Stakeholder Identification on The Project Performance of Donor Funded Projects in Nakuru County

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Abstract- ***Stakeholder management on project performance is vital in addressing challenges related to project success or/and failure; because it lets in the stakeholders to identify, budget and scope for the project over time and hence develop appropriate mechanisms to address the challenges that come with it. This study adds to existing knowledge and fills a gap in identifying the effects of stakeholder management on particularly the donor funded projects' performance in Nakuru County. The main objective of this study was to examine the effect of stakeholder identification on the project performance of donor funded projects in Nakuru County. The study was guided by the stakeholder theory. The study adopted a survey design. The study population comprised of 50 donor funded projects in Nakuru County. The unit of observation included the project managers, the project officers and/or the project directors including project coordinators, quality control officers, government officials and beneficiary representatives in the Education, Environment and Agricultural sectors. The Yamene (1967) formula was used to establish the sample size for the study. Proportionate sampling was used distribute the sample size into each stratum with random sampling used to identify the respondents in each respective sample size. A survey questionnaire was used to collect data from the respondents. The quantitative data collected was analysed descriptively in terms of means and standard deviations and through ordinal regression and spearman Rho correlations. The study found out that stakeholder identification was a significant predictor to donor sponsored projects in Nakuru county.***

Indexed Terms- ***Stakeholder Management on Project Performance, Donor Funded Projects' performance in Nakuru County.***

I. INTRODUCTION

Globally, project performance is defined as a two-tier concept encompassing project efficiency and effectiveness, where performance is evaluated based on compliance with the triple constraint (time, cost, and scope) and the value generated for project stakeholders. Here we examine the satisfaction of the owner and other beneficiaries who can benefit from this project to consider it a success or failure (Lönnefjord & Johansson, 2018).

Stakeholder is an institution, individual or group of people with interests or affected by the implementation of a given project (Schwermer et al., 2020). Stakeholders in public projects may be beneficiaries or citizens, donors, contractors, suppliers, evaluators, county government, media, etc. Project stakeholders have dynamic needs, interests and expectations to the project (Schwermer, Barz & Zablotski, 2020). The way managers allow stakeholders to participate and integrate needs during implementation determines both performance and sustainability of projects. Thus, effective stakeholder participation processes should allow parties with stake to freely express their views, opinions, thoughts, ideas on the most sustainable project decisions (Ratnayake et al., 2017).

In East African region, governments are incorporating sustainable development strategies through stakeholder involvement with an aim of promoting long-term positive impacts of investment projects (Warinda, Nyariki, Wambua, Muasya & Hanjira 2020). In Kenya, participation of public and stakeholders in development projects is not only anchored in the Constitution of Kenya 2010 but also guided by public participation Act of 2019. Furthermore, stakeholders' mapping and partnerships is recognized as the ultimate vehicle towards sustainable realization of the Kenya's Vision 2030 and

Sustainable Development Goals (Government of Kenya, 2019). This indicates that stakeholders` participation is a core element for sustainable impacts. In Kenya, the growth of NGOs is overwhelming; In 1974 there were only 125 NGOs registered, in 1990 over 400 were registered with the government and in 2004 this number rose to almost 3,000 and in 2007 to over 4,200 (Coordinating Council of Non - Governmental Organizations, 2006). Most donor initiatives in Kenya are funded by means of outside donors via NGOs. According to Gathara (2013), 53% of the fitness offerings are furnished with the aid of using the personal sector, which includes NGOs and non-secular organizations. 89% of the HIV/AIDS budget, which includes life-saving antiretroviral drugs, is funded via way or means of out of doors donors.

II. LITERATURE

Stakeholder identification is an ongoing method and there are specific stakeholders in specific venture lifecycles. Since stakeholders are instrumental in providing knowledge and support to achieve project outcomes, tools and skills that help the project identify stakeholders are crucial (Rahman, Ali, Malik, Ahmad & Asmi, 2017). Stakeholders can control different aspects of the project, such as definition, modifications, execution, deliverables and ultimately good performance towards success. Identifying stakeholders is an iterative process. Identify stakeholders, then collect, analyze and submit data or stakeholder information to create a stakeholder registry that identifies project stakeholders and relevant information about them (Sanghera, 2019).

Stakeholder types are generally classified as internal stakeholders, which typically include groups such as the company's management, employees, and shareholders. External stakeholders encompass customers, suppliers, competitors, governments, and global and countrywide organizations (Riahi, 2017). Projects are now being implemented by coalitions of many actors with different interests and goals. Therefore, project management must balance the competing resource demands between the project and the project stakeholders. The aim of stakeholder analysis and identification is to facilitate understanding of how to deal with stakeholders in constantly changing and unpredictable environments. Since stakeholders have different roles and responsibilities, not all stakeholders can be treated equally.

Stakeholders should be identified and their power and influence mapped to better understand their potential impact on projects. Appropriate strategies can then be formulated and implemented to maximize positive impacts on stakeholders and minimize negative impacts (Bourne & Walker, 2018). Stakeholders are very important in all projects and should be identified before and during the project. Most projects fail to achieve their goals because the stakeholders are not identified. To identify stakeholders, project team members need relational, communicative, intellectual, interpersonal and conceptual skills. The success of a project depends on the effective management of the relationship between the project and its stakeholders (Rahman et al., 2017).

The result of the analysis of stakeholders is a list of relevant stakeholders and information, such as their positions in the organization, their roles in the project, "problems", expectations, attitudes (level of support for the project) and interest in the project Information about the project. Stakeholder mapping is a method of categorizing stakeholders using different methods. The common methods are power/interest grid, power/influence grid or influence/influence grid, stakeholder cube, materiality model, directions of influence and priorities (PMI, 2017). The stakeholder register is the result of the stakeholder identification process; the document contains identifying information, assessment information and the classification of stakeholders. The register should be regularly consulted and updated throughout the project life cycle (Riahi, 2017).

Heldman et al. (2007) divides the life cycle of a project into five phases, namely: project identification and initiation, project planning, project implementation, project monitoring & Check and close the project. Great importance is attached to the project initiation phases, since the most important project and resource allocation decisions are made in this phase.

Mantel, Meredith, and Shafer (1996) describe the importance of various activities in the initiation phase

of Project for project implementation. These include the role of the project manager, different types of project organization and special requirements for managing an intercultural project. They have shown that feasibility studies conducted by inexperienced companies tend to provide inaccurate data and that the information contained in these feasibility studies does not provide a good basis for obtaining accurate information. Hobbs (2008) also shows the impact of the project initiation process on its success. However, his association referred to cases in the environment of developed countries. Their discovery suggests that most projects fail because of misunderstandings. However, her focus was not only on the start-up process, but on the entire project flow. Project initiation is the phase that creates solid guidelines for managing a project by identifying the key elements and setting out the steps that need to be taken to achieve the goals.

In the initial phase, deadlines are defined and those responsible for each action are identified. The result of the launch is a project that takes into account the existing problem, the proposed solution and the implementation methods. The output of this phase is a project charter, the purpose of which is to outline the business case, approval and resources involved (PMI, 2013). The initiation phase of the project is the phase in which the stakeholders are identified; informed of the scope and objectives and their expectations taken into account.

Ayuso et al. (2011) combined stakeholder engagement and knowledge management (KM) as elements of an organizational ability to drive stakeholder innovation in the context of sustainable community development. One technique for successfully managing the external project environment is to prioritize the required stakeholder engagements by conducting a stakeholder analysis at the beginning of the project. Such an analysis would first identify all potential stakeholders who could potentially have an impact on the project and then determine their relative ability to have an impact on the project.

According to research (Wysocki, 2011), project initiation is a critical phase of project management. Begins with the joint project-stakeholder meeting to fully understand the project's goals, outcomes and success criteria when identifying and justifying project selection, project needs and feasibility. In this phase, the desired outcomes and benefits are detailed, quantified and agreed upon. The project plan is created by specifying the actions to be taken to meet the triple constraint, as well as the objectives and expected benefits.

III. METHODOLOGY

The study adopted a survey design. The study population comprised of 50 donor funded projects in Nakuru County with a total population of 555. The unit of observation included the project managers, the project officers and/or the project directors including project coordinators, quality control officers, government officials and beneficiary representatives, Environment and Agricultural sectors. The Yamene (1967) formula was used to establish the sample size for the study. Proportionate sampling was used distribute the sample size into each stratum with random sampling used to identify the respondents in each respective sample size. A survey questionnaire was used to collect data from the respondents. The quantitative data collected was analysed descriptively in terms of means and standard deviations and through ordinal regression and spearman Rho correlations. The study findings were presented in tables and figures.

IV. FINDINGS OF THE STUDY

1.4.1 Descriptive Statistics

Data was first analysed descriptively before making inferences of the descriptive data through various regression statistics. It was therefore important to explain how the mean values were interpreted throughout this study. The respondents were required to use the 5-point Likert scale (1 strongly Disagree and 5 Strongly Agree) which was interpreted using the ranges of 5-point Likert scale which was interpreted using the ranges of 4.3-5=Strongly Agree; 3.5-4.2=Agree; 2.6-3.4=Undecided; 1.9-2.6=Disagree and 1-1.8=Strongly (Nemoto & Beglar, 2014; Joshi, Kale, Chandel & Pal, 2015). In addition to the use of the mean to gauge the level of each item, the corresponding standard deviation of each item was also reported to evaluate the level of variation (agreement or disagreement) regarding each variable of the respondents.

1.4.1 Stakeholder Identification Project Performance

The study sought to establish the effect of stakeholder Identification on project performance. The respondents were required to use the 5-point Likert scale which was interpreted using the ranges of 4.3-5=Strongly Agree; 3.5-4.2=Agree; 2.6-3.4=Undecided; 1.9-2.6=Disagree and 1-1.8=Strongly Disagree and the responses were as described in Table 1.

Table 1: Stakeholder identification and project performance

	N	Min	Max	Mean	Std. Dev
Stakeholders with relevant expertise and knowledge are identified and involved in decision making.	216	1	5	3.95	1.146
The project team actively seeks input from stakeholders with specialized knowledge.	216	1	5	3.78	1.299
I am aware of all stakeholders who have a direct interest in the project.	216	1	5	3.71	1.201
The project team considers the perspectives of influential stakeholders when making decisions.	216	1	5	3.69	1.347
Stakeholders with direct interest or involvement in the project are easily identifiable.	216	1	5	3.61	1.111
The project team is responsive to the concerns and feedback of stakeholders with a high impact on the project.	216	1	5	3.59	1.269
Stakeholders who have significant influence and impact on the project are clearly identified.	216	1	5	3.56	1.342
The project team values the expertise and knowledge that stakeholders bring to the project.	216	1	5	3.50	1.329
The project team actively engages with stakeholders who have a direct interest or involvement.	216	1	5	3.38	1.379

Results from Table 1 observed that majority of the respondent with a mean of 3.95(SD=1.146) were in agreement that stakeholders with relevant expertise and knowledge are identified and involved in decision making. Majority of the respondent with a mean of 3.78(SD=1.299) were in agreement that the project team actively seeks input from stakeholders with specialized knowledge. Majority of the respondent with a mean of 3.71(SD=1.201) were in agreement that they were aware of all stakeholders who have a direct interest in the project. Majority of the respondent with a mean of 3.69(SD=1.347) were in agreement that the project team considers the perspectives of influential stakeholders when making decisions. Majority of the respondent with a mean of 3.61(SD=1.111) were in agreement that stakeholders with direct interest or involvement in the project are easily identifiable. Majority of the respondent with a mean of 3.59(SD=1.269) were in agreement that the project team is responsive to the concerns and feedback of stakeholders with a high impact on the project. Majority of the respondent with a mean of 3.56(SD=1.342) were in agreement that stakeholders who have significant influence and impact on the project are clearly identified. Majority of the respondent with a mean of 3.50(SD=1.329) were in agreement that the project team values the expertise and knowledge that stakeholders bring to the project and that majority of the respondent with a mean of 3.38(SD=1.379) were in agreement that the project team actively engages with stakeholders who have a direct interest or involvement. The study was in agreement with studies by Ayuso, Rodríguez, Castro and Ariño (2011) who found that combined stakeholder identification and knowledge management as elements of an organizational ability to drive stakeholder innovation in the context of sustainable community development was significantly correlated to organisational performance. The study was further in agreement with studies by Wysocki (2011) who found a significant positive association between project initiation and performance of project management.

1.4.2 Regression Analysis

It is always vital to have the data set checked for normality to help the researcher make decisions on the type of data beforehand for analysis. Therefore, Table 2 represents the normality tests and decisions made on the type of analysis to be computed.

Table 2: Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
SI	.228	216	.000	.838	216	.000

Findings from Table 2 indicated that data set was non-parametric since the Shapiro-Wilk probability value is statistically significant whereas it was expected to be not statistically significant if the data was said not be parametric data hence, a decision was made to analyze the data sets under ordinal regression.

Ordinal Regression

The study ran the model fitting summary to establish how well the data set fits into the model before adapting the parameter estimates as shown in Table 3.

Table 3: Model Fitting Information

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	1190.108			
Final	.000	1190.108	1	.000
Link function: Logit.				

Findings from Table 3 observed that the data set fitted well into the model by fact that the p-value <0.05 was statistically significant.

Table 4: Goodness-of-Fit

	Chi-Square	df	Sig.
Pearson	266.904	1	1.000
Deviance	293.006	1	1.000
Link function: Logit.			

Table 4 revealed that the model met its goodness of fit by meeting the test of Pearson and deviance were both non-significant with a p-value >0.05 implying that the model meets test of goodness-of-fit.

Table 5: Test of Parallel Lines

Test of Parallel Lines[a]				
Model	-2 Log Likelihood	Chi-Square	df	Sig.
Null Hypothesis	.000			
General	.000[b]	.000	1	1.000
The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.				
a. Link function: Logit.				
b. The log-likelihood value is practically zero. There may be a complete separation in the data. The maximum likelihood estimates do not exist.				

Table 5 observed that the model was found to have not violated the test of parallel lines since the for the model to meet the test of parallel lines, the p-values should not be statistically significant. Therefore, since the p-value was found to be not statistically significant 1.000, the model met the test of parallel lines since the p-value is >0.05. Hence, the study proceeded to interpret the parameter estimates in the Table 6.

Table 6: Parameter Estimates

		Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
Threshold	[PERF = 1.00]	12.797	1.042	150.951	1	.000	10.755	14.838
	[PERF = 1.13]	13.782	1.098	157.595	1	.000	11.631	15.934
	[PERF = 1.38]	14.061	1.117	158.569	1	.000	11.872	16.250
	[PERF = 1.50]	15.875	1.295	150.342	1	.000	13.337	18.413
Location	SI	4.736	1.317	12.941	1	.000	2.156	7.316
Link function: Logit.								

Table 6 it was revealed that stakeholder Identification is a significant predictor of project performance since the p-value <0.05 implying that the level of stakeholder identification is significant in project performance of donor funded projects in Nakuru County. This is evident since the estimates reveals that for every one unit increase in the stakeholder identification there is a predicated positive increase in the independent variable of 4.736 in the log-odds of being at a higher level of the project performance.

CONCLUSION

The study also concludes that stakeholder identification is a significant predictor of project performance of donor funded projects in Nakuru County.

RECOMMENDATION

Since stakeholder identification has been found to be a significant predictor of project performance, the study recommends a thorough stakeholder analysis to identify all relevant stakeholders involved in the donor-funded projects should be conducted before the execution of the projects. This should include government agencies, local communities, NGOs, civil society organizations, private sector entities, and beneficiaries. Understanding their interests, influence, and expectations is crucial for effective project management.

The study also recommends that the project managers develop a robust stakeholder engagement strategy that outlines how stakeholders will be involved throughout the project lifecycle. This should include mechanisms for regular communication, consultation, and feedback mechanisms to ensure their concerns and suggestions are taken into account.

The study further recommends that the project management should provide capacity building and training programs for stakeholders, especially local community members and government officials, to enhance their understanding of the project objectives, implementation processes, and their roles and responsibilities. This will foster ownership and participation, leading to improved project outcomes.

The study further recommends that the project management should foster a culture of collaborative decision-making by involving stakeholders in key project decisions, such as project design, resource allocation, and monitoring and evaluation. This participatory approach ensures that projects are aligned with the needs and priorities of the local community, thereby enhancing their effectiveness and sustainability.

The study further recommends that the project management should ensure transparent and timely communication with all stakeholders regarding project progress, challenges, and outcomes. This includes sharing relevant information, updates, and reports in accessible formats and languages to promote accountability and build trust among stakeholders.

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