

International Journal of Entrepreneurship and Project Management (IJEPM)

ROLE OF STAKEHOLDERS' INVOLVEMENT IN SUSTAINABILITY OF CONSTITUENCY DEVELOPMENT FUND PROJECTS IN KENYA CASE OF NAKURU TOWN EAST CONSTITUENCY

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ABSTRACT

Purpose: The objective of this study was to investigate the role of stakeholders (CDFC, PMC and Community Members) involvement on sustainability of CDF projects with focus on Nakuru Town East constituency.

Methodology: The study target population was 254 with a sample size of 105. The study employed descriptive research design and used structured questionnaire for primary data collection. Data was collected from 75 respondents with dully filled questionnaire. This was analyzed using SPSS version 21 and presented using tables, charts and graphs. Multiple regression analysis was used to establish the influence of stakeholders' engagement on CDF project sustainability.

Results: The study established that stakeholders' participation in project implementation had no significant influence on sustainability of CDF projects , while project identification had 75% significance influence on sustainability $p = 0.000$, with beta coefficient value $\beta_1 = 2.357$; project planning had an influence of 79% significance influence on sustainability $p = 0.040$ at 95% confidence level, with beta coefficient value $\beta_2 = 0.5014$; monitoring and control influenced had 88% significance influence on sustainability $p = 0.000$ at 95% confidence level, with beta coefficient value $\beta_4 = 3.264$. The study concludes that project monitoring and control (x_4) was the most significant ($p = 0.000 < 0.05, t = 10.931$) followed by project planning(x_2) with ($p = 0.040 < 0.05, t = 2.097$) and lastly project identification(x_1) with($p = 0.040 < 0.05, t = 5$).

Unique contribution to theory, practice and policy: The study recommends further research to be conducted to establish why project implementation had no significant influence on project sustainability. Lastly, the study recommends that further research be conducted to establish the influence of other variables not considered in the study for replication across the 290 constituencies in Kenya.

Key words: *stakeholders, involvement, project, sustainability*

1.0 INTRODUCTION

1.1 Background of the Study

Projects are temporary endeavours undertaken to produce specific objectives within a given time and at specified costs. This means that a project must have a clearly defined scope [work to be done and specific performance requirements that must be met], have a definite starting and ending points and a budget for successful completion. In every project, four key constraints, that is, Scope, Time, Quality and Budget relates to each other in successful completion according Project Management Institute (2005). Therefore, projects can only be successful if it comes on schedule, on budget, it achieves the deliverables originally set for it and it is accepted and used by the clients for whom the project was intended (Gustafson & Wikstrom 2008).

Stakeholder management is therefore observed to be critical to the success of every project in every organization or business. According to Project Management Institute (PMI, 2008) Standards Committee, project stakeholders are individuals and organizations who are actively involved in the project or whose interests may be affected by the execution of the project or by successful project completion. In this regard, stakeholders can affect an organization's functioning, goals, development and even survival by either opposing or supporting the mission and vision of the project as posed by Chinyio and Olomolaiye (2010). Successful involvement of stakeholders is therefore paramount and involves actively giving and getting their support and working together with them to devise, plan and implement sustainable project business solutions.

In a project environment, stakeholders are usually numerous and vary significantly in the degree of their influence towards project sustainability. According to Mitchell, Agle and Wood (2007), power, legitimacy and urgency are key stakeholder characteristics. As such, a project manager is required to develop sufficient understanding of such characteristics, which are in fact changing variably within the project environments. Usually, the number and nature of stakeholders will vary with the life of the project; it would therefore make sense to carry out a review of their identification and characteristics throughout the project life cycle (Moodley, 2008).

Globally, over 20 different countries have adopted or are considering adopting CDFs as away to create that impact at the grassroots levels (Kimenyi & Mwangi, 2005). In China, a similar stimulus package to CDF was announced by the Central People's Republic of China on November 2008 as an attempt to minimize the impact of global financial crises. A study carried out by Wong (2011) to assess the impact of CDF projects on global financial crises, noted government allocation of huge resources toward different projects, among them rural development and technological advancements programs worth 370 billion Yuan. Despite this huge allocation, Wong reported insignificant impact of CDF projects on global financial crises. He noted lack of stakeholder's engagement in the entire project cycle management as the main huddle. It was also understood that CDF was first introduced in Jamaica in 2008 and guidelines are still being developed to date. These funds are distributed evenly between constituencies. Use of CDF funds in Jamaica is therefore based on a five-year plan

drawn up for each constituency with emphasis on community involvement.. (Ayuso, Rodriguez & Castro, 2011).

Regionally, 80% of projects in developing countries fail as a result of poor scope. Project scope identification especially for projects with many target beneficiaries are a key factor in the success and its sustainability. Projects where the key stakeholders and the targeted beneficiaries are not involved in scope identification face a lot of rebellion during the implementation phase as stakeholders are likely to disown it due to the feeling of not being part of the initiative from the word go (World Bank, 2010).

In Kenya, CDF life cycle is constituted as follows; the Chairman in every constituency who is the local Member of Parliament (MP) is required to convene a meeting in each location of the constituency to deliberate on resident's development priorities. These are then forwarded to the CDFC which in turn compiles and ranks them in a priority list of between five (5) and twenty five (25) project proposals in every financial year. The CDFC submits these project proposals to the Board for approval. The Board approves projects and disburses funds. Funding and priority should be in completing on-going projects (CDF Act, 2013). Key project stakeholders under CDF project include; Government, project manager, constituents, Contractors, PMC, CDFC, NGOs, CDF board, and government departmental heads from the relevant departments.

1.2 Statement of the problem

Constituency Development funded projects have made great impact since its introduction in 2003 including enhancement of social amenities like in health, schools and Market facilities. CDF Kitty has also spurred grass root level economic growth accounting for about 15% of GDP growth creating more desire for sustained benefits (Harvey, 2003 & Gikonyo, 2008).

Despite the kitty benefits, there remain glaring public outcries related to un-sustained projects across Nakuru Town East Constituency. Rhonda Market is still under construction with no results several years after implementation. Similarly, huge finances are reported sunk into building Nakuru East Secondary School, but construction stopped over disputed land. A further, 3M Ksh of taxpayers' money is reported lost in Pipeline settlements projects which only exist on paper with no structures on site. A countywide audit on the constituency returned shocking pictures of London water tank project which was abandoned way back before completion with CDF records which indicates Sh. 750,000 set aside to fence off the main public dumpsite in the financial year 2005/2006, but remains incomplete. The situation has gotten worse as attention shifts to emergence of the County Government where funds are used for devolved units leaving CDF projects unwatched (OAG, 2016).

For result and sustainable projects, a coherent planning and institutional framework for planning and service delivery is essential, CDF included. According to social audit report (2014), little attempts have been devoted in establishing the role of stakeholders', in project sustainability particularly with reference to CDF projects. It is against this background that this study seeks to assess the role of stakeholders' involvement on sustainability of CDF projects in Nakuru East Town Constituency.

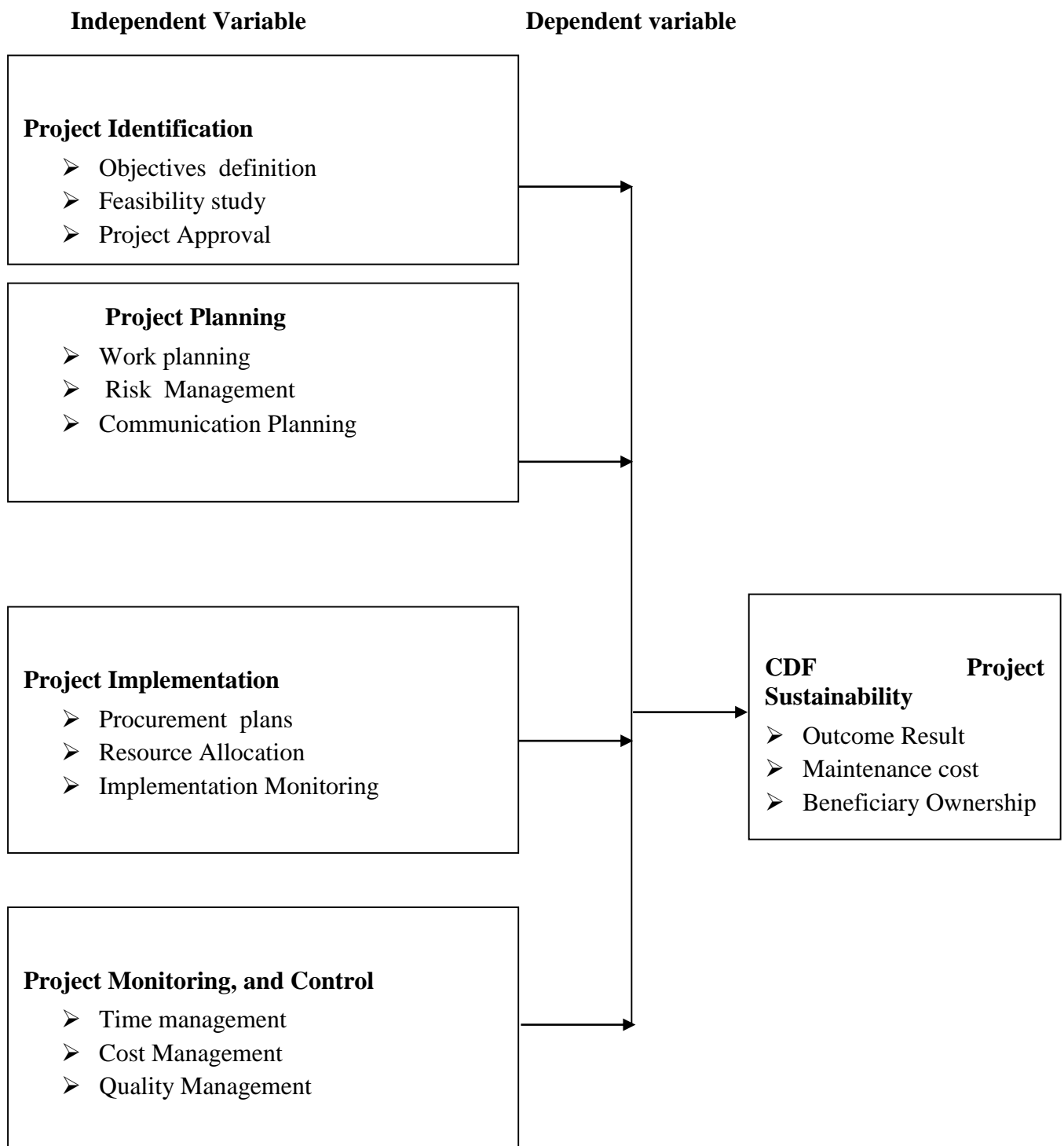
1.3 Objectives of the Study

The general objective of this study was to assess the influence of stakeholders' involvement in sustainability of CDF funded projects in Kenya. The study was guided by guided by the following objectives:

1. To ascertain the influence of project identification on sustainability of CDF projects in Kenya
2. To determine the influence of project planning on sustainability of CDF projects in Kenya
3. To determine the influence of project implementation on sustainability of CDF projects in Kenya.
4. To establish the influence of project monitoring and Control on sustainability of CDF projects in Kenya

2.0 THEORETICAL REVIEW AND CONCEPTUAL FRAMEWORK

The study developed the conceptual framework based on the Stakeholders Theory. The theory can be applied in CDF projects to identify who are the real projects stakeholders as well as defining the engagement roles they should have for sustained project. Stakeholders Theory is based on argument of Jensens and Mecklings (2006), which stated that an agency relationship is a contract under which one or more persons (principals) engages another person (the agent) to perform some service on their behalf which involves delegating some decision-making authority to the agent. When executing the tasks within the principal-agent relationship, the agent must choose actions that have consequences for both the principal and the agent. Since these outcomes can be either negative or positive for each of the actors, the chosen action of the agent affects the welfare of both. The principal-agent relationship is often forged because the agent possesses a greater abundance of the needed skills, abilities, and on time to perform the desired activities (Cane, 2004). From the theory, the implication and scope of application can best explain the role of project managers (the agents) in promoting sustainability of CDF project to stakeholders (principals) through their engagement roles in project identification, planning, implementation and monitoring and control. Hence, the conceptual model is based on two variables of the independent variable (Role of Stakeholders) and dependent variable (CDF project sustainability) is depicted in figure 1



3.0 RESEARCH METHODOLOGY

The study employed descriptive research design which according to (Shaughnessy, Zechmeister, & Zechmeister, 2006) was designed to provide a picture of situation as it happens naturally hence used to justify current practices, make judgments and develop new theories. The design enabled the determination of the stakeholder's engagement roles and how they influenced CDF project sustainability. In the context of this study, the target population comprised Constituency Development Funds Committee (CDFC) members, Project Management Committee (PMC) members and beneficiary community's members in the project study areas . Only project that were initiated in the past five (5) years since 2011 were considered for the study in all sectors of development. A sample size of 105 was drawn from the target population using Taro Yamane sample size formula (Yamane, 1953) with a sampling error of 7.5%. The primary data was obtained through drop-and-pick data collection method using structured questionnaire. Pilot study was conducted to determine flaws or limitations of the research tools. The study employed Cronbach alpha reliability test and Content Validity (CV) index to test for reliability and validity of instruments respectively. All instrument passed the minimum loading factors. Collected data was analyzed using quantitative methods with the help of (SPSS) version 21 and Microsoft excel. Descriptive statistics was used to summarize the data using frequencies and percentages .The the relationship between the independent variables and the dependent variable was analyzed using multiple regression analysis at 95% level of confidence, ANOVA (F-test) to explain the goodness of the model fit, and t statistics to measure the significance of beta values and 95% level of confidence.

4.0 RESULTS AND DISCUSSION

4.1 Reliability of the Questionnaire

The mean value of Cronbachs' alpha reliability coefficient was (α) 0.967 > 0.70 and within the acceptable value. Therefore the instrument was considered reliable for achieving the desired results of the study.

4.2 Validity of the Questionnaire

The research questionnaire were given to 105 respondents representing CDF projects Stakeholders'. A context of validity coefficient index of above 0.75 was obtained which was good indication that the questionnaire was valid instrument for the study (Joppe, 2000). The validity of the instrument was further firmed by research experts who evaluated and ascertained items fitness in relation to the study objectives.

4.3 Response Rate

The responses rate was 71% while non responses comprised only 29% of the expected responses. According to Creswell (2009), this was above the minimum responses required for analysis revealing higher degree of awareness and participation in CDF projects by the targeted respondents.

4.4 Demographic Information

The demographic information revealed that male respondents were the dominant respondent at 59% while females comprised of 41% of the total respondents. Active respondent age was in the was 36-45 yrs at 59% with minimum basic education of primary school and secondary school at 35% .The findings established that highest

level of stakeholders engagement was 55% in the project implementation phase with Majority of respondents at 52% having worked 1-5 years of work experience in projects related activities.

4.5 Project identification

Stakeholder's participation in project identification was found to have overall statistically significant influence on project sustainability significantly at 68%, ($p = 0.040 < 0.05, t = 5$ with $\beta_1 = 2.357$), but in the negative direction. Further, findings confirmed that project identification influenced sustainability elements of beneficiary ownership 61.3%; outcome results 58.7% and maintenance cost 52.0% respectively. Equally, project identification elements had a mean influence on project sustainability as follows; objective definition mean = 4.2756, feasibility study mean = 4.0400 and approval Processes mean = 4.2844).

4.6 Project Planning

Stakeholder's participation in project planning was found have overall statistically significant influence on project sustainability at 79%., $p = 0.040 < 0.05, t = 2.097$ to with coefficient $\beta_2 = 0.501$, but in the negative direction. Further findings revealed that project identification influenced sustainability elements of beneficiary ownership 65.3%; outcome results 57.3% and maintenance cost 50.7% respectively. Equally, project planning elements had mean influence on project sustainability as follows; work planning mean = 4.1867, risk management mean = 4.0444 and communication planning mean = 3.9289

4.7 Project Implementation

Stakeholder's participation in project implementation was found not to have any statistical significant influence on project sustainability $p = 0.298 > 0.05$, but had positive beta values of $\beta_3 = 0.384$. Therefore, project implementation was not a significant predictor factors for project sustainability. The findings further confirmed that project identification elements had low mean influence on project sustainability represented by values ; procurement plan 9%, mean = 2.1244; outcome results 4%, mean = 2.3111 and maintenance cost 2.7%, mean = 2.8000 respectively.

4.8 Project Monitoring and Control

Stakeholder's participation in project monitoring and control was found to have statistically significant influence on sustainability significantly at 88, $p = 0.040 < 0.05$) with coefficient $\beta_4 = 3.264$. Further findings established that project monitoring and Control influenced sustainability elements of beneficiary ownership 60.0%; outcome results 56.0% and maintenance cost 52.0% respectively. Equally, project monitoring and control elements had mean influence on sustainability as follows; Time management mean = 3.86, cost management mean = 3.64 and quality management mean = 4.05.

5.0 CONCLUSIONS AND RECOMENDATIONS

5.1 Conclusions

The following conclusions are drawn from the study;

First, the study concludes that stakeholders' participation in project identification had significant influence on project sustainability with strongest influence on sustainability

element of beneficiary ownership followed by outcome results and lastly on maintenance cost. This engagement defined full participation.

Secondly, stakeholders' participation in project planning significantly influenced project sustainability. This was by actively participating in work planning, risk management and communication planning activities. Project planning had a strong influence on sustainability elements of beneficiary ownership followed by outcome results and lastly on maintenance cost respectively. This was due to high participation in all the three sustainability elements scoring fair influence. Thirdly, stakeholders' participation in project monitoring and control had the highest influence amongst all the predictor variables. This was by actively participating in project monitoring and control elements of Time management; cost management and quality management roles respectively. There was prompted by community demand for accountability and transparency in the CDF initiatives.

5.2 Recommendations

Based on the findings and conclusions of the research, the following recommendations ensued;

First, the study recommends that participation of stakeholder's in objective definition, feasibility studies and approval processes, particularly the targeted community beneficiaries should be highly participatory and consultative before full sustainability can be realized. CDF policies therefore need to be reviewed to expressly capture procedures of stakeholder engagement and the expected stages of participation.

Second, the study recommends that participation of stakeholder's in work planning, risk management and communication planning activities, particularly the grassroots' beneficiaries should be made mandatory and a start up requirement. Participation should be encouraged to enhance sustainability. CDF Act needs to be reviewed to capture stakeholder engagement roles and management procedures for enhanced planning. This ought to include planning rules and regulations that are participatory and inclusive, bearing in mind the type of participants chosen for each CDF project.

Third, the study recommends that more efforts and emphasis be placed on project procurement planning processes by reviewing current CDF procurements plans and aligning them to Public Procurement and Assets Disposal Act(2015), resource allocation and spending aligned to Public Finance Act (2012) and existing county fiancé bill, and monitoring and control improved for enhanced citizenry participation in line with public participation policies and other legal frameworks championing public participation respectively.

Fourth, the study recommends that participation of CDF project stakeholder's in Time Management, Cost Management and Quality control at grassroots' levels be enforced. Constant citizenry watch through constant monitoring and control on project implementation guidelines enforced in line with existing legal frameworks to guarantee timely delivery of services and products. Monitoring and reporting for transparency and accountability should be made part of CDF Act to check on timely product deliveries, quality workmanship and prudent spending of public finances

There ought to be proper documentation of project data in order to enhance improvement in monitoring and control. The documentation should include relevant project designs, reports and data gathered through participatory approaches including

constant evaluation of project to validate scope, reliability, sustainability, relevant and all elements of evaluation. The CDF policy should expressly capture procedures of funding projects done in phases. The provisions ought to include clauses on mandatory allocations to already undertaken projects till their completion especially after political regime change. The CDFC which is the supreme committee at the constituency level charged with overseeing implementation of CDF projects needs to be expanded from the current 16 as the maximum allowed staff to include the heads of government technical departments. This will ensure availability of technical expertise for backstopping of the various technical works in the management of the CDF projects.

5.3 Recommendation for further Studies

The researcher recommends the following areas for further research;

As the research was only carried out in Nakuru Town East constituency as opposed to all the 290 constituencies country wide due to constraints of time and finance, similar studies ought to be undertaken in other constituencies to cross-check these findings.

Based on the research findings, the researcher recommends further study on the effects of composition of CDF stakeholder on the sustainability of the projects.

The study recommends an analysis of women participation in projects to establish reasons behind low women engagement and how this will influence CDF project sustainability across all the 290 constituencies country-wide.

The study recommends that further research be carried on other factors and variables that might have influenced performance of CDF projects for consideration and replication of the lessons learnt in other 290 constituency for full sustainability to be realized.

Lastly, the study recommends that further research be carried out to establish reasons behind why participation in project implementation had no significant influence on CDF project sustainability in Kenya and propose best strategy.

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APPENDICES

Table 1: Persons Correlation

		Project Sustainability	Project Identification	Project Planning	Project Implementation	Project Monitoring and Control
Project Identification	Pearson Correlation	.735**	1			
	Sig. (2-tailed)	.000				
	N	75				
Project Planning	Pearson Correlation	.774**	.977**	1		
	Sig. (2-tailed)	.000	.000			
	N	75	75	75		
Project Implementation	Pearson Correlation	.767**	.992**	.970**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	75	75	75	75	
Project Monitoring and Control	Pearson Correlation	.830**	.983**	.982**	.984**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	75	75	75	75	75

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
	.935 ^a	.875	.867	.36406186	.875	122.079	4	70	.000

Table 3: ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	64.722	4	16.181	122.079	.000 ^b
Residual	9.278	70	.133		
Total	74.000	74			

- a. Predictors: (Constant), Project Monitoring and Control, Project Planning, Project Implementation, Project Identification
- b. Dependent Variable: Project Sustainability

Table 4: Coefficients Analysis

Model	B	Std. Error	Beta	T	Sig.
(Constant)	0.297	0.042		0.297	0.030
Project Identification	-2.357	0.396	-2.357	-5.956	0.000
Project Planning	-0.501	0.239	-0.501	-2.097	0.040
Project Implementation	0.384	0.366	0.384	1.049	0.298
Project Monitoring and Control	3.264	0.299	3.264	10.931	0.000

- a. Predictors: (Constant), Project Monitoring and Control, Project Planning, Project Implementation, Project Identification
- b. Dependent Variable: Project Sustainability