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EFFECT OF STAKEHOLDER MANAGEMENT ON PERFORMANCE OF SANITATION PROJECTS FUNDED BY CDF IN NAIROBI COUNTY, KENYA

[1] Kimalel Beatrice, [2] Dr. Nyang'au Samson Paul, [3] Nyamwaro Lorna Kerubo

[1] Masters Student, Jomo Kenyatta University of Agriculture and Technology;

[2,3] Lecturer, Jomo Kenyatta University of Agriculture and Technology

ABSTRACT

To establish the effects of stakeholder management on the performance of sanitation projects funded by CDF in Nairobi County. The study sought to determine the influence of stakeholder risk assessment and stakeholder compensation on the performance of sanitation projects funded by CDF in Nairobi County. The study thus hinged on risk management theory and the Herzberg's two-factor theory. A descriptive research design was a used. The study targeted the sanitation projects funded by CDF in Nairobi County. The respondents of the study were the managers of the respective 210 CDF-funded sanitation projects in Nairobi County. The study used the Fishers formula to scientifically derive a sample size of 136 project managers. A simple random sampling technique was used to select 136 project managers as the unit of observation. Primary data was used in this study and it was collected using semi-structured questionnaires. Both qualitative and quantitative analysis methods were used where descriptive as well as inferential metrics was used to analyze the data from the field. Semi-structured questionnaires were used to collect the qualitative and quantitative data. To ascertain the reliability and the validity of the questionnaire, a pilot study was conducted. Quantitative data was first be analyzed by use of descriptive and inferential statistics. Descriptive statistics was analyzed the data relating to the demographics of the participants, where the statistics such as counts, percentages, means/averages and standard deviation was the main measures. Inferential statistics on the other hand primarily sought to test the causal relationship between the predictor variables and the predicted variable. This involves the correlation and regression analysis. The whole analysis was aided by the use of SPSS version 25.0 as well as Excel and the findings were presented in tables, charts, and as well as figures. The study concludes that stakeholder risk assessment has a positive and significant effect on the performance of sanitation projects funded by CDF in Nairobi County. The study also concludes that stakeholder compensation has a positive and significant effect on the performance of sanitation projects funded by CDF in Nairobi County. From the results, this study recommends that they ensure effective feedback mechanism. In addition, the management should ensure project workers are paid competitive salaries. Further, allowances should be availed to the project teams on regular basis to motivate them improve their performance.

Key Words: Stakeholder Management, Stakeholder Risk Assessment, Stakeholder Compensation, Performance of Sanitation Projects

Background of the study

A project is a temporary undertaking that is set by a group of people who come together to come up with a new dimension of solving an existing problem in the community within a specified period of time and within an estimated budget frame. That is, a piece of work to produce a specific, one-off product of some kind that is not part of routine work (Hwang, 2013). Project success that is the performance of a project can be defined by the criteria of time, budget and deliverables (Wachuru & Amuhaya, 2013). Despite the fact that project management has been around for a while, the number of failed projects continues to grow, and expertise in this area is minimal, owing to the fact that each project is special, and it is unlikely that several projects can be carried out in the same way. As a result, performance assessment has been recognized as an important method for evaluating project performance and assisting organizations in identifying previous project achievements and shortcomings, as well as how this understanding can be used to prepare for potential progress and developments, in order to maximize the number of completed projects (Hwang, 2013).

Project management has become more relevant since most companies have dealt with the growing application of technology, lower budgets and shorter time to delivery requirements. Thus, in order to ensure that these aspects are properly combined towards the stipulated success, Stakeholder involvement has been valued as one of the key aspects to spearhead the vision of the project (Wachuru & Amuhaya, 2013). As much a project success relies on period, budget and deliverables the existence of project stakeholders in the loop as fundamental resources to help in the management cannot be ignored. With regard to the aforementioned concern, a number of participatory models have been established in bid to identify, analyse, communicate with and compensate the relevant stakeholders involved in the project management. People will engage in collaborative studies, action plans, and the strengthening of local institutions through interactive involvement (Chifamba, 2013). Participation becomes a privilege rather than a way of achieving project objectives as a result of the process. It entails interdisciplinary methodologies that combine diverse perspectives, systemic, and organized learning methods in order to create constructive and inspiring influences that enhance the efficiency and long-term sustainability of community development initiatives.

Statement of the Problem

Despite Kenya's pledge to 0.5 percent of GDP, public funds for sanitation are expected to account for just 0.2 percent of GDP per year, according to Ministry of Health estimates. The majority of sanitation investment programs have concentrated on sewerage facilities, which tend to be out of reach in the short to medium term. Overall, due to systemic heterogeneity, sanitation has remained a low investment priority, resulting in a lack of cohesion in implementing investments (MoH, 2016).

However, poor sanitation remains a major concern at the local level, where counties have difficulties in allocating and appropriating budgets for sanitation activities, in part due to a lack of assigned budget codes (Mansour et al., 2017). Njuguna (2019) indicates that about 14% of Kenyans practice open defecation and according to Kamau and Njiru (2018), the WASH situation in the urban slums is below the minimum standard recommended by the World Health Organization (WHO). According to Water.org and Water Sector Trust Fund (WSTF), 32 percent of Kenyans rely on unimproved water sources, such as ponds, shallow wells and rivers, while 48 percent of Kenyans lack access to basic sanitation solutions (Water.org, 2020). The urban slums of Kenya indicate 60 to 80% of the dwellers in whose settlements are characterized by poor sanitation and hygiene, overcrowding and poor housing, and inadequate public healthcare services. This leads to the increase of burden of illness in urban informal settlements in Kenya (Otieno et al., 2020; UN-HABITAT, 2010). This continued problem of poor sanitation poses a question to the county government sanitation projects; whether they are serving their purposes or their contribution to their intended goal is void.

Reports indicate that the health and sanitation projects in Starehe Constituency are amongst the most expensive ones with budgeted funds amounting to Ksh. 107,855,207 yet cses of poor sanitation still are rampant. The Auditor General (2018) reported unapproved over expenditure of Ksh 8,406,480 in eight projects by the CDF Board. (The Auditor-General, 2018). Water Services Regulatory Board, (2018) indicated that performance of water and sanitation sector has more or less stagnated in its immediate goals to improve access, ensure cost recovery and reduce negative profits. These instances indicate an increase in the poor sanitation practices in the County and thus predisposes the public to the risk morbidity and mortality in the County.

Despite the prevailing problems, there seems to be scant empirical evidence that supports the performance of sanitation projects funded by CDF in Nairobi County. For instance, Ouma, and Mburu (2017) analyse the role of stakeholders' involvement in sustainability of constituency development fund projects in Nakuru Town East Constituency. Thus presenting a contextual (geographical gap). Njogu (2016) investigated the influence of stakeholder's involvement on project performance by focusing on NEMA automobile emission control project in Nairobi County. The study failed to address sanitation projects funded by CDF in Nairobi County thus presenting a conceptual gap. The study by Gathoni and Ngugi (2016) and Hussein (2018) were based in Kiambu and Nandi Counties respectively. This is an indication of the partially addressed issue of sanitation in Nairobi County and thus the current study finds it worthwhile to shed light to the problem. Therefore, this study sought to establish the effects of stakeholder management on the performance of sanitation projects funded by CDF in Nairobi County.

Research Objective

To establish the effects of stakeholder management on the performance of sanitation projects funded by CDF in Nairobi County.

Specific Objectives

i. Determine the influence of stakeholder risk assessment on the performance of sanitation projects funded by CDF in Nairobi County.
ii. Analyze the influence of stakeholder compensation on the performance of sanitation projects funded by CDF in Nairobi County.

LITERATURE REVIEW

Theoretical Review

Agency theory

This theory, posits on the legally binding association of an investor and an operator. This theory further suggests that partition of corporate proprietorship and control possibly prompts self-intrigued activities by administrators (Jensen & Meckling, 1976). A basic thought about the organization hypothesis is that managers, who are obligated to operate in the interest of the investors. They are as well self-intrigued and reluctant to forfeit their own advantages for the premiums of the shareholders. These personal circumstances result in an in-conceived irreconcilable situation among the investors and the board, as administrators when all is said in done represent their own advantages and they don't make the best plausible move for both the general population and investors (Agrawal & Chadha, 2005; Sanderman, & Brault, 2016). In their respective works, Ross (1973) and Mitnick (1975) influenced the hypothesis and thought of two distinct methodologies. While Ross saw the organization problem as a motivational issue and Mitnick saw it as a problem of institutional structure, the core concept behind their theories is comparable.

This study calls upon the managers to ensure that have the best interest of organization's profitability at heart. According to Buchanan, Chai & Deakin (2014), the aim of a project or an organization is to maximize profits while minimizing the total cost. The monetary and the holding costs are mostly incurred by the agent and the principal. In addition, there will be some disparity between the managers' decisions and the stakeholder expectations. Since the investor-manager relationship is akin to an agency relationship, it's worth noting that the issues surrounding the division of ownership and control in the cutting-edge diffuse proprietorship partnership are intimately linked to the general agency issue. (Saltaji, 2013).

When evaluating the theory, Perrow (1986) asserts that it has a drawback. This theory is unconcerned about the principals' betrayal, evasion, and mistreatment of investors. Furthermore, although the theory suggests that contracting can solve the office dilemma, it actually faces a range of challenges, including data asymmetry, reasonability, misrepresentation, and exchange cost. Investors' excitement for the company only serves to increase their arrival, but their position within the company is minimal. Executives' roles are limited to screening chiefs, and their additional responsibilities aren't well specified. The theory assumes that managers are astute and denies the directors' skills (Eisenhardt, 1989; Kumalasari & Sudarma, 2014).

The study finds the theory of value since it informs how the project managers relate to the investors of the project. They have to keep the best interest of the stakeholders and investors at heart; ensure the project goals are adhered to and that any risks that comes along needs to be communicated to them on time. In essence, the managers need to avoid any personal interests in the project for instance fraudulent practices in terms of the finances and reduce the risk of the project failing on their account.

Herzberg's Two-Factor Theory

This is a theory that was developed by a psychologist, Frederick Herzberg whose interest was in correlating the relationship between workplace motivations and employee attitude (Herzberg, Mausner & Snyderman, 1959). The main idea behind this theory is to discover the reason why employees either satisfied of unsatisfied at the job. The two-factor theory is based on the premise that there are two sets of variables that affect organizational motivation by either increasing or decreasing employee satisfaction (Hackman & Oldham, 1976). These comprise the presence of motivators or the absence of hygiene factors. Employees can work less hard if hygiene considerations are absent. Hygiene variables do not exist in the work itself, but they do exist in the environment. Hygiene was used to describe factors that cause dissatisfaction. Employees perform harder when there are motivators present. They can be discovered inside the job itself (Riley, 2005).

According to the theory, motivating factors such as Achievement, Recognition, The work itself, Responsibility. Advancement as well as Growth can be applied in order to boost the zeal and the motivation of the employees to work (Hackman & Oldham, 1976). With regard to hygiene, Gibson (2000) proposed the following; fair and clear company policies, Supervision, healthy, amiable, and appropriate relationships, safe and better work conditions, salary, status and security which could be applied to improve the satisfaction of the employees. This theory, like Maslow's 1943 hierarchy of needs theory, ranks the motivators in order of importance (company policy, supervision, employee-boss relationship, job conditions, pay, and peer relationships). When hygiene factors are absent, it may lead to frustration in the workplace; however, when hygiene factors are completely addressed in the workplace, they are inadequate to satisfy employees, while motivators linked to the essence of the job provide satisfaction and lead to higher motivation (Dartey-Baah & Amoako, 2011). Likewise, Riley (2005) proposed that managers need to understand and choose the styles at the workplace that will be effective in ensuring that there is minimal friction between employees.

Therefore, based on the tenets of the theory where motivation and hygiene factors come into play in an organizational setting, the theory informs the objective of the current study; that is by linking stakeholder compensation to the performance of sanitation projects funded by CDF in Nairobi County. Here the project managers are informed to be aware that for the success of the projects, internal stakeholders such as employees are very key and thus, they require their efforts compensated appropriately. Likewise, the working conditions which impact the hygiene factors ought to be looked into

Conceptual Framework

A conceptual structure is a model that describes the model under investigation as well as the relationship between the predictor and predicted variables. The conceptual construct is a research method that helps a researcher become more informed of and understand the variables under investigation (Varpio, Paradis, Uijtdehaage & Young, 2020).

Independent Variables **Dependent Variable**

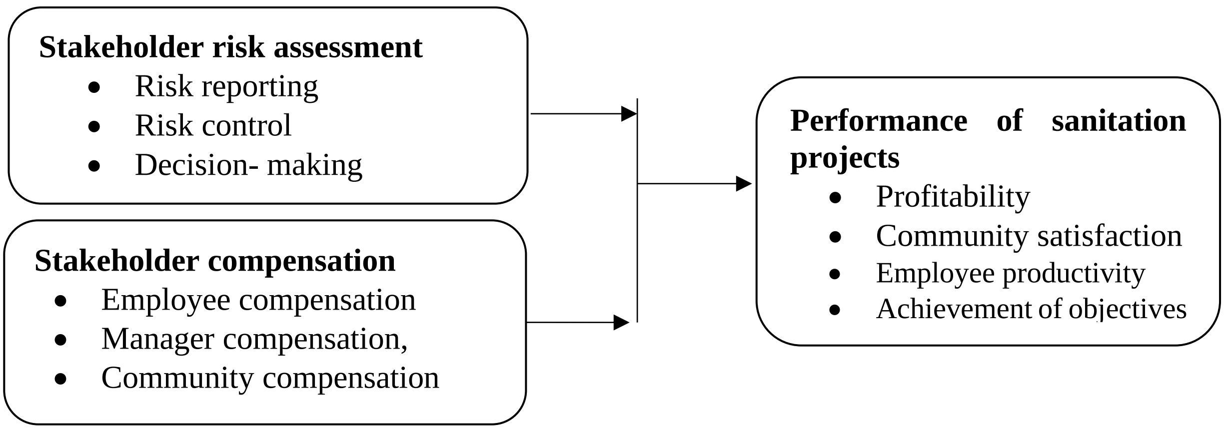

Figure 2.1: Conceptual Framework

Stakeholder risk assessment

This according to is the process that stems from the identification stage by analyzing the relevant stakeholders. The whole project team needs to be engaged in this conference with subject matter specialists, project managers from previous comparable projects and even from those managers who have more experience. Records of previous projects and methods for collecting information can be of use as it helps to identify and analyze stakeholders (Dağlı, 2018). Individuals, a group of individuals, or an entity that is influenced by the action plan are called project or business stakeholders. A new business venture, for example, necessitates capital, equipment, trading stocks, facilities, technological support, a solid business strategy, and initial operating costs. Stakeholders such as lending institutions, banks, bondholders, project sponsors, partners, investors, and venture capital firms thus come in handy in such instances to help in the financing of project programmes (Johansen, 2014).

Because of their vital role in a project's overall success, stakeholders must be measured from the beginning to the end of the project's execution. Their priorities can have a direct effect on the entire project management system, resulting in weak project execution or project completion delays. The client, the project manager, the project team, and the project testers are all examples of project stakeholders. (Haider & Shah, 2014). Therefore, through a vigorous and effective risk management identification of risks (for instance the mismatching objective of the stakeholder's goals and the project goals) will help in coming up with ideas on how to better align the goals of the projects for the interests of the stakeholders. Prioritizing stakeholders by authority, degrees of participation, and levels of risk risks is often expected to provide useful feedback to a risk mitigation strategy such that more money and attention are allocated to the stakeholders who pose or face the greatest risk to the project. (Lecture, 2015).

Project success and the satisfaction of stakeholders have been proven to be correlating This Implies that a project failure can be associated with the amount of risk management taken which is a great determinant of the project success or failure (Rabechini & Monteiro, 2013). From the study by Musyoka (2014) risk management has a positive correlation with project success. Thus, Chandra (2017) advises on the importance of stakeholders possessing some key competences and expertise (involving hard skill-scope management and soft skill-negotiation) in project management in order to effectively be part of the project in various departments.

It is important to maintain good working relationships with stakeholders and to communicate with them on a regular basis in order to complete a project. Daily meetings with stakeholders, followed by documentation, can help to raise shareholders' interest levels. Lack of frequent contact with stakeholders can instill unnecessary apprehensions and concerns in their minds. Make sure you have all of the stakeholders' names and contact details. Therefore, the current study seeks to assess how the same approach could be applied in the current study in order to establish the effect of stakeholder risk assessment on the performance of sanitation projects funded by CDF in Nairobi County.

Stakeholder compensation

According to Renwick *et al.*, (2013), aligning reward and remuneration practices with project objectives or goals is a strategic approach to reward management. Organizations as well as projects are making efforts by developing reward systems that incentivize employees and managers for their active role in going green. Ahmad, (2015), noted that pay and rewards is a way of appreciating employees for their performance. They have been observed as influential tools where individual since they link employee's interests with the organization goals. Through reward and pay, employee's exhibit high levels of commitment to work and develop a sense of belonging with the institution there by achieving organizations objectives. Compensation has been viewed as an element in support and promotion of the environmental activities in an organization (Swapna, 2018).

As noted by the theory of incentive systems, this process is always viewed from the mostly material point of view of particularly on financial incentives, while the intrinsic motivation of the participants has a very high impact of the project success. Thus, theoretically, it can be hypothesized that the implementation of an incentive system consisting of monetary and non-monetary incentives will increase the total project performance (Schöttle & Gehbauer, 2012). The introduction of any reward and recognition system in a project system needs to be fair and to everyone involved in the project. Furthermore, project managers need to be concerned about the incremental cost for the reward and recognition system which need not to be more than the total cost of the project. Therefore, the plan needs to be properly budgeted for in order to ensure that the project itself generates extra income and the stakeholders are well compensated too (Iwu, 2018; Chapano, 2017).

A rewards and recognition system are usually to ensure that the employees as well as other stakeholders feel appreciated and that their work does not go unnoticed. It also serves as a great way of pushing people to do better and better over project life cycle. Organizations can develop pay and reward systems with a provision of bonuses based on employee appraisal performance on special green projects (Liebowitz, 2010). Tang (2018) proposes non-monitory rewards/benefits such as travel benefits which can be introduced to aid in reducing employee friction with the management. Compensation bundles ought to incorporate compensating abilities and accomplishment. Unique rewards may be given to the representatives for additional common push to make the work environment, keeping up wellbeing and security measures, utilizing less paper et cetera (Hosain & Rahman, 2016). There is need to critically identify more effective means to implement green compensation practices to be able to achieve organizational environmental objectives in all organizations.

Performance of sanitation projects

According to Protogerou *et al*. (2011), project performance is when a project is completed through proper coordination, communication, scheduling and proper task management. Project performance from the management perspective involves the processes that make sure meeting of long- and short-term objective. Low performance and sustainability levels of sanitation programmes over time is a global concern. It is estimated that 40% of existing systems are not in working order at any given moment in time and that 10 years after installation one in four do not work. Given that water and sanitation investments have been identified as a key infrastructure investment priority in developing countries, the lack of sustainability is very troubling. In response, a large body of qualitative literature has researched the main determinants of sustainability.

Drawing from the example of project supported by the IDB, the performance and sustainability of 100 water systems that were installed in Paraguay between 2004 and 2010, the performance level of the systems was high very high with the users and the sanitation boards are satisfied with the quality of service in terms of water quality and reliability. This is an implication of good project management process that has a multiplier effect on the performance (Puerta, 2016). Key performance indicators according to Mkutano and Sang (2018) include such factors as the cost of the project, safety, budget and overall customer/client satisfaction. Community attitudes towards water and the ready availability of the resource in the program areas also contributed to the performance and sustainability of the systems. Another area that could be improved is planning for project management is both from a technical and a financial viewpoint. Particularly, the design of new operations should incorporate strategies to contend with growth in demand. Therefore, basing our current argument on the above, the current study seeks to shed light on how sanitation projects in Nairobi County have performed over the last 5 years.

Empirical Review

Stakeholder risk assessment and Performance

Tularam and Attili (2012) used the case of the Australian Real Estate Sector to demonstrate the value of risk analysis and management. According to the report, risk analysis requires a number of measures, each of which entails its own set of procedures, which are often missed by managers and investors, especially by individual or small investors who are more vulnerable. Therefore, the study suggests that the motivation that usually drives investors in the private rental market are such as financial factors, personal goals as well as household circumstances. As a result, many investors expect capital gains rather than just a rental yield from their investments, and this is how success is calculated.

A study by Yang, Zou and Keating, B. (2013) used a social network analysis method to analyse stakeholder-associated risks in green buildings. According to the results, the study's creative and realistic stakeholder-associated risk analysis model for green building projects can be used to enhance stakeholder and risk analysis effectiveness and accuracy. Internal stakeholders are more relevant in green building than external stakeholders, according to the findings. Furthermore, when analyzing various stakeholders in green growth, ethical and reputational risks are given more weight.

In Netherlands, Chandra (2017) sought to investigate the impact of stakeholder competencies on the project performance by focusing on the projects at Philips Healthcare. The study chose the project managers in India and China who were the targeted respondents. The study underscored that hard and soft skills have a positive relationship with project success. As such the study recommended that project managers need not to only focus on the hard skills but also focus on the soft skills through training and development.

With the help of a desktop review research design, Tengan and Aigbavboa (2017) sought to establish the level of stakeholder engagement and participation in monitoring and evaluation of construction projects in Ghana. The study used both structured interview guide and questionnaire schedule to collect data form 6 (Six) key stakeholders. The study noted that stakeholder participation had a strong positive relationship with project implementation.

According to the report, the government and other project facilitators should ensure full involvement of key identified stakeholders in future similar programs, as well as clearly define and train stakeholders before implementing similar programs, as this contributed to the overall program's success.

Stakeholder benefit evaluation and how it affects project performance by stakeholder management were investigated by Johansen, Eik-Andresen, and Ekambaram (2014). The study adopted a qualitative method. Projects that use a specified opportunity management method will identify and maximize opportunities and benefits to a greater extent. A stakeholder review, which involves anyone who may have thoughts or requirements about the project's goals and potential effects/benefits, was suggested as being difficult to set up in most projects. As a result, one must recognize that not all stakeholders are protected and that more or less stereotypical judgments must be made. Stakeholder criteria and objectives at the individual level are difficult to define to their full extent, and stakeholders can change as the project progresses. This means that new requirements will arise, stakeholders may make new demands, and new priorities may emerge during the project's development. This will add to the degree of confusion surrounding project deliverables.

Stakeholder compensation and Performance

Murphy (2015) analysed the impact of reward systems on employee performance and noted that managing your reward structure and systems within an organization can be a difficult process and can easily incur the company/project significant consequences in terms of productivity if not well managed. The findings stress the importance of creating a consistent and relevant compensation system that is closely related to organizational design, strategy, and culture. As a result, an organization's reward scheme should be driven by the desires and aspirations of its workers. These standards which inevitably alter not only the organization's normal practice or formal policies, but also those of other organizations with similar design and culture. Above all, a complete rewards strategy in a modern multinational company must be relevant to current needs and desires. It should be produced in real time at all times.

A research was conducted by Viglioni, Cunha, and Moura (2016) to test the performance assessment model for project management offices using a multi-criteria Approach. In this case, identifying a performance assessment process helps the organization to check how the project management office (PMO) will support the needs of project managers and stakeholders while also acting as a strategic structure. Viglioni (2016) suggests a performance assessment model for PMO based on a multi-criteria approach as a way to include all stakeholders in such a process based on a list of 79 performance metrics divided into 17 criteria. The findings revealed a clear picture of the PMO's strengths and weaknesses, as well as the priority for improving both of them, based on a common vision of all stakeholders.

Ogwueleka and Maritz (2014) sought to investigate the incentive issues in the South African construction industry by focusing on project stakeholders. The study adopted both qualitative and quantitative methods by targeting 52 project stakeholders practicing in Gauteng. Employees' motivation was found to directly affect their performance. The better the performance of the workers, the more likely the project would succeed. Unattainable project targets, weak coordination procedures, and inadequate contractual agreements were found to be major issues and obstacles when it came to the use of incentives in the South African construction industry. The issues stymie the industry's ability to absorb incentives and also lead to the overhaul of the incentive package in order to boost project efficiency.

Ghasemi (2015) wanted to conduct a survey on unexpected rewards as a tool for improving construction worker safety efficiency. The findings of this study revealed that there is a correlation between the new incentive system and frontline employees' safety results. In the first six months after its introduction, the new reward scheme had a greater positive effect. However, over time, safety efficiency has declined. Based on previous research, all of the behaviors chosen for this study are essential indicators of occupational safety. However, a robust and easy-to-use method for evaluating frontline employees' safety performance is required. It is more effective to encourage safety efficiency by shortening the periods between rewards.

RESEARCH METHODOLOGY

A descriptive research design was the planned research design.

The study targeted the sanitation projects funded by CDF in Nairobi County. The respondents of the study were the managers of the respective projects in Nairobi County. According to the National Government CDF, there are 210 CDF-funded Sanitation projects in Nairobi County. The sanitation projects were the unit of analysis while the project managers were the unit of observation (County Integrated Development Plan, 2018; NG-CDF, 2020). From the population of 210 sanitation projects, the sample size was scientifically determined by to the Fischer's formula (2003; Yates & Mather, 1963; Fowler, 2013).

Therefore, the study targeted 136 project managers of the sanitation projects who were selected by use of simple random sampling technique. The first-hand data which is the primary data was utilized in this study. The respondents of the study were the managers of the respective projects in Nairobi County. Data collected was primary in nature which was collected by use of semi structured questionnaires. Semi-structured questionnaires on the other hand, commonly consist of open-ended questions. Both qualitative and quantitative analysis methods were used where descriptive as well as inferential metrics were used to analyze the data from the field. Quantitative data was first analyzed by use of descriptive and inferential statistics. Descriptive statistics analyzed the data relating to the demographics of the participants, where the statistics such as counts, percentages, means/averages and standard deviation were the main measures. Inferential statistics on the other hand primarily sought to test the causal relationship between the predictor variables and the predicted variable.

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION

The sample size of the study comprised of 136 respondents. The researcher distributed 136 questionnaires. Out of 136 questionnaires which were distributed, 128 were duly filled and returned. The response rate was therefore 94.1%. Kothari (2012) indicates that a response rate of 50% should be considered average, 60% to 70% considered adequate while a response rate of above 70% should be regarded as excellent. This implies that the response rate of 94.1% was adequate for analysis, drawing conclusions and reporting.

Descriptive Statistics Analysis

Stakeholder Risk Assessment and the Performance of Sanitation Projects

The first specific objective of the study was to assess the influence of stakeholder risk assessment on the performance of sanitation projects funded by CDF in Nairobi County. The respondents were requested to indicate their level of agreement on various statements relating to stakeholder risk assessment and the performance of sanitation projects funded by CDF in Nairobi County. A 5 point Likert scale was used where 1 symbolized strongly disagree, 2 symbolized disagree, 3 symbolized neutral, 4 symbolized agree and 5 symbolized strongly agree. The results were as presented in Table 4.1.

The respondents agreed that the stakeholders are accountable to their actions in the project process. This is shown by a mean of 4.105 (std. dv = 0.961). In addition, the participants agreed that the stakeholder commitment is one of the qualities sought after during risk assessment. This statement is supported by a mean of 4.005 (std. dv = 0.881). As shown by a mean of 3.959 (std. dv = 0.796), the respondents agreed that the managers conducts regular/periodic risk assessments in order to value the investments of the stakeholders in the project.

The respondents agreed that the investors are assessed for their investment contribution to the project. This is supported by a mean of 3.859 (std. dv = 0.985). In addition, the participants agreed that the number of stakeholders is matched with the value invested in order to estimate the output. This statement is supported by a mean of 3.798 (std. dv = 0.897). As shown by a mean of 3.768 (std. dv = 0.805), the respondents agreed that strict measures and deadlines have been imposed for the completion of the project. Further, as shown by a mean of 3.700 (std. dv = 0.985), the respondents agreed that the interests of the stakeholders are in line with those of the project.The respondents agreed that the stakeholders contribute their valuable time and resources to ensure the success of the project goals. This is supported by a mean of 3.677 (std. dv = 0.773).

Table 4. 1: Stakeholder Risk Assessment and the Performance of Sanitation Projects

	Mean	**Std. Deviation**
Strict measures and deadlines have been imposed for the completion of the project	3.768	0.805
The investors are assessed for their investment contribution to the project	3.859	0.985
The interests of the stakeholders are in line with those of the project	3.700	0.985
The stakeholders are accountable to their actions in the project process	4.105	0.961
The stakeholders contribute their valuable time and resources to ensure the success of the project goals	3.677	0.773
The managers conducts regular/periodic risk assessments in order to value the investments of the stakeholders in the project	3.959	0.796
The stakeholder commitment is one of the qualities sought after during risk assessment	4.005	0.881
The number of stakeholders is matched with the value invested in order to estimate the output	3.798	0.897
Aggregate	**3.766**	**0.885**

Stakeholder Compensation and the Performance of Sanitation Projects

The second specific objective of the study was to analyze the influence of stakeholder compensation on the performance of sanitation projects funded by CDF in Nairobi County. The respondents were requested to indicate their level of agreement on various statements relating to stakeholder compensation and the performance of sanitation projects funded by CDF in Nairobi County. A 5 point Likert scale was used where 1 symbolized strongly disagree, 2 symbolized disagree, 3 symbolized neutral, 4 symbolized agree and 5 symbolized strongly agree. The results were as presented in Table 4.2.

The respondents agreed that the employees are also given allowances that boost their motivation for working with the project. This is shown by a mean of 3.951 (std. dv = 0.816). In addition, the participants agreed that the project managers are rewarded according to their capability. This statement is supported by a mean of 3.994 (std. dv = 0.989). As shown by a mean of 3.920 (std. dv = 0.920), the respondents agreed that employees are provided with capacity building skills to impart on other colleagues and for future performance.

The respondents agreed that the managers are motivated by promotions on job for their quality. This is supported by a mean of 3.817 (std. dv = 0.975). Nevertheless, the participants disagreed with the statement indicating that the stakeholders are also compensated fairly according to their contribution in the projects. This statement is supported by a mean of 1.984 (std. dv =

0.878). As shown by a mean of 1.755 (std. dv = 0.967), the respondents disagreed with the statement indicating that the stakeholders are well paid in terms of salaries

Table 4.2: Stakeholder Compensation and the Performance of Sanitation Projects

	Mean	Std. Deviation
The stakeholders are well paid in terms of salaries	1.755	0.967
The stakeholders are also compensated fairly according to their contribution in the projects	1.984	0.878
The project managers are rewarded according to their capability	3.994	0.989
The employees are also given allowances that boosts their motivation for working with the project	3.951	0.816
The managers are motivated by promotions on job for their quality	3.817	0.975
Employees are provided with capacity building skills to impart on other colleagues and for future performance	3.920	0.920
Aggregate	**3.584**	**0.898**

The Performance of Sanitation Projects

The respondents were requested to indicate their level of agreement on various statements relating to the performance of sanitation projects funded by CDF in Nairobi County. A 5 point Likert scale was used where 1 symbolized strongly disagree, 2 symbolized disagree, 3 symbolized neutral, 4 symbolized agree and 5 symbolized strongly agree. The results were as presented in Table 4.3.

The respondents agreed that the project anticipates to be completed in due course. This is shown by a mean of 3.991 (std. dv = 0.911). In addition, the participants agreed that the community is sustainable in terms of hygiene and sanitation, courtesy of the project success. This statement is supported by a mean of 3.923 (std. dv = 0.928). As shown by a mean of 3.932 (std. dv = 0.897), the respondents agreed that the value generated has benefitted the stakeholder and improved their standards of living.

The respondents agreed that the value generated by the project has improved over the past years. This is supported by a mean of 3.722 (std. dv = 0.955). The respondents agreed that the quality of life has improved the hygiene and sanitation practices in the community. This is shown by a mean of 3.816 (std. dv = 0.876). In addition, the participants agreed that the costs related to the project are well managed and minimized in order to increase surplus. This statement is supported by a mean of 3.811 (std. dv = 0.897).

Table 4. 3: The Performance of Sanitation Projects

	Mean	Std. Deviation
The value generated by the project has improved over the past years	3.722	0.955
The value generated has benefitted the stakeholder and improved their standards of living	3.932	0.897
The project anticipates to be completed in due course	3.991	0.911
The costs related to the project are well managed and minimized in order to increase surplus	3.811	0.897
The quality of life has improved the hygiene and sanitation practices in the community	3.816	0.876
The community is sustainable in terms of hygiene and sanitation, courtesy of the project success.	3.923	0.928
Aggregate	**3.784**	**0.878**

Correlation Analysis

This research adopted Pearson correlation analysis determine how the dependent variable (the performance of sanitation projects funded by CDF in Nairobi County) relates with the independent variables (stakeholder risk assessment and stakeholder compensation).

Table 4.4: Correlation Coefficients

		Project Performance	Stakeholder Risk Assessment	Stakeholder Compensation
Project Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	128		
Stakeholder Risk Assessment	Pearson Correlation	.807**	1	
	Sig. (2-tailed)	.002		
	N	128	128	
Stakeholder Compensation	Pearson Correlation	.805**	.195	1
	Sig. (2-tailed)	.003	.079	
	N	128	128	128

The results revealed that there was a very strong relationship between stakeholder risk assessment and the performance of sanitation projects funded by CDF in Nairobi County (r = 0.807, p value =0.002). The relationship was significant since the p value 0.002 was less than 0.05 (significant level). The findings are in line with the findings of Tillmann (2016) who revealed that there is a very strong relationship between stakeholder risk assessment and project performance.

The results also revealed that there was a very strong relationship between stakeholder compensation and the performance of sanitation projects funded by CDF in Nairobi County (r = 0.805, p value =0.003). The relationship was significant since the p value 0.003 was less than 0.05 (significant level). The findings are in line with the findings of Chandra (2017) who revealed that there is a very strong relationship between stakeholder compensation and project performance

Regression Analysis

Table 4. 5: Regression Coefficients

Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	0.439	0.083		5.289	0.009
	stakeholder risk assessment	0.294	0.081	0.295	3.630	0.002
	stakeholder compensation	0.274	0.087	0.279	3.149	0.003

a. Dependent Variable: Project Performance

The regression model was as follows:

$Y = 0.439 + .294X_1 + 0.274X_2$

Findings revealed that stakeholder risk assessment has a significant effect on the performance of sanitation projects funded by CDF in Nairobi County, β_1=0.305, p value= 0.001). The relationship was considered significant since the p value 0.003 was less than the significant level of 0.05. The findings are in line with the findings of Tillmann (2016) who revealed that there is a very strong relationship between stakeholder risk assessment and project performance.

The results also revealed that stakeholder compensation has a significant effect on the performance of sanitation projects funded by CDF in Nairobi County $\beta1=0.274$, p value= 0.003). The relationship was considered significant since the p value 0.003 was less than the significant level of 0.05. The findings are in line with the findings of Chandra (2017) who revealed that there is a very strong relationship between stakeholder compensation and project performance.

Conclusions

the study concludes that stakeholder risk assessment has a positive and significant effect on the performance of sanitation projects funded by CDF in Nairobi County. The study found that risk reporting, risk control and decision- making influence the performance of sanitation projects funded by CDF in Nairobi County.

The study also concludes that stakeholder compensation has a positive and significant effect on the performance of sanitation projects funded by CDF in Nairobi County. The study found that employee compensation, manager compensation and community compensation influence the performance of sanitation projects funded by CDF in Nairobi County

Recommendations

In addition, the study found that stakeholder risk assessment has a positive and significant effect on the performance of sanitation projects funded by CDF in Nairobi County. This study therefore recommends that the county government of Nairobi should ensure effective risk reporting and risk control mechanism to enhance project performance.

The study also found that stakeholder compensation has a positive and significant effect on the performance of sanitation projects funded by CDF in Nairobi County. This study therefore recommends that the county government of Nairobi should ensure project workers are paid competitive salaries. In addition, allowances should be availed to the project teams on regular basis to motivate them improve their performance.

Suggestions for Further Studies

This study focused on the effects of stakeholder management on the performance of sanitation projects funded by CDF in Nairobi County. Having been limited to sanitation projects funded by CDF in Nairobi County, the findings of this study cannot be generalized to other projects. The study therefore suggests further studies on the effects of stakeholder management on the performance of NGO projects in Kenya.

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