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**EFFECT OF PROJECT GOVERNANCE ON PERFORMANCE OF CONSTITUENCY DEVELOPMENT FUNDED PROJECTS
IN KAJIADO COUNTY**

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IN KAJIADO COUNTY**

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ABSTRACT

The general objective of the study was to establish the effect of project governance on performance of constituency development funded projects in Kajiado County. The study was undertaken in Kajiado County which neighbours Machakos County and Nairobi County on the West; by extension, the sampled respondents were drawn from Kajiado County. This was because of the researcher's vast experience in constituency development projects' management as well as its proximity to the researcher's place of work. The study used a questionnaire to collect the required data. The data from the completed questionnaires was cleaned, re-coded and entered into the computer using the Statistical Packages for Social Sciences (SPSS) for Windows for analysis. The SPSS computer program was commanded to produce frequency tables, graphs, pie charts and the necessary measures of variances for interpretation. Descriptive statistics (that is frequency analysis) was computed for presenting and analyzing the data. The study found that there was positive correlation coefficient between CDF Funded projects and Stakeholder participation, this relationship was found to be statistically significant. The study found weak positive correlation between CDF Funded projects and Resource Mobilization.

Key Terms: Stakeholders Participation, Resource Mobilization, Performance of Constituency Development Funded Projects

INTRODUCTION

According to World Bank (2006) report on the constituency development project experience with governance, public sector management is a dimension of governance that deals with the changing of organizational structure, making budgets work better through better integration of capital and recurrent components, sharpening incentives and placing public enterprise managers under performance contracts. Devolved funds are development schemes designed to transfer money directly to the local council, constituency or district to finance local development projects such as schools, markets, hospitals, roads, among others. A few of these are: The Constituency Development Fund (CDF), Local Authority Transfer Fund (L ATF), Secondary School Bursary, Free Primary Education and Roads Maintenance Levy Fund (RMLF). Devolved funding project has been in existence in Kenya for quite sometimes now, since independence the Kenya government has employed several development strategies in fighting poverty.

Among the development strategies in Kenya are district development grant program (1966), the special rural development program (1969/1970), district development planning (1971), the district focus for rural development (1983-84) and the rural trade and production center (1988-89). Though ingenious, these programs suffered the same fate, a lack of funding and excessive bureaucratic capture by the central government (Gikonyo, 2008).

Governance is the manner in which power is exercised in the management of economic and social resources for sustainable human development (World Bank, 2006). Resources are both present in the public and private sectors and the concept is also applied in more specific sense in corporate governance. Governance then relates to conditions necessary to produce good results from different resources. Previous research, particularly

research conducted by the Australian maritime environment (Sakaran, 2008) and the Ministry of Defence, UK (Williams, 2009) has proved that project governance is viewed as vital in the successful delivery of public sector projects. Project governance has been practiced by most of public sectors in developed countries such as United States of America, United Kingdom, and Malaysia among many developed countries to ensure the smoothness of project implementation. Academic research in the UK and elsewhere confirm this trend, which looks set to continue with increasing numbers of developments and initiatives being pursued through projects and programmes (Midler, 1995). Industry reports, KPMG (2002) also highlight the growing adoption of project governance standards and practices across large numbers of organizations, including the creation of project governance centres of excellence within UK government departments (Thiry and Deguire, 2004).

Key Performance Measures are quantifiable measurements that reflect the critical success factors of an organization (PMBOK, 2006). Based on beforehand agreed measures, they reveal a high-level snapshot of the organization. They vary depending on the kind of organization they characterize; for instance a business may have a KPI as the annual sales volume, while KPIs of a social service organization may have to do more with the number of people helped out. Moreover, colleges may have number of students graduating per year, as one of their KPIs. Thus before any Key Performance Measures are selected, it is vital to identify what the organization's goal is, which are in turn dependent upon its mission and stakeholders. Consequently, KPIs act as a measure of progress towards these goals. Whatever they may be, they must be critical to the success of the organization.

The application of Key Performance Measures provides project managers-such as CDF-with a high-level, real-time view of the progress of a firm (Hareld, 2003). They may consist of any combination of reports, spreadsheets and charts. They may be sales figures (global or regional), trends over time, supply chain information or any other long-term consideration which may be essential in gauging the health of the organization. However, it should be noted that Key Performance Measures should not only reflect the organizational goals but should also be quantifiable. For a Key Performance Indicator to be of any value there must be a way to accurately define and measure it. This is so because a KPI may meet the criteria of reflecting the organizational goal, which may for instance pertain to being the most popular company. However, since a company's popularity cannot be measured or compared to others, therefore the KPI would be useless (Larson, 2002).

Africa, as a continent emerging from the transatlantic slave trade and the colonialism legacy, has been facing governance challenges since the early years of the independence of its countries. African leaders started working for the development vision of Africa since the end of the 1950s and the beginning of the 1960s. They convened to work as a unique and common group to overcome the crucial challenges facing Africa and their fragile states. Some of them met on the conference of Bandoeng on April 1955 where the non-aligned movement was born (Khosa, 2001).

The South African transition is multifaceted and complex (Kitchen and Kitchen, 1994). The political transition has been relatively smooth and resulted in an administrative transition, at least at the policy level, in a re-oriented Public Service (Khosa, 2001). This Public Service posits to operate within the model of a Developmental State which is activist and pro-poor. To be responsive and relevant it is

dependent upon project governance. The Public Service needs to execute its policy through an administration that supports the transformation of society along political, social, economic, spatial and racial lines.

According to the Kajiado County integrated development plan of 2013 to 2017, the county is located in the southern part of Kenya. It borders Nairobi County to the North East, Narok County to the West, Nakuru and Kiambu Counties to the North, Taita Taveta County to the South East, Machakos and Makueni Counties to the North East and East respectively, and the Republic of Tanzania to the South. It is situated between Longitudes 360 5' and 370 5' East and between Latitudes 10 0' and 30 0' South. The county covers an area of 21,900.9 square kilometers (Km²). The county has an annual population growth rate of 5.5 percent with population in 2012 estimated at 807,069 of which 401,784 were females and 405,285 males.

The county is sparsely populated and the major pre-occupation is nomadic pastoralists with a few patches of farming by newly settled people and a few other locals. According to a recent economic survey the constituency index rating on poverty was very low. Based on the CDF budget allocations under the CDF Act, 2003, below is the allocation schedules since then; 2003/2004 – KSh. 6,000,000; 2004/2005– KSh. 27,208,837; 2005/2006–. KSh. 35,189,546; 2006/2007–KSh.48,748,642; 2007/2008– KSh. 49,049,740; 2008/2009– KSh. 49,049,740; 2009/2010– KSh. 59,876,134; 2010/2011– KSh. 63,855,196; 2011/2012– KSh. 77,514,173. So far from the disbursed allocation 13 projects have been covered in various sectors which include; improvement of roads and bridges, water and sanitation, schools/educational bursaries, health facilities, public law and order, business market shades, animal selling markets/slaughter-houses, cold storage facilities and electricity connections.

Statement of the Problem

The fund was being managed by the Constituencies Development Fund Board (CDFB). It consisted of an annual budgetary allocation equivalent to at least 2.5% of the Government ordinary revenue. The CDF Act provides that; maximum of 5% is allocated to CDF Board for Administrative services, minimum of 95% is allocated to constituencies as follows; 5% of the 95% is allocated to Emergency Reserve, 75% of the balance is allocated equally amongst all the 290 constituencies and Balance of 25% is allocated based on the Constituency Poverty Index modelled by the Ministry of Devolution and Planning. Around Ksh.137,670,000,00 has been allocated to CDF since its inception in 2003 (Kenya National Audit Report, 2013). Most of the projects funded by CDF are in Education (55%), water (11%) and health (6%) sectors. In addition most of these CDF projects have addressed Social Pillar of Kenya Vision 2030.

Kajiado County had for a long time been faced with poor project governance, stalled and abandoned projects which had led to the CDFP not realising its objective fully in the county. For instance in FY 2014-2015, out of 64 projects, only 22 projects were well built and completed; 13 projects were badly build, 10 were incomplete, 8 were abandoned and 11 had been delayed in implementation (NTA, 2012). Kajiado County was listed as loser of public funds having wasted 29% of its 2014/15 allocation on ineffective projects. NTA (2016) indicated that in FY 2015/2016 Kshs.9, 632,542.00 and Kshs.13, 483,325.00 of taxpayers' money was wasted due to badly implemented or abandoned projects respectively. However, the report did not cite the reasons that led to wastage of the said funds. Kajiado County constantly appeared among the poorly performing constituencies in terms of CDFP utilization. This forms the basis of interest to study performance of constituency development funded projects in Kajiado County. The researcher aimed at

finding out the effect of project governance on performance of constituency development funded projects in Kajiado County.

Study Objectives

The general objective of the study is to establish the effect of project governance on performance of constituency development funded projects in Kajiado County. The specific objectives were:-

- To analyze the effect of Stakeholder Participation on performance of constituency development funded projects.
- To establish the effect of Resource mobilization on performance of constituency development funded projects.

LITERATURE REVIEW

Theoretical Framework

Stewardship Theory

This theory holds that social entities that affect the welfare of many stakeholders where stakeholders are groups or individuals that interact with a firm and that affect or are affected by the achievement of the firm's objectives (Donaldson & Preston, 1995; Freeman, 1984). Successful organizations are judged by their ability to add value for all their stakeholders.

Stewardship theory has its roots from psychology and sociology and is defined by Davis, Schoorman & Donaldson (1997) as "a steward protects and maximizes stakeholders wealth through firm performance, because by so doing, the steward's utility functions are maximized". In this perspective, stewards are company executives and managers working for the shareholders. They protect and make profits for the shareholders.

The stewardship perspective suggests that stewards are satisfied and motivated when organizational success is attained. Agyris (1973) argues agency theory looks at an employee or people as an

economic being, which overwhelms an individual's own aspirations while stewardship theory recognizes the importance of structures that empower the steward and offers maximum autonomy built on trust (Donaldson and Davis, 1991). It stresses on the position of employees or executives to act more autonomously so that the stakeholders' returns are maximized.

The resource mobilization theory

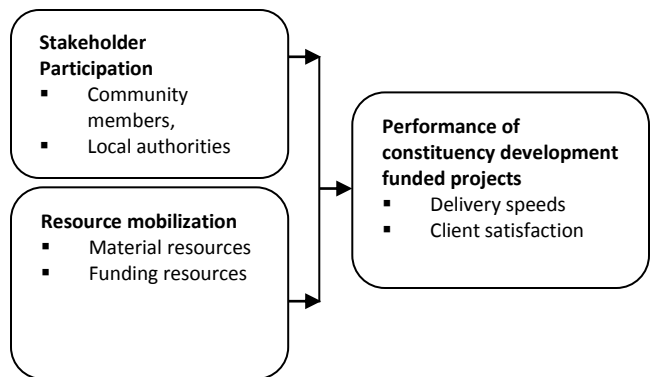
The resource mobilization theory of social movements holds that a social movement arises from long-term changes in a group's organization, available resources, and opportunities for group action. Resource mobilization theory has five main principles (Jenkins, 1983) According to resource mobilization theory, participation in social movements is a rational behavior, based on an individual's conclusions about the costs and benefits of participation, rather than one born of a psychological predisposition to marginality and discontent (Klandermans, 1984). Resource mobilization theory of social movements explains how social movements mobilize resources, from inside and outside their movement, to reach goals (Jenkins, 1983).

Resource mobilization theory argues that social movements succeed through the effective mobilization of resources and the development of political opportunities for members. Social movements can mobilize both material and non-material resources. Material resources include money, organizations, manpower, technology, means of communication, and mass media, while non-material resources include legitimacy, loyalty, social relationships, networks, personal connections, public attention, authority, moral commitment, and solidarity (Fuchs, 2006).

Resource mobilization theory holds that social movement organizations with powerless or

resource-poor beneficiaries require outside support and funding. There are two types of members belonging to social movement organizations: conscience constituents and beneficiary constituents. Social movements often seek out and receive resources from conscience constituents. Conscience constituents refer to individuals or groups outside of the social movement who have a moral alliance with the social movement's cause, goal, or mission. The social movement and the mass media are responsible for framing the social movement's message and character. Resource mobilization theorists have found that conscience constituents tend to contribute more when beneficiaries are framed, by the social movement itself or mass media, to emphasize commonalities with conscience constituents (Paulsen & Glumm, 1995)

Conceptual Framework



Independent Variables Dependent Variable

Figure 1: Conceptual Framework

Stakeholder Participation and Performance of CDF projects

It is best to involve key stakeholders such as volunteers, community members, local authorities, partners and donors, as much as possible in the evaluation process since their participation helps to ensure different perspectives are considered so that the evaluation findings can be owned and act as a lesson. Lack of stakeholders participation at the onset of project activities lead to unclear project

activities and adoption of poor projects which fail to benefit the community as a whole. These projects often lack support from the key and primary stakeholders and beneficiaries (Jones, 2008).

Stakeholder involvement makes everyone feel part and parcel of the project, they own the project and take all necessary steps to safeguard the required standards. Engaging stakeholders in discussions about performance of constituency development funded projects programs often empowers them and promotes meaningful participation by diverse stakeholder groups which avail to the project team sufficient and relevant information useful for the exercise (Jones, 2008).

The stakeholder involvement must come in brought in at the onset of the project governance and should incorporate key stakeholders and other parties interested in ensuring that the tool is effective. Jones, (2008) also found that if the right people are involved in the entire process, the outcome was greatly enhanced and the recommendations well perceived, corrective measures will be embraced and enforced in good time.

Stakeholder participation should be taken seriously because it has a bearing on the effectiveness of the process (Patton, 2010). Even if the Act enables beneficiaries to select projects which they prefer at the local levels, it is not easy to establish their capacity to identify what will be useful to them long into the future (Mwangi, S. Kimenyi, 2005). Stakeholder participation depends to a large extent on the flexibility of the Member of Parliament and the willingness to fully engage them in project identification. Some people will be invited and others will be left out in the CDF project identification.

Resource mobilization on performance of CDF projects

John, (2001) defines Resource mobilization as a distinct perspective for understanding social

movements, emphasizing the critical role played by material resources. Earlier studies of social movements tended to view them as spontaneous or hysterical reactions to high levels of frustration. Resource mobilization stresses rationality, and the importance of adequate funding, leadership, and organization. McCarthy, (2001) argues that resource mobilization stresses the ability of a movement's members to acquire resources and to mobilize people towards accomplishing the movement's goals. In contrast to the traditional collective behavior theory that views social movements as deviant and irrational, resource mobilization sees them as rational social institutions, created and populated by social actors with a goal of taking a political action.

Shared understanding without commitment leadership may result in counter effort and negatively affect performance (Rapert, Lynch and Suter, 1996). Projects success may fail if the projects do not enjoy support and commitment by the team responsible for overseeing the project. Riketta (2002) and Ostroff (1992) argue that commitment of leader is a major antecedent of performance. According to (Eyaa and Qian, 2010), the overall performance of a project is a function of the individual commitment of each participant in the project. Studies by (Yoon and Suh, 2003) in a Korean context, found a positive relationship between individual Commitment and perceived service quality. This suggests that the quality of project governance services is a function of the energy and loyalty that individual members devote to the project. The inadequacy of an intrinsic drive to perform tasks also causes project failures in terms of time overruns/ failure to beat deadlines (Riketta, 2002).

Involvement and commitment should be developed and maintained throughout the implementation process of projects. (Noble and Mokwa, 1999) put forward role commitment as central factor which directly influence project performance committed

project members more often than not have no intentions to quit and who give their best to ensure the success of the projects which saves the project costs and time. Also, costs of supervision are mitigated if the project members are committed to their project tasks (Riketta, 2002),

Empirical Review

Stakeholder Participation

Mille and Marsh (2014) noted that a main challenge to those in development is the hard realization that any programme working in isolation only delivers up to a certain level. Those on the other hand, who manage to weave together partnerships or programmes that are able to work in conjunction with other organizations end up delivering much more and eventually end up with broader ownership among the communities being developed. Such programs are the ones that are sustainable in the long run. Maritim (2013) giving her encounters with women of BeitShemash, a town near Jerusalem notes that participation of community members in development initiatives should be emphasized, without which meaningful successful implementation will remain a mirage. She highlights how several community and health organizations formed a project that drew on the guiding principles and strategies of empowerment, participation, multidisciplinary collaboration, and equity thereby enhancing the attainment of project goals.

Resource mobilization

Investigating the influence of financial resources on the implementation of small project ventures in the cottage industry in India, Rondinelli (2013) indicated that Indian's cottage projects started with the production of simple household items, but have improved over time surprising the traditional industrial nations of the world with popular

industrial products. He observed that, this great milestone achieved in the growth of cottage industry in India was facilitated by the government's interest in allocating funds to the industry as it was creating job opportunities to the citizens. He further noted that it was because of the growth of the cottage industry in India that saw the growth of financial institutions which drew over 50 percent revenue from this informal industry. Obiero (2013) on Social economic factors affecting farm yield in Siaya County, established that due to lack of resources to put up green shades for selling agricultural products such as green maize, fruits, vegetables and Irish potatoes, sellers resorted to lining directly along the road with their products targeting potential consumers on transit, exposing them to adverse weather conditions. Occasionally, travelers on vehicles take off before paying. Besides, these products are also exposed to adverse weather conditions lowering their values.

Performance of Projects

Projects Performance Williamson et al., (2014) identified criteria against which projects performance can be measured that includes cost, time, and quality. In and Treichel (2012) while reporting from his study conducted on learning from China's rise to escape the middle-income trap: a new structural economics approach to Latin America, on the contribution of resources on the implementation of community projects, noted that China's economy has been growing steadily because the government heavily invested in this sector. Examining the relationship between resource mobilization and performance of small scale community projects in Trinidad and Tobago in the West Indies Islands, Adger, Brown and Tompkins (2010), noted that productivity of an enterprise was a direct consequence of availability resources. He further enumerated the resource types that influence business success as, fixed assets,

operating cash and skilled personnel. He cautions that business persons with sound financial base should not take holiday that ones funds are accessed, business will automatically grow, but must be concerned about the effective utilization of such resources by engaging competent personnel, in key business tasks. Project management does not use traditional, functional teams, performance measurement can therefore be argued as essential success criteria (Davenport, 2013).

RESEARCH METHODOLOGY

This study adopted a descriptive survey. Kothari, (2006) describes descriptive research as including survey and facts finding enquiries adding that the major purpose of descriptive research is description of affairs as it exists at present. The target population for this study consisted of 200 CDF projects in Kajiado County. The project coordinators, Project managers and CDF beneficiaries provided information on the projects governance. The study therefore targeted population of 200 projects. The sampling used in this study was be stratified random sampling which according to (Kombo & Tromp, 2006) involves dividing the population into homogenous subgroups and then taking a simple random sample in each subgroup. The projects were stratified into: educational, health care and water strata.

The study used questionnaires to collect the required data. The questionnaires were administered through drop and pick to identify respondents with a brief explanation on their purpose and importance. The pre-testing of the data collection instrument was conducted on a pilot group who were two (2) CDF Committee members. In order to test the reliability of the instrument to be used in the study, a pilot study was carried out and a reliability coefficient computed. The questionnaires were checked for completeness and consistency of information at the end of every field

data collection day and before storage. Data capturing was done using Excel software.

RESULTS AND DISCUSSION

The respondents comprised of Project and operation officers of CDF projects in Kajiado County. In total the respondents were (75) respondents. The response rate was 93% of the total sample size and the non-response was 7%. The response of 93% facilitated towards gathering sufficient data that was generalized to reflect the opinions of respondents. This was in tandem with Graham (2002) that a response rate above 30 to 50% of the total sample size contributes towards gathering of sufficient data that could be generalized to represent the opinions of respondents in the target population on the sought study problem. The coefficient of the data gathered from the pilot study was computed with assistance of Statistical Package for Social Sciences (SPSS) Version 22.1. The study sought to establish the age of the respondents in order to determine if the age corresponded with computer literacy. Majority (58%) of the respondents who were students was in the age category of 15-20 years, 20% both teachers and students were in the age category of 21-25 years, 18% of the teachers were in the age category of 25-30 years and 4% of the teachers were in the age category of above 31 years. The study sought to establish the education level held by the teachers in order to ascertain if they were equipped with relevant knowledge and skills to understand CDF projects. From the study findings, majority (49%) of the respondents were university graduates followed by 25% who had post graduate education level and 15% who had college education level.

Stakeholder participation

From the result in table 1 below, it showed that Stakeholder participation improved CDF projects performance by a mean of 4.231, CDF projects costs

reduction with a mean of 4.205 and CDF projects resources utilization with a mean of 3.897. On other hand the respondent support on conflict of interest reduction and meeting performance indicators with a mean of 3.872 while the meeting organizations objectives by a mean of 3.821. Further respondent

on uniform project systems and increase number of projects completed on time were supported by a mean of 3.744, increases number of orders by a mean of 3.6667 and finally reduction on number of complaints by a mean of 3.615.

Table 1: Stakeholder participation

Indicators	Mean	Std. Deviation
Improves CDF projects performance	4.231	.777
Reduces CDF projects costs	4.205	.801
Utilized CDF projects Resources	3.897	.754
Reduces Conflict of interest	3.818	.656
Meeting performance indicators	3.872	.767
Meeting organizations objectives	3.821	.796
Uniform project systems	3.746	.880
Increases number of projects completed on time	3.744	.966
Increases number of orders	3.667	.898
Reduces number of complaints	3.615	.935

Resource Mobilization

This section of the questionnaire sought to get from the respondents on the effect of Resource Mobilization on effective CDF Projects in Kajiado County. From the table 2 below, reduction of costs in supplier selection was highly supported by a mean score of 4.1026 while reduction in conflict of interest and improvement of performance is

seconded by a mean of 4.0769. However, effective selection of suppliers was found to moderately reduce the number of complains with a mean of 3.4872. Therefore, the supplier selection practice generally improved the operational efficiency of the firm through reduction of employee conflict of interest with the suppliers.

Table 1: Resource Mobilization

Indicators	Mean	Std. Deviation
Reduces costs	4.103	.718
Reduces Conflict of interest	4.077	.839
Improves performance	4.077	.774
Meeting organizations objectives	3.923	.739
Meeting performance indicators	3.872	.615
Uniform procurement systems	3.718	.857

Resources are utilized	3.692	.950
Increases number of projects completed on time	3.564	.754
Increases number of orders	3.513	.885
Reduces number of complaints	3.488	.942

CDF Funded projects

This section of the questionnaire sought to get from the respondents on the CDF Funded Project implementation in Kajiado County. The findings indicated that most respondents acknowledged that the firms level of competitive advantage of the company had improved as a result of project implementation with a mean of 3.744, CDF funded projects getting value for money on projects implemented by a mean of 3.641 and mean score of 3.615 on reduction number of complaints received

from customers. The study further revealed that corporate social responsibility were part of the projects, stakeholders involved during project implementation and environmental factors consideration had mean score of 3.539. However, the CDF projects considered to a moderate extent green procurement as project implementation and quality projects were achieved at the long run by a mean of 3.4872. The organization had clear policies on projects by a mean of 3.4615 and mean of 3.4359 on project completion on time.

Table 2: CDF Funded Projects

Indicators	Mean	Std. Deviation
Competitive advantage of the company is enhanced	3.744	.849
Organization gets value for money on projects implemented	3.641	1.088
Reduced number of complaints are received from customers	3.615	.847
Corporate Social Responsibility are part of the projects	3.539	.854
Key stakeholders are involved during project implementation	3.539	.756
Environmental factors are considered	3.539	.962
KenGen considers green procurement in project implementation	3.487	.757
Quality projects are achieved at the long run	3.487	.855
Organization has clear policies on projects	3.462	.854
Projects are completed on time	3.434	.912

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

The study established that Stakeholder participation improved performance of the CDF funded projects. Lysons and Farrington (2010) argued that Stakeholder participation as an aspect of planning in the process of the project implementation strategy formulation which clearly revealed that retail chains use Stakeholder participation which

assist in the costs reduction and proper resources utilization. The study further revealed that proper management of Stakeholder participation at a great extent resulted to increase number of orders and reduces number of complaints.

The study found that Resource Mobilization increased the success of CDF funded projects. The study showed that Resource Mobilization had influence on the improvement of performance of

CDF funded projects and enables in meeting objectives which emphasize that Resource Mobilization was an essential strategic issue imperative for CDF funded projects. The study also showed that well utilization of organization resources results in improvement in CDF funded project implementations.

Conclusion

From the finding, the study concluded that CDF funded Project implementation was affected by Stakeholder participation and Resource Mobilization. The study found out that Kajiado County was facing challenges in product management which lead to not achieving its objectives. On other hand, the organization was faced by conflict of interest.

Recommendations

The study established that stakeholder participation affected the implementation of CDF funded

projects, therefore they need to be checked in a more appropriate for a successful implementation of the project. The resources need to be more utilized to enable more development and less wastage in the company. The study also recommends the company stakeholders involved during CDF funded projects.

Suggestions for Further Research

The results of this study could be further utilized to suggest several directions for future research. A field study can focus on investigating on product management and CDF funded project implementation in other sectors in Kenya. Finally, more research on this area was needed because this study had investigated a subset of the variables found to be important determinants. Other variables that may affect CDF funded projects need be investigated. Further research can examine these possibilities and the extent of their influence.

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