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Influence of Stakeholders Funding on Performance of Kenya Plant Health Inspectorate Service Projects in Kenya

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Abstract

Stakeholder funding is a critical determinant of project success, particularly in public sector institutions facing budgetary constraints. This study investigates the influence of stakeholder funding on the performance of Kenya Plant Health Inspectorate Service (KEPHIS) projects in Kenya. Anchored in stakeholder and performance theories, the study utilized a descriptive research design and employed both quantitative and qualitative approaches. The study targeted internal and external stakeholders of KEPHIS in Karen, Nairobi, 207 respondents were sampled using stratified and systematic sampling techniques. The findings reveal a strong positive correlation between stakeholder funding and project performance. Stakeholder funding was also found to facilitate project initiation, training, and scalability, while also enhancing accountability. However, challenges such as limited transparency, inconsistent material/funds contributions, and minimal stakeholder involvement in funding decisions were noted. The study recommends institutionalizing transparent budgeting frameworks, participatory funding decisions, and capacity-building initiatives to optimize stakeholder contributions and improve project outcomes.

Keywords: *Stakeholder funding, project performance, KEPHIS, public sector projects and financial accountability.*

INTRODUCTION

In contemporary project management, securing adequate and timely funding is essential for effective project performance. Project performance as stated by (Samosir, 2021) is a phrase that measures the achievement of established project objectives within a specified timeframe. Performance evaluates actual results against anticipated outcomes of established plans and objectives (Aguilera et al. 2023). Performance may be articulated in both financial and non-financial metrics. Financial performance metrics encompass indicators such as return on assets and return on equity. Conversely, non-financial performance measures may encompass metrics such as customer satisfaction, efficiency, and effectiveness (Kori et al. 2020).

According to Tengan and Aigbavboa (2021), stakeholder funding plays a critical role in determining the continuity and success of development projects, particularly in contexts where public-private partnerships or community involvement are central. When stakeholders invest financially in a project, they are more likely to remain engaged and committed to its success, which strengthens accountability and transparency. Mugo et al. (2020) further emphasize that adequate and timely funding from stakeholders helps avoid delays, ensures the availability of key resources, and facilitates efficient implementation. Thus, stakeholder funding is not only a sign of ownership

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but also a determinant of how well a project performs in terms of meeting its objectives, maintaining timelines, and delivering sustainable results.

Globally, project performance is commonly evaluated based on timely completion, adherence to budget, and the satisfaction of stakeholders. Studies from developed countries such as the USA, Japan, and China consistently show that projects are completed within expected timelines and budgets, with high levels of stakeholder satisfaction. In contrast, developing economies like India and Indonesia report mixed outcomes while projects are often completed on time, budgetary constraints persist, though stakeholder satisfaction remains relatively high. In Sub-Saharan Africa, countries like Nigeria and Rwanda have shown progress in stakeholder satisfaction despite challenges in meeting time and budget targets. These emphasize the importance of stakeholder funding in achieving successful project outcomes.

In East Africa, stakeholder funding has emerged as a pivotal factor in enhancing project performance, particularly in donor-supported and public sector initiatives. A study conducted in Rwanda by Umugwaneza et al. (2021) found that projects with strong stakeholder financial backing demonstrated higher levels of sustainability and efficiency, especially in the agricultural and infrastructure sectors. The research emphasized that when stakeholders contribute financially, they are more likely to remain engaged throughout the project lifecycle, thereby improving accountability and ownership. Similarly, in Uganda, Matsiko et al. (2024) observed that inadequate stakeholder funding and limited financial participation led to delays and dissatisfaction in road construction projects, underscoring the importance of inclusive financial planning and stakeholder involvement in budgeting processes.

In Kenya, recent studies have reinforced the positive correlation between stakeholder funding and project success. Githinji et al., (2020) examined Kenya Ferry Services and found that stakeholder involvement in funding significantly improved project outcomes, particularly in resource allocation and timely implementation1. Kirima et al., (2024) asserted in their study regarding the influence of project financing on the efficacy of road infrastructure development projects in Kenya that project financing enhances the availability of funds and mitigates overall risk to acceptable thresholds for principal project players. The study by Muchiri et al., (2023) looked at how funding affects the completion of building projects financed by the county in Kitale town, Trans Nzoia County. Further studies have shown that proper financing is important for the proper implementation of projects (Kiambi and Njeri 2023; and Kabogo and Rusibana, 2021). These findings highlight the critical role of stakeholder funding in driving project efficiency, responsiveness, and long-term impact in Kenya’s development landscape.

Recently, Kenya Plant Health Inspectorate Service (KEPHIS) has faced a reduction in government budgetary support, prompting the organization to seek alternative funding mechanisms to bridge financial gaps and maintain operational efficiency. This situation is not unique to KEPHIS; Mwaguni et al. (2020) reported that declining government funding has negatively impacted performance in public universities across Africa and other developing regions. Broader economic challenges and fiscal policies aimed at curbing public-sector spending have further constrained the budget allocated to KEPHIS. In response, the organization has submitted funding proposals to various donors and implemented several donor-supported projects, including initiatives aimed at automating key business processes to improve service delivery. However, there is a noticeable gap

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in existing literature concerning stakeholder funding and its influence on project performance in in government institutions such as KEPHIS. Therefore, this study seeks to address this gap establishing the influence of stakeholder funding on performance of KEPHIS projects in Kenya.

METHODOLOGY

This study adopted a descriptive research design within a quantitative research approach, which is appropriate when the goal is to systematically describe a phenomenon. A descriptive design was deemed suitable for this study as it enables the collection of quantifiable data that describe conditions as they exist, without manipulation of variables. According to Creswell (2017), a research design is a type of inquiry within qualitative, quantitative, or mixed methods approaches that provides specific direction for procedures in a research study. This approach allows for an in-depth analysis of stakeholder identification, participation, planning, and funding, and their influence on the performance of KEPHIS projects in Karen, Nairobi County.

The study focused on KEPHIS staff and external stakeholders in Karen, Nairobi. A population consists of subsets of individuals who share a common trait (Tracy 2020). The target population for this study included internal stakeholders of KEPHIS, specifically KEPHIS staff, and external stakeholders such as seed growers, exporters, and importers, with the aim of selecting a total of 430 respondents for participation in the study. This study employed a stratified sampling technique followed by systematic sampling within each stratum to select 207 respondents. This ensures representative and unbiased data collection. The population was first divided into seven distinct strata based on professional roles at KEPHIS: department directors, inspectors, support staff, managers, value chain specialists, field officers, and agents. These strata were created to reflect key functional categories involved in project execution and stakeholder engagement at KEPHIS.

Table 1: Distribution of sample size

Categories	Employee level	Population	Sample size
Internal (KEPHIS staff)	Department Directors	30	14
	Inspectors	120	58
	Support staff	50	24
External (seed growers, Exporters, Importers, Breeders)	Managers	20	10
	Value chain specialist	40	19
	Field officers	120	58
	Agents	50	24
Total		**430**	**207**

Data collection involves systematically acquiring and measuring information about relevant variables, enabling researchers to address research questions and assess hypotheses (Karunarathna et al., 2024). This study utilized primary data, which included both qualitative and quantitative elements, this data was collected using a questionnaire to collect data from inspectors, support staff, managers, value chain specialist, field officers and agents and interview guide to collect qualitative data from directors. The questionnaires had two parts where the first part captured

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respondents' personal data and the second part provided questions relating to the study variables. Questionnaires were send to designated participants as well as undertaking interviews with departmental directors (key informants). The questionnaire was shared via an online survey tool, which was validated as the research instrument. Interviews were conducted physically using an interview guide where the researcher noted down responses from the key informants

This study randomly used 10% sample size drawn from sub stations of KEPHIS in Muguga, which is in accordance with Kunselman, (2024), who stated that pilot studies are valuable tools that yield vital information for the planning and possible outcome of a bigger trial down the road. Therefore, this study used 21 field officers. The study was conducted in one of the sub stations of KEPHIS in Muguga. These respondents were not involved in the main study to reduce bias. In order to look at the item connection between constructs, this study used Cronbach's Alpha Coefficient as its internal consistency reliability approach. For every construct, the researcher determined the Cronbach's alpha. Items are deemed dependable constructs when the alpha value is greater than or equal to 0.70. A high Cronbach's alpha can also indicate strong reliability that all items in a construct measure the same concept (Izah et al., 2023). The results of the pilot study showed Cronbach's alpha values exceeded 0.7 for every variable through which the study evaluated questionnaire reliability and internal consistency quality.

In the theoretical evaluation of the research instrument, conceptual constructs were translated into measurable variables through the development of interview questions and survey items. A panel of academic experts assessed the appropriateness of each item to ensure alignment with the construct parameters. Validity was evaluated using three main techniques: content validity, construct validity, and face validity. Content validity confirmed that the instrument comprehensively covered all relevant subject areas, while construct validity was supported by expert input from KEPHIS and the Ministry of Agriculture and Livestock Development, who affirmed that key dimensions such as farmer awareness, compliance behavior, and perceptions of regulatory effectiveness were well represented. Construct validity was further reinforced by plans to correlate the instrument's scores with relevant external criteria (Siedlecki, 2020). Face validity was established through feedback from KEPHIS officers, farmers, and agribusiness stakeholders, who confirmed that the questions appropriately reflected the intended constructs.

Quantitative data was edited, coded and analyzed using Statistical Packages for Social Sciences (SPSS version 26). Descriptive analysis encompasses percentages, frequencies, means, and standard deviations. Inferential analysis, included correlation to investigate the relationship between stakeholder involvement and project performance, with an emphasis on KEPHIS. Qualitative data collected from open-ended survey responses and key informant interviews were analyzed using thematic, content, and pattern analysis. The researcher also drew on professional knowledge and contextual understanding to interpret insights where appropriate.

Ethical considerations were integrated throughout the research process, from problem identification to data collection, analysis, and dissemination, in line with established research standards (Khan et al., 2023). These included securing a research permit from NACOSTI to ensure regulatory compliance, obtaining informed written consent from participants, and safeguarding their privacy and anonymity through coding and secure data storage. Verbal explanations were

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provided where necessary to ensure full understanding. Participant data was handled confidentially, with assurances that it would not be used to cause harm. The study was positioned as purely academic, with no evaluative consequences for participants (Laryeafio and Ogbewe, 2023). Academic integrity was maintained by properly citing all secondary sources in APA 7th edition and conducting objective data analysis without manipulation or misrepresentation.

RESULTS AND DISCUSSIONS

Stakeholder funding and performance of KEPHIS projects

The sought to establish the influence of stakeholder funding on the performance of KEPHIS projects. Table 1 shows the distribution of the respondents.

Table 2: Stakeholder funding and performance of KEPHIS projects

Statement	Very Great extent (%)	Great extent (%)	Moderate Extent (%)	Less Extent (%)	Not at all (%)	Mean	Std Deviation
Stakeholder funding facilitates new projects, training, and improves productivity	86%	9.7%	4.3%	0%	0%	4.82	0.488
Donor funding ensures goals are achieved, and accountability is maintained.	41.5%	57.5%	0.5%	0.5%	0%	4.4	0.529
Funding has enabled the organization to scale projects and respond to market changes.	40.6%	37.7%	19.3%	1.4%	1%	4.15	0.851
Stakeholder funding processes lack transparency and limit trust.	0%	1%	13.5%	46.4%	39.1%	1.76	0.715
Funding decisions are often made without stakeholder consultation.	4.8%	5.3%	19.3%	333.3%	37.2%	2.07	1.101
Material contributions are inconsistently available, delaying implementation.	0%	0%	0.5%	20.8%	78.7%	1.22	0.425
Overall composite mean & standard deviation						3.07	

The analysis results revealed that stakeholder funding played a critical role in facilitating new projects, capacity-building through training, and improving productivity at KEPHIS. A substantial 86% of respondents indicated this influence to a "very great extent," with an additional 9.7%

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agreeing to a great extent, making a combined total of 95.7% strong agreement. Only 4.3% of the respondents moderately agreed and none selected lower categories. The mean score of 4.82 (SD = 0.488) reflects overwhelming consensus on the positive contribution of funding in driving project initiation and productivity enhancement. This is strongly supported by Mwaura and Njoroge (2022), who found that stakeholder financial support, especially in agricultural and regulatory projects, provides the resources necessary for innovation, training, and improved service delivery. In conclusion, stakeholder funding is a key enabler of project expansion and operational effectiveness at KEPHIS.

Similarly, the role of donor funding in ensuring goal achievement and accountability was strongly affirmed by respondents. Specifically, 41.5% agreed to a "very great extent," and 57.5% agreed to a "great extent," summing to 99% agreement. Only 0.5% of the respondents agreed moderately and 0.5% agreed to a less extent, there was no respondent who did not agree at all. The high mean of 4.4 (SD = 0.529) emphasizes the critical contribution of external funding sources to project delivery and governance standards. These results resonate with the findings of Asiedu and Boateng (2021), who argued that structured donor funding mechanisms promote transparency, clear deliverables, and stringent reporting thereby safeguarding accountability in public projects. In conclusion, external funding sources (especially donor contributions) are integral to ensuring both the achievement of project goals and financial accountability at KEPHIS.

In terms of scaling projects and enhancing responsiveness to market changes, stakeholder funding was moderately affirmed. About 40.6% of respondents agreed to a "very great extent" and 37.7% of the respondents agreed to a "great extent," totaling 78.3%. An additional 19.3% moderately agreed, while smaller percentages agreed to a "less extent" (1.4%) and "not at all" (1%). The mean of 4.15 (SD = 0.851) signifies solid, though slightly less unanimous, recognition of funding’s role in scaling and agility. This is aligned with Ochieng and Kimani (2023), who showed that stakeholder funding equips agricultural regulatory agencies to adopt modern practices, expand outreach, and react to policy or market fluctuations. Therefore, stakeholder funding not only sustains ongoing activities but also enhances the organization's capacity to scale and adapt to dynamic environments.

Conversely, concerns about transparency and trust in stakeholder funding processes were apparent. A combined 85.5% of respondents perceived limitations with 46.4% agreeing with the statement to a "lesser extent" and 39.1% "do not agree with it at all, while only 13.5% moderately agreeing. The findings showed that only1% agreed to a "great extent." The mean of 1.76 (SD = 0.715) reflects clear dissatisfaction with transparency in funding processes. This finding is supported by Mutuku and Kihoro (2021), who emphasized that opaque funding procedures often erode stakeholder trust, reduce engagement, and diminish collaborative momentum in project contexts. In conclusion, despite the functional benefits of funding, transparency challenges in fund management remain a significant barrier to stakeholder confidence at KEPHIS.

Finally, in regard to material contributions and decision-making consultation were also notable. Regarding consultation, 37.2% of respondents did not agree at all and 33.3% agreed to a "less extent," totaling 70.5%, while only small proportions agreed to a "very great extent" (4.8%) and 5.3% agreed to a "great extent.” The mean of 2.07 (SD = 1.101) signals low stakeholder

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involvement in funding decisions. Similarly, material contributions appeared unreliable, with 78.7% did not agree at all and 20.8% agreed to a "less extent," reflecting 99.5% indicating inadequacy. The very low mean of 1.22 (SD = 0.425) corroborates this. These findings align with Karimi and Waithaka (2022), who argued that inconsistent material support and exclusion from financial decision-making undermine project timelines, stakeholder ownership, and commitment. In conclusion, while KEPHIS benefits from strong financial inflows, gaps in material contributions and participatory decision-making weaken effective stakeholder engagement and project execution.

Relationship between stakeholder funding and performance of KEPHIS project

This was a study of correlation between stakeholder funding and performance of KEPHIS projects.

Table 3: Correlation analysis

		Stakeholder identification	Project planning	Stakeholder participation	Performance of KEPHIS projects
Stakeholder funding	Pearson Correlation	.498	.796	.674	.652
	Sig. (2-tailed)	.033	.017	.022	.034

Source: Survey 2025

The relationship between stakeholder funding and project performance is strong and positive (r = 0.652, p = 0.024), implying that increased financial contributions from stakeholders are significantly linked to better project performance. Similarly, stakeholder funding correlates positively with stakeholder participation (r = 0.674, p = 0.022) and with project planning (r = 0.796, p = 0.017), reinforcing the idea that deeper involvement of stakeholders across different dimensions mutually reinforces their commitment, both in terms of participation and financial input. Additionally, stakeholder funding moderately and positively correlates with stakeholder identification (r= 0.498, p=0.33). These findings emphasize the importance of comprehensive stakeholder funding in enhancing the success of KEPHIS projects.

CONCLUSION

The study has indicated that stakeholder funding is a key enabler of project success, driving resource mobilization, training and scalability. These results validate the theoretical rationales of stakeholder and performance theories that draw attention to the significance of stakeholder management practices that are inclusive and structured. Therefore, KEPHIS should integrate transparent budgeting and reporting system which will be available to stakeholders such as periodic financial disclosures and project expenditure summaries. These systems will clarify the flows of funds so the involved parties will be able to see where the money is disbursed and how it is spent. In order to freeze this practice, the organization needs to implement strong financial transparency policies for all donor funded and stakeholder supported projects.

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