THE EFFECT OF MONITORING, EVALUATION AND RISK MANAGEMENT OF PROJECTS ON PERFORMANCE OF FIRMS IN THE TELECOMMUNICATION SECTOR IN KENYA

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The Strategic JOURNAL of Business & Change MANAGEMENT
ISSN: 2312-9492 www.strategicjournals.com
Vol. 3, Iss. 4 (74), pp 1376 - 1396, Nov 9, 2016, www.strategicjournals.com, ©strategic Journals

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Accepted: November 4, 2016

ABSTRACT
The practice of CSR is much debated and criticized with proponents arguing that there is a strong business case for CSR in that corporations benefit in multiple ways. The research intended to establish the effects of CSR practice on performance of Kenyan telecommunication sector .The research project general objective was to establish the effect of monitoring, evaluation and risk management practice of CSR project activities on the firm performance of Kenyan telecommunication sector. The study used purposive sampling selecting 14 telecommunication companies whose headquarters were located in Nairobi. The study targeted respondents from the project management office and ICT departments. The sample size was 56. The study used primary data as its source of information and questionnaires as the main instrument of data collection. Data collected was analyzed for descriptive statistics and inferential statistics using Statistical Package for Social Sciences version 20. Descriptive statistics was used to analyze qualitative data. From the findings, the study found out that risk management had a strong positive correlation with firm performance. The study sought to find the extent with which risk management practice affected firm performance. From the findings, majority of the respondents rated factors such as need to conducting risk analysis periodically, involvement of the project manager in risk analysis, adopting risk identification and adopting risk analysis as influencing firm performance. The study also concluded that monitoring and evaluation had a strong positive correlation with firm performance. Overall, the study concluded that firm performance of companies in the telecommunication sector was affected by risk management practice, followed by evaluation practice and then by monitoring practice.

Key Words: *Monitoring, Evaluation, Risk Management Practice, Telecommunication Sector in Kenya*

INTRODUCTION

Multiple definitions of Corporate Social Responsibility exist. Asongu (2007) defines CSR as the concept that organizations have an obligation to consider the interests of their customers, employees, shareholders, communities and the environment in all the aspects of their operations.

Brundtland (1987) defines corporate social responsibility as Paths of progress which meet the needs and aspirations of the present generation without compromising the ability of future generations to meet their needs. Wood (1991) described CSR as a business organization's configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationships. Deetz (2003) stated CSR actions as being reactive to the needs of the community. However, the essence of these definitions is identical that the organizations are taking responsibility for CSR activities to better environment, create value for society, treating employees fairly and philanthropy.

Monitoring and evaluations take place during implementation of CSR projects. Mansfield (1996) argues that monitoring process seeks to determine if the inputs, activities and outputs (immediate deliverables) are proceeding according to plan. Inputs to be tracked include financial resources, human resources, equipment used on the project and any other input that goes into project implementation. Evaluations are mainly implementation process oriented, reviewing the overall performance of the project in terms of input use, schedule of project and outputs. They also look at strengths, weaknesses, and challenges of the project and whether the continued project plan will be able to deliver the project objectives or it needs redesigning (Passia, 2004). This type of evaluation may also look at the continued relevance of the project and its sustainability. The aim is to improve the performance of the project during implementation (Shapiro, 2004). Formative evaluations are sometimes called interim or midterm evaluations.

Stanwick and Stanwick (1998) have suggested that corporations should perform CSR activities and to communicate these activities to their customers, public and government. Corporate social responsibility increases employee commitment level with the organization because CSR activities include welfare of the employees and their families (Ali et al., 2010). Dawkins (2004) stated that when an organization contributes towards social welfare, it enhance commitment level of existing customers and attracts the motivated potential employees. Brammer *et al.* (2007) stated when a company has CSR initiatives; employees are more proud of and committed to the organization.

According to Dawkins (2004) organization should involve their employees in decision making regarding which actions should be undertaken relating to community, environment and employees themselves so that organization can get maximum benefits of CSR. Employees will be motivated by organization's CSR activities and ultimately organizational performance will increase. Arsoy et al., (2012) proved by their research in Turkish organizations that reciprocates positive relationship between CSR and financial performance and mutual influence; the existence of a variable can lead to the other. According to Harrison (2000), the main factors affecting a person's performance are knowledge, skill, motivation and environment. He pointed out people who don't perform well were usually caused by: inadequate information or reference materials; poor working environment or inadequate tools; poor incentives; lack of knowledge; lack of skill; and poor motivation. Michalos (2006) has claimed that commitment of staff is crucial and shall be supported with actions for reflection. Experience learning and experiencing personal satisfaction from living can let both organizations and employees grow for betterment.

Management without caring needs and expectations of stakeholders in a community will not be competitive compared with those who do in the 21st century. Demand for accountability and transparency from both public and private sectors has become soaring (Harrison, 2000). In the olden days, management is seeking for survival and profits. Nowadays, management concerns managing financial and non-financial results with awareness of risk and maintenance of transparency. Wafula (2007) argues that organizations are expected to apply high ethical standards when executing their mandate by ensuring that community interest forms part of their strategy.

As a result, the term 'Stakeholder' has been put into today's management vocabulary. In fact, it provides a full picture for management to map their obligations and as well as their need to meet customers' requirements. Having a stakeholder map can widen the horizon of marketers in the sense of making them realize the importance of social responsibility; and the need of fulfilling requirements of customers and the society.

Stakeholders do not want to have any undesirable events found in the market. Issues that they are concerned are things that affect their health and safety. Products or services that consist of misleading messages in advertisements are especially the worry of the public. They want to get a real message from marketers, instead of marketing gimmicks. Hence, marketers should develop an awareness of social responsibility when devising marketing campaigns. Rugimbana *et al.* (2008) have stated clearly that the main purpose of management is to induce a positive impact on human behavior in an organization. The control of human behavior can be found during the activities of planning, organizing, leading and controlling. Management of an organization can have internal and external control on human behavior. For the internal one, management can arrange appropriate training for staff in order to make them have self-discipline and commitment towards an organization. For the external control, proper supervision strategies can be used to limit staff's behavior.

Statement of the Problem

The practice of CSR is much debated and criticized. Proponents argue that there is a strong business case for CSR in that corporations benefit in multiple ways by operating with a perspective broader and longer than immediate, short – term profits; some of the benefits corporations gain from CSR and that have been empirically tested include corporate reputation (Logsdon and Wood, 2002; Orlitsky et al., 2003) and reducing business risk (Orlitzky and Benjamin, 2001). Other benefits that have been explored conceptually include boosting sales revenue (Auger et al., 2003) .However, critics argue that CSR distracts from the fundamental economic role of businesses, yet others argue that it is an attempt to pre – empt the role of government. The research intends to establish the effects of CSR practice on performance of Kenyan telecommunication sector. Gillan et al., (2010) argues that a sound understanding of CSR practice is required for improvement of firm performance. A study by Moore (2001) on CSR and Financial Performance found out monitoring and scanning of the projects had a positive influence in supermarkets achieving financial performance but did not measure the non-financial performance of the supermarket. The study covered one supermarket in United Kingdom which is an inadequate sample hence the findings may not be generalized to the entire supermarket and other sectors. Studies by Graves and Waddock (1994); Griffin and Mahon, (2007); McGuire et al., (2009); Margolis and Walsh, (2003); and Vogel 2005) have produced mixed results regarding the effect of CSR on firm performance. Graves and Waddock (1994); Griffin and Mahon, (2007); McGuire et al., (2009) in their studies concluded that CSR had least impact on firm performance. While Margolis and Walsh, (2003); and Vogel 2005) concluded that CSR had significant contribution to firm performance. A study by Krishna (2002) proposed that a lack of provable link between CSR and firm performance often discourages companies from engaging in CSR which is brought by the firm top management lack of consensus on priorities within the firm, and problems related to measurement and evaluation of CSR activities. The results of the study contributed to the body of knowledge by providing information on the effects of CSR on firm performance. This research also aimed at helping marketing scholars, project managers and corporate owners who are considering a corporate social contribution as a more strategic want to benefit society and at the same time benefit their company.

Objectives of the Study

The general objective of the study was to analyze the effect of monitoring, evaluation and risk management practice of CSR project activities on the firm performance of Kenyan telecommunication sector. The specific objectives were:

- To establish the effect of monitoring practice on the performance of telecommunication companies in Kenya
- To determine the effect of evaluation practice on the performance of telecommunication companies in Kenya.
- To evaluate the effect of risk management practice on the performance of telecommunication companies in Kenya.

LITERATURE REVIEW

Theoretical framework

Resource Based View Theory

Resource based view (RBV) theory views a company as consisting of a variety of resources generally including four categories; physical capital, human capital, financial capital and corporate capital (Barney, 1991), which can be used by firms to develop, manufacture, and deliver products and services to its customers. Yang and Konrad (2013) argued that resources held by a company can contribute and determine its level of performance. Resources that allow a company to implement its strategies are viewed as valuable and can be a source of competitive advantage (Wernerfelt, 1985). Competitive advantage enables the company to create superior products and services for their customers which leads to superior profits of the firm.

The resource based view (RBV) has been instrumental to the development of the field of quality management (Wright *et al.,* 2001). Resources which are the basic unit of analysis for RBV can be defined as those assets that are tied semi permanently to the firm (Maijoor and Witteloostuijn, 1996). The author further classify resources as tangible (financial or physical) or intangible (employee's knowledge, experiences and skills, firm's reputation, brand name, organizational procedures). The availability of financial resources can expand a firm's capacity to support its innovative activities (Lee *et al*., 2001), whereas the lack of financial funds may limit firm level of innovation in its various products and services (Baysinger & Hoskisson, 1999). Damanpour (2001) argued that market knowledge could form the foundation for generating multiple new product lines.

Positive Accounting Theory

Positive accounting theory explains why accounting policy became an issue for company and interested parties with financial statements, and to predict accounting policies selected by company under certain conditions (Watts and Zimmerman, 1986). This theory is based on the view that the firm is a nexus of contracts i.e. the company is an estuary for various contracts that came to it. For example, contracts with employees (including managers), suppliers, and financiers. As a collection of various contracts, rational contracting companies want to minimize the costs associated with contracts that go to it, such as boarding negotiation, monitoring contract performance, the possibility of bankruptcy or failure, and others. Some of these contracts involved accounting variables, thus positive accounting theory argues that companies will utilize accounting policies in order to minimize contracting costs. This condition is reinforced by the provision of flexibility by resident entities of management standards to choose from a set of accounting policies permitted. Positive accounting theory becomes an interesting rationale for CSR reporting.

Positive accounting theory used agency theory to explain and predict accounting policy chosen by manager. Positive accounting theory formulated by Watts and Zimmerman (1986) has predicted three hypotheses that encourage companies to undertake earnings management.

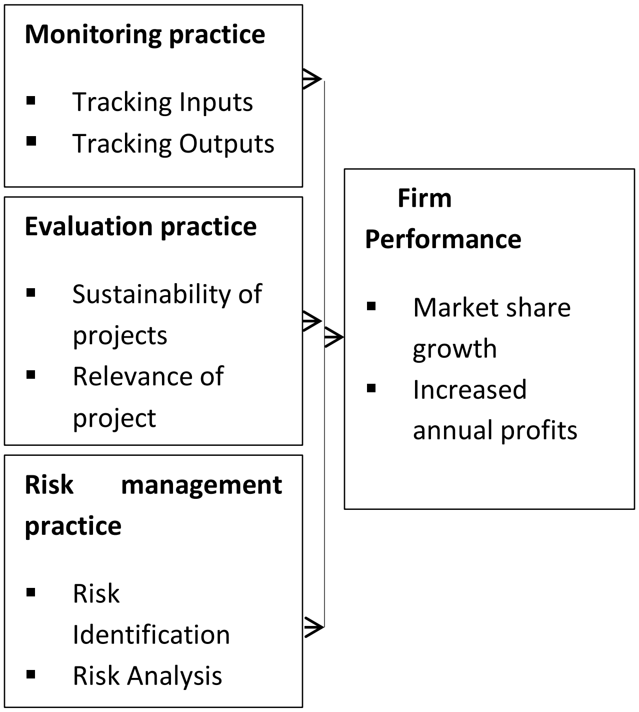
Knowledge Based View Theory

Spender (1996) argues that Knowledge based theory of the firm views the business organization as a dynamic, evolving, quasi autonomous system of knowledge production and utilization. Grant (1996) state that knowledge based view (KBV) of the firm addresses the issues of the existence, the boundaries, and the internal organization of the multi person firm. The starting point is that knowledge is the key explanatory factor, and the nature of knowledge (tacit, socially constructed) is an important determinant enhancing understanding of firm organization and behavior. Understanding the nature of this complex business phenomenon (Gupta *et al.*, 2000) the knowledge based view, can be a useful framework in order to develop in an effective way firm innovations (Diaz *et al*., 2008). The resource base of the organization increasingly consists of knowledge based assets. The KBV of the firm is an extension of the RBV of the firm because it considers that organizations are heterogeneous entities loaded with knowledge (Scarborough *et al*., 1999).

The KBV of the firm has attracted great interest as it reflects that academia recognizes the fundamental economic changes resulting from cumulatively and availability of knowledge in the past two decades. We are witnessing a structural change in the productive paradigm (Carneiro, 2003). The change from manufacture to services in the majority of developed economies is based on the manipulation of information and symbols and not on the use of physical products. The perspective of the KBV of the firm is consistent with the approach to organizations as cultures (Balogun and Jenkins, 2003).

Considering that organizations are conceptualized as cultures, they are supposed to learn through activities that involve cultural artefacts. Organizational learning allows the firm to acquire, to change and to preserve its organizational capabilities (Cook and Yanow, 1995). Begona (2008) describe knowledge management approaches is based on business management studies, which all see knowledge as the answer to the new competitive challenges faced by firms today. Thereby, she states that knowledge management should include information and knowledge creating systems, as well as strategic management and innovation.

Conceptual Framework



Independent variables **Dependent variables**

Figure 1: Conceptual Framework

Empirical Review of Variables

Firm Performance

A company is a structured entity that is established to achieve specific goals. It consists of physical, human, informational and financial resources that are combined to realize certain objectives. Wallsten (2000) provides a good definition of performance as doing today what will lead to measured value outcomes tomorrow. Company performance is defined as the economic outcomes resulting from the interplay among an organization's attributes, actions and environment (Combs *et al*., 2005). The optimum system for performance measurement and control will include financial performance indicators e.g. profitability and sales growth as well as Non-financial performance indicators (Merchant & Stede, 2007). The nature of the term performance implies utilization of different ways to describe a firm related situations; survival, growth, success, failure, and bankruptcy (Newbert *et al*. 2007).

Wallsten (2000) argued that focusing solely on financial measures was unsatisfactory to measure company performance mainly because they do not take sufficient account of cause and outcome issues. Non-financial performance is a long term operational objective that emphasizes the importance of increasing customer loyalty, attracting new customers and enhancing the image and reputation of a firm (Blazevic and Lievens, 2004). Chong and Rundus (2004) identified that return on investment, sales and market growth, and profits are important factors that can be used to measure firm performance. Delaney *et al*. (2006) asserted that organization performance can be evaluated by return on investment, margin on sales, capacity utilization and customer satisfaction.
Richard *et al*. (2009) states that organizational performance encompasses three specific areas of firm outcomes: financial performance (profits, return on assets, return on investment, etc.), product market performance (sales, market share) and shareholder return (total shareholder return, economic value added, etc.). Well performing companies often enjoy a competitive advantage over the rest in the industry and are able to deliver on quality and superior products and services. The resource based theory explains that firm performance is a function of how well managers build their organizations around resources that are valuable (Barney, 1991). Performance measurement systems assume that managers can use the information to make better decisions.

The parameters that were used for measuring the performance of the various telecommunication companies included; improvement of annual profits over the last 2 years, and market share growth over the last 3 years.

Monitoring

Different authors have defined monitoring process differently. There is some overlap and disagreement between the operational definition stated in the background of this research and the definitions of the different authors as highlighted below. McCoy *et al.* (2005) definition is adopted and modified as the operational definition in the context of this research and it defines monitoring as the routine tracking of the key elements of project implementation performance, usually inputs, activities and outputs, through record keeping, regular reporting and surveillance.

Mansfield (1996) argues that monitoring process seeks to determine if the inputs, activities and outputs (immediate deliverables) are proceeding according to plan. Inputs to be tracked include financial resources, human resources, equipment used on the project and any other input that goes into project implementation. The financial resources are tracked with a budget and performance is analyzed by comparing planned expenditure against actual expenditure. Activities or processes are tracked using a schedule, which is planned schedule against actual schedule of the activities i.e. what activities have been done versus what should have been done according to the planned schedule.

Crawford and Bryce (2003) argue that monitoring process is an ongoing process of data capture and analysis for primarily project control with an internally driven emphasis on efficiency of project. The authors define efficiency in this context as doing the right thing that is: efficient conversion of inputs to outputs within budget and schedule and wise use of human, financial and natural capital. This definition emphasizes the fact that monitoring is geared mainly to project control. This is in agreement with the operational definition that looks at project control as taking corrective action and making decisions pertaining to the project by the project manager during implementation.

Uitto (2004) defines monitoring briefly as a continuous function that aims primarily to provide management and stakeholders with early indicators of project performance of a project and progress (or lack thereof) in achievement of the results. Monitoring is seen as a continuous function as highlighted in the contextual definition of this research but it does not highlight what is tracked against what so as to be able to indicate performance. Nevertheless it emphasizes the fact that monitoring is very important in that it provides information to the management and stakeholders about performance. It also highlights the fact that monitoring is results oriented.

Johan and Rogers (1999) defines monitoring as a process that continuously tracks performance against planned by collecting and analyzing data indicators established for monitoring and evaluation purposes. Monitoring is seen as in the contextual definition as providing continuous information on whether progress is being made toward achieving results through record keeping and regular reporting systems. Monitoring looks at the project processes that transform inputs into outputs, it also identifies project strength and weaknesses. The performance information from monitoring enhances learning and decision making during implementation. It is important as highlighted by all the authors above that there is dissemination of the monitoring information.

The purpose of monitoring is to ensure that implementation is moving according to plans and if not the project manager takes corrective action, the control function of project management. The monitoring enhances project management decision making during the implementation thereby increasing the chances of good project performance (Gyorkos, 2003). This function also aids early identification of problems before they get out of hand since it is continuous. This is very important in management of projects as it lessens the chances of crisis management since there is constant feel of the project temperature.

Passia (2004) argues that monitoring process helps to facilitate transparency and accountability of the resources to the stakeholders including donors, project beneficiaries and the wider community in which the project is implemented. Monitoring tracks and documents resource use throughout the implementation of the project. It also enhances accountability in that it facilitates the demonstration of the resource use throughout the implementation of the project.

Evaluation

Uitto (2004) argues that evaluations are systematic and independent. They are an assessment of an ongoing or completed project including its design, implementation and results. He further argues that evaluations asses the relevance, efficiency of implementation, effectiveness, impact and sustainability of the project. Evaluation is a complement to monitoring in that when a monitoring system sends signals that the efforts are going off track (for example, that the target population is not making use of the services, that costs are accelerating, that there is real resistance to adopting an innovation, and so forth), then good evaluative information can help clarify the realities and trends noted with the monitoring system.

Assessing relevance of a continuing project is important to justify continued investment of resources into the project, if found that the project is no longer relevant then funding can be stopped and funds channeled elsewhere. As with monitoring, evaluation is also defined differently by different authors. Evaluation is defined contextually in this research as the episodic (not continuous, usually midterm and at end of the project) assessment of an ongoing or completed project to determine mainly its actual impact against the planned impact (strategic goal or objectives for which it was implemented), sustainability, effectiveness and efficiency (Gyorkos, 2003).

Effectiveness is defined as the extent to which the set project objectives were achieved and efficiency as how economically resources (inputs) were converted into outputs for completed or partially completed projects. Efficiency looks at how the project faired in terms meeting the set schedule and allocated budget. Sustainability is defined as the continuation of the project to bear benefits to the beneficiaries long after the project has ended or the donors have withdrawn funding. It looks at probability of long-term benefits of project long after the project close (Jody and Ray, 2004).

Sustainability is very important in that it is not prudent to have a lot of resources invested in a project whose benefits will be short lived. The design and implementation can be altered in order to increase the chance of sustainability. Sustainability has gained a lot of currency in the recent times, because the donors want to determine whether the project benefits will continue to accrue after they cease financing the project (Passia, 2004).

Jody and Ray (2004) state that evaluations should be as objective as possible so that the information provided is as credible as possible and is not questionable. Objectivity could be achieved by bringing in external consultants that were not involved in the project implementation but who should work in partnership with the project implementation officials. McCoy *et al.* (2005) are in agreement with other authors and the contextual definitional that evaluation assess the projects effectiveness in achieving its goals and in determining the relevance and sustainability of an ongoing project.

Shapiro (2004) emphasizes the fact that evaluation compares the project impact with what was set to be achieved in the project plan and further argues that evaluation examines how the project impacts were achieved and what went wrong or right for the benefit of organizational learning. The emphasis of this approach to evaluation is on impact of the project after implementation. It does not recognize the midterm evaluations that tend to look at the continued relevance and sustainability of the project and the impacts that the project has had even before completion. Evaluations can be divided into two types depending on when they take place: formative and summative each is described below in detail.

Formative evaluations take place during the implementation of the project. They are mainly implementation process oriented, reviewing the overall performance of the project in terms of input use, schedule of project and outputs. They also look at strengths, weakness, and challenges of the project and whether the continued project plan will be able to deliver the project objectives or it needs redesigning (Passia, 2004). This type of evaluation may also look at the continued relevance of the project and its sustainability. The aim is to improve the performance of the project during implementation (Shapiro, 2004). Formative evaluations are sometimes called interim or midterm evaluations.

Summative evaluations are carried out at the end of the project with the objective of determining how the project progressed, what went right and wrong and capture any lessons learned. Summative evaluations may also be able to determine the overall impact of the project and the extent to which the project achieved its objectives (Shapiro, 2004).

Wellings and Macdowall (2000) identify two types of summative evaluations; processes evaluation and outcome evaluation. Process evaluation is geared towards guiding future projects by facilitating organizational learning. It is not enough to capture whether a project succeeded or not but it is important to understand and document why it succeeded or why it failed so that the mistakes are not repeated and good practices are shared across the stakeholders. Process evaluation also assess how the project faired in terms of efficiency i.e. whether the targeted project outputs were achieved within budget and schedule and if not what the reasons hampered that. Outcome evaluation is concerned with the extent to which the set objectives were achieved and how we can attribute the role of project to the outcomes. It is quite hard to clearly attribute that the observed outcomes are solely the result of the project without any other exogenous factor and it is even harder to determine the actual contribution of the project to the observed outcomes.

Risk Management

Kromschroder and Luck, (1998) proposed that risk management is divided into two; risk identification and risk analysis. Risk identification refers to the process of identifying dangerous or hazardous situations and trying to characterize it. It is a procedure to deliberately analyze, review and anticipate possible risks (Barton, 2002). The first step in organizing the implementation of the risk management function is to establish the crucial observation areas inside and outside the corporation (Kromschroder and Luck, 1998). The departments and the employees must be assigned with responsibilities to identify specific risks for example interest rate risks or foreign exchange risks are the main domain of the financial department.

It is important to ensure that the risk management function is established throughout the whole Corporation; apart from the parent company, the subsidiaries too have to identify risks and analyze them. Other approaches for risk identification include scenario analysis or risk mapping. An organization can identify the frequency and severity of the risks through risk mapping which could assist the organization to stay away from high frequency and low severity risks and instead focus more on the low frequency and high severity risk. Risk identification process includes risk-ranking components where these ranking are usually based on impact, severity or dollar effects

(Barton, 2002). Accordingly, the analysis helps to sort risk according to their importance and assists the management to develop risk management strategy to allocate resources efficiently. This is the process of determining the likelihood that a specified negative event will occur. Project management managers use risk assessments to determine things like whether to undertake a particular venture, what rate of return they require to make a particular investment and how to mitigate an activity's potential losses. There are many conceptual studies made on risk analysis in reference to measurement and mitigation of risk. In practice, it is useful to classify the different risks according to the amount of damage they possibly cause (Fuser et al, 1999). This classification enables the management to divide risks that are threatening the existence of the corporation from those which can cause slight damages. Frequently, there is an inverse relationship between the expected amount of loss and its corresponding likelihood, i.e. risks that will cause a high damage to corporation, like earthquakes or fire, occur seldom, while risks that occur daily, like interest rate or foreign exchange risks, often cause only relatively minor losses, although these risks can sometimes harm the corporations seriously. A comprehensive risk analysis and mitigation methods for various risk arising from financing activities and from the nature of profit and loss sharing is the source of funds especially investment account holders are explained by Sundararajan (2007). He concludes that the application of modern approaches to risk analysis, particularly for overall risks is important for companies.

However (Navajas and Tejerina, 2006) indicates that many companies are perceived not to use the latest risk measurement techniques. Moore (2007) suggests that companies need to start collecting data, and there can be significant advantages in pooling information and using common definitions, standards, and methodologies for risk management which is argued can lead to significant losses in various institutions. Finally, he found out that risk analysis particularly on measuring risk is important for project management practices.

Project Performance

Globally, organizations are continually been involved in various projects as a tactic to ensure they remain relevant in their various fields. Some of these projects are CSR projects.The success or performances of a project as well as the factors that affect this success are considered in a various ways by different project management scholars. Although there lacks a unified treatment and definitions of these concepts, there is a consensus about the importance of this aspect for the project management practice.

Kerzner (2001) argues that in the past, project success was related to the completion of project activities in the due term, budget, and expected quality. Later the understanding of project success has been altered by including the limitation of minimum changes in the scope of activities without interruptions in the workflow, without shifts in the corporate culture, and with full acceptance of results by the project client.

Other scholars though have a different point of view. Belassi and Tukel, 1996; Lim and Mohamed, 1999 prefer not to distinguish between the project success and the success of project management as a whole. Rather, they consider the project success as a part of, or even a consequence from the overall managerial success. Baccarini (1999) in his research argues that the project success concept has been expanded to a six-dimensions construct where, additionally to the original dimensions (time, cost and quality), other important issues have been incorporated. The inclusions are: meeting the strategic goals of the client organization, achieving satisfaction of the end users, and attaining satisfaction of all other stakeholders. Finally, in case that the criteria for project success are defined in a particular setting, there are still some conditions that should be provided in order to consider a project as successful.

RESEARCH METHODOLOGY

The study adopted descriptive survey design. The target population for this study was respondents drawn from the project management office and ICT departments. This was chosen since these departments were involved during the project cycle of CSR projects. The target population included project managers, project officers within the project management office and technical staff within ICT departments. The study used purposive sampling selecting 14 telecommunication companies in the process. The study adopted a questionnaire method which was used for the collection of data from the employees of these companies. Data collected was keyed in the computer, coded and analyzed with the aid of the Statistical Package for Social Sciences version 20 (SPSS) computer software. Descriptive statistics (frequencies and percentages) was used to describe the study findings while inferential statistics (correlation and regression). Regression analysis enabled confirmation of relationships between the independent and dependent variables since not all factors that are found to be significant in the correlation analysis affect the dependent variables.

RESEARCH FINDINGS AND DISCUSSION

The researcher distributed 56 questionnaires during the data collection process, out of the 56 questionnaires 45 questionnaires were retrieved successfully making a response rate of 80.36 percent.

On the gender of the respondents, the researcher found out that the majority of respondents were male as indicated by 60%, while 40% of the respondents were females. Information in regard to the types of CSR projects the company engaged in, the study findings indicated that by majority of the respondents indicated that the companies engage more in Philanthropic Responsibilities, followed by the Economic Responsibilities, ethical responsibilities, while the least projects the company engages in was legal responsibilities.

Based on the years of service, the researcher further assessed the number of years in which the respondents had worked in the organization to establish if the respondents had knowledge pertaining the effect of monitoring, evaluating and risk management practice of CSR projects activities on the firms performance of Kenya telecommunication. In this regard, the respondents proved knowledgeable since most of them had worked in the organization for more than two years.

Effect of monitoring practice of projects on firm performance in the telecommunications sector in Kenya

The study sought to find out the respondents' extent of agreement of statements on monitoring practice of project performance. Based on the study findings, most respondents agreed that CSR project finances are normally monitored by comparing the planned budgeted expenditure against actual expenditure; the work of the project auditors was important, as it promotes Accountability and Transparency in the CSR projects and that the CSR projects financial reports were required from the national audit office help them to better manage their projects' budgets.

Monitoring of CSR projects

From the study findings, 75% percent of the respondents agreed that monitoring of CSR projects affected firm performance. 25% percent disagreed. Based on respondent's opinion on monitoring process, most of the respondents agreed that monitoring process was a special kind of integration process that was used as part of Business Activity Monitoring (BAM). This used a monitoring process to assess the milestones in a business process. The business process could be distributed across multiple applications. When a milestone is reached, the applications each publish events, to which a central monitoring process is subscribed. In monitoring processes one can define that alerts are triggered if particular events occur or deadlines are missed. Furthermore, you can define conditions for creating alerts. You can also include information shipped by Business Intelligence in the conditions, for example, whether a given CSR project is an A CSR project or not.

Only use monitoring processes to monitor events from applications. Do not use a monitoring process to monitor events from other monitoring processes. These kinds of monitoring process hierarchies are not supported.

Effect of risk management practice of projects on firm performance in the telecommunications industry in Kenya

From the study findings, 68 percent of the respondents agree that risk management practice had an effect on project performance. However, 32 percent of the respondents disagreed. Risk management is important to any organization that intends to manage its risks.

Effect of evaluation practice of projects on firm performance in the telecommunications sector in Kenya

According to the findings, the study showed that evaluation practice affected performance of firms. It also showed that evaluation of CSR projects affected market share growth and annual company profits. Evaluation process assesses how well planning and managing of CSR projects for future outputs into outcomes. Because CSR projects are collaborative efforts, partners have co-responsibility for achieving outcomes and, ultimately, impact on the CSR projects.

Regression Analysis

The study employed a multiple linear regression analysis to determine the relationship between the dependent variable (telecommunication firm's performance) and independent variables evaluation practice, monitoring practice and risk management practice were observed to explain 70.25 percent of the telecommunication firm's performance as represented by R2 in Table 1. This is an indication that other factors not studied in this research study contribute to 29.75 of telecommunication firm's performance. Therefore, further research should be undertaken to investigate the other factors (29.25%) that affect firm performance in the Kenyan telecommunication sector. The significance value was 0.033 lesser than 0.05 an indication that the model was statistically significant in predicting how independent variables (monitoring practice, evaluation practice and risk management practice) affect dependent variable (telecommunication firm's performance).

Table 1: Model summary

Model	R	R Square	Adjusted R Square	Change Statistics	
				F Change	**Sig. F Change**
	.745[a]	.705	.7025	7.724	.033

The study further used Analysis of Variance (ANOVA). According to the ANOVA and F statistics in Table 2, the F calculated (7.724) was higher than the F critical (2.448) at 5 percent level of significance an indication that the investigated independent variables (monitoring practice, evaluation practice and risk management practice) affect firm performance in the Kenyan telecommunication sector .

Table 2: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	84.152	4	21.038	7.724	.033[b]
	Residual	41.727	28	12.205		
	Total	125.879	32			

a. Dependent Variable: firm performance

b. Predictors: (Constant), monitoring practice, evaluation practice and risk management practice

The regression equation becomes:

Y= $\boldsymbol{\beta_0 + \beta_1 x_1 + \beta_2 X_2 + \beta_3 X_3 + e}$

Y= Firm Performance

$\boldsymbol{\beta_0, \beta_1, \beta_2}$ **&** $\boldsymbol{\beta_3}$ **=** Regression coefficients of the independent variable

$\boldsymbol{X_1}$**=** monitoring practice

$\boldsymbol{X_2}$ **=** evaluation practice

$\boldsymbol{X_3} =$ Risk management practice

e= Stochastic term

Y= 0.484+0.207$\boldsymbol{X_1}$**+0.338** $\boldsymbol{X_2}$ **+ 0.403**$\boldsymbol{X_3}$

In this regard, taking all independent variables constant at zero, the firm performance remained constant at 0.484. Also, taking other independent variables to be zero, a unit increase in monitoring practice will result to a 0.207 increase in firm performance, a unit increase in evaluation practice will results to a 0.338 increase in firm performance while a unit increase in risk management will result to a 0.403 increase in firm performance in the telecommunication sector.

Table 3: Multiple regressions

Model	Un standardized Coefficients		Standardized Coefficients	Sig.
	B	Std. Error	Beta	
(Constant)	.484	.296		.033
Monitoring practice	.207	.140	.107	.023
Evaluation practice	.338	.179	.040	.009
Risk management practice	.403	.119	.005	.003

Therefore, risk management practice contributes more to the performance of firms in the telecommunication sector. At 5% level of significance and 95% level of confidence, risk management showed 0.003 level of significant; Evaluation showed 0.009 level of significant and monitoring showed a 0.023 level of significant.

The study findings at 0.05 level of significance showed that risk management practice, evaluation practice and monitoring practice had a significant positive influence on performance of firms in the telecommunication sector.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary of the findings

Monitoring practice

From the study finding, 75 percent of the respondents agreed that monitoring practice did affect firm performance while 25 percent disagreed. An indication that monitoring practice did affect firm performance in the various firms that the study was done. This was in line with the study findings made by Meticevic et al. (2008) adequately monitoring practice resulting to enhance firm performance efficiency. Also, the study established that at 5 percent level of significance, monitoring practice was the least significant variable affecting firm performance. In this regard, the study findings concurred to Fawcett et al. (2013) who argued that the aspect monitoring practice impacted greatly to the firm performance in the telecommunication industry.

Evaluation Practice

Assessing relevance of a continuing project is important to justify continued investment of resources into the project, if found that the project is no longer relevant then funding can be stopped and funds channeled elsewhere. From the findings made in the study, 90 percent of the respondents agreed that evaluation practice had an effect on firm performance. 10 percent of the respondents disagreed. A clear indication that evaluation practice actually did affect the firm performance in telecommunication industry. The respondents further agreed to the facts that evaluation practice was core in project management, enhanced sales volume, affected the overall performance of the company and improved on production accuracy. Further, the study established that evaluation practice was the most significant variable (0.009) that affected the project performance in the Kenyan telecommunication industry. In this regard, these findings collaborates to the literature review by Gachora et al., (2014)

Risk management practice

From the findings of the study, 68 percent of the respondents agree that risk management practice had an effect on project performance. However, 32 percent of the respondents disagreed. Project management managers use risk assessments to determine things like whether to undertake a particular venture, what rate of return they require to make a particular investment and how to mitigate an activity's potential losses. There are many conceptual studies made on risk analysis in reference to measurement and mitigation of risk. In practice, it is useful to classify the different risks according to the amount of damage they possibly cause (Fuser et al, 1999). This classification enables the management to divide risks that are threatening the existence of the corporation from those which can cause slight damages. Frequently, there is an inverse relationship between the expected amount of loss and its corresponding likelihood, i.e. risks that will cause a high damage to corporation, like earthquakes or fire, occur seldom, while risks that occur daily, like interest rate or foreign exchange risks, often cause only relatively minor losses, although these risks can sometimes harm the corporations seriously.

Conclusions

The study concluded that firm performance in the telecommunication sector was affected by risk management practice, followed by evaluation practice and then monitoring practice. The regression model showed that risk management practice had a significant influence on performance of firms in the telecommunication sector. Therefore, this implies that increasing the levels of risk management practice by a unit would have a converse effect on performance of firms in the telecommunication sector. Based on the study findings, risk management factors such as risk identification and risk analysis influenced performance of firms in the telecommunication sector. Evaluation practice was the second important factor that affects performance of firms. Increasing levels of evaluation practice by a unit would have had a converse effect on the performance of firms in the telecommunication sector. The study findings showed that evaluation factors such as assessing efficiency of project, assessing relevance of projects and assessing sustainability influenced firm performance. The study further concluded that monitoring practice also affects performance of telecommunication firms. The regression model showed that increasing levels of monitoring by a unit would also increase the performance of firms in the telecommunication sector by the same measure. A high number of respondents rated all monitoring practice factors which included incorporating project auditors to promote transparency, use of project financial reports to better manage projects' budget and monitoring projects finances by comparing budgeted expenditure against actual expenditure as influencing performance of telecommunications firms.

Recommendations

Based on the findings, the following recommendations was be made. Monitoring, evaluation and risk management practice of CSR projects should be adopted by telecommunication firms in Kenya as was seen to have an influence on firm performance. Companies should therefore invest in staffs that have requisite knowledge of conducting the above. The staff should also have correct level of authority and responsibility, and reporting to a higher level of management. This will ensure a good level of influence and control within the organization and positive influence on firm performance.

The study also recommended a need to conduct risk analysis and risk identification periodically to prevent firms from failing in their obligations and meeting their CSR objectives. The project manager or a staff member with authority should also be involved during risk analysis of CSR projects. For telecommunication companies that are already embracing risk management practice, the study recommended that they put more emphasis as this was found to have a the bigger influence on firm performance as compared to the other variables.

The study recommended that telecommunication companies asses relevance and sustainability of CSR projects before embarking on such projects so as to avoid projects that will have a negative impact on the firm performance.

The study further recommended that project finances should be monitored by comparing planned budgeted expenditure against actual expenditure. This can be achieved using consolidating financial reporting hence managing CSR projects' budget and in turn realizing improved firm performance.

The study also recommended that telecommunication firms set aside adequate funding to run activities of the stuff involved in monitoring, evaluation and risk management of CSR projects. This will ensure continued training for this individuals and continued embracement of industry best practices.

Areas for further research

The study was a milestone for further research in the area of CSR and firm performance in Kenya. The findings focused on factors that affect firm performance in the telecommunication sector which were monitoring practice, evaluation practice and risk management practice. As an area of further research, there is need to undertake similar research in other institutions in Kenya and other countries in order to establish whether the explored factors can be generalized to affect firm performance. Further research should also be undertaken to investigate the other factors that affect firm performance in the Kenyan telecommunication sector. Finally, research should also be undertaken to look at the three independent variables in more detail.

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