



INFLUENCE OF STAKEHOLDER EMPOWERMENT ON SUSTAINABILITY OF SOCIAL BASED CORPORATE PROJECTS IN TVETs IN WESTERN KENYA.

LUHOMBO Calistus Adema¹, Dr. MUKANZI Clive Malietso², Prof. Eng. SENAJI Thomas Anyanje³

¹PhD Student: Jomo Kenyatta University of Agriculture and Technology, Kenya

²Lecturer: Jomo Kenyatta University of Agriculture and Technology, Kenya

³Lecturer: Kenya Methodist University, Kenya

Abstract: Stakeholder empowerment can be viewed as both a condition and a process. It is a condition where stakeholders are given the authority to act, choice of actions, and control over decisions and resources is held by them rather than the donor agencies or organization. The objectives of the study was to ascertain the influence of stakeholder empowerment on sustainability of SCPs in TVETs in western Kenya, to establish the moderating effect of knowledge sharing on sustainability of SCPs in TVETs in western Kenya. This research used descriptive research design which is mainly survey, cross sectional, and correlational. The target population for this study was 12,585 stakeholders as detailed, from the 63 accredited TVETs in Western Kenya. The research desired 95% confidence and 5% sampling error, a sample size of 375 was deemed appropriate. Secondary data from the sampled TVETs was collected on different SCPs initiated in the institution, specific functions and sustainability issues using Document analysis form for content analysis. Quantitative information was analyzed using both inferential and descriptive statistics. The findings indicated that stakeholder empowerment has a statistically significant contribution to sustainability of SCPs in TVETs, since a unit change in stakeholder empowerment is likely to result in the sustainability of SCPs in TVETs in western Kenya by 61.7%. The study recommends that Stakeholders should be given the authority to act, choice of actions, and control over decisions and resources held by them rather than the corporations that support SCPs.

Keywords: Stakeholder Empowerment, Knowledge Sharing, Sustainability

Introduction

Social Based Corporate Projects (SCPs) are established in many of the communities as a strategy of creating jobs and alleviating poverty. In the area under investigation SCPs have been established by organizations or institutions under Corporate Social Responsibility (CSR), but some of them have failed and others are not sustainable in socio-economic terms (Fonseca, 2015).

According to Aaltonen, and Kujala (2010), there needs to be a view to increase the understanding of the intended secondary stakeholders to influence the decision making of the project management during project lifecycle's different phases. Therefore, it is important to develop a better comprehension of secondary stakeholders' influence during the project lifecycle to enable the use of more appropriate project stakeholder management approaches initiated (De Brucker, Macharis & Verbeke, 2013).

Statement of the Problem

Globally, 93% sustainability issues like stakeholder management were critical to the future success of their business as documented by UNGCA; in Asia Pacific, the figure was as high as 98%, while 97% in Africa (Forstater, *et al.*, 2010). A similar study done by IEG of the World Bank indicates that in 2010 alone, 39 % of all World Bank projects were unsuccessful, and in Africa alone, the failure rate was over 50 percent (Ika, 2012). Specifically, in Kenya, 79.2 % of the projects initiated exhibited some form of failure between the year 2000 and 2011 and stakeholder participation is also enlisted as a major cause (Nyika, 2012). Prior studies have generally found a positive relationship between stakeholder management process and sustainability of projects (Diba, 2011). However, none has focused on knowledge sharing as having a moderating effect on this relationship. There are also studies where such a relationship has not been found (Wambugu, 2013). The study will therefore will ascertain the influence of stakeholder empowerment on sustainability of SCPs in TVETs in western Kenya

Objectives of the study

- i. To ascertain the influence of stakeholder empowerment on sustainability of SCPs in TVETs in western Kenya
- ii. To establish the moderating effect of knowledge sharing on sustainability of SCPs in TVETs in western Kenya

Research Hypotheses

The study was guided by the following hypotheses:

- H₀₁:** Stakeholder empowerment has no significant influence on sustainability of SCPs in TVETs in western Kenya.
- H₀₂:** Knowledge sharing has no moderating effect of on sustainability of SCPs in TVETs in western Kenya

Literature Review

Stakeholder empowerment can be viewed as both a condition and a process. It is a condition where stakeholders are given the authority to act, choice of actions, and control over decisions and resources is held by them rather than the donor agencies or organization (Timothy, 2007). It is also process whereby there is transfer of control or devolution of power to individuals and/ or a community benefitting from the support as applies to projects (Rowlinson, Koh & Tuuli, 2010). In this particular case, there is exercise of power in one form or another and the beneficiaries take responsibility for their own projects (Amran, Zain, Sulaiman, Sarker & Ooi, 2013). They have ownership of both problems and solutions such that development becomes attainable and sustainable (Boley, Maruyama & Woosnam, 2015).

There is a distinction of empowerment from community participation when Boley et al., (2015) refer to empowerment as the “top end of the participation ladder.” This is where members of a community are active agents of change and they have the ability to, implement actions, make decisions, find solutions to their problems, and evaluate their solutions. According to them, it is easier to invoke participation than to empower, and easier to empower than to build consensus. This research therefore views ownership as the acceptance of responsibility through stakeholder participation, empowerment and consensus. Eskerod and Huemann (2013) view sustainability through partnerships that capitalize on

collaboration practices. According to them, collaborators share responsibility for providing resources and share credit for project success. Resources are seen as “enabling factors”; which are potentially critical inputs to foster an empowerment process, rather than part of empowerment itself. Many of the traditionally used variables or “proxies” for empowerment, such as employment and education, are described as “sources” or “enabling factors” of empowerment” (Kishor, 2000). Collaboration is therefore an indicator of stakeholder management process.

Stakeholder empowerment is enhanced through participation and transfer of skills whereby stakeholders assume responsibility for identifying problems, prioritizing needs, mobilizing resources, negotiating, planning, implementing and evaluating activities for the common good on an on-going basis (Okoth, 2012). Okoth, (2012) views community empowerment as an interplay between individual and community change with a long time-frame. It is worth noting that empowerment of stakeholders may therefore not be felt until long after the intervention has been completed and it may not be possible to assess empowerment outcomes, as social and political change, during the programme period. As a result, there needs to be a link of stakeholder empowerment to sustainability of SCPs initiated.

Manage-through-Stakeholder as identified by Rajablu *et al.*, (2015), consists of five observed mediator variables of stakeholder identification and classification, communication, engagement, empowerment, and risk control. Stakeholders are always on the fore front of carrying out risk audits which enable the project managers to determine the effectiveness of the overall risk management processes being on the project (Leung & Olomolaiye, 2010). This is done to ensure that these processes are appropriate to the projects initiated (Ngundo, 2014). The second purpose of a risk audit is to examine whether a planned risk response has been effective in dealing with an identified risk (Leung & Olomolaiye, 2010). A risk management plan will therefore set out the frequency, objectives, and format for a risk audit in either category. Stakeholders perform risk audits as part of routine project meetings or focused risk auditing meetings (Manetti & Toccafondi, 2012). This study identifies the central role of stakeholders in the risk management process and links it to the sustainability of the projects initiated.

Typical projects initiated under CSR just like other community-based projects have a relatively short life once its original funding base expires (Oino, et al., 2015). Equally, inadequate information and understanding of what sustains these projects or programmes has led to this study focusing on how SCPs can be sustained past their initial funding base (Epstein & Buhovac, 2014). Most of the companies fund projects based on the profits made for that particular year and this has a direct influence on funding whenever these profits dip (Orlitzky, et al., 2011). Muthuri and Gilbert (2011) state that Kenya has conditions that stifle CSR uptake such as lack of the government’s commitment and capacity to enforce regulation and government regulations especially on funding of initiatives and projects.

Materials & Research Methods

This research used descriptive research design which is mainly survey, cross sectional, and correlational. The target population for this study was 12,585 stakeholders as detailed, from the 63 accredited TVETs in Western Kenya. Western Kenya consists of counties formed from the previous Western Province. Since the population size was about 12,585 and the research desired 95% confidence and 5% sampling error, a sample size of 375 was deemed appropriate since it lies between 370 and 375 which correspond to 10,000 and 15,000 sizes of the universe. The questionnaire was the ideal instrument which was used for collecting the data. Secondary data from the sampled TVETs was

collected on different SCPs initiated in the institution, specific functions and sustainability issues using Document analysis form for content analysis. Quantitative information was analyzed using both inferential and descriptive statistics.

Regression model fitness was estimated using coefficient of determination which helped to explain how closely the predictor variable explains the variations in the dependent variable. To test the significance of each individual predictor and make conclusion on whether to reject or accept the null hypotheses, the P value was used. The level of significance of 5% was used as a benchmark. If the P value is less than 0.05 at 5% significance level, reject the null hypotheses and accept the alternative and vice versa (Kothari, 2012).

This study applied the following hypotheses generated from the model:

H₀₁: Stakeholder empowerment has no significant influence on sustainability of SCPs in TVETs in western Kenya.

Sustainability of SCPs = $f(\text{Stakeholder empowerment} + \text{random error})$

$$Y = \beta_0 + \beta_0 X_0 + \varepsilon$$

To address the research hypothesis, the study will check whether the regression coefficient of stakeholder empowerment (β_0) is positive (+) and significant (p values of < 0.05) in line with theory and study expectations.

Results

Descriptive statistics results

Respondents were requested to indicate the level of stakeholder empowerment. 47% of the respondents strongly indicated that there is an enabling environment for dialogue amongst stakeholders while 46% agreed that stakeholders are to assist in the identification of other stakeholders for projects. 48% of the respondents disagreed that stakeholders are sufficiently prepared and briefed to have well informed opinions and decisions. 49% of the respondents disagreed that stakeholders do not voice their views without any fear of penalty. Similarly, 34% of the respondents thought that the stakeholders do not define the terms of engagement in projects. 30% of the respondents disagreed that there was public disclosure and feedback process in the running of SCPs.

Generally, 31% of the respondents agreed, project manager and other team leaders are focussed and well organized and are able to engage with committed team and gain the support of all stakeholders. 40% of the respondents agreed that guidance, materials and practical support are given to stakeholders, so they can share in planning and implementation of SCPs. 41% of the respondents agreed that there were processes and structures that empower stakeholders that had been put in place while 30% of the respondents disagreed that stakeholders have been allowed to maximize opportunities for full co-production to ensure effective and smooth running of the SCPs. 33% of the respondents thought that stakeholders have been given opportunity to have their strong influence or share or make the main decisions during project planning.

On average, the level of Stakeholder Empowerment in Social Corporate Projects (SCPs) in TVETs in western region of Kenya was at approximately 66% [Mean= 3.2773, Std. Dev = 0.82772]; this indicated that the level of empowerment of the stakeholder to run the Social Corporate Projects (SCPs)

in TVETs in western region of Kenya, was moderate thus room for improvement. Give explanation for the findings above (i.e. what does it imply about TVET programmes in western region in terms of stakeholder empowerment).

Inferential results

Regression analysis

Regression model fitness was estimated using coefficient of determination which helped to explain how closely the predictor variable explains the variations in the dependent variable. To test the significance of each individual predictor and make conclusion on whether to reject or accept the null hypotheses, the P value was used. The level of significance of 5% was used as a benchmark. If the P value is less than 0.05 at 5% significance level, reject the null hypotheses and accept the alternative and vice versa (Kothari, 2014).

H₀₁: Stakeholder empowerment has no significant influence on sustainability of SCPs in TVETs in Western Kenya.

Sustainability of SCPs = $f(\text{Stakeholder empowerment} + \text{random error})$

$$Y = \beta_0 + \beta_4 X_4 + \varepsilon$$

To address the first research hypothesis, the study will check whether the regression coefficient of stakeholder empowerment (β_0) is positive (+) and significant (p values of < 0.05) in line with theory and study expectations.

To test the above objective, the study adopted the approach of Simple Linear Regression analysis and the findings were as shown in Table 1.

Table 1: Influence of Stakeholder Empowerment on the Sustainability of SCPs in TVETs in Western Kenya**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.617 ^a	.381	.379	.52058

a. Predictors: (Constant), Stakeholder Empowerment

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	58.070	1	58.070	214.275	.000 ^b
	Residual	94.309	348	.271		
	Total	152.379	349			

a. Dependent Variable: Stakeholder Empowerment

b. Predictors: (Constant), Sustainability of SCPs

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		β	Std. Error	Beta	T	
1	(Constant)	1.780	.114		15.641	.000
	Stakeholder Empowerment	.493	.034	.617	14.638	.000

a. Dependent Variable: Sustainability of SCPs

The findings of ANOVA as shown in Table 1 indicates that the Simple Linear Regression model was a good fit to our data [$F(1, 348) = 214.275, P = 0.000 < 0.05$]. The model (Stakeholder Empowerment) was able to explain 37.9% of the variation in the sustainability of SCPs in TVETs in western Kenya (Adjusted R Square = 0.379). The coefficients as shown in Table 4.30 indicates that Stakeholder Empowerment had a statistically significant contribution in the prediction of the sustainability of SCPs in TVETs in western Kenya, ($\beta = 0.493, t = 14.638, p = 0.00 < 0.05$); we therefore reject the null hypothesis and conclude that Stakeholder Empowerment had a significant influence on sustainability of SCPs in TVETs in western Kenya.

Stakeholder Empowerment had a positive standardized beta coefficient = 0.617 in the coefficients results of Table 4.30; an indication that a Unit improvement in the Stakeholder Empowerment is likely to result to an improvement in the sustainability of SCPs in TVETs in western Kenya by 61.7%. The Simple Linear Regression model to predict sustainability of SCPs in TVETs in western Kenya using results of Stakeholder Empowerment was as follows:

Sustainability of SCPs = 1.780 + 0.493 Stakeholder Empowerment

This relationship compliments the findings of Eskerod and Huemann (2013) who view sustainability through partnerships that capitalize on collaboration practices. According to them, collaborators share responsibility for providing resources and share credit for project success. Resources in their findings are seen as “enabling factors”; that is, as potentially critical inputs to foster an empowerment process, rather than as part of empowerment itself. Kishor (2000) equally confirms that collaboration is an indicator of stakeholder management process.

Moderation effect of Knowledge Sharing on the relationship between Stakeholder Empowerment and Sustainability of SCPs in TVETs in Western Kenya

The null hypothesis was;

H₀₂: *Knowledge Sharing has no significant moderation effect on the relationship between Stakeholder Empowerment and Sustainability of SCPs in TVETs in western Kenya*

The moderation analysis results using Hierarchical Linear Regression were as shown in Table 2, where the model 2 results (where both Stakeholder Empowerment and Interaction term are added in the model at the same time) are compared to the model 1 results for which only Stakeholder Empowerment had been included in the model as shown in Table 4.36. From the findings in Table 4.36, the Interaction Effect did not have a significant influence on the Sustainability of SCPs in TVETs in Western Kenya [R^2 change = .000, F -change = 0.038, β = -0.007, t = -0.195, p = 0.845 > 0.05]: indicating that Knowledge Sharing had no significant moderation effect on the relationship between Stakeholder Empowerment and Sustainability of SCPs in TVETs in Western Kenya. To predict Sustainability of SCPs in TVETs in Western Kenya, given level of Stakeholder Empowerment in the presence of Knowledge Sharing as moderator is given;

$$\text{Sustainability of SCPs} = 3.405 + 0.402 \text{ Stakeholder Empowerment} - 0.010 \text{ IE}$$

Where;

IE = Interaction Effect

Table 2: Moderation effect of Knowledge Sharing on the relationship between Stakeholder Empowerment and Sustainability of SCPs

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change in R Square	Change in F	df1	df2	Sig. Change
2	.617	.381	.377	.51877	.000	.038	1	342	.845

ANOVA					
Model		Sum of Squares	df	Mean Square	F
2	Regression	56.659	2	28.329	105.266
	Residual	92.040	342	.269	
	Total	148.698	344		

Coefficients^a					
Model		Unstandardized Coefficients	Std. Error	Standardized Coefficients	Sig.
2	(Constant)	3.405	.036		.000
	Stakeholder Empowerment	.402	.033	.612	.000
	Interaction Effect (IE)	-.007	.037	-.010	.845

Discussion of Findings

That stakeholder empowerment has a statistically significant contribution to sustainability of SCPs in TVETs, since a unit change in stakeholder empowerment is likely to result in the sustainability of SCPs in TVETs in western Kenya by 61.7%. That the legitimacy, risk control in the SCPs, and collaboration established amongst the stakeholders are the main constructs of Stakeholder empowerment that explain for the changes observed in the sustainability of SCPs in TVETs in Kenya.

Conclusions

As per the findings of the study it can be concluded that all the independent variables stakeholder empowerment in the study influences the sustainability of SCPs in TVETs in western Kenya (dependent variable). The relationship was confirmed through correlation and regression analysis which revealed that there was a positive significant linear relationship between stakeholder management process and the sustainability of SCPs in TVETs in western Kenya.

Recommendations

The study recommends that that Stakeholders should be given the authority to act, choice of actions, and control over decisions and resources held by them rather than the corporations that support SCPs. Beneficiaries should take responsibility for their own projects since ownership through stakeholder participation, empowerment and consensus is vital. Sustainability of SCPs should be through partnerships that capitalize on collaboration practices.

References

- Aaltonen, K., & Kujala, J. (2010). A project lifecycle perspective on stakeholder Influence strategies in global projects. *Scandinavian Journal of Management*, 26(4), 381-397.
- Amran, A., Zain, M. M., Sulaiman, M., Sarker, T., & Ooi, S. K. (2013). Empowering society for better corporate social responsibility (CSR): The case of Malaysia. *Kajian Malaysia*, 31(1), 57.
- Boley, B. B., Maruyama, N., & Woosnam, K. M. (2015). Measuring empowerment in an eastern context: Findings from Japan. *Tourism Management*, 50, 112-122.
- De Brucker, K., Macharis, C. & Verbeke, A. (2013). Multi-criteria analysis and the resolution of sustainable development dilemmas: a stakeholder management approach. *Eur. J. Oper. Res.*, 224 (1), 122-131.
- Diba, J. P. (2011). *Influence of stakeholder management on project sustainability. A case of Compassion International/Kenya, Kilifi District*. Retrieved from <http://erepository.uonbi.ac.ke:8080/handle/123456789/4750>
- Epstein M. J. & Buhovac A. R., (2014). *Making sustainability work: Best practices in managing and measuring corporate social, environmental, and economic impacts*. New York: Berrett-Koehler Publishers.
- Eslerod, P., & Jepsen, A. L. (2013). *Project stakeholder management*, USA: Gower Publishing Limited.

- Forstater, M., Zadek, S., Guang, Y., Yu, K., Hong, C. X. and George, M. 2010. Corporate responsibility in African development: Insights from an emerging dialogue. *African Studies of the Chinese Academy of Social Sciences*, 23, 43-45.
- Ika, L. A., Diallo, A., & Thuillier, D. (2012). Critical success factors for World Bank projects: An empirical investigation. *International Journal of Project Management*, 30(1), 105–116.
- Kishor, S. (2000). 'Empowerment of women in Egypt and links to the survival and health of their infants' In Women's Empowerment and Demographic Processes: Moving Beyond Cairo. Harriet Presser and Gita Sen, (eds.), New York: Oxford University Press.
- Kothari, R. C. (2012). *Techniques and Methods in Research Methodology*. New Delhi: New Age International (P) Limited Publishers.
- Leung, M. and Olomolaiye, P. (2010). *Risk and construction stakeholder management*. New York: John Wiley & Sons Ltd.
- Leung, M., & Olomolaiye, P. (2010). Risk and Construction Stakeholder Management. *Construction stakeholder management*, 101-124. Wiley-Blackwell, UK
- Manetti, G. (2011). The quality of stakeholder engagement in sustainability reporting: Empirical evidence and critical points. *Corporate Social Responsibility and Environmental Management*, 18(2), 110-122.
- Manetti, G., & Toccafondi, S. (2012). The role of stakeholders in sustainability reporting assurance. *Journal of Business Ethics*, 107(3), 363-377.
- Muthuri, J. N. & Gilbert, G. (2007). Corporate Citizenship and Sustainable Community Development: Fostering Multi-Sector Collaboration in Magadi Division in Kenya. *Journal of Corporate Citizenship* 28(2), 73–84.
- Ngundo, J.M. (2014). *Factors affecting effectiveness of risk management in public housing construction projects in Kenya: a case of Kibera slum upgrading housing scheme in Nairobi. Kenya*. Retrieved from <http://erepository.uonbi.ac.ke>
- Nyika, K. (2012). Organizational structures and the development project planning sequence. *Public Administration and Development*, 4(2), 111–131
- Oino, S., Love, P. E. D., & Wyatt, R. (2007). Stakeholder impact analysis in construction project management. *Construction Management and Economics*, 25(3), 277-287
- Okoth, A.A, (2012). *Time and Cost Performance of Construction Projects*. Unpublished M.A. Thesis, University of Nairobi.
- Orlitzky, M., Schmidt, F. L., & Rynes, S. L. (2012). Corporate Social and Financial Performance: a Meta-analysis. *Organization Studies*, 24(3), 403–441.
- Rajablu, M., Marthandan, G. & Yusoff, W.F.W. (2015). Managing for stakeholders: The role of stakeholder-Based management in project success. *Asian Soc. Sci.* 11 (3), 111–125.

- Rowlinson, S., & Cheung, Y. K. F. (2008). Stakeholder management through empowerment: modeling project success. *Construction Management and Economics*, 26(6), 611-623.
- Wambugu, G. (2019). Making Sense of Sustainable Project Management. *Annals of Social Sciences Management Studies*, 2, 555-594.