage a culture of learning and continuous improvement within the organization, where project failures and successes are thoroughly analyzed to inform future decision-making.
- Establish a robust project monitoring and evaluation system to track project performance, identify root causes of issues, and implement corrective actions on time.
- Encourage knowledge sharing and cross-project collaboration to leverage lessons learned and best practices across the organization.

By implementing these recommendations, the Oromia Investment and Industry Bureau can enhance its project management capabilities, improve stakeholder engagement, strengthen financial management, and address environmental factors, ultimately reducing the likelihood of project termination and increasing the overall success of its projects.

5.4. Future Research Direction

Future research could supplement the survey data with the objective project performance metrics or documentation.

Expanding the sample to include a more diverse range of projects and organizations would strengthen the external validity of the results.

Future research could explore a more comprehensive set of factors to develop a richer understanding of project termination.

Future research will involve both the research approach, using secondary data recorded by known and acceptable organizations, using random sampling techniques, and different analyzing techniques at once and choosing the best one.

Further analysis and consideration of collinearity issues may be necessary to ensure the robustness of the findings.

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Appendix I: *Research Questionnaires*



COLLEGE OF LEADERSHIP AND GOVERNANCE

DEPARTMENT OF LEADERSHIP AND GOOD GOVERNANCE

PROJECT LEADERSHIP & MANAGEMENT PROGRAMME

QUESTIONNAIRE ON RESEARCH THESIS ON THE FACTORS LEADING TO THE
TERMINATION OF PROJECTS.

THE CASE OF OROMIA INVESTMENT AND INDUSTRY BUREAU

Dear Respondent,

Subject: Request for Cooperation in Data Collection

I hope you are well and in a good mood when receive this message. I'm Firaol, and I attend Ethiopian Civil Service University (ECSU) to study project leadership and management for my master's degree. I'm writing to ask, for your help compiling information for my thesis research.

Finding the main factors of project termination is the goal of my study thesis. To achieve this objective, I must collect data from various sources. After careful consideration, I have identified your organization/institution as a potentially valuable source of data and expertise in this field.

I believe that collaborating with your esteemed organization (institution) will significantly contribute to the success and validity of my research. Your organization or institution's expertise and wealth of knowledge in the termination of investment projects will provide valuable insights and broaden the scope of my study.

I respectfully ask for your help in providing me with access to the information I need for my study. I promise that all relevant laws regarding data protection and ethics will be

followed and that the information collected will be handled with the utmost discretion and care.

I would greatly appreciate it if you could designate a point of contact within your organization or institution with whom I can coordinate the data collection process. This would help streamline the communication and ensure a smooth and efficient collaboration.

Moreover, I am open to discussing any concerns or requirements you may have regarding the data collection process. I am willing to adapt to any protocols or guidelines set by your organization or institution to ensure a mutually beneficial partnership.

Your time is valuable, and I appreciate your consideration and willingness to support my research. Please, feel free to contact me at firaolbekele@rocketmail.com if you need more information or have any questions. I am available for a meeting or a call at your convenience to discuss this matter further.

I appreciate your kind cooperation in advance. I'm excited about your enthusiastic response and the prospect of collaborating with you, on this significant research project.

Yours sincerely,

Firaol Bekele

Part I: Demographics

Please check the appropriate choice (s) by writing (x) in the box next to the question you would like to answer.

1. Sex: a. Male ☐ b. Female ☐
2. Age range:
a. 18-30 ☐ b. 31-43 ☐ c. 44-56 ☐ d. 57-69 ☐
3. Marital Status:
a. Single ☐ b. Married ☐ c. Divorced ☐
4. Which organization do you work for?
a) Oromia Investment and Industry Bureau ☐
b) Private investment project ☐
c) Public investment project ☐
5. Please indicate your role in your organization
a) Bureau's Head Office ☐
b) Bureau's Deputy Head Office ☐
c) Director ☐
d) Team Leader ☐
e) Expert ☐
f) Project Manager ☐
g) Consultant ☐
h) If any other? Please, specify _____
6. What is the level of education for your education?
a) Primary ☐
b) Secondary ☐
c) Diploma Holder ☐
d) BA/BSc Degree Holder ☐
e) MA/MSc Degree Holder ☐
f) PhD Holder ☐

Part II: The following questions are directed towards factors leading to the termination of projects.

Please indicate your response to each question by circling the relevant choice (s).

1. Financial Aspects

1.1. How much influence does the cost overruns factor have on terminating investment projects?

- 1: No influence
- 2: Low influence
- 3: Moderate influence
- 4: High influence
- 5: Strong influence

1.2. How much influence do budget constraints have on terminating investment projects?

- 1: No influence
- 2: Low influence
- 3: Moderate influence
- 4: High influence
- 5: Strong influence

1.3. How much influence do changes in market demand have on the decision to terminate investment projects?

- 1: No influence
- 2: Low influence
- 3: Moderate influence
- 4: High influence
- 5: Strong influence

1.4. How much influence do the availability issues of resources (e.g., scarcity of materials, and labor shortages) have on the decision to terminate investment projects?

- 1: No influence
- 2: Low influence
- 3: Moderate influence
- 4: High influence

5: Strong influence

1.5. How much influence does the organization have on monitoring and assessing the financial performance of investment projects to identify potential termination risks?

1: No influence

2: Low influence

3: Moderate influence

4: High influence

5: Strong influence

1.6. How much influence do the economic factors have on the decision to terminate investment projects?

1: No influence

2: Low influence

3: Moderate influence

4: High influence

5: Strong influence

2. Stakeholders' Decisions

2.1. To what extent does stakeholder disagreement or conflict impact the decision to terminate projects?

1: No impact

2: Low impact

3: Moderate impact

4: High impact

5: Significant impact

2.2. To what extent does the lack of stakeholder commitment impact the decision to terminate projects?

1: No impact

2: Low impact

3: Moderate impact

4: High impact

5: Significant impact

2.3. To what extent does stakeholder alignment impact the termination of projects?

- 1: No impact
- 2: Low impact
- 3: Moderate impact
- 4: High impact
- 5: Significant impact

2.4. To what extent does stakeholder resistance or opposition impact the termination of projects?

- 1: No impact
- 2: Low impact
- 3: Moderate impact
- 4: High impact
- 5: Significant impact

2.5. To what extent do disagreements among project stakeholders impact delays or setbacks, leading to the termination of projects?

- 1: No impact
- 2: Low impact
- 3: Moderate impact
- 4: High impact
- 5: Significant impact

2.6. To what extent do you believe that stakeholder management impacts mitigate the risk of project termination?

- 1: No impact
- 2: Low impact
- 3: Moderate impact
- 4: High impact
- 5: Significant impact

3. Project Mismanagement (Inadequate Project Monitoring, Evaluation and Control)

3.1. How likely is inadequate project scope definition that would lead to the termination of investment projects?

- 1: Highly unlikely

2: Unlikely

3: Neutral

4: Likely

5: Highly likely

3.2. How likely ineffective project scheduling would lead to the termination of investment projects?

1: Highly unlikely

2: Unlikely

3: Neutral

4: Likely

5: Highly likely

3.3. How likely is it that insufficient resource allocation (e.g., budget, manpower) would lead to the termination of investment projects?

1: Highly unlikely

2: Unlikely

3: Neutral

4: Likely

5: Highly likely

3.4. How likely inadequate risk management is would lead to the termination of investment projects?

1: Highly unlikely

2: Unlikely

3: Neutral

4: Likely

5: Highly likely

3.5. How likely poor project planning and execution resulting in cost overruns or delays, would lead to the termination of investment projects?

1: Highly unlikely

2: Unlikely

3: Neutral

4: Likely

5: Highly likely

3.6. How likely investing in effective project planning and execution to mitigate the risk of project termination?

1: Highly unlikely

2: Unlikely

3: Neutral

4: Likely

5: Highly likely

4. Environmental or Social Concerns

4.1. Environmental regulations and compliance requirements significantly influence investment project termination decisions.

1: Strongly disagree

2: Disagree

3: Neutral

4: Agree

5: Strongly agree

4.2. The potential negative impact of an investment project on local ecosystems and biodiversity is a valid reason for termination.

1: Strongly disagree

2: Disagree

3: Neutral

4: Agree

5: Strongly agree

4.3. Stakeholder pressure, such as from environmental organizations or local communities, contributes to the termination of investment projects.

1: Strongly disagree

2: Disagree

3: Neutral

4: Agree

5: Strongly agree

4.4. Violation of human rights or labor standards by the project lead to its termination.

1: Strongly disagree

- 2: Disagree
- 3: Neutral
- 4: Agree
- 5: Strongly agree

4.5. The potential negative impact on marginalized or vulnerable communities leads to the termination of investment projects.

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

4.6. The inability to establish positive relationships with local communities and stakeholders leads to investment project termination

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

Part III: The following questions are directed towards the termination of projects

1.1. To what extent do you agree to carefully evaluate the financial implications before deciding on an investment project?

- 1: Strongly Disagree
- 2: Disagree
- 3: Neutral
- 4: Agree
- 5: Strongly Agree

1.2. To what extent do you agree that terminating an investment project can help reallocate resources to more profitable opportunities?

- 1: Strongly Disagree
- 2: Disagree
- 3: Neutral
- 4: Agree
- 5: Strongly Agree

1.3. To what extent do you believe external factors, such as changes in the market or regulatory environment terminate an investment project?

1: Strongly Disagree

2: Disagree

3: Neutral

4: Agree

5: Strongly Agree

1.4. To what extent do you believe terminating an investment project reflects poor decision-making or failure on the project team?

1: Strongly Disagree

2: Disagree

3: Neutral

4: Agree

5: Strongly Agree

1.5. To what extent do you believe that terminating an investment project is experiencing significant cost overruns or delays?

1: Strongly Disagree

2: Disagree

3: Neutral

4: Agree

5: Strongly Agree

1.6. To what extent do you believe in the potential long-term benefits of a project versus the short-term costs when considering termination?

1: Strongly Disagree

2: Disagree

3: Neutral

4: Agree

5: Strongly Agree