



INFLUENCE OF STAKEHOLDER'S INVOLVEMENT ON PROJECT PERFORMANCE. A CASE STUDY OF KENYA FERRY SERVICES

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ABSTRACT

Kenya ferry services has over the years implemented various projects to easy transportation at the Likoni channel, however, there had been complains of congestion and time wasting when crossing the channel which gave an indication that the two parties were not working together in solving the problems at the channels. To provide a solution to these problems, the study determined the influence of stakeholder's involvement on project performance at Kenya Ferry Services. The study adopted a descriptive research design, target population comprising 231 stakeholders of Kenya ferry services partners from which a sample of 70 respondents was selected. Data collection was done by use of questionnaires after a pilot study and analysed by use of only linear regression with the aid of SPSS program. The study findings established that: involvement of stakeholders in project identification was found to significantly and positively relate to project performance; it was observed that organization respect for stakeholders concerns to be the highest influencing factor in project identification; involvement of stakeholders in project planning was found to significantly and positively relate to project performance, it was observed that involving stakeholders in decision making as the most influential factor; involvement of stakeholders in project monitoring was found to significantly and positively relate to project performance, it was observed that using of inspection list as standardized organization monitoring practices and setting baselines for stakeholder's involvement in monitoring its activities are the most influential factor and lastly, it was established that involvement of stakeholders in project funding was found to significantly and positively relate to project performance, it was also observed that, involvement of stakeholder's in resource allocation was observed to be influential. The study recommended that enhancement of stakeholder involvement in project identification for better contribution to project performance; consideration for the concerns of all stakeholders equally instead of implementing what the national government commanded and a clear spell out of rules of engagement for stakeholders to avoid confusion on what they could do during the project management process.

Key Words: *Project Identification, Stakeholders Planning, Project Monitoring, Project Funding*

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INTRODUCTION

Project stakeholders are individuals and organisations actively involved in the project, or whose interest may be affected as a result of the project execution or completion (Oleanders & Landin, 2015). Due to the interest of stakeholders on the project, they may exert influence on the project's objective and outcomes. To ensure a successful project, the project team must identify and engage all stakeholders, determine their requirements and expectation and manage their influence in relation to their requirements, (Irvin & John, 2015).

Stakeholder participation can take place in different places of the project cycle and at different levels of society, and take many different forms (O'holloran, 2014). These can range along a continuum from contribution of inputs to predetermined projects and programmes, to information sharing, consultation, decision making, partnership and empowerment. Participation is both a means and an end. As a means, it is a process in which people and communities cooperate and collaborate in development projects and programmes (Irvin & John, 2015). As an end, participation is a process that empowers people and communities through acquiring skills, knowledge and experience, leading to greater self-reliance and self-management.

Brazilian firms face a high transaction cost environment due to political instability and bureaucratic inefficiency which is attributed to poor relationships with key stakeholders, (Menooka, 2014). Transaction and resource costs are high to the extent to which stakeholders in the firm contractual set do not interact with each other. Key stakeholders in Brazilian firms such as the government provide protection and privileged information. Along with investments in community contracts, firms benefit from superior access to both public and private financing, a crucial variable for firm performance in hostile emerging market environments, (Jha & Iyer, 2016).

Munns and Bjeirmi (2016) highlight some of the common challenges facing projects in Africa. They

include dissatisfaction: and disharmony among stakeholders, lack of a proper system for consulting stakeholders, archaic projects created without clarity and direction of goals, failure to stay within stipulated timelines and costs, poor personnel recruitment and training, lack of proper monitoring and evaluation structures, inability to respond to unexpected crisis effectively, incompetent, insufficiently trained project managers and leaders who are politically driven, unchecked power and politics within organizations, general lack of a sense of urgency and value for time and conflicts.

In Ghana, the old Fadama community was not involved in designing the Korle Lagoon Ecological Restoration Project and its outcomes and therefore they resisted the project as a reaction to perceived abuse of their procedural right (Oleanders & Landin, 2015). A project is said to be successfully completed when it has met the stakeholders' interests and expectations. Even if it meets time, budget and scope criterion, it will not be deemed successful if the needs of the stakeholders and their expectations are not met.

In Uganda development efforts to include local stakeholders have often consisted of irregular information gathering sessions held at schools or district headquarters. Though laudable, such efforts are not sufficient (Munns & Bjeirmi, 2016). Local stakeholder participation is most useful when arranged around the schedules and meeting norms of the hardest-working and poorest community members. Participation of key stakeholders was found to be the single most important factor in determining project outcomes in a survey of ecosystem management in Sri Lanka and India, (Irvin & John, 2015).

Over the years, Kenya Ferry has put up various projects to ease the challenges at the Likoni and Mtongwe channel (Kenya Ferry Services, 2018). Such projects include, purchase of new ferries, widening of the docking areas, however, various stakeholders i.e members of the public, transporters and shipping companies have been complaining on the effectiveness of the various

projects undertaken in solving the inefficiencies at the channel. Overtime, stakeholders have been complaining about the delays in crossing the channel and pushed the company to reduce congestion and time taken to cross the channel, (Kenya Ferry Services, 2018). Hoteliers, traders, trailer and tour operators have proposed different measures that the ferry service should adopt for a lasting solution. Such proposed projects include; construction of a bridge and doubling the number of ferries operating at the channel, however, this has not been possible because the projects are too expensive to be undertaken by the ferry service provider.

Ferry services at Likoni Mombasa started in 1937. The ferries have remained the one and only link to the south coast (Kenya Ferry Services, 2018). The operations are situated on the gateway to the port of Mombasa. The link is important not only to the local users but to those heading to Tanzania and beyond. The ferries at Likoni were initially run by Kenya Bus Services Ltd, on a franchise arrangement with the Municipal Council of Mombasa. The bus company also operated a network of buses around town and in Nairobi. The earlier operations were done using pontoons driven by motor boats.

It was not until 1957 that the era of modern ferries surfaced. The company continued operating for about 32 years until 1989 when it decided to pull out. It is then that the Government of Kenya decided to take over the operations of the ferries (Kenya Ferry Services, 2018). The Government therefore bought all the ferry crafts including Pwani, Mvita, St. Michael, Pombo and Mtongwe at a price of Ksh 10.5m. The staff was similarly retained at their existing terms and conditions of service. The government then asked Kenya Ports Authority to run the services on its behalf. Kenya Ports Authority on their part changed one of its subsidiary company's Bunty Estates Ltd to Kenya Ferry Services Ltd and commenced operations on 1st November 1989.

In 1990 the government bought four new ferries namely MV's Nyayo, Harambee, Kilindini and

Mtongwe 2 at a cost of Shs 376 million to supplement the existing fleet (Kenya Ferry Services, 2018). Through financial assistance by way of advances from Kenya Ports Authority and the Exchequer, the company was able to sustain its operations during its infancy. In 1998 the government formalized the ownership of the company through a National Assembly Sessional Paper No.3 of the same year, by transforming the contributions of both the government and Kenya Ports Authority into equity. Share capital was thus increased from Shs.2 million to Shs 500 million, (Kenya Ferry Services, 2018). The company is now owned 80% by the government and 20% by Kenya Ports Authority.

In the recent past, Kenya Ferry Services has been under public scrutiny for operating vessels have been in service for almost 30 years risking the lives of thousands of Kenyans (Kenya Ferry Services, 2018). In the past three years, KFS has spent about Sh400 million on three 'previously decommissioned' ferries. It also spent Sh200 million to refurbish mv Kilindini and mv Harambee. The other faulty ferries are MV-Nyayo, MV-Likoni and MV-Jambo. They are prone to mechanical problems. The government now seems determined to end the problems at the channel by building a bridge and the Dongo Kundu bypass (Kenya Ferry Services, 2018).

Statement of the Problem

Project managers are always looking forward to seeing public projects perform well, (Irvin & John, 2015). This involves finishing the project on time, within budget, meeting end product specifications, meeting customer needs and requirements and meeting management objectives. Despite the quest for project success, many projects have continuously experienced time overrun, budget overrun, unmet end product specifications, unmet customer needs and requirements and unmet management objectives (Menooka, 2014). The high failure rate in these projects could be due to failure to involve key stakeholders in project activities. Stakeholders expect to be involved in decision making process within the project cycle.

Kenya ferry service is investing billions to ease congestion at the Likoni channel (Muthoka, 2014). The company has entered into a contract for the design, build, supply and commissioning of two new passenger/vehicular ferries from Turkey at a cost of 1.9 billion shillings. Plans are also underway to introduce cable cars to provide alternative mode of crossing the Likoni channel, (Ndegwa, 2015). In the past two years, the company invested a lot of money in enhancing security of ferry users, the project involved installation of scanners at the two terminals, and however, the scanners were vandalized by passengers who thought they were an impediment during rush hours, a clear case of misunderstanding the importance of the project, (Mulyungi & Mungatu, 2017).

Empirical reviews comprising of studies by; Njogu (2016) examined the influence of stakeholder's involvement in identification of automobile control projects at the ministry of energy and NEMA organization. The study used descriptive survey research design and established that stakeholder's involvement in project identification has significant influence on automobile emission control project performance. Nyandiki and Ngugi (2014) investigated the influence of stakeholder's participation in performance of road projects at KENHA, using a descriptive research design; the study established that awareness, feasibility, conferences and seminars in user involvement have a great positive influence in road project performance. Mulyungi and Mungatu (2017) evaluated stakeholder's involvement in project outcome through gathering and analysing information on the level of involvement of stakeholders in the process of project management. By use of descriptive survey design for a sample of 409 respondents, the study established that; stakeholder's involvement in project initiation, planning, implementation and review contributed to project outcome. Wamugu and Ogollah (2017) assessed the role of stakeholder's participation on the performance of constituency funded projects in Mathira East Constituency; the study adopted a

descriptive research design for all CDF projects in the constituency and established that; participation had a positive and significant effect on performance of CDF projects. Kenya ferry services have over the years implemented various projects to ease the transportation at the Likoni channel, however, there have been complains of congestion and time wasting when crossing the channel which gives an indication that the two parties do not work together in solving the problems at the channels (Kenya Ferry Services, 2018). In view of the above authors, the study determined the influence of stakeholder's involvement on project performance at Kenya Ferry Services.

Objectives of the Study

The general objective of this study was to determine the influence of stakeholders involvement on project performance at Kenya Ferry Services. The specific objectives were;

- To establish the influence of stakeholder's involvement on project performance at Kenya Ferry Services
- To determine the influence of stakeholder's decision making on project performance at Kenya Ferry Services
- To investigate the influence of stakeholder's monitoring on project performance at Kenya Ferry Services
- To investigate the influence of stakeholder's funding on project performance at Kenya Ferry Services

The research was guided by the following hypotheses;

- **H₀₁** Stakeholder's project identification on project performance at Kenya Ferry Services
- **H₀₂** Stakeholder's decisions has no significant influence on project performance at Kenya Ferry Services
- **H₀₃** Stakeholder's monitoring has no significant influence on project performance at Kenya Ferry Services.
- **H₀₄** Stakeholder's funding has no significant influence on project performance at Kenya Ferry Services.

LITERATURE REVIEW

Theory of Social Change

The theory popularized by Carol Weiss in 1995, conjectures that a key motivation behind why complex projects are so hard to assess is that the presumptions that rouse them are ineffectively enunciated (Avis, 2015). Theory of Change clarifies the procedure of progress by sketching out causal linkages in an activity, i.e., its shorter-term, middle of the road, and longer-term results. The distinguished changes are mapped as the outcomes pathway demonstrating every result in intelligent relationship to all the others, and additionally sequential stream (Schneider & Wiener, 2016).

A theory of change is a model that explains how an intervention is expected to lead to intended or observed impacts and utility (Vadgama, Khutwad, Dance & Patil, 2015). Often referred to as the program theory, results chain, program logic model or attribution logic, the theory of change illustrates the series of assumptions and links identifying the presumed relationships and has great relevance to planning and coordination as well as research and surveillance (Schneider & Wiener, 2016).

Theory of Constraints

Theory of Constraints based management philosophy focuses on change at three levels; mind-set of the organization, measures that drive the organization, and methods employed within the organization (Albert, 2014). Needs and constraints in a multi-party working situation which is necessary for construction projects bring complications in project management and therefore for effective project management, constraints have to be managed (Menoka, 2014).

The theory of constraints demonstrates how managers can effectively manage organizations based on the assumption of system thinking and constraint management, (Muthoka, 2014). TOC-based management philosophy focuses on change at three levels; mind-set of the organization, measures that drive the organization, and methods employed within the organization. Needs and

constraints in a multi-party working situation which is necessary for construction projects bring complications in project management therefore for effective project management, constraints have to be managed (Irvin & John, 2015).

This study is based on the triple constraint theory where most of adopted monitoring practices from organizational perspectives may work well or fail hence leading to delays if this theory is not well embraced, (Ondari & Gekara, 2013). Delays in project completion are a common problem in the construction industry not only with an immeasurable cost to society but also with debilitating effects on the contracting parties, (Buertey *et al*, 2016). The theory of constraints is useful to the study because it helps project managers overcome the financing challenges and delays that may brought about by stakeholders opposing the implementation of projects. It's useful as it suggest methods in which managers can develop to ensure that they effectively manage hindrances to the project implementation brought about inadequate funding and involvement of stakeholders with varied suggestions and decisions.

Stakeholders Theory

The stakeholder approach has been described as a powerful means of understanding the firm in its environment (Donaldson & Preston, 2015). This approach is intended to broaden the management's vision of its roles and responsibilities beyond the profit maximization function and stakeholders identified in input-output models of the firm, to also include interests and claims of non-stockholding groups, (Jha & Iyer, 2016). It is elaborated that the stakeholder model entails that all persons or groups with legitimate interests participating in an enterprise do so to obtain benefits and that there is no pre-set priority of one set of interests and benefits over another. Associated corporations, prospective employees, prospective customers, and the public at large, needs to be taken into consideration (Du Toit, Walker & Campbell, 2014).

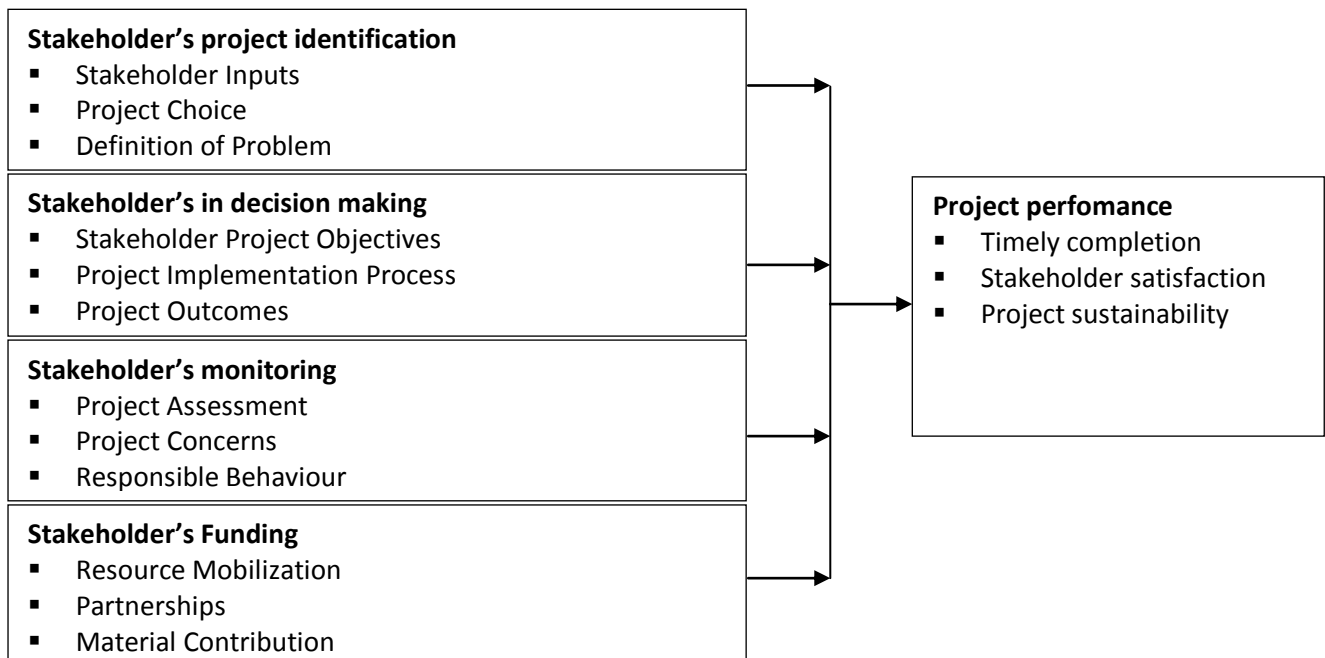
The managerial importance of stakeholder Involvement has been to demonstrate that treatment of stakeholders is related to the long term survival of the organization (Muthoka, 2014). This theory emphasizes the significance of the relationship between the top management staff with the stakeholders. Specifically, managers should understand the success of the projects can be influenced greatly by the involvement of various stakeholders, (Odesola, 2014). These stakeholders will engage depending on the relationship they foster with the top project management and not junior workers acting on their behalf.

Program Theory

Program theory was developed by Lipsey in 1990 illustrates how a program is supposed to work. It is also illustrated as the process through which program components are presumed to affect outcomes. Serra & Kunc (2014) argued that a program theory consist of an organisational plan on how to deploy resources and organise the activities of the program activities to ensure that the

intended service system is developed and maintained. The theory further deals with the service utilizations plan which analyses how the intended target population receives the intended amount of intervention, (Jha & and Iyer, 2016).

Program theory of evaluation has grown in use over the past decade. It assesses whether a program is designed in such a way that it can achieve its intended outcomes (Irvin & John, 2015). The program theory is a guidance theory in the evaluation of projects as it shows the capacity of the program to attend to specific problems that need to be reviewed within projects. It further offers guidance on what areas need to be emphasized on during the evaluation process. Where appropriate, this theory comes in handy to provide solutions and the alternate actions to be carried out in order to obtain the intended results for projects to be evaluated, (Serra & Kunc, 2014). Further, it can be used to enhance decision-making and expand conceptions of solutions to any project problems.



Independent variables

Dependent variable

Figure 1: Conceptual Framework

Empirical Review

Wamugu and Ogollah (2017) assessed the role of stakeholder's participation on the performance of constituency fund development projects in Kenya, a case of Mathira East Constituency. A descriptive research design was adopted, whereby both quantitative and qualitative data was collected using a questionnaire from Mathira East constituency. The study population was the entire CDF project initiated in Mathira East Constituency in the year 2013/2014. The study sample for the respondents was obtained using stratified and simple random sampling techniques. Data analysis involved the use of both descriptive and inferential statistics using statistical package SPSS. The study revealed that, stakeholder participation in project initiation and planning had a positive and significant effect on performance of CDF projects.

Adan (2012), assessed the role of various stakeholders such as CDFC, PMC and government officials in the performance of CDF funded projects and use the findings to come up with recommendations/measures to strengthen use of CDF funds. The research study adopted a descriptive survey design. The target population for this study was 155 representatives from the Constituency; data was collected by use questionnaires and interviews. Stratified proportionate random sampling technique was used to select 140 respondents from the project representatives. Descriptive and inferential analysis was applied to measure and determine the relationship that exists among the collected data by using the statistical package for social sciences (SPSS V 17.0). The study found that CDFC, PMC and government officials' role in project implementation contributed most to project performance.

Daud (2017) sort to determine the factors influencing the implementation of CDF projects with specific focus on Balambala constituency in Garissa Kenya. The research design used for the study was descriptive based on a sample of 398 respondents from Balambala constituency. The

research tool employed for the study was a structured questionnaire. Data was analyzed using descriptive statistics, regression and correlation analysis were used to infer conclusions on the data. The study found a significant positive relationship between Stakeholder involvement and effective implementation of CDF projects, a moderate positive relationship to effective implementation of CDF projects, while monitoring and evaluation and management training reflected a weak insignificant positive relationship to effective implementation of CDF projects.

Buertey, Amofa and Atsrim (2016) sort to determine the barriers to stakeholder involvement in developmental projects at the grassroots level and examine the impact of stakeholder involvement on the success of projects implemented in Ghana. Data was gathered through structured questionnaires distributed to ordinary citizens, community leaders and local authority staff in selected district assemblies in Ghana. Analysis of structured questionnaires revealed that there was inadequate explanation of the background, technical and material justification for the project to the stakeholders prior to project initiation. Stakeholders held that they had difficulty in participating in technical discussions and there was the perceived unwillingness of project implementers to involve them during decision making, to this end, the impact of stakeholders towards project success was insignificant.

Njogu (2016), examined the influence of stakeholder involvement in project identification on performance of automobile Control Project. The study adopted descriptive survey research design as it enabled collection of data to answer to research questions. The target population used for the study was Automobile vehicle companies, petroleum refining companies, and environmental management organizations, the Ministry of energy and NEMA. The study population was 181 respondents who were managers, project managers, operation managers, supervisor and quality control officers. Stratified samplings were

adopted to select a sample size of 125 respondents. The study used both primary and secondary data. The questionnaire was used to collect primary data and had both open and close-ended questions. Secondary data was collected from organizations reports on Automobile emission controls. Inferential analysis correlation and regression was done, the study revealed that stakeholder involvement in project identification has significance influence in Automobile Emission control project Performance.

Nyandika and Ngugi (2014) investigated the influence of stakeholder's participation in performance of road projects in KeNHA. The study used descriptive research design, both qualitative and quantitative methods. The target population for the study was 251, Prequalified Contractors, KeNHA Top management and pre-qualified consultants. This study used a stratified random sampling to select 30% of the target population. Structured questionnaires were used in study to collect data whereby collected qualitative data was analysed by use of content analysis presented in a prose form. Multiple regression analysis was used to establish the relationship between the dependent and the independent variables. The study found that awareness, feasibility, conferences and seminars in user involvement have a great positive influence in road projects performance.

Mulyungi and Mungatu (2017), evaluated stakeholders' involvement in project outcome through gathering and analyzing information on the level of involvement of stakeholders in the process of project cycle management. The study employed descriptive survey design and the target population for the study was the various stakeholders in the WASH project in Rwanda. Data was collected from a sample of 409 respondents where primary data was collected from the community members using a semi structured questionnaire. In addition to questionnaire, the other primary data was obtained through interview to and observations. The researcher analyzed quantitative data using descriptive statistics by applying the statistical

Package for Social Science. The study found that stakeholders' involvement in project initiation, planning, implementation, and review contributed to project outcome.

Onditi and Ouma (2017) investigated the role of stakeholder's involvement on sustainability of CDF projects with focus on Nakuru Town East constituency. 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 with the aid of multiple regressions to establish relationships. 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

Temba (2015) assessed the role of stakeholder's participation in promoting sustainability of donor funded project. A cross sectional descriptive research design was used with a sample size of 70 stakeholders. Data was analyzed through content analysis and SPSS version 16.0. The study found that in order for stakeholder's participation to be effective in promoting sustainability of donor funded projects it should be initiated from the beginning of the project. The study also found that the major role of stakeholder's participation in donor funded projects was mainly in the form of Resource mobilization, Collaboration and partnership, Material contribution and citizen control.

METHODOLOGY

The study adopted a descriptive research design in an attempt to collect data from members of a population to determine the current status of that population on one or more variables (Creswell, 2013). The target respondents included; one Project manager, seventy Operation officers, Forty

Supervisors and one hundred and twenty key partners of Kenya ferry services, as a result 231 participants were engaged in the study. From the target population the researcher selected a sample size of 70 participants. Primary data was collected by means of qualitative data collection instruments (focus group discussions, interviews and observations) and quantitative data collection instruments (questionnaire). On questionnaires the study used a nominal scale where most of the questions were structured on an agreement continuum using 5-point Likert type scale. Descriptive statistics was used to summarize the data including percentages and frequencies. Tables and other graphical presentations as appropriate was used to present the data collected for ease of understanding and analysis. Collected data was coded and entered into the SPSS version 20 program for analysis. Linear regression was also used to determine the prediction factor of dependent variable caused by independent variables as indicated below;

$$Y: \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where $\beta_1, \beta_2, \beta_3$ and β_4 is the regression coefficient of the independent variables

Y = Project performance

β_0 = Constant

X_1 = Project identification

X_2 = Involving stakeholder's in decision making

X_3 = Monitoring & Evaluation

X_4 = Stakeholder Funding

ϵ is the error term normally distributed about a mean of zero.

RESULTS

Descriptive Statistics

Descriptive analysis was done for all variables of the study; this was intended to find out stakeholder response mean, maximum, minimum and standard deviation. Responses given by stakeholders were based on a likert scale given in the questionnaires which required them to indicate their level of agreement to the statements provided in the questionnaires. The likert scale was as follow; strongly Agreed (SA) = 5; Agreed (a) = 4; Neutral = (N) 3; Disagreed = 2 (DA); Strongly Disagreed (SDA) = 1.

Stakeholder Project Identification

The researcher asked stakeholder to indicate the extent to which they agreed to their involvement in project identification and its influence on project performance and their responses were as show in Table 1.

Table 1: Stakeholder project identification

	N	Mean	Std. Deviation
Stakeholder's contributions are included on project implementation plans	61	3.90	.888
Stakeholders get a chance to select a project that is realistic and meet their needs	61	4.01	.865
The organization respects stakeholder concerns and reservation on implementation of projects	61	4.14	.928
Projects are implemented only when there is a consensus with stakeholders	61	3.90	.830
Projects are implemented to meet the satisfaction of the stakeholders	61	3.83	.897
Project budgeting involve stakeholders for effective allocation of resources	61	3.37	1.115

From Table 1, it can be observed that on average mean of 4.1475 and 3.3770 stakeholders agreed

that involving them in project identification has an influence on project performance. These

observations proved the importance involving stakeholders in project identification which influences project performance. As observed in the table above; organization respect for stakeholders concerns had the highest influence with a mean of 4.1475 followed by stakeholders selecting a project of their choice with a mean of 4.0164. Evaluation of stakeholder's contribution and implementing projects were only when there is a consensus with stakeholders recorded a similar mean of 3.9016. It was followed by projects being implemented to meet the satisfaction of stakeholders with a mean of 3.8361 and lastly involving stakeholders in

project budgeting with a mean of 3.3770. The findings of this study were similar to that of Wamugu and Ogollah (2017) who stated that, stakeholder participation in project initiation and planning had a positive and significant effect on performance of CDF projects

Involving Stakeholder's in Decision Making

The researcher asked stakeholder to indicate the extent to which they agreed to their involvement in decision making and its influence on project performance and their responses were as show in Table 2.

Table 2: Involving Stakeholder's in Decision Making

	N	Mean	Std. Deviation
Project Stakeholders play their roles and responsibilities in implementing projects	61	3.40	1.475
Stakeholders are involved in decision making process in all stages of projects	61	3.65	1.459
Stakeholder's decisions are effective in ensuring un-interrupted flow of project activities	61	3.95	.938
The concerns of stakeholders are timely taken care to avoid unnecessary conflicts	61	3.85	.891
Stakeholder analysis is done to identify the level of input into projects	61	3.29	.937
Undertaking problem analysis is to understand extent of stakeholder contribution	61	3.85	1.447
Only key stakeholders are involved so as to save to reduce project implementation time	61	3.93	.997

From Table 2, it can be observed that on average mean of 3.9508 and 3.2951 stakeholders agreed that involving them in project planning has an influence on project performance. These observations proved the importance involving stakeholders in project planning which influences project performance. As observed in the table above; involving stakeholders in decision making is the most influential with a mean of 3.9508, followed by undertaking problem analysis with an aim of understanding extent of stakeholder's contribution with a mean of 3.9344. It is later followed by taking care of concerns of stakeholders and involving only key stakeholders which shared a mean of 3.8525. Stakeholders roles and

responsibilities were spelt had a mean of 3.4098 while carrying out stakeholder's analysis with an aim to identify existent of decision making had a mean of 3.295. The findings of this study were similar to that of Nyandika and Ngugi (2014) who found that awareness, feasibility, conferences and seminars in user involvement have a great positive influence in road projects performance.

Stakeholder Project Monitoring

The researcher asked stakeholder to indicate the extent to which they agree to their involvement in project monitoring and its influence on project performance and their responses were as shown in Table 3.

Table 3: Stakeholder project monitoring

	N	Mean	Std. Deviation
Monitoring tools adopted by the organization are effective identifying project loopholes	61	3.60	1.255
Employees are well trained on monitoring tools in organization projects to be able to identify issues that may delay project implementation	61	3.09	1.150
The organization has baselines for stakeholder involvement in monitoring its activities at all implementation stages	61	3.80	.909
Progress report are assess implementation process and record all constraints that may arise	61	3.55	1.072
The organization audits its financial tools in controlling its project cost	61	3.77	1.055
Metrics are used to check risks in organization	61	3.60	1.053
Inspection checklist are used in standardizing organization monitoring practices	61	3.80	1.107

From Table 3, it was observed that on average mean of 3.8033 and 3.0984 stakeholders agree that involving them in project monitoring had an influence on project performance. These observations proved the importance involving stakeholders in project monitoring which influences project performance. Using of inspection list as standardized organization monitoring practices and setting baselines for stakeholder's involvement in monitoring its activities are the most influential factor with a tied mean of 3.8033. This is followed by use of auditing financial tools in controlling project cost with a mean of 3.7705, use of metrics to check risks in organization and assessing monitoring tools for applicability in

organization activities with a similar mean of 3.6066. Organization progress report to determine its performance had a mean of 3.5574 while training employees on monitoring tools in organization projects had a mean of 3.0984. The findings of the study vary from that of Daud (2017) which state that monitoring and evaluation reflected a weak insignificant positive relationship to effective implementation of projects.

Stakeholder project funding

The researcher asked stakeholder to indicate the extent to which they agreed to their involvement in project funding and its influence on project performance and their responses were as shown in Table 4.

Table 4: Project Funding

	N	Mean	Std. Deviation
Stakeholders play a key development of proposals to secure donor funding	61	3.57	.784
Stakeholders such as financial institutions contribute finances to meet the financial needs of projects	61	3.86	1.040
Stakeholders involvement in resource allocation which determine the budget for projects to be implemented	61	4.36	1.390
Stakeholders are involved in resource specification which determine the budget specific projects to be implemented	61	3.06	1.504
Delivery method are developed with contribution of stakeholders for effective project implementation	61	3.52	1.010
Determining what to purchase for the project involves consultation of stakeholders	61	4.24	.745
Stakeholders are engaged in offering grants	61	3.32	1.220

From Table 4, it was observed that on average mean of 4.3607 and 3.0656 stakeholders agreed that involving them in project funding has an influence on project performance. These observations proved the importance involving stakeholders in project funding which influences project performance. Involvement of stakeholder's in resource allocation was observed to be influential with a mean of 4.3607, it was followed by determining what to purchase for the project through consultation of stakeholders with a mean of 4.2459. Stakeholders support in availing of resources had a mean of 3.8689, stakeholders intervene in securing donor funding had a mean of 3.5738, delivery method were developed with

contribution of stakeholders had a mean of 3.5246, stakeholders were engaged in offering grants had a mean of 3.3279 while stakeholders were involved in resource specification had a mean of 3.0656. The findings of the study were similar to that of Temba (2015) which states that stakeholder's participation in resource mobilization, collaboration and partnership, material contribution and citizen control have an influence on project performance.

Project Performance

The researcher asked stakeholder to indicate the extent to which they agree to various indicators of project performance and their responses were as show in Table 5.

Table 5: Project Performance

	N	Mean	Std. Deviation
The project implementation is always done in line its intended goals and objectives	61	3.49	.993
There is proper utilization of project resources; there is no room for wastage that can lead stalling of the projects	61	3.59	1.038
Projects are implemented and completed within expected timeframe and budget	61	3.06	1.289
Concluded projects normally meet the required scope and quality projects standard	61	3.77	1.334
The organization audits all its implemented projects to check on the quality and standards	61	3.14	1.301
Seeking project feedbacks from stakeholders improves performance	61	3.88	.745
Stakeholders are engaged in offering grants	61	3.32	1.034

From Table 5, it was observed that on average mean of 3.8852 and 3.1475 there is a positive indication of project performance at the organization. These observations proved the importance involving stakeholders in order for projects to perform well. Seeking project feedbacks from stakeholders improves Performance is the highest indicator of project performance with a mean of 3.8852, second highest indicator is concluded projects normally meet the required scope and quality projects standard with a mean of 3.7705, proper utilization of project resources on its performance has a mean of 3.5902, the project meets its intended goals and objectives has a mean of 3.4918 while organization giving regular project

progress reports on its performance had a mean of 3.1475. Lastly, projects are implemented and completed within expected timeframe and budget had a mean of 3.0656. The findings of the study were similar to that of Temba (2015) which states that stakeholder's participation in resource mobilization, collaboration and partnership, material contribution and citizen control have an influence on project performance.

Correlation Results

Correlation analysis was done to establish the strength of the relationship that exists between the independent and dependent variables as shown in the Table 6.

Table 6: Correlation Analysis

	P	V1	V2	V3	V4
P					
Sig					
V1	.131	1			
Sig	.158				
V2	.027	-.056	1		
Sig	.420	.335			
V3	.079	.276	.027	1	
Sig	.274	.017	.419		
V4	.237	.015	.167	.142	1
Sig	.034	.454	.102	.142	

Key

V1: Project identification

V2: Stakeholders decision making

V3: Project monitoring

V4: Project funding

Correlation analysis revealed the involvement of stakeholders in project identification to be significantly and positively related to project performance. These findings were similar to that of Onditi and Ouma (2017) that investigated the role of stakeholder's involvement on sustainability of CDF projects and established that stakeholders' participation in project identification had 75% significance influence on sustainability.

Correlation analysis revealed the involvement of stakeholders in project planning to be significantly and positively related to project performance. These findings are similar to that of Mulyungi and Mungatu (2017) which evaluated stakeholders' involvement in project outcome and established that stakeholders' involvement in project initiation, planning, implementation, and review contributed to project outcome.

Correlation analysis revealed involvement of stakeholders in project monitoring to be significantly and positively relate to project performance. These findings are similar to that of Galaz (2015), which state that noted that

involvement of stakeholder through monitoring and reporting in auto mobile control projects contributes by identifying challenges around performance

Correlation analysis revealed involvement of stakeholders in project funding to be significantly and positively relate to project performance. These findings are similar to that of Temba (2015) which assessed the role of stakeholder's participation in promoting sustainability of donor funded project. The study found that the major role of stakeholder's participation in donor funded projects was mainly in form of Resource mobilization, Collaboration and partnership, Material contribution, and citizen control influenced project performance.

Regression results

Regression was done to estimate the relationships between a dependent variable and the independent variables. It was utilized to assess the strength of the relationship that exists between the variables and for modeling the future relationship between them.

Table 7: Regression Model Summary

Model	R	R-Square	Adjusted R Square	Std. Error	Sig.	Durbin-Watson
1	.728	.530	.496	2.74396	.000	.897

a. Predictors: (Constant), Project identification, Decision making, Project monitoring, Project funding

From Table 7, it was observed that the r-square value of the variable was 0.530 which revealed that involvement of stakeholders in project identification, project planning, project monitoring, and project funding can explain the variation of

project performance by 53%. It's evident that other factors affect project performance at Kenya ferry services; however, these were not covered by the study which was explained by remaining percentage of 47%.

Table 8: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	475.211	4	118.803	15.779	.000 ^b
	Residual	421.642	56	7.529		
	Total	896.853	60			

a. Dependent Variable: Project performance

b. Predictors: (Constant), Project identification, Decision making, Project monitoring, Project funding

ANOVA is considered significant if its p-value is less or equal to 0.05. The model has a P-value of 0.000 < 0.05; hence fit in explaining the relationships between independent variables and project

performance. With an F value of 15.779 and P-value of 0.023 the model, shows that the regression is significant and the variables have a positive influence on project implementation.

Table 9: Regression coefficient

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.526	2.964		.0239	.000
	Project identification	.178	.194	.124	.918	.003
	Decision making	.006	.141	.006	.044	.009
	Project monitoring	.012	.137	.012	.087	.000
	Project funding	.255	.144	.235	.766	.008

a. Dependent Variable: Project performance

From Table 9, it was observed that the study had an intercept of 3.526 which implied that when all other factors are held constant at zero, variation in project performance would be 3.526; involvement of stakeholders in project identification has a positive significant influence on project performance; project planning has a positive significant influence on project performance; project monitoring has a positive significant influence on project performance and project funding has a positive significant influence on project performance because their p-value are less than the critical p-value of 0.05.

$$Y = 3.526\beta_0 + 0.178X_1 + 0.006X_2 + 0.012X_3 + .255X_4 + \epsilon$$

Y: Project performance

X₁: Project identification

X₂: Decision making

X₃: Project monitoring

X₄: Project funding

From the above regression results, it can be deduced that a unit change in project identification influences project performance by 0.178, a unit change in project planning influences project performance by 0.006, a unit change in project monitoring influences project performance by 0.012 while a unit change in project funding leads to 0.255 changes in project performance.

Hypotheses testing

The first hypothesis was; stakeholder's project identification does not significantly influence project performance at Kenya Ferry Services. The findings disapproved the hypothesis since Project identification had a positive and significant effect on project performance at Kenya Ferry Services basing on the regression coefficients of 0.178 (p-

value = 0.0362) which is less than 0.005, hence, the hypothesis was rejected.

The second hypothesis was, stakeholder’s decision making does not significantly influence project performance at Kenya Ferry Services. The findings disapproved the hypothesis since project planning had a positive and significant effect on project performance at Kenya Ferry Services basing on the regression coefficients of 0.006 (p-value = 0.0097) which is less than 0.005, hence, the hypothesis was rejected.

The third hypothesis was, Stakeholder’s project monitoring does not significantly influence project performance at Kenya Ferry Services. The findings

disapproved the hypothesis since project planning had a positive and significant effect on project performance at Kenya Ferry Services basing on the regression coefficients of 0.012 (p-value = 0.0093 which is less than 0.005), hence, the hypothesis was rejected.

The fourth hypothesis was, stakeholder’s project funding does not significantly influence project performance at Kenya Ferry Services. The findings disapproved the hypothesis since project funding had a positive and significant effect on project performance at Kenya Ferry Services basing on the regression coefficients of 0.255 (p-value = 0.0083 which is less than 0.005), hence, the hypothesis was rejected.

Table 10: Summary of Null Hypotheses

Hypotheses statement	Test	Decision
HO ₁ :Stakeholder’s project identification has no significant influence on project performance at Kenya Ferry Services	F-test (ANOVA) T-test	Rejected: P- value is 0.0362 ≤ 0.05.
HO ₂ :Involving stakeholder’s in decision making has no significant influence on project performance at Kenya Ferry Services	F-test (ANOVA) T-test	Rejected: P- value is 0.0097 ≤ 0.05
HO ₃ : Stakeholder’s project monitoring has no significant influence on project performance at Kenya Ferry Services.	F-test (ANOVA) T-test	Rejected P- value is 0.0093 ≤ 0.05
HO ₄ : Stakeholder’s project funding has no significant influence on project performance at Kenya Ferry Services.	F-test (ANOVA) T-test	Rejected: P- value is 0.0083 ≤ 0.05

Discussion

Descriptive statistics revealed that, stakeholders agreed that involving them in project identification has an influence on project performance an observation that proved the importance involving stakeholders in project identification which influences project performance. Regression and correlation analysis revealed the involvement of stakeholders in project identification to be significantly and positively related to project performance. As a result of the findings, the null hypothesis was rejected. These findings are similar to that of Onditi and Ouma (2017) that investigated the role of stakeholder’s involvement on sustainability of CDF projects and established that stakeholders’ participation in project identification had 75% significance influence on sustainability.

Descriptive statistics revealed that stakeholders agreed that involving them in project planning has an influence on project performance. These observations proved the importance involving stakeholders in project planning which influences project performance. Inferential statistics revealed the involvement of stakeholders in project planning to be significantly and positively related to project performance as a result the null hypothesis was rejected. These findings are similar to that of Mulyungi and Mungatu (2017) which evaluated stakeholders’ involvement in project outcome and established that stakeholders’ involvement in project initiation, planning, implementation, and review contributed to project outcome.

Descriptive statistics revealed that; stakeholders agreed that involving them in project monitoring

has an influence on project performance. These observations proved the importance involving stakeholders in project monitoring which influences project performance. Involvement of stakeholders in project monitoring to be significantly and positively relate to project performance which led to the rejection of the null hypothesis. These findings are similar to that of Galaz (2015), which state that noted that involvement of stakeholder through monitoring and reporting in auto mobile control projects contributes by identifying challenges around performance

Descriptive statistics revealed that, stakeholders agreed that involving them in project funding has an influence on project performance. These observations proved the importance involving stakeholders in project funding which influences project performance. Inferential statistics revealed that, involvement of stakeholders in project funding to be significantly and positively relate to project performance which led to the rejection of the hypothesis. These findings are similar to that of Temba (2015) which assessed the role of stakeholder's participation in promoting sustainability of donor funded project. The study found that the major role of stakeholder's participation in donor funded projects was mainly in form of resource mobilization, collaboration and partnership, material contribution, and citizen control influenced project performance.

CONCLUSION AND RECOMMENDATION

From the analysis on the relationship between the study variables, the study concluded that; stakeholder involvement in project identification is positive and significantly related to project performance at Kenya Ferry Services.

Secondly, the study concluded that; involvement of stakeholders in project planning is also positively and significantly related to project performance at Kenya Ferry Services. From the findings, it was established that, this kind of relationship is highly influenced by involving stakeholders in decision making

Furthermore, the study concluded that; involvement of stakeholders in project monitoring is positively and significantly related to project performance at Kenya Ferry Services. From the study findings, it was established that; the most influential factor of the relationship was use of check-list in monitoring and setting baselines for stakeholder involvement.

Lastly, the study concluded that, involvement of stakeholders in project funding is positively and significantly related to project performance at Kenya Ferry Services. From the study findings, the study established that this relationship is highly influenced by involvement of stakeholders in resource allocation.

Based on the findings, the following recommendations were made;

The study established a minimal approval for consensus on projects to be implemented and also less agreement on whether projects meet stakeholder satisfaction despite being involved in the whole process, which point to the fact that their opinions are not consideration when budgeting for projects. The study recommends that stakeholder Involvement in project identification should be enhanced as this would contribute significantly to project performance at Kenya Ferry Services Limited.

Findings of the study showed that, certain preference of influential are considered at a greater extent than others in advancing their interests. It was established that, Kenya Ferry Services Limited only has a higher consideration for key stakeholders. The study recommends that management of Kenya Ferry Services Limited should consider the concern of all stakeholders equally instead of implementing what the national government commands. It was observed during the study that, some stakeholders were less involved in the making of critical decisions.

It was established that, Kenya Ferry Services Limited does not have a written stakeholder's roles and responsibilities guide for participation of stakeholders in project implementation. The tools

adopted by the company such as; inspection list; auditing financial tools, use of metrics to check risks and organization progress report is less popular and less understood by majority of the stakeholders. The study recommends that, the management of Kenya Ferry Services Limited clearly spell out the rules of engagement for its stakeholders to avoid confusion on what they can do during the project management process.

The study established that stakeholders are involved in drafting funding proposals to donors and financial institutions to meet the financial needs of projects. Kenya Ferry Services Limited being a government entity, its allocated a fair share in the annual budgeting and collects huge sum of money from motorist using the ferries at the channel. It is recommended that the management train its staff on effective financial management for proper utilization of resources to avoid reliance on debt and donor funding.

Suggestions for Further Research

The study observed that Kenya Ferry Services gives less concern on evaluation of stakeholder's

contribution; consensus on projects being implemented which led to low satisfaction levels of on the performance of projects once completed. There is need for a further investigation to understand how applicable the law can be used to ensure participation is guaranteed and projects meet stakeholder expectations.

Furthermore, the study established challenges faced by Kenya Ferry Services in undertaking problem analysis with an aim of understanding extent of stakeholder's contribution and concerns while more attention was given to key stakeholders. A further analysis is required to ascertain the extent to which these challenges affect the participation process. Lastly, the study established that stakeholders support in availing of resources was weak and in most cases failed to secure donor funding. A study should be conducted to establish the conflict of interest in project funding by key stakeholders and how they affect project performance.

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