

EFFECT OF STAKEHOLDER EXPECTATIONS ON THE PROJÉT OUTCOME OF THE KALAMBA FRUIT PROCESSING FACTORY IN MAKUENI COUNTY, KENYA

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Abstract: *Stakeholders expect to be involved in decision making process within the project cycle. However this is not the case as complains of exclusion are still reported. There is low community awareness and involvement in the projects funded by both county and national government in Kenya.*

Objective: *The study sought to establish the influence of stakeholder involvement on the project outcome of the Kalamba Fruit Processing Factory in Makueni County, Kenya. The specific objectives were to determine the effect of the communication, stakeholder expectations, stakeholder resource oversight and joint vision objectives on the project outcome of the Kalamba Fruit Processing Factory in Makueni County, Kenya.*

Design: *The study used a descriptive research design. The population of study were the main stakeholders of the project who include Ministry of Agriculture, Factory Management and Farmers who total to 236 respondents. This consisted of 236 respondents who are the major stakeholders of the Kalamba Fruit Processing Project. A sample of 71 respondents was taken which forms 30% of the target population which was evenly spread across the three categories of stakeholders.*

Findings: *The study established that adoption of stakeholder involvement has a positive and significant effect on project outcome and meeting stakeholder expectations significantly influenced outcome of the project. The study found out that the Kalamba Fruit Processing Factory project has enabled farmers to get market for their fruits, the project has benefited all stakeholders in the county, the project management team recognizes the needs of stakeholders and strives to meet them and that project stakeholders feel part and owners of the project. It was therefore concluded that the project management of the factory to a significant extent met stakeholder expectations by accruing benefits to them, creating market, recognizing their needs and addressing them, making them part of the project, consulting them and having a favourable and responsive management structure.*

Keywords: *Project Outcome, Stakeholder Expectations, Stakeholder Involvement*

Introduction

Sometimes projects fail because they are badly conceptualized, planned designed, implemented and managed (Cleland, 2017). At the centre of project success or failure is the stakeholder involvement. If the stakeholders are involved in the project cycle and decision making then there will be value for money spent on the projects (Norman, 2011; Frese and Sauter, 2013). Stakeholder involvement is arguably more important than ever because of the ‘interconnected nature of the world’ (Bryson, 2013).

The concept of measuring project performance and specifically project success indicators has evolved over time. De Wit, 1988 (as cited in Walker and Nogeste, 2005) equates outputs with success primarily in terms of time, cost and quality standards. UK Treasury Department's Green Book describes project outcome in terms of outputs (HM Treasury, 2013:13). This classification agrees with Baker et al., 1983; Slevin and Pinto, 1986; Morris and Hough, 1957; Turner, 1993 who asserts that the common assessment of successful outcome of construction projects is that they are delivered on time, to budget, to technical specification and meets stakeholder's satisfaction.

The ultimate importance of project performance is achieved through avoiding the project's failure to keep within cost budget, failure to keep within time stipulated for approvals, design, occupancy and failure to meet the required technical standards for quality, functionality, fitness for purpose, safety and environment protection (Flanagan and Norman 2013). Project performance ensures that enterprises maximise on profitability, minimise the consequences of risky and uncertain events in terms of achieving the project's objectives and seizes the chances of the risky events from arising (Kululanga and Kuotcha, 2010). The benefits of project risk management for small businesses lie at the point of time and budget project advantages. It is understandable why there are as many models of project risk management as general risk management schemes.

Kakumba (2010) conducted a literature review on the role of stakeholders in project outcome with a special focus on stakeholder expectations. According to the study most of the participation programs would imply the involvement of a significant number of local persons in situations or actions that enhance their well-being (Kakumba 2010). Therefore in the context of development, community participation refers to an active process whereby beneficiaries influence the direction and execution of development projects rather than merely receive a share of project benefits. Community participation (including the simplest of involvement) from early on in the project, enhances the future sense of ownership, but ongoing motivation is required for continuing participation.

Kumar (2012) asserts that participation is a key instrument in creating self-reliant and empowering communities, stimulating village-level mechanisms for collective action and decision-making. It is also believed to be instrumental in addressing marginalization and inequity, through elucidating the desires, priorities and perspectives of different groups within a project area. Participatory methods now dominate in the implementation of development interventions at the village level, the most common method being Participatory Rural Appraisal.

In addition, Kinyoda (2015) in a study on Level of participation in project identification and selection by constituents in Makadara constituency-Nairobi found out that there was low awareness about the CDF projects being implemented. In the study 73% of the respondents indicated not being aware of CDF projects and operations in the area. This low level of awareness results in the local community playing a peripheral role. Decisions that are eventually made do not involve all the stakeholders and therefore realization of project objectives becomes difficult to achieve. The level of awareness encourages participatory approach which is a paradigm shift from the top-down approach where development is literally taken to the people resulting in dependency syndrome (Chitere, 1994).

Objectives of the Study

The general objective of the study was to determine the influence of stakeholder involvement on project outcome with a specific objective to; determine the effect of stakeholder expectations on the project outcome of the Kalamba fruit processing factory in Makueni county, Kenya.

Research Methodology

Research design is the basic plan that indicates an overview of the activities that are necessary to execute the research project. This research problem will be studied through the use of a descriptive research design. According to Cooper & Schindler (2003), a descriptive study is concerned with finding out the what, where and how of a phenomenon. This study therefore is able to generalize the findings to all the enterprises. The study used a descriptive research design. The population of study were the main stakeholders of the project who include Ministry of Agriculture, Factory Management and Farmers who total to 236 respondents. This consisted of 236 respondents who are the major stakeholders of the Kalamba Fruit Processing Project. A sample of 71 respondents was taken which forms 30% of the target population which was evenly spread across the three categories of stakeholders. The primary data was collected by use of self-administered semi-structured questionnaire. Data analysis was done by use of descriptive statistics such as frequencies, percentages, mean scores and standard deviation with the aid of SPSS and presented through tables, charts, graphs, frequencies and percentages.

Research Findings and Discussion

Stakeholder Category

The study sought to establish the category of stakeholders that the respondents belonged to. The findings were as presented below;

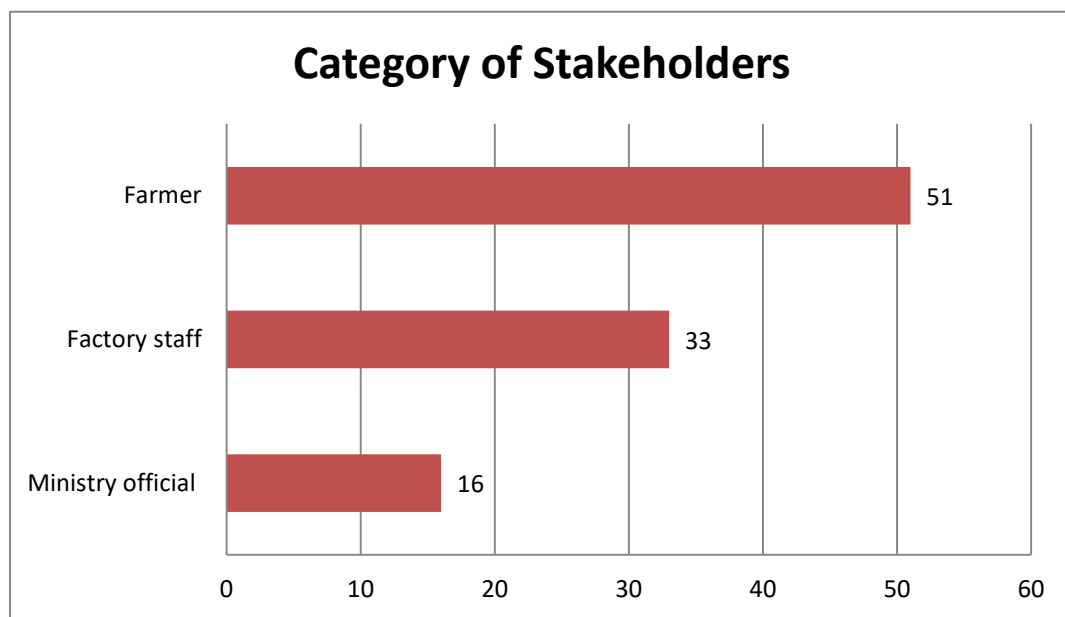


Figure 1: Stakeholder category

The study established that 16% of the respondents were ministry of agriculture, livestock and fisheries offices from both national and county government, 33% were Kalamba Fruit Processing Factory staff while 51% were farmers. This shows that most of the respondents were farmers given their large number. The study included all the key stakeholders in the Kalamba Factory project. The study further established that the factory was wholly owned by the county government of Makeni.

Category of Enterprise

The study further categorized Kalamba Fruit processing factory based on its scale. The response obtained was as presented by figure 2 below;

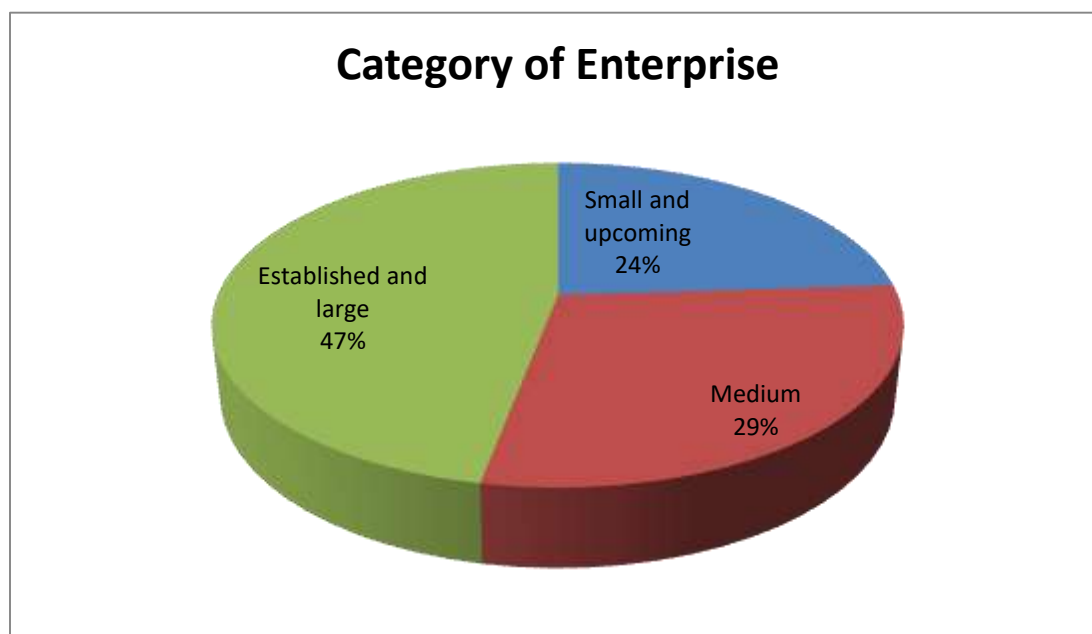


Figure 2: Category of Enterprise

Source: Field data, 2019

29% of the respondents indicated that Kalamba factory was medium, 24% indicated that it was small and upcoming while 47% indicated that the firm was established and large in scale. This shows that to a significant extent the factory was established and large scale in production and sales volume.

Descriptive Findings

The study analyzed the extent to which the four aspects of stakeholder involvement which include communication, stakeholder expectations stakeholder resource utilization oversight and joint vision objectives were applied in promoting project outcomes at the Kalamba Fruit Processing Factory Projects in Makeni County. Descriptive statistics were used to analyzed based on the 5-point likert scale.

Stakeholder expectations and Project Outcome

The second objective of the study was to establish the effect of stakeholder expectations on the outcome of Kalamba Fruit Processing Factory in Makueni County. To this effect, the respondents were asked to indicate the extent to which they agreed with the following statements regarding stakeholder expectations and how they have affected project outcome of the firm on a scale of 1-5 where; Strongly agree=5, Agree=4, Neutral=3, Disagree=2 and Strongly Disagree=1.

Table 1: Stakeholder Expectations and Project Outcome

Indicator	Mean	Std. Dev
The project has met farmer market for fruits	4.25	0.803
The project has benefited all stakeholders in the County	3.56	0.847
Project management recognizes the needs of stakeholders and strives to meet them	3.51	0.791
Stakeholders feel part and owners of the project	3.67	0.834
Stakeholders are consulted on what they expect from the project	2.88	0.769
Value chain expectations have been meet	2.91	0.854
The management structure meets stakeholder expectations	2.79	0.811

Source: Field, 2019

The respondents to a great extent agreed that the Kalamba Fruit Processing Factory project has enabled farmers to get market for their fruits, the project has benefited all stakeholders in the county, the project management team recognizes the needs of stakeholders and strives to meet them and that project stakeholders feel part and owners of the project as indicated by a mean of 4.25, 3.56, 3.51 and 3.67 respectively. The respondents were however neutral or agreed to a moderate extent that stakeholders are consulted on what they expect from the project, value chain expectations have been met and the management structure meets stakeholder expectations as indicated by a mean of 2.88, 2.91 and 2.79 respectively. This indicates that the project management of the factory to a significant extent meets stakeholder expectations by accruing benefits to them, creating market, recognizing their needs and addressing them, making them part of the project, consulting them and having a favourable and responsive management structure.

Project Outcome

The respondents were requested to indicate the extent to which they agreed to the following statements regarding project outcome of the Kalamba Fruit Processing Factory on a scale of 1-5 where; Strongly agree=5, Agree=4, Neutral=3, Disagree=2 and Strongly Disagree=1 as presented in table 2 next page ;

Table 2: Project Outcome

Indicator	Mean	Std. Dev
All project tasks are accomplished effectively	3.03	0.766
Project is implemented within budget	3.61	0.759
Project was implemented within schedule	2.89	0.697
The project is well completed	3.77	0.771
All project deliverables were met	3.44	0.901
Stakeholder expectations were all met	3.26	0.851
Beneficiary needs were met	2.97	0.769
Stakeholder participation was at every stage of the project lifecycle	3.11	0.855

Source: Field data, 2019

The study respondents were neutral on whether all project tasks are accomplished effectively, the project was implemented within schedule, all project deliverables were met, stakeholder expectations are all met, beneficiary needs were met and that stakeholder participation was at every stage of the project lifecycle as indicated by a mean of 3.03, 3.289, 3.44, 3.26, 2.97 and 3.11 respectively. The respondents agreed significantly that project was implemented within budget and that the project is well completed as indicated by a mean of 3.61 and 3.77 respectively. This indicates that the project outcome for the Kalamba Fruit factory project was above average since it was implemented within budget, schedule, completed, met deliverables, beneficiary expectations and needs were to a moderate extent met and stakeholder participation was upheld.

Coefficients of Regression

The study ran a regression establish the individual influence of the variables to firm performance. The findings are indicated in Table 3.

Table 3: Coefficients of Regression

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
(Constant)	5.897	0.833		4.345	.000
Stakeholder expectations	0.803	.102	.015	8.421	.000

The resultant equation was

$$Y = 5.897 + 0.803X_1$$

Where: Y = Project Outcome

X₁ = Stakeholder expectations

The study found out that by holding all the variables constant, project outcome will be at 5.897. A unit increase in stakeholder expectations while holding other factors constant, project outcome would increase by 0.803.

The findings pointed out that the independent variables had a p value of $0.000 < 0.05$ an indication that stakeholder involvement significantly influenced project outcome of Kalamba Factory.

Summary of the Findings

The study established that meeting stakeholder expectations significantly influenced outcome of the project. The study found out that the Kalamba Fruit Processing Factory project has enabled farmers to get market for their fruits, the project has benefited all stakeholders in the county, the project management team recognizes the needs of stakeholders and strives to meet them and that project stakeholders feel part and owners of the project. The respondents were however neutral or agreed to a moderate extent that stakeholders are consulted on what they expect from the project, value chain expectations have been met and the management structure meets stakeholder expectations. This indicates that the project management of the factory to a significant extent meets stakeholder expectations by accruing benefits to them, creating market, recognizing their needs and addressing them, making them part of the project, consulting them and having a favourable and responsive management structure.

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