

INFLUENCE OF STAKEHOLDERS PARTICIPATION ON PERFORMANCE OF CONSTITUENCIES DEVELOPMENT FUND PROJECTS IN NAKURU TOWN EAST CONSTITUENCY, KENYA

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ABSTRACT

Constituency development fund (CDF) is a decentralized fund which was established by the Kenyan government based on the belief that the local level government has a better understanding of community needs. Since its establishment in 2003, the management of CDF faces varied challenges which include the insufficient stakeholder's participation. The purpose of this study was to establish the influence of stakeholder's participation on performance of CDFs in Nakuru town East Constituency, Kenya. The objective of this study was to establish whether stakeholder's participation in CDF projects identification had an influence on management of CDF. The target population for this study were representatives from CDF projects in Nakuru town East Constituency making a total population of 160 respondents Nakuru town East Constituency. Research instrument for data collection was a questionnaire. Descriptive statistics was used to analyze both quantitative and qualitative data. Information obtained from the

questionnaires was and coded, and then entered into a computer for analysis using descriptive statistics with the help of Statistical Package for Social Sciences (SPSS) version 20. The study used multiple regression analysis so as to test relationship among variables. Karl Pearson coefficient of determination was used to present inferential statistics. Findings the study concluded that the study indicates that there was a moderate positive and statistically significant correlation between project identification and performance of CDF project in Nakuru East constituency ($r = 0.527$; $p < 0.05$). This implies that proper project identification enhances performance of CDF project through stakeholder's participation by giving a clear direction on the projects that are a priority in Nakuru town East Constituency, Kenya. The researcher recommended that stakeholder's participation is crucial in project identification by giving a clear direction on the projects that are a priority for successful performance of CDF projects in Kenya.

INTRODUCTION

Background to the Study

The Constitution of Kenya 2010 (Constitution) set the overall guidelines for the management of public funds, requiring: that financial matters be handled transparently and with accountability; that public finance system promotes equity; that resources are shared equitably between present and future generations. Public funds be applied in a prudent and responsible way; and that financial management be responsible, and fiscal reporting clear. This study aims at establishing the influence of stakeholder's participation in management of devolved funds focusing on CDF

projects. In this study it attempts to identify the impact stakeholders between policy and implementation of planned development projects and explain the reasons for these gaps with an ultimate aim of seeking innovative, appropriate, homegrown solutions to the unique problems so discovered as the major setbacks to participatory communication in the management of CDF. For effective stakeholders participation development Communication which is the art and science of human communication applied to speedy transformation of a country and the mass of its people through the identification and utilization of appropriate expertise in the development process assist in increasing participation of intended beneficiaries at the grassroots level” (Arndt, & Oman, 2016).

The CDF social audit project entitled, “Towards Improved Accountability and Transparency in Constituency Development Fund through Social audit” sought to entrench a democratic culture in the management of Kenya’s Constituency Development Fund (CDF) so as to improve its efficacy. It sought to enhance community participation in the management of the fund and to build their capacity to play their watchdog role. This was premised upon the reality that there was insufficient community participation in CDF processes and that efforts to monitor CDF were haphazard and uncoordinated. (CEDGG) (2017).

Statement of the Problem

One of the objectives of CDF is to ensure citizen participation through decision- making in project identification, implementation, monitoring and evaluation. However, the DGSP was able to identify a number of challenges in the implementation of decentralized funds (CDF included) that have prevented them from reaching their full potential. Key among the challenges was low community involvement, problems in identification and implementation, monitoring and evaluation of projects. A paltry 5% of the respondents felt that they were involved in decision making. (Kairu,2018). The problem is that there exists a gap between one of the CDF core values which is “to advocate for participatory approaches” and the actual implementation of CDF projects and programmes which has been found to be wanting in a number of cases.

The 2003 Act that established the CDF created structures through which citizens could participate in project identification, management, monitoring and evaluation, it also stipulates the procedures for prioritization and selection of projects, funds disbursement and accounting, participation of government ministries and departments, roles of various committees and auditing and monitoring activities. The high failure rate in these projects could be due to failure to involve key stakeholders in project activities. Despite wide range of knowledge on project planning and management, project failure is still reported (Obuya, 2018). Based on the challenges stated above inter-alia, this study aims at addressing the fundamental question of how best to enhance stakeholder participation in the management of CDF, particularly in Nakuru town East constituency, Kenya.

Purpose of the Study

The main purpose of the study was to establish the influence of stakeholder's participation on performance of CDF projects in Nakuru town East Constituency, Kenya.

Objectives of the Study

To establish the influence of stakeholder's participation in project identification on performance of CDF projects in Nakuru town East Constituency, Kenya.

LITERATURE REVIEW

Introduction

This chapter critically analyzes literature on influence of stakeholder's participation on performance of CDF projects while focusing on theoretical review. Literature regarding stakeholder participation in project identification is the main focus for this chapter.

Stakeholder Engagement Theory

According to Freeman, (2018) stakeholder engagement can be defined as a trust-based collaboration between individuals and/or social institutions with different objectives that can only be achieved together. Advancing sustainable development is one such goal that needs the trust-based collaborative effort of both the organizations and their stakeholders to ensure its success. Studies of stakeholder engagement theory identified different levels of engagement (Harry, 2020). Informative approaches to stakeholder engagement include identifying and mapping the roles of key stakeholders to inform about the project. The next level is the instrumental approach which about understands local concerns in order to foster social acceptance. This involves increasing transparency, tailor make information to different stakeholder groups and integration of roles and interests of stakeholders into the project and process. Success arises from the next level of stakeholder engagement, the democratic approach; true participation involves feedback loops from the interaction in the process. The first feedback loop is the integration of stakeholders' concerns, priorities, satisfaction and suggestions into the process. This could involve consulting experts and instigating extra research to the impacts of project activities. The second is improving communication and transparency as a result of interaction. The third and final feedback loop is the willingness to make adaptations to the project implementation, in other words, the design. In the context of CDF projects, establishing an expert team in the process, in- depth analysis of expectations and perspectives and aligning these expectations within internal and external stakeholders are the final lessons learned in effective stakeholder engagement (Mitchel et.al , 2019). This theory is applicable to the current study in that it enabled the researcher to on how to engage with various stakeholders to help identify how they operate in certain projects. In the process of engagement the researcher was able to identify the challenges they encounter. Stakeholder engagement aims at enhancing mutual understanding and alignment between

organizations and their stakeholders.

Stakeholders Participation in CDF Projects Identification

The CDF Act provides that the elected Member of Parliament for every constituency shall, within the first year of a new parliament and at least once every two years thereafter, convene locational meetings in the constituency to deliberate on development matters in the location, the constituency and the district. Each location shall come up with a list of priority projects to be submitted to the Constituency Development Fund Committee which shall deliberate on project proposals from all the locations in the constituency. Projects shall be community based in order to ensure that the prospective benefits are available to a widespread cross-section of the inhabitants of a particular area. Any funding shall be for a complete project or a defined phase, unit or element of a project and may include the acquisition of land and buildings. PMC's initiate a request for funding based on a felt need. (Ntuala, 2019).

The PMC can be of several types; an existing institution committee, a registered development group. Or can be formed solely for the purpose of the project. Relevant government departmental heads for example. D.E.O, D.A.O, District Water Engineer are also involved in project identification in their areas. The most common tools or methodologies used in the initiation stage are Project Charter, project plan, project framework, project Justification, and project milestones reviews (James & Lewis, 2017). Project Preparation includes resource planning, various inputs/clearances, resettlement and infrastructure development. It is necessary to develop mechanisms for the selection of projects that ensure fairness and avoid conflicts of interest. (Otieno, 2019).

The identification processes determine the nature and scope of the project. If this stage is not performed well, it is unlikely that the project will be successful in meeting the community needs (Ackermann & Eden 2019). The key project controls needed here are an understanding of the project environment and making sure that all necessary controls are incorporated into the project. According to Albert (2018) any deficiencies should be reported and a recommendation should be made to fix them. The initiation stage should include a plan that encompasses the following areas: Analyzing the needs/requirements in measurable goals, reviewing of the current operations, Financial analysis of the costs and benefits including a budget, Stakeholder analysis, including users, and support personnel for the project, Project charter including costs, tasks, deliverables, and schedule.

Conceptual Framework

The research relates Stakeholder involvement in project identification, (Independent variable) with level of performance of CDF projects (dependent variable).

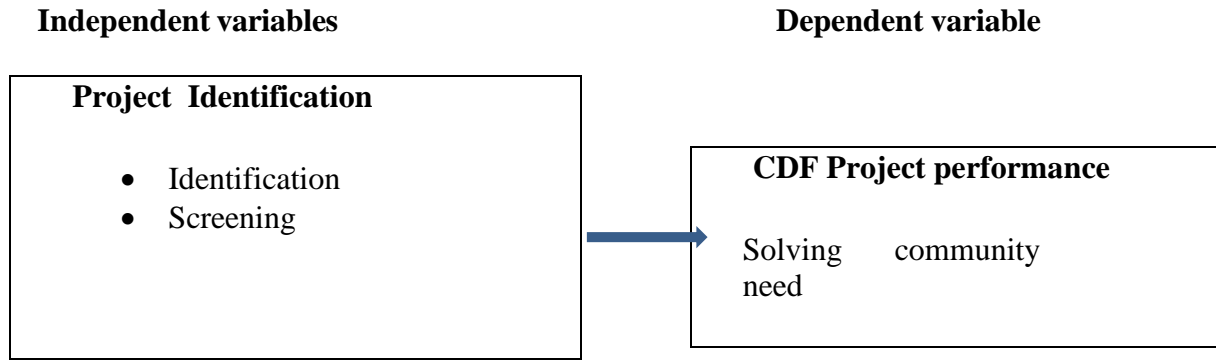


Figure1: Conceptual framework (Source, researcher 2023)

RESEARCH METHODOLOGY.

Introduction.

This chapter outlines the research design research design, target population, sampling procedure, data collection methods, validity and reliability, ethical consideration and data analysis.

Research Design

This study adopted was a cross sectional survey due to the time factor and the variables of the study adopting a case study approach. This involved collecting information from a larger number of cases using questionnaires. The study entailed studying participants in their natural setting aiming at maximizing realism.

Target Population

A population is an entire group of individuals, events or objects having common characteristics that conform to a given specification. The target population for this study were 3 representatives from each of the one hundred and fifty five CDF projects (155) in Nakuru town East Constituency comprising 465 possible respondents. Data was collected from fifteen (15) CDF committee members and five (5) government representatives (departmental Heads).

Table 1: Target Population

Sector	Com plete	Populat ion	Percent age
Education	47	141	30.3
Roads and bridges	47	141	30.3
Environment	21	63	13.5
Health	15	45	9.7
Others	15	45	9.7
Security	01	3	0.6
Water	09	27	5.8
Total	155	465	100.0

Source: Nakuru town East CDF Office (2023)

Sampling Design

Sampling is the process of selecting a number of individuals for a study in such a way that the individual selected represents the large group from which they are selected. According to Chandran, (2018), a sample size of between 10% and 40% is considered adequate for detailed or in-depth studies. Stratified proportionate random sampling technique was used to select the sample from the project representatives. Hence, this study sampled 30% of the Nakuru town East constituency CDF projects to determine number of projects sampled for the study coming up with a sample size of 140 respondents from the CDF projects. Further, the study used a census approach in picking all the fifteen (15) CDF committee members and five (5) government representatives (departmental Heads) making a total population of 140 respondents.

Table 2: Sampling Frame

Sector	Frequency	Percentage	Sample size
Education	141	0.3	42
Roads and bridges	141	0.3	42
Environment	63	0.3	19
Health	45	0.3	14
Others	45	0.3	14
Security	3	0.3	1
Water	27	0.3	8
Subtotal from the projects representatives	465	0.3	140
CDF committee members	15	100(census)	15
Departmental Heads	5	100(census)	5
Total sample			160

Data Collection Techniques

The study used both primary data and secondary data. The data was both qualitative and quantitative. Primary data was collected through questionnaires. The questions were semi structured and closed ended questions for easy coding and analysis while the opened questions were used to elicit more information from respondents to complete any missing information.

Reliability of instruments

Reliability is achieved when research instrument has internal consistency. A pilot study was assessed the capability of the research instruments to collect required data for the research. The questionnaire was administered to sixteen respondents in Nakuru west constituency as part of the pilot study.

Validity of the instruments

According to Mugenda (2018), research instruments need to be valid and reliable in order to produce quality results. The validity in the study research instrument was measured through the opinion of experts during the pilot study. Any ambiguity or nonclarity in the questionnaire item was sorted before the questionnaire was taken to the field for data collection.

Data Collection Procedure

The researcher sought an introductory letter the post graduate school of Mount Kenya University together with NACOSTI (National councils of Science and technology) research permit before going to the field. All the relevant stakeholders to be involved in the study were briefed about the study and were given two weeks to fill in the questionnaires.

Data Analysis Techniques

After collecting data, it was edited and coded following the variables in the study. Descriptive and inferential analysis was applied to measure and determine the relationship between variables using the statistical package for social sciences. Descriptive analysis was in form of percentages and mean was used to help to understand and interpret variables. Qualitative data was consolidated, content analyzed and narrative report was used to depict respondents' views about the subject matter. ANOVA and Karl Pearson's product moment correlation were also computed to establish the relationship between the variables. Data analyzed was presented using frequency tables and percentages. The study employed a multivariate regression model due to its ability to test the nature of influence of independent variables on a dependent variable. Regression able to estimate the coefficients of the linear equation, involving one or more independent variables, which best predicted the value of the dependent variable. The regression model was as follows:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where: Y = stakeholder's participation in devolved funds CDF projects; β_0 = Constant Term;

β_1 , β_2 , and β_3 = Beta coefficients; X_1 = Project identification

RESEARCH FINDINGS AND DISCUSSIONS

Introduction

The chapter focuses on data analysis, results presentation and discussion of the findings. The main purpose of the study was to establish the influence of stakeholder's participation on performance of CDF projects in Nakuru town East Constituency, Kenya.

Pilot Test Results

This chapter presents the pilot results, interpretation and discussion. A pilot study was conducted among sixteen respondents in Nakuru west constituency in Nakuru County. This represented 10% of the sample size. Statistical Package for Social Sciences (SPSS) software was used to analyze the data. Reliability of the instruments was determined using Cronbach Alpha.

Descriptive statistics

Influence of stakeholder’s participation in project identification on performance of CDF projects in Nakuru East Constituency

The respondents were asked to indicate their level of agreement on the stakeholder’s participation on performance of CDF projects in Nakuru town East Constituency, Kenya. The findings are as indicated in Table 3

Table 3 : stakeholder’s participation on performance of CDF projects

Project Identification	S A	A	MA	D	SD	Mean	Std
	%	%	%	%			
I am fully aware of projects undertaken	52	39	9	0	0	4.40	0.6
Initiation of new projects is a collective responsibility that involves all stakeholders	37	31	19	13	0	3.84	1.7
Initiation helps managers identify the precise problem areas that need improved	44	40	6	10	0	4.12	0.9
Initiation provides immediate short-run feedback on whether quality improvement efforts are succeeding	37	39	10	14	0	3.82	1.5

(Source field data 2024)

The research findings revealed that majority of the respondents (52%) strongly agreed, 39 % agreed while those who moderately agreed were at 9 % that they are fully aware of projects undertaken a mean of 3.94 and the standard deviation of 1.34. The findings further indicated that majority of the respondents (37 %) strongly agreed, 31% agreed while those who moderately agreed were at 19 % and those who disagreed were at 13 % that initiation of new projects is a collective responsibility that involves all stakeholders with a mean of 3.84 and the standard deviation of 1.71. The research findings also revealed that that majority of the respondents (44%) strongly agreed, 40 % agreed while who moderately agreed were at 6 % and those who disagreed were at 10 % that initiation helps managers identify the precise problem areas that need improved with a mean of 4.17 and the standard deviation of 0.91. The results showed that majority of the respondents (39%) agreed, % strongly agreed while who moderately agreed were at 10 % and those who disagreed were at 14 % that initiation provides immediate short-run feedback on whether quality improvement efforts are succeeding with a mean of 3.82 and the standard deviation of 1.52

Inferential Statistics

Correlation Analysis

Project identification and performance of CDF project

The study sought to establish the correlation between project identification and performance of CDF project in Nakuru East constituency. The findings of the study are as shown in Table 4.

Table 4 Project identification and performance of CDF project

Performance of CDF project		
Project identification	Pearson Correlation	.527**
	Sig. (2-tailed)	.000
	N	147

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

As indicated in Table 4, the study indicates that there was a moderate positive and statistically significant correlation between project identification and performance of CDF project in Nakuru East constituency (r = 0.527; p < 0.05). This implies that proper project identification enhances performance of CDF project through stakeholder’s participation by giving a clear direction on the projects that are a priority in Nakuru town East Constituency, Kenya.

Table 5: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.047	.133		.270	.767
1 project Identification	.341	.137	.583	5.560	.012

Table 5 shows the overall significant test results for the hypothesized research model. The interpretations of the findings indicated follow the following regression model.

$$Y = \beta_0 + \beta_1 X_1 + e$$

Therefore, $Y = 0.047 + 0.341X_1$

According to the intercept (β_0), when the independent variables is held constant, the performance of CDF project in Nakuru East constituency was 0.047. In addition, holding all the other independent variables constant, a unit increase in project identification would lead to a 0.341 improvement in performance of CDF project in Nakuru East constituency.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter provides a detailed summary of the major findings of the actual study; it then draws conclusions and discusses implications emanating from these findings. Finally, it makes some recommendations and suggestions on areas of further study. The purpose of was to assess establish the influence of stakeholder’s participation on performance of CDF projects in Nakuru

town East Constituency, Kenya.

Project identification and performance of CDF project in Nakuru East constituency

From the analysis the study findings revealed that the stakeholders were fully aware of projects undertaken in the constituency. Initiation of new projects was a collective responsibility that involves all stakeholders. The results also showed that project initiation helped managers identify the precise problem areas that needed improvement. Project initiation provided immediate short-run feedback on whether quality improvement efforts are succeeding. These result implied that project identification statements had an influence on performance of CDF projects in Nakuru town East Constituency, Kenya.

Conclusions

Based on the findings the study concluded that the study indicates that there was a moderate positive and statistically significant correlation between project identification and performance of CDF project in Nakuru East constituency ($r = 0.527$; $p < 0.05$). This implies that proper project identification enhances performance of CDF project through stakeholder's participation by giving a clear direction on the projects that are a priority in Nakuru town East Constituency, Kenya.

Recommendations

Based on the findings of the study, the researcher recommended that stakeholder's participation is crucial in project identification by giving a clear direction on the projects that are a priority in Nakuru town East Constituency, Kenya.

Suggestion for further Studies

This study suggests that future studies should be done to establish CDF project identification strategies.

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