INFLUENCE OF MICROFINANCE INSTITUTIONS ON COMMUNITY DEVELOPMENT PROJECTS: A CASE OF HOUSEHOLDS PROJECTS IN MUHORONI CONSTITUENCY, KISUMU COUNTY, KENYA

Jude K. Odhiambo
Master of Arts in Project Planning and Management, University of Nairobi, Kenya
Dr. Anne A. Aseey
Senior Lecturer, Odel Campus, University of Nairobi, Kenya

International Academic Journal of Information Sciences and Project Management (IAJISPM) | ISSN 2519-7711

Received: 4th July 2019

Accepted: 11th July 2019

Full Length Research

Available Online at:

http://www.iajournals.org/articles/iajispm_v3_i3_312_332.pdf

Citation: Odhiambo, J. K. & Aseey, A. A. (2019). Influence of microfinance institutions on community development projects: A case of households projects in Muhoroni constituency, Kisumu County, Kenya. *International Academic Journal of Information Sciences and Project Management, 3*(3), 312-332

ABSTRACT

The purpose of the study was to investigate influence of microfinance institutions on community development projects: a case of household's in Muhoroni Constituency, Kisumu County, Kenya. The objectives were to determine the influence of government regulatory frameworks on community development projects in Muhoroni constituency, to examine the influence of macroeconomic factors on community development projects in Muhoroni constituency, to establish the influence of stakeholder participation on community development projects in Muhoroni constituency, and to establish the influence of marketing strategies on community development projects in Muhoroni constituency. There was a supposition that, the members were ready to take part and addressed answer the inquiries dependably and precisely. The study included theories diffusion of innovation theory of innovations and the dynamic capabilities theories. A summary of these theories and their implications to the study were discussed. The study likewise assumed that the respondents have essential learning in project administration. The study employed descriptive research design. From the possible target population of 1520, stratified random sampling was employed to select a total of 190 sample population. Survey questionnaires were utilized as the information gathering instruments. The filled questionnaires containing collected data were sorted out and cross checked to ensure that they were complete. The data was then grouped into various categories based on the study objectives: demand patterns, inventory cost and store records. SPSS.v20 was used to analyze data. The study questionnaire return rate was 52.6 % which was adequate for the study. Most respondents were males being represented by 58% and 42% were female. Furthermore the study established that all respondents had at least acquired some education were most 29% qualified up to O level, 22% qualified up to A level 28% qualified up to Diploma level and 21% qualified up to Degree level. The findings revealed that the majority of the respondents agreed that; lack of constant update of the policies in place affects project success as depicted by mean of 2.47; empowerment of the leadership and management team at the community level ensures project performance projected by 2.62 mean score with 0.14 as the resultant standard deviation and that, marketing plans should be done for all levels of project implementation projected by 2.70 mean score with 0.11 resultant standard deviation. The study recommends that the project organization engages the stakeholders more to harmonize its goals and objectives with the aspirations of the stakeholders and reduce dissonance levels thereby increasing satisfaction. To enable employees deliver quality services, the study recommends that the project organization hires qualified staff. The study recommends that the project organization involves stakeholders in all its strategic management right from strategic formulation to strategic evaluation. The study suggests similar studies in other Counties in Kenya. One of the conclusions of this study is that project planning, which is one of the important stages of a project life, does have an influence on the performance of community development projects. There is need to explore how other stages of a project cycle influence on the performance of community development projects.

Key Words: *microfinance institutions, community development projects, households projects, Muhoroni constituency, Kisumu County, Kenya*

INTRODUCTION

Globalization has become chief component for determining how modern organizations operate in a wide market characterized by free flow of information, liberalization of the world markets geared towards removing trade barriers and innovations in the competitive business environment intended to improve one's image in addressing the needs of the people. In view of this eventuality, the most competitive ideas rolled out in the package of project management techniques promise hope to several communities, calling for their participation in all the stages of a development initiative to ensure sustained efforts in improving the well-being of the people (Ledgerwood, 2013). In the views of Webster (2015), the goals of a project intervention are realized through prudent management of material components, time schedules and funds with focus on well nurtured human capital. Focusing on superiority of the project approach to community development in the informal settlements in Venezuela, Colin, (2006) noted that project implementation design that meets the demands of wide stakeholder groups must be packaged in a project team with the most competitive training, adequate funding, regular flow of information on the latest changes in the operating environment and the people involvement.

In Asia, from CBN, (2015),a project mogul working with the Chinese Conglomerates of Local Projects (CCLP), effective implementation of community development projects hinges on regular acquisition of knowledge and skills in project management best practices, sufficient funding, and access to information on the ever changing business environment. Enumerating her encounters in managing of community based development projects in India, Eluhaiwe (2015), observed that community based development initiatives that are undertaken by people with the most progressive and competitive skills often deliver the much desired project outcomes. Besides, project designs that emphasize full stakeholder participation in all phases of a project intervention, as well as acquisition of information on the latest changes in the operating environment definitely lead to the realization of the project objectives as demanded by the stakeholders. In addition, a project environment must consistently be analyzed and the obtained information be availed for improving the project deliverables.

In Africa, based on factors influencing implementation of public sector initiated projects (PSIP) in Ghana , Ukeje, (2005) noted that these initiatives were being implemented to offer essential services to the rural communities such as areas as water, health, social amenities and education, yet most project teams were lacking basic project management skills necessary in the performance of different project activities. He advised that training for sustainable development ought to embrace a large mass of the community members leading to effective e transfer of skills in the performance of different project activities. Reporting from a study focusing on challenges of devolved community based development projects ' implementation status in Chad (UN, 2005) noted that effective project implementation depends on the extent to which project management strategies are up - scaled to boost the efforts of implementing agencies and the broad stakeholders to fully execute project tasks. Worth observing was that sustained resource mobilization, aggressive monitoring of the operating environment to obtain information and stakeholder involvement were considered vital ingredients of effective project implementation.

In East Africa Rwanda, the country's reconstruction infrastructure projects were initiated by initially empowering the project teams through training and adequate resource mobilization, supported by the UN , Kimotha (2015) in Idolor (2007).Having been greatly devastated by the genocide, the country supplemented the efforts of the international community by embarking on intensive empowerment initiatives through the modern project management approach, (Igbatayo,2004). In this effort, training of project teams was emphasized, resources were aggressively mobilized and generated information regularly provided to guide the project team in taking strategic decisions in order to effectively implement the reconstruction projects. According to Kimotha (2015) any community initiative that realizes its objectives on a sustainable basis must emphasize the need to bring on board well trained project team, avail substantial resources and all tasks performed on a platform of stakeholder participation. Furthermore, the importance of environmental analysis for information through SWOT strategy must be underscored, for without information flow on both internal and external project environment, the changes in the operating environment may pose serious impediments to the achievement of project goals.

In Kenya, subsequent to the inception of the new constitution that created two levels of government, community based development projects initiated through dispensation have faced challenges in all the devolved units in the whole country. According to the Kenya National Audit Office Report (2016), most community based development projects in many counties were initiated as conduits for syphoning public resources by county government officers, leading to scattered poorly implemented structures across the country.

In Kisumu County, reporting from a survey on the implementation status of the devolved government projects, Omondi (2015) observed that most of the projects at community level were implemented with individuals having no requisite skills in different project areas, community members not involved, resources not sufficiently allocated with total disregard of the needs of the intended beneficiaries and the result being the presence of scattered initiatives that subsequently failed to meet the expectations of the citizens. However, In Muhoroni Constituency, the National Government Constituency Development Fund (NGCDF) in a hand book on strategies for effective project implementation , indicated that putting in place strong PMCs comprised of individuals with technical skills in different project areas , regularly convening meetings whenever projects were to be initiated in order to identify and prioritize community based development projects in a participatory manner , in addition to monitoring the project environment for status reporting ,exhibited excellent project implementation and success. Generally in Kisumu County, most households projects initiated at the community level have fallen far much below the expectations of the beneficiaries.

STATEMENT OF THE PROBLEM

Project implementation plans have been used for many years as monitoring and evaluation tools. The aim of developing plans is to help in ensuring that the project implementation is on course as planned and also to ensure that planned activities are implemented during the implementation period of the intervention (Omondi, 2005). As monitoring tools, action and detailed implementation plans should help implementers to be on track with project activities and ensure that all the scheduled activities are implemented to achieve the desired project goals and objectives. This has not been the case in most community development initiatives as projects end up not achieving the desired objectives outlined during the planning phase of the project or intervention. The action plans developed during inception of development programmes have most of the time remained on paper as implementation goes on without a guided implementation schedule (Amando, 2005). Some people have blamed this on monitoring but this study will try and highlight the various factors that make the detailed implementation plans to lose meaning once the implementation begins (TAMFI, 2005). This study therefore explore factors which have hindered the implementation of action plans in helping community development organizations achieve their goals of sustainable community development thereby impacting positively on local livelihoods (Biekpe, 2007). Engaging local people in planning has been the routine of most development organizations working with communities particularly in the rural areas. However, most projects collapse or become moribund and little has been done to find-out their inherent problems despite having developed very elaborate action and implementation plans. This is a common phenomenon in most development organizations and initiatives. It has thus become necessary to examine various reasons why most community development projects have not achieved the desired results despite having very elaborate and exhaustive implementation plans. This is the focal point upon which this study has been anchored.

PURPOSE OF THE STUDY

The purpose of the study was to investigate influence of microfinance institutions on community development projects: a case of household’s in Muhoroni Constituency, Kisumu County, Kenya.

RESEARCH OBJECTIVES

1. To determine the influence of government regulatory frameworks on community development projects in Muhoroni constituency
2. To examine the influence of macroeconomic factors on community development projects in Muhoroni constituency
3. To establish the influence of stakeholder participation on community development projects in Muhoroni constituency
4. To establish the influence of marketing strategies on community development projects in Muhoroni constituency

LITERATURE REVIEW

Community Development Projects

Community development projects empower people and encourage participation by involving them in bringing change and in that way develop different skills, knowledge and experiences. Development at the community level is about collective action and cooperation void of discrimination on economic, social, political, racial and religious lines. The community members are expected to be at therefore-front in decision making and the planning and implementing process. Apart from what is provided for by the donor funding, communities also take lead in mobilizing material resources especially those that are locally available. For instance a community member may offer his or her portion of land for demonstration of an innovation in agricultural initiatives (International Fund for Agricultural Development, 2013).

The idea of Community development projects may emanate from the community members of a specific area who join hands and put their resources, efforts, knowledge and skills together and address a problem or work towards improving their livelihoods (Murphy, 2011). Most of the self-help groups and women groups in the rural areas are initiated and created by the community. Some of them are meant to provide the people with a platform for savings and taking loans in order to develop them, for others these groups are opportunities for them to come together and seek marketing for their farm products. When they have grown these groups begin projects like the construction of commercial buildings and in that way impact the development of an area (Halter, 2008).

Both in the urban and rural Kenya are groups of individuals that operate almost like table banking known as ‘Chamas.’ Kenya is approximated to have 1.2million Chamas where 300,000 are registered and an estimated 900,000 are unregistered (Start Up Academy, 2014). All these are communities’ initiatives working towards development. Development practitioners with a vision of bringing about change can also support the communities to come up with Community development projects. The community however has the upper hand of pointing out and prioritizing its needs.

The practitioners in most cases work with the already existent community groups these are the women groups and the self - help groups, in few cases do they coordinate the community to form new groups. Community development projects may either be focused on impacting the community as a whole or households or even individuals. For instance, while a borehole is meant to directly benefit the community as a whole, the rural micro -finance initiatives are meant to empower an individual financially who will eventually provide for his/her household and at long run impact a community.

The leadership and management of these projects in both cases however is entirely with the community members. The community members are allowed to propose and appoint leaders since they have profound knowledge of each other. The leadership and management structures are designed in such a way that the community members can easily interact with them. The community based leadership and management is done to encourage ownership of the initiatives and eventually their sustainability and survival. The development initiators only provide technical and financial support until the Community development projects can manage to progress on their own (Community Tool Box, 2016).The state or country government authorizes the legal existence of these development projects especially in the event of a totally new group. Registered NGOs, CBOs, FBOs and other development practitioners have to also go through the necessary authorities in order to launch their activities.

In Kenya for instance the local leadership of the Sub-county registers and coordinates these community groups under the Ministry of Labour, Social Security and Services to ensure they are adhering to the law of the land and are within the principles of human rights. The government also serves the role of following up and monitoring the group's progress especially after the development practitioners have left to other areas of intervention (Halter, 2008).The Haiti Community Driven Development (CDD) project was a World Bank initiative that was meant to scale-up the direct transfer of public resources to local community initiatives in poor rural and peri-urban communities in Haiti. The ten-year project was focused on hiring technical assistance service providers to mobilize community organizations in the targeted areas in order to train and prepare them in order for them to carry out subsequent sub-community projects. World Bank was not to directly run the project but train a technical crew in the community that can run with the vision of alleviating poverty (Mercy Ships, 2016). Development in rural Kenya is in most cases driven by the community development projects. Most of the development activities are initiated by donor organizations which seek to alleviate poverty.

Government Regulatory Frameworks and Community Development Projects

Projects' intervention goals are realized through prudent management of material components, time schedules and funds with focus on well nurtured human capital, Adonis (2013). Focusing on superiority of the project approach to community development in the informal settlements in Venezuela, Amurt (2012) noted that project implementation design that meets the demands of wide stakeholder groups must be packaged in a project team with the most competitive training, adequate funding, regular flow of information on the latest changes in the operating environment and the people involvement.

Bonny (2013), indicated that most project environments are dictated by continuous changes, so much such that, delivery of the much needed success depends highly on one’s ability to obtain information by engaging in consistent scanning of the operating environment. Moreover, key project team members must display knowledge and skills in best project management practices through regular training and funds aggressively mobilized. The process of exploring and improving policies governing an organization or a project often is a prerequisite that cannot be ignored. It is this constant review that will encourage updates (Pal, 2010).

Bhalkim (2015) observed that community based development initiatives that are undertaken by people with the most progressive and competitive skills often deliver the much desired project outcomes. Besides, project designs that emphasize full stakeholder participation in all phases of a project intervention, as well as acquisition of information on the latest changes in the operating environment definitely lead to the realization of the project objectives as demanded by the stakeholders.

According to Arthur (2016), a project mogul working with the Chinese Conglomerates of Local Projects (CCLP), effective implementation of community based development projects hinges on regular acquisition of knowledge and skills in project management best practices, sufficient funding, and access to information on the ever changing business environment.

According to Bossert (1990), the popular solution to this problem of project sustainability is to ensure that the transfer of project responsibilities and handover processes are initiated from the beginning of the project to the end and continually monitored for effectiveness. This basically is the art of making the project beneficiaries be responsible of any project activity which will enhance project ownership thus furthering its sustainability.

Beginning of the project to the end and continually monitored in Ghana, Beniko (2015) noted that these initiatives were being implemented to offer essential services to the rural communities such as areas as water, health, social amenities and education, yet most project teams were lacking basic project management skills necessary in the performance of different project activities. He advised that training for sustainable development ought to embrace a large mass of the community members leading to effective transfer of skills in the performance of different project activities.

Like in the case of Rwanda; having been greatly devastated by the genocide, the country supplemented the efforts of the international community by embarking on intensive empowerment initiatives through the modern project management approach, Menjo (2013). In this effort, training of project teams was emphasized, resources were aggressively mobilized and generated information regularly provided to guide the project team in taking strategic decisions in order to effectively implement the reconstruction projects.

In Uganda, any community initiative that realizes its objectives on a sustainable basis must emphasize the need to bring on board well trained project team, avail substantial resources and all tasks performed on a platform of stakeholder participation.

Furthermore, the importance of environmental analysis for information through SWOT strategy must be underscored, for without information flow on both internal and external project environment, the changes in the operating environment may pose serious impediments to the achievement of project goals.

In Kenya, subsequent to the inception of the new constitution that created two levels of government, community based development projects initiated through devolved government dispensation have faced challenges in all the devolved units in the whole country. According the Kenya National Audit Office Report (2016), most community based development projects in many counties were initiated as conduits for syphoning public resources by county government officers, leading to scattered poorly implemented structures across the country.

Oduor (2015) reviewed a report from a study carried out focusing on the status of implementation of devolved government's projects in Kisumu County. From the report, it was observed that most of the projects at community level were implemented with individuals having no requisite skills in different project areas, community members not involved, resources not sufficiently allocated with total disregard of the needs of the intended beneficiaries and the result being the presence of scattered initiatives that subsequently failed to meet the expectations of the citizens. Owuoth (2016) reported from a survey conducted on the level of public satisfaction with the implementation of community based development projects in the county, indicated that most projects were initiated for the people with no community involvement, tenders awarded to cronies of the government officers who rushed to register companies with no prequalification records, the result being rejected structures such as the ODM office.

Macroeconomic Factors and Community Development Projects

The cost of living is constantly rising and has become a global concern, for the past 50 years there has been a dilemma on how to curb the skyrocketing cost of living (Church, 2011). Both the developed and underdeveloped countries are significantly affected by the rising cost of basic commodities and services. For the developed countries rising cost of living makes the prices of basic goods to be exorbitant forcing the people to reduce the quantities of the goods bought and in the underdeveloped world it forces the locals to forego some items and give priority to the most important items that one cannot live without.

Report of the Nairobi cross sectional Slums Survey (NCSS) 2012 reiterates that Kenya is no exception to the cost of living that keeps on rising day in day out especially in the informal settlements where people struggle to meet their daily basic needs. An example is Kibera slums where the community members are adversely affected by the rising rate of inflation which affect their daily lives in terms of what to eat, wear or shelter. There are many factors that affect the cost of living in the slum; inflation, family size and income. NCSS 2012 reported that many people in the slums do not access basic necessities like clean drinking water and sewerage services thus making it difficult for them to raise the 10% fee the government had required them to deposit so that they can be allocated a room in the Slum Upgrading Project. Community members tend to give priority to meeting the basic needs like buying food whose price is within their means leaving out the housing project terming it beyond their means hence making the project unsustainable or failing to meet the need it was intended for.
In Kenya unemployment is rampant and stands at 50% (NCSS, 2012) The remainder percentage of people that are employed are working in industrial area doing jobs that need fair skills, those jobs are mostly contractual hence the level of income is low. The unemployed members of the community spent their time doing menial jobs around the vicinity and are paid per day depending on the amount of work done. Casual laborers may earn less than a dollar a day putting them at risk of not being able to afford to register for the housing project by paying the required amount. Some youth who do not find jobs turn to crime activities like stealing from the neighbors and other members of the public affecting the security situation of slum. The report recommended the government to address the level of unemployment through parliament by putting in place policies that curb it.

When the rate of inflation rises, the prices of basic goods rise (Church, 2011) households tend to pay more for food, clothes, transport, electricity and shelter. This increase in price tend to reduce the purchasing power of the slum residents, this means that they will have to buy few items using a lot of money. Food which is the most important basic need in the slum may have its prices affected by weather conditions and fuel costs. Food prices go up when the weather conditions are extreme like when it is too dry or too much flooding in the country that causes shortage of food thus increase in price. The community members with high purchasing power have the ability to sustain the project because they afford it. The government has an active role to play in controlling the prices of basic commodities and helping the common citizens (Braun, 2008). Without the intervention of the present government the private suppliers of basic goods and services may set exorbitant prices of their supplies with an aim of making huge profits at the expense of the poor people.

Many initiatives on sustainability face numerous challenges, The donor agencies and other project stakeholders should facilitate the process of bettering the community by giving them an opportunity to improve their living conditions by use of available resources in the community (Soerderbaum, 2008) Donor funded projects require assimilation and pulling together of both financial and human resources in the community for its sustainability. The project beneficiaries should come together and be empowered to be independent so that they can independently solve their key problems and sustain projects.

Stakeholder Participation and Community Development Projects

The development of project ideas is driven by the demands of community members and this leads to effective participation (FAO, 1997), this participation allows the project beneficiaries to have a sense of ownership on the project thus having that commitment to sustain the project even after the external assistance is stopped upon its completion. reality features a fundamental dilemma which can only be unlocked by extensive engagement of the efforts of the local communities to take actions through community based development projects. Across the world today, common challenges are approached through collective efforts and several such outfits include: European Union, African Union, and AGOA, IGAD, ECOWAS, EAC as well as grass root groupings. However, a nagging perception on the sustainability of these initiatives in addressing the needs of the people ought to be subjected to second opinion.

The degree to which community-based development projects could be sustained depends, among other factors, It is important and better for donors to offer assistance to the project target group that will help them to be independent in future rather than give handouts which will make them be dependable on charity thus being unsustainable (Bossert, 1990, p.105). Shaeffer (2005) shows a number of particular activities involving high level participation in broader developmental contexts that include: collection and analyses of information; definition of priorities and setting of objectives; assessment of accessible resources; decisions on scheduling programmes; designing of strategies for implementing the programmes as well as sharing task among participants; management of programmes; monitoring of programmes' progress and the evaluation of impacts and results. One of the strategies to grow ownership in community development projects has and always will be the people's involvement right from the beginning, through the process and ultimately to the very end(Kaufman and Poulin,1996).

It becomes fundamental to observe that where participation is low, people are rarely consulted, nor given information; they are merely told what to do. The agency plans and implements its programmes which reduces people identification with it as well as poor maintenance and high mortality of projects. Where it is high, people gain control of the process, they are guided by an agency to identify their problems and make key decisions. Otieno (2007) argued that the District Focus for rural Development (DFRD) strategy could possible not achieve the expected as the major projects were selected, monitored and implemented by government representatives as local the people in most cases were not fully engaged. It does not escape the attention of any keen observer to notice that failure to involve the people in community based development projects has been manifested in negative attitudes in which people become reluctant and even vandalize development projects such as community water pumps for lack of ownership. Harvey and Reed (2006) observed that involvement may take diverse forms that include the primary expression of water demand, selecting machinery, providing local materials and labour, contribution of cash to project costs, selecting management types and also the water-based tariffs to levy.

In concurrence with this view, Ouma (2009) found out that grass root participation encourages the community to learn and make informed decisions on the implementation of the projects. He further observes that involvement enhances ownership and hence empowerment of the community. He recommends that community based development organization's internal structures be strengthened to be accommodative of the efforts of as many stakeholders as possible. In his study, Ogutu (2010) notes that community involvement and participation in the NGO water projects is fundamental at different stages of the project cycle. He points out that community participation facilitates capacity building for sound management of water projects by the community members on sustainable manner. Jean (2011) notes that to a large extent, as a way of responding to the critique coming from top-down growth and the growing attentiveness of little efficiency of assistance in underprivileged nations, international donor communities have of late adopted community-based development approaches.

They have observed that such abrupt shifts in aid activities are questionable due to entry numerous agencies ' field that with diminutive or no experience relating to participatory development. Cardwell (2008) study conducted in Philippines focusing on rural development projects' sustainability revealed that such projects are driven by demand on the basis of professed requirements of a participating community with the engagement and support from the local governments as well as other key services' providers. In these types of projects, it is expected that communities would take responsibilities of their development agendas via enhanced knowledge access, resources and technologies.

As indicated by Marsden (2013), community inclusion is a vital piece of partners bolster. Association of the community assumes a basic part in the geothermal power project frameworks supportability. There is an expansion in Sustainability rate of undertakings because of proprietorship and administration plans at the community level. Chappel (2015) underpins the way that community support builds project productivity. In his investigation, he suggested that there ought to be sufficient community association amid the arranging phase of the task. Community cooperation is depicted as a procedure by which different people from all groups take control of choices which influence their lives. It includes coordinated effort of the two people in basic leadership, plan and usage of the projects (Mushtaq, 2014). Investment of the community builds project adequacy in light of the destinations which are met and the advantages to the general public. Likewise it helps in building recipient limit through dynamic cooperation and preparing amid project arranging and execution

In a manner that appears of qualifying Munro's observation, the strategic plan for the 'Ministry of Planning and National Development 'for the period 2004/05 to 2008/09 acknowledged that participation of shareholders has been nominal in the recent past due to lack of a national policy framework for guiding successful stakeholders' participation. This was in regard to the process of formulating development agendas. Also, the existing legal frame work fails to provide for wide –ranging consultative processes in issues rating to national-based planning, reporting and monitoring. Although the DFRD (District Focus for Rural Development) approach that was intended to make it Possible for contribution by the general public in the process of development, it has largely been unproductive, therefore, there remains great unsustainability for such initiatives.

In a recent survey showing massive wastage of devolved funds, Ochanda (2010) blamed the poor handling of devolved fund kitties on incoherent synergy among stake holders, less community participation, ambiguous governance structures and failure to respect basic constitutional principles of checks and balances. As a rejoinder to Ochanda's observation, Katula (2010) in the same report warns that 'the mess in handling of the devolved kitties is a pointer to what should be expected from the counties. 'Antony Gitonga reporting for The Standard on 11th of February, 2011, featured the theme: "Leaders Proble Stalled Projects in the area" indicated that the civil leaders in Naivasha called on CDF national board to inspect stalled projects in the area. While addressing the press in Naivasha, the civil leaders observed that the CDF office had become a 'one-man-run show' leaving locals and stake holders in the dark, added the report. Gitonga's report isa replica of common experiences in several parts of the country typical of people complaining of the dissatisfying project outcomes.

Participation of community members in community based development interventions is thus considered crucial, for it creates a sense of project ownership. Community ought to take an interest in all phases of the task improvement, thusly; enduring arrangements are discovered that fit their necessity including assets (Lockwood, 2014). Rather than outer impacts, distinctive organizations should endeavor to take care of community's issues. Interest is noteworthy particularly at the beginning of the undertaking. With clear comprehension of the framework, community was more concerned and resolved to benefit conveyance and feel a feeling of proprietorship (IFAD, 2007). From the discussion, project's success is depicted as dependent on the level of participation of the people in key project activities, and to facilitate people's participation, empowerment mechanisms must never be ignored. This is important as a people whose capacities are low will surely have little to contribute to a development intervention.

Marketing Strategies and Community Development Projects

Shaw (2012) indicated that a marketing strategy refers to a plan of marketing actions that a business intends to take to achieve specific goals and objectives. According to Jain (2000) strategic marketing include looking at the entire business's portfolio of markets and products and managing them to attain business's overall goals and objectives. A marketing strategy is viewed as a company's overall plan for reaching a certain group of people and converting them into regular consumers of services or products that the company provides. According to Burke (2004) a market plan is the very foundation on which a project is built as it not only outlines the projects' scope and objectives but also the means to achieve the project objectives that is the indicators, the activities, the cost and the time. A plan therefore outlines the way to achieving objectives. Burke (2004) further explains that a plan document is a practical document that should be reviewed throughout the project life to determine whether the project is on track. The marketing strategy of a business includes the business's values, marketing messages, information directed to targeted customers, as well as other high-level elements. A marketing strategy is important as it informs a company's marketing plan which is a document that outlines marketing activities and their timing (Kotler, 2009). The marketing strategy of a company should have a longer lifespan when compared with an individual market plan because key elements of its brand and value proposition reside in a marketing plan. Ideally, these things do not shift easily over time.

Marketing strategy has been considered as a constituent of the long-term plan of the marketing function. Using the concept of positioning and segmentation, marketing strategy has been defined as a method of identifying the target markets towards which marketing actions are to be focused and the forms of competitive advantages that are to be created and exploited in every target market **(**Hashemi, 2003). The aim of marketing targeting strategy is to identify target customers that a company wishes to attract. Once the company's target customers are identified and their respective importance to the business is determined, the company is a position to choose the company's positioning strategy (Shaw, 2012). According to Jain (2000) strategic marketing include looking at the entire business's portfolio of markets and products and managing them to attain business's overall goals and objectives.

Marketing strategies have been used for many years by majority of the organizations. These strategies are already being used by some microfinance establishments. The success of these strategies comes in once applying those practices and henceforth professionally executed. According to Achrol (1991) strongly argues that in the advent of technological development, business has experienced more problems than before, hence the technological inventions have also come up with more innovative offerings to enable services and products are customer centered and compliance levels. Marketing strategists should embrace the advent of technology and utilize the same in improving service delivery and service quality.

IT support for customers is a key ingredient in firm's growth and performance. The firm's management should embrace the benefits of IT to realize the maximum advantage of IT in terms of enhancement of the effectiveness of the individual functions of operations, marketing and human resources (Bonoma et al., 1988). Market development is part of growth strategy where organization markets their products in a new location. Therefore firms should maintain other traditional methods of communication as all are relevant and productive (La Monica 1999). Marketing strategists should embrace the advent of technology and utilize the same in improving service delivery and service quality

THEORETICAL FRAMEWORK

A theoretical framework is commonly known as a compilation of ideas and thoughts, which exhibit some form of relationship, and are on the basis of principles and theories offering to give explanations on the reality of a phenomenon as it has been captured various theories. In various fields, propositions and theories concerning relationships existing between ideas have over the time been formulated (Tromp and Kombo (2006). In these kinds of fields, researchers develop interested to ascertain or test a certain theory (Mugenda and Mugenda, 2003).This section discussed the theories. These theories included diffusion of innovation theory of innovations and the dynamic capabilities theories.

Diffusion of Innovation Theory of Innovations

This study operate on the theory of diffusion of innovations which shows that social and economic change could occur in the communities in the course of members adopting innovations in their social groups or at the community level. According to Schonher and Mbugua (1973), innovation may possibly be marketed to some members in social units, and these few may help in diffusing innovations, trickle them down or communicate to other social unit members.

This theory is therefore significant to the study due to the fact that project implementation, in Muhoroni Constituency household projects has not been impressive. The results of the study are likely to act as a catalyst to awaken the various project team members to devise best project management strategies of adding value to the initiated projects in the county and this innovation may also trickle down to other implementing projects in the entire Kisumu County transforming it into an economic hub in Kenya.

Effective exploitation of the available local resources, through innovative strategies that add value could offer to make devolution a reality in Kenya, which in turn could spur economic development in various regions of the county in a sustainable manner. The choice of the model is justified in the view of the fact that effective development is attained through collective efforts of diverse stakeholders, and that individual contribution is also significant.

Dynamic Capabilities Theory

The Dynamic Capability Theory emphasizes on the importance of resource mobilization at the business level in order to address mostly competition. In particular, the ability to pull together external and internal business resources to address changes in the business landscape constitutes the Dynamic Capabilities Theory (Manyumbu., 2014). The theory emphasizes not only on the ability to mobilize resources but also on the ability to replicate results so as to fit in the ever-changing business environment. Dynamic capabilities theory is a business name for measures to address constant change. As such, there should be mechanisms in the business and organizational environments that will inculcate the culture of changing with seasons in order to maintain a competitive advantage of the business. However, this forms the most crucial challenge of business growth in the context of the dynamic capabilities as there is need for the many moving parts in the process to be brought under control and this may take some time. Basically, the theory advocates getting out with the old and embracing the new.

The components that make up the dynamic capabilities of a firm were postulated to be four in total; Learning, reconfiguration, leveraging and integration. Each component works to complement the process of change where Reconfiguration refers to the breaking down of existing mechanism and coming up with other more effective mechanisms that fit the current and possibly future situation(s) (Mugo, 2012). Leveraging follows after reconfiguration where the new methods are transitioned to the existing environment through coordination and recombination of resources to get the most appropriate mix. Leaning involves the monitoring and evaluating the new methods to find areas of improvement and trouble shoot any problems if they exist. Integration comes in after the above three processes where the new ways are incorporated into the organization as the new norm until such a time when there will be a need for change. The cycle forms.

This theory also stresses on the agility of the firm to change with changing environments. However, it fails to account for the difficulty in corporate changes whose resistant nature may lead to failure to adopt the new ways completely (Akuku, 2009). In this context, the theory will be applicable in small scale firms which have far less moving parts as compared to the big firms and instituting change could prove less difficult. The theory is applicable in this study because business reengineering and change management practices are aspects impacting on the dynamic capabilities of the MFIs. These aspects impact on the organizations capabilities to sustainably transform into DTMs.

RESEARCH METHODOLOGY

Research Design

Descriptive Research Design is a scientific method which involves observing and describing the behavior of a subject without influencing it in any way. It measures questions such as what, why, how, when and where (Cooper & Schinder 2001). According to Kothari (2004), descriptive design focuses on explicit forecasts with portrayal of actualities and attributes concerning individual, gathering or circumstance. In this research, community development projectsis the circumstance under scrutiny. Descriptive Research Design was utilized in this study. It is a scientific method which involves observing and describing the behavior of a subject without affecting it in any capacity. It measures questions such as what, why, how, when and where (Mugenda and Mugenda 2003). Descriptive research aims at answering questions relating to the present status of the subject being studied using the data collected. It embodies: formulation of the study objectives, designing of the data collection method, selection of the sample, data collection and finally analyzing the results (Mugenda & Mugenda, 2003).

Target Population

The target population has also been defined as a set of people or events that have a common observable trait that are of interest to the researcher. The target populations of this study were project managers, finance officers, project officers, county leaders, community leaders and beneficiaries in community development projects in Muhoroni constituency Kisumu County. According to The Kenya National Banking Association, Muhoroni Chapter Report (2018), there is a total of 1,520 target population involved in household projects in Muhoroni Constituency.

Sample Size and Sampling Procedure

According to Mugenda and Mugenda (2003) a bigger sample size reflects a more accurate finding, and if resources and time allow, researchers should strive to have a larger sample size as possible. This study adopted the random stratified sampling technique to select 190 respondents. Stratified sampling is a probability sampling technique wherein the researcher divides the entire population into different subgroups or strata, then randomly selects the final subjects proportionally from the different strata. The reason for the choice of the sampling method is because it enabled the researcher to representatively sample even the smallest and most inaccessible subgroups in the population. The researcher chose stratified sampling as it focused on important sub-populations, improves the accuracy and efficiency of estimation. This is consistent with Lucy (2002) who stated that sampling method should permit greater balancing of statistical power of tests of differences between strata by sampling equal numbers from strata varying widely in size. Stratified random sampling was used to handpick respondents in the five population groups. Thus made it possible for the respondents in the target population to have uniform and fair chances of partaking in the investigation. This was effective because all sizes were considered including the smallest.

Research Instruments

Survey questionnaires were utilized as the information gathering instruments. A survey questionnaire is a data collection instrument encompassing a series of queries with distinct prompts to collect information from study participants. The purpose behind utilizing the survey questionnaire as an information accumulation instrument is on the grounds that it aids the gathering of data from the respondents without influencing their timetables in their occupations as they answer the inquiries at their own extra time. A refinement is made between open-ended and close ended inquiries. An open-ended inquiry requests that the respondent figure his own answer, though a close ended inquiry has the respondent pick an answer from a given number of choices. (Leung, 2001). The researcher also used interview guide for managers, leaders and beneficiaries.

Data Collection Procedure

Survey questionnaires were utilized as the information gathering instruments. A survey questionnaire is a data collection instrument encompassing a series of queries with distinct prompts to collect information from study participants. The purpose behind utilizing the survey-questionnaire as an information accumulation instrument is on the grounds that it aids the gathering of data from the respondents without influencing their timetables in their occupations as they answer the inquiries at their own extra time. A refinement is made between open-ended and close ended inquiries. An open-ended inquiry requests that the respondent figure his own answer, though a close ended inquiry has the respondent pick an answer from a given number of choices (Leung, 2001). The researcher also used interview guide for respondents.

Data Analysis Technique

The filled questionnaires containing collected data were sorted out and cross checked to ensure that they were complete. The data was then grouped into various categories based on the study objectives: demand patterns, inventory cost and store records. SPSS.v20 was used to analyze data. Statistical instruments such as standard deviation, frequencies, mean scores, percentages, were used to present the data.

RESEARCH RESULTS

Generally, the study Questionnaire return rate was 52.6 %. This was considered was way above the accepted questionnaire return rate of 50 per cent and adequate for the study, the study found that most respondents were males being represented by 58% and 42% were female. This implies that household's in Muhoroni Constituency doesn't obligate prejudice in engaging workers for that reason it make use of a gender composed labor force, furthermore the study established that all respondents had at least acquired some education were most 29% qualified up to O level, 22% qualified up to A level 28% qualified up to Diploma level and 21% qualified up to Degree level. This infers the study participants in household's projects at Muhoroni Constituency were proficient and thus would comprehend and translate the inquiries.

Government regulatory framework and community development projects

The findings revealed that the majority of the respondents agreed that; lack of constant update of the policies in place affects project success as depicted by mean of 2.47 with standard deviation of 0.29.

Macroeconomic factors and community development projects

It was also revealed that, Out of 100 household who participated in the study, over 70% consented that education of community members influenced the implementation of community development action plans. However, 30% held a contrary opinion**.** Findings of the study revealed that majority over 60% of household heads earned between Ksh.1,001–10,000 a month.

Stakeholder participation and community development projects

It was revealed that, the majority of the respondents agreed that; empowerment of the leadership and management team at the community level ensures project performance projected by 2.62 mean score with 0.14 as the resultant standard deviation.

Marketing strategies and community development

Finally, findings showed that most respondents strongly agreed that, marketing plans should be done for all levels of project implementation projected by 2.70 mean score with 0.11resultant standard deviation.

CONCLUSIONS

From the findings it can be concluded that, the process of exploring and improving policies governing an organization or a project often are a prerequisite that cannot be ignored. It is this constant review that will encourage updates.

Education increases the skills required by community members for the work-force in production related activities. Improved skills place community members at a better position of implementing community development action plans.

Family monthly income can be positively associated with participation of family members in community development work. One of the strategies to grow ownership in community development projects has and always will be the people's involvement right from the beginning, through the process and ultimately to the very end.

In addition, a market plan is the very foundation on which a project is built as it not only outlines the projects' scope and objectives but also the means to achieve the project objectives that is the indicators, the activities, the cost and the time.

Finally, it can be concluded that, a market plan document is a practical document that should be reviewed throughout the project life to determine whether the project is on track.

RECOMMENDATIONS

Before projects are implemented, an analysis of the cost of living should be carried out and if possible, consultations on how to lower this cost of living be made and implemented so as to avert the negative effects of cost of living on the sustainability of donor funded projects.

The researcher further recommended that stakeholders from far and wide should be not only involved in projects but also take an active role in the affairs of the projects. This is so because having different stakeholders on board creates a pool of knowledge, skills, expertise and experience that not only critic the project positively but also contribute to the betterment of the project.

The researcher finally advised that project managers should invest in human capacity building especially among community members who are directly involved in running of projects. This was found important as project will have a continuous flow of managers and experts who not only create awareness but also ensure continuity of the projects ever after.

REFERENCES

Acha I. A. (2012). Microfinance banking in Nigeria: Problems and prospects. *International Journal of Finance and Accounting*, 1(5), 106-111.

Akuku, A. O. (2009). The Role Played by Microfinance Institutions in the Funding of Business Sart Ups for Micro Entrepreneurs: A Case Study of Gikomba Market Micro Entrepreneurs. *International Journal of Economics and Finance*, *2*(2), 1–50.

Ala, M. O. (2013). Influence of Mobile Banking On Growth of Micro Finance Institutions in Kenya.*International Journal of Social Science and Entrepreneurship*, *1*(2), 1–18.

Arun, T. (2005).Regulating for development: the case of microfinance.*The quarterly review of economics and finance*, 45(2), 346-357.

Batillana, J., & Dorado, S. (2010). Building sustainable hybrid organizations: The case of commercial microfinance organizations.*Academy of Management Journal*, 16, 57.

Bhatt, N., & Tang, S. Y. (2001).Delivering microfinance in developing countries: Controversies and policy perspectives.*Policy studies journal*, 29(2), 319-333.

Bhopal, T. (2011).A Detailed Study of Micro Finance as a Tool for Tribal Transformation in Areas of Madhya Pradesh.*Asian Review of Micro-Finance Development*, *2*(3), 72–76.

Biekpe, N. 2007.Maintaining Sustainable Development in Africa through Microfinance.*Africa growth Agenda Vol 1*: Issue 3.

Borio, C. (2010). *Implementing a Macro prudential Framework: Blending Boldness and Realism*, Bank for International Settlements.

Bowen, D. E. (1996). Market-focused HRM in service organizations: Satisfying internal and external customers. *Journal of Market Focused Management*, 1(1), 31.

Central Bank of Nigeria, (2015).*Micro Finance Policy, Regulatory and Supervisory Framework for Nigeria*.APublication of Central Bank of Nigeria, Abuja, Nigeria.

Charreaux, G., &Desbrieres, P. (2001). Corporate governance: Stakeholder value versus shareholder value. *Journal of Management and Governance*, 5, 107.

Chaves, R., & Gonzalez-Vega, C. (1994).*Principles of Regulation and Prudential Supervision and Their Relevance for Microenterprise Finance Organizations*

Cheston, S., & Kuhn, L. (2002).*Empowering women through microfinance*.Draft, Opportunity International.

Cull, R., Morduch, J., &Demirguc-Kunt, A. (2009). Microfinance meets the market. *Journal of Economic Perspective*, 23(1), 25.

Das, S. G., Srinivasan, R. K., &Kodamarty, M. (2010). *Strategies to Counter Microfinance Delivery Challenges*.Available at SSRN 2116876.

Ehigiamusoe, G. (2008). *The role of microfinance institutions in the economic development of Nigeria*.Publication of the Central Bank of Nigeria, 32(1), 17.

Elsayed, K. (2011). Board size and corporate performance: The missing role of board leadership structure. *Journal of Management and Governance*, 15(3), 415–446.

Fernández-Villaverde, J. (2010). Fiscal Policy in a Model with Financial Frictions, *American Economic Review*: *Papers & Proceedings*, 100 (2), pp. 35-40.

Finkelstein, S., &D'aven, R. (1994). CEO duality as a double-edged sword: How boards of directors balance entrenchment avoidance and unity of command. *Academy of Management Journal*, 37, 5.

Freeman, E. (1984). *Strategic management: A stakeholder approach*. Boston: Pitman.

Galati, G., and Moessner, R. (2011).*Macroprudential Policy—A Literature Review*, BIS Working Papers No. 337.

Gray, S. (2011). *Central Bank Balances and Reserve Requirements*, IMF Working Paper No. 11/36 (Washington: International Monetary Fund).

Hartarska, V. (2005).Governance and performance of microfinance institutions in central and eastern Europe and the newly independent states.*World Development*, 33(10), 1627–1643.

Hartarska, V., &Mersland, R. (2009). Which governance mechanisms promote efficiency in reaching poor clients—Evidence from rated microfinance institutions. *European Financial Management*.doi: 10.1111/j.1468-036X.2009.00524.x.

Hartarska, V., &Nadolyank, D. (2007). Do regulated microfinance institutions achieve better sustainability and outreach? Cross-country evidence.*Applied Economics*, 39(10–12), 15.

Hermes, N., Lensink, R., &Meesters, A. (2011).Outreach and efficiency of microfinance institutions.*World Development*, 39(6), 938–948.

Hillman, A., &Dalziel, T. (2003). Boards of directors and firm performance: Integrating agency and resource dependence perspectives. *The Academy of Management Review*, 28(3), 383–396.

Hillman, A., Keim, G., &Luce, R. (2001). Board composition and stakeholder performance: Do stakeholder directors make a difference? *Business and Society*, 40(295), 18.

Hillman, A., Withers, M., & Collins, B. (2009). Resource dependence theory: A review. *Journal of Management*, 25, 513–540.

Hulme, D., & Mosley, P. (1996).*Finance against poverty: Volume 1*. London: Routledge.

Ikeanyibe, O. M. (2010). Human resource management for sustainable microfinance institutions in Nigeria.*Global Journal of Social Sciences*, 8(1), 119-133.

Jebukosia, A.(2013). Challenges of Strategy Implementation in Savings and Credit Cooperative Societies in Nairobi County, Kenya.*International Journal of Business, Humanities and Technology*, *2*(3), 36–39.

Jensen, M. (1993).The modern industrial revolution, exit, and the failure of internal control systems.*Journal of Finance*, 48, 831.

Jensen, M., &Meckling, W. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3, 55.

Kiiru, G. W. W. (2015). Dynamic Capabilities, Strategic Orientation and Competitive Advantage of Small and Medium-Retail Enterprises in Kenya.*Journal of Strategic Business Planning*, *5*(1), 98–107.

Kurfi, B. U. (2008). *Overview of Credit Delivery Channels in Nigeria*.Publication of the Central Bank of Nigeria, 1.

Lashley, J. G. (2004). Microfinance and Poverty Alleviateion in the Caribbean: A Strategic Overview. *Journal of Microfinance/ESR Review*, 6(1), 83-94.

Ledgerwood, J. (2013). *The New Microfinance Handbook: A Financial Market System Perspective*. Washington, DC: World Bank. © World Bank. https://openknowledge.worldbank.org/handle/10986/12272 License: CC BY 3.0 IGO.

Littlefield, E., Morduch, J., &Hashemi, S. (2003). Is microfinance an effective strategy to reach the Millennium Development Goals? *Focus Note*, 24(2003), 1-11.

Manyumbu, P., Mutanga, M., &Siwadi, P. (2014).Factors Affecting the Sustainability of Growth of Micro-Finance Institutions in Zimbawe.*Corporate Sustainability*, *4*(3), 9–13.

Marguerite, S. R. (2001).*The Microfinance revolution: Sustainable Finance for the poor*.

Mbindyo, U. (2013). Competitive Strategies Adopted by the Local Authorities Providient Fund (LAPFUND), Kenya. *Journal of Economics and International Business Research* , *3*(4), 19–23.

Moll, H. A. (2005). Microfinance and rural development: A long-term perspective. *Journal of Microfinance/ESR Review*, 7(2), 13-31.

Mosley, P., &Hulme, D. (1998). Microenterprise finance: is there a conflict between growth and poverty alleviation?.*World development*, 26(5), 783-790.

Mugenda, O., &Mugenda, A. (1999).*Research Methods; Quantitative and Qualitative Approaches.* Nairobi: Acts Press.

Mugo, J. G. (2012). The Effect of Financial Innovation on the Growth of Micro-Finance Institutions in Kenya.*Econimic Journal of SME Development*, *6*(3), 1267–1275.

Mugo, S.(2014). Change Management Practices and Performance of Kenya Revenue Authority.*International Journal of Research in Management, Economics and Commerce*, 2(3), 25–20.

Nasir, S. (2013). Microfinance in India: Contemporary issues and challenges. *Middle-east journal of scientific research*, 15(2), 191-199.

Webster University (2015). *4 Elements of empowerment.Webster University 470 East Lockwood Avenue St.* Louis, Missouri 63119 United States of America (800)981-9801.

White, E.N. (2009). *Lessons from the History of Bank Examination and Supervision in the UnitedStates*, 1863-2008, this volume.