STAKEHOLDER INVOLVEMENT AS A STRATEGY IN HEALTH NON-GOVERNMENTAL ORGANIZATIONS IN NAIROBI, KENYA

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OCTOBER, 2014
DECLARATION

This research project is my original work and has not been presented for the award of degree in any other university or institution for any other purpose.

Signature ................................................. Date .................................

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D61/60254/2013

This research project has been submitted for examination with my approval as University supervisor.

Signature ................................................. Date .................................

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DEDICATION

I would like to dedicate my project to all the NGOs in Nairobi, Kenya who endeavor to involve stakeholders as a strategy in their day-to-day operations in order to achieve their ultimate goals and objectives. May you continue keeping up with your good work. I also dedicate this project to my Parents Lucy and Elijah Mogeni and my siblings Humphrey and Ryan Mogeni.
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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In the present day operating environment, organizations need strategies that are in alignment with ever-changing corporate goals, which are increasingly dependent on operating environments. Once an organization has realigned itself, it is ready to face up to a new kind of environment (Miller, 2002). Further, each time managers are faced with a strategic decision they decide how to decide and make choices about who has necessary information and, therefore, who needs to participate in the decision. Such responses to strategic issues are believed to be affected by the way in which decision makers interpret issues. However, as was observed by Daboub and Calton (2006) organizations develop habitual responses to issues and may be predisposed because of their attention to rules and routines, or because of past performance, to respond to strategic issues in certain ways regardless of how issues are interpreted.

The stakeholder theory posits that an organization is a social construction made of interaction of various stakeholders. The organization is envisioned as the centre of a network of stakeholders, a complex system of exchanging services, information, influence and other resources (Freeman 1999; Mersland and Strøm 2009). The theory further argues that an organization’s value is created when it meets the needs of the firm’s important stakeholders in a win-win fashion (Harrison, Bosse et al. 2007).
According to Freeman (1999) successful stakeholder involvement fosters strategic development of partnership, results in collaborative problem solving in which it ultimately results in broader support for decisions. However, the goals of the stakeholders may be in conflict with each other; they may threaten business organizations. The conflicts arising among the stakeholders, if well managed, can act as a synergy factor leading to a better cooperation and participation of the stakeholders.

Organizations worldwide recognize the need for them to develop an appropriate strategy to guide them to the realization of their objectives. This need is not only restricted to business minded firms but also the NGO sector. Health NGOs all over the world are facing difficult challenges ranging from reduced funding to increased scrutiny by the government and other stakeholders on their activities. The public's expectation of them at the same continues to rise. However, as a result of fiscal constraints, often created by worsening economic conditions, they are expected to provide more, higher quality health services with fewer resources. With such an array of challenges, the Health NGOs need to develop appropriate strategies that will continue to help them realize their objectives with the associated limitation. However, it has earlier been highlighted that most strategies fail not because of improper formulation but due to implementation challenges on the part of the organization. This challenge is extended to the Health NGOs where it found that a good number of organizational objectives are not realized at the end of a period due to a lack of improper implementation. The non-governmental health sector contributes substantially to the overall availability of health services in Kenya (Akumu, 2002). While in general all NGOs have nothing but good intentions, of ten times they do
not have enough information, funding, flexibility or self-awareness to make the positive impact they intend.

1.1.1 Concept of Strategy

An organizational strategy is a multi dimensional concept and various authors have defined strategy in different ways. Linn (2007) depicted strategy as the match between an organization’s resources and skills and the environmental opportunities as well as the risks it faces and the purposes it wishes to accomplish. The purpose of strategy is to provide directional cues to the organization that permit it to achieve its objectives while responding to the opportunities and threats in the environment (Pearce and Robinson, 2001). Porter (2005) on his part describes competitive strategy as the search for a favorable competitive position in an industry. According to Porter (2005), competitive strategy is about being different. This means deliberately performing activities differently and in better ways than competitors.

Strategy development is a multi-dimensional process involving a lot of rational analysis and intuition. It presents a challenge to management whose actions are watched by a multitude of positions. It involves choosing among alternate business directions. Managers face an ever present entrepreneurial challenge in keeping the organization’s strategy fresh responding to changing conditions, an steering the organization into the right business activities at the right time (Mintzberg, 1987). A strategy therefore represents a managerial game plan for running an organization. It nearly always comprises of a blend of prior moves an organization has employed, approaches already in place and new actions being mapped out. Simply put, strategy is a reaction to what is
happening in the organization’s environment. Aosa (1992) noted that industries are responding to customer demand by becoming more innovative in their ways of approaching their changed environment.

1.1.2 Stakeholder Involvement

Stakeholder involvement is defined as ‘the early and ongoing process of building and maintaining relationships based on mutual trust and respect through dialogue with diverse audiences about complex issues’ (Shaw, Ackermann and Eden, 2003) Successful stakeholder involvement: fosters strategic development of partnerships, results in collaborative problem solving (sharing of power), ultimately results in broader support for decisions. According to Savage et., al (2004), the basic premises of stakeholder theory are that; the organization enters into relationships with many groups that influence or are influenced by the company, the theory focuses on the nature of these relationships in terms of processes and results for the company and for stakeholders; the interests of all legitimate stakeholder are of intrinsic value and it is assumed that there is no single prevailing set of interests as (Donaldson and Preston, 1995).

Stakeholder is any person, group, or organization that can place a claim on an organization's attention, resources, or output or is affected by that output (Bryson, 1995). The stakeholder theory embeds two distinct approaches: the organization focusing on its stakeholders in order to propose suitable managerial techniques, and the manner a stakeholder approaches the organization claiming his/her rights. Whilst one side of the coin seems to be related to how an organization behaves when dealing with its
stakeholders, the other side seems to be related to how a stakeholder holds the organization accountable to himself/herself.

Stakeholders are also based in terms of their location which includes internal and external stakeholders. The internal stakeholders are those groups which belong inside the organization such as managers and employees. External stakeholders are groups which are outside the organization and have effects on the survival of the organizations (Harrison, 2007). These groups consist of customers, suppliers, government agencies, local communities and unions.

1.1.3 NGO Sector in Kenya

Kenya has a pluralistic health system. Health services are produced by the government and a host of non-governmental providers which includes religious organizations, the for-profit private sector, pharmacies/chemists, traditional healers and community health workers. From the late 1980s, the country has witnessed unprecedented rise in number and activities of these types of organizations. The growth rose in tandem with the deepening of the crisis of the ‘developmental state’. The capacity of the Kenyan state to provide development was on decline. Its vision for national development was also blurred and animated by competing neo-patrimonial interests. Opening of political space through political and economic liberalization in the 1990s also contributed to the growth of many organizations that sought to facilitate democratization and good governance (Kanyinga, 2004).

The NGO sector in Kenya has made enormous contributions to the development process. NGOs are in all development sectors of the economy providing basic services that
include education, economic employment, environment and natural resource conservation, agriculture, health, training and credit facilities, technical co-operation, training and awareness. Kameri-Mbote (2002) reported that NGOs agenda and existence has been multifaceted and the following specific societal changes have spurred the formation, growth and development of NGOs; worldwide economic recessions, emergence of new diseases, recurrence of armed conflict, environmental degradation and climate change and dwindling job opportunities due to population explosion.

1.1.4 Health NGOs in Kenya

The NGOs play a significant role in providing health services in Kenya as measured by the number of health facilities NGOs run, the utilization of NGO services and financing. However, the role of NGOs is larger in Kenya. These may be explained by a number of historical, political and socio-economic factors. For instance, nearly all the NGO health services in Kenya are religious-based which emanates from the history of missionary’ colonization in the country (Gilson et al., 1994). Given their large participation, it is clear NGOs cannot be ignored in efforts to decentralize the healthcare system.

Nairobi is one of the ‘capitals’ of the international community and international and local Non-Governmental Organizations (NGOs) worldwide. Probably no other city hosts so many organizations that are operating within humanitarian agendas, such as relief work, slum upgrading, community services, schooling, employment, empowerment and emancipation, environmental preservation or refugee activities (Bowman, 2007). These organizations are playing a fundamental role in the economic development of the
country. For instance, since the enactment of the NGO Act, Kenya has experienced a
general increase in the economic importance of NGOs as providers of health, educational,
food, social, and environmental services. There are 1425 registered NGO’S in Nairobi
according to the NGO council of Kenya (2011). Out of these 667 are offering health
services.

1.2 Research Problem

Profit and non-profit oriented organizations operate in an open system whereby they
affect and are affected by other stakeholders operating in the system. The relationship
that will exist in the system, according to the open system theory, will evolve depending
on new requirements and challenges that appear in the current changing and competitive
operating environment (Donaldson, 2007). The business actors in the system will be
dependent upon each other and for successful realization of the organizations objective;
there is need for the managers to appreciate the role that these stakeholders play by
analyzing their potential value (Elbanna, 2006). Therefore, their strategies need to be in
perfect alignment with ever-changing corporate goals that are increasingly dependent on
business environments. According to Elbanna (2006), results of successful stakeholder
involvement in an organization will include encouragement of partnership, collaborative
problem solving (sharing of power) and ultimately results in broader support for
decisions which will led to successful implementation of its strategies and thus attainment
of its goals.

The changing external environments of organizations in the private, public and non-profit
sectors require management to review, create and adjust their mechanisms not only to
maintain and improve inter-organizational effectiveness and efficiency, but to participate in broader systems with all other players in the system. The health NGOs in Nairobi have play an important role in the communities that they operate in and for them to effectively render their services, they need to realize the importance of other stakeholders in the service value chain. Health NGOs have to get support from the community leaders, government agencies and opinion leaders from various societal institutions since any group that oppose their activities will hinder the realization of the organizations objective.

Several studies have been done on the role of stakeholders in the organizational strategic process. Mathenge (2011) researched on the internal stakeholders’ involvement in decision making process in which she found out that despite these stakeholders being involved in the decision making process, there was need of the entire stakeholder involvement process to undergo continuous evaluation, and the results of the evaluation must constantly inform the process, revising it as needed. Musau (2007) studied the extent to which various stakeholders’ are involved in strategy formulation among Non-Governmental organizations within Nairobi and to establish the factors influencing the extent to which the stakeholders are involved. The study found out that NGOs involve their various stakeholders to various degrees in strategy formulation, that is, listeners, observers, reviewers, advisors, originators and decision makers. Macharia (2012) researched on the stakeholders’ involvement in the success of strategy implementation among public secondary schools in Nairobi, Kenya and found that schools appreciate the role of stakeholders in strategic process as it has helped the schools to broaden support for policy and activities as well as foster strategic development of partnership. There
being no study that has been undertaken on stakeholders involvement in the operations of health NGO’s operations, the study will seek to answer the questions; how are the stakeholders involved in the operations of Health NGO’s in Nairobi Kenya?, and what are the constraints to stakeholder involvement in the operations of health NGO’s in Nairobi?

1.3 Research Objective

The research addresses the following objectives;

i. To establish the value of stakeholder involvement in the operations of Health NGO’s in Nairobi Kenya;

ii. To determine the constraints to stakeholder involvement in the operations of health NGO’s in Nairobi.

1.4 Value of the Study

The findings of the study will be of value to the stakeholder theory as the call for managers as to recognize the importance of other stakeholders in the organizations operations will enable the study to conceptualize and empirically operationalized the role of stakeholders in the process of the organization realizing its objectives. Particular attention is to be paid to the different types of stakeholders and their expectation from the organization.

The study will be of value to the management of health NGOs and the business as they will be able to know the benefits of involving all the stakeholders in order to realize the
organizations objectives. The findings of the study will be useful to other non-governmental organizations as they will understand the importance of strategic involvement of stakeholders in the operations of the firm. Significantly, it will help inform support partners on areas of collaboration among stakeholders in the development discourse. This will forestall duplication of interventions in communities among NGOs and government agencies to offer an opportunity to bring about equity and meaningfully social and economic development of beneficiaries within the study area.

The study will also create a monograph which could be replicated in other sectors. The policy makers will obtain knowledge of strategic involvement; they will therefore obtain guidance from this study in designing appropriate policies that will regulate the sector. Future scholars may use the results of this study as a source of reference. It will also benefit consultants who endeavor to provide assistance to successful strategic stakeholder involvement.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter captures the major issues relating to the stakeholder involvement and will cover: theories underlying the study; types of stakeholders, stakeholder involvement and the constraints to stakeholder involvement.

2.2 Theoretical Foundation of the Study

The debates on stakeholder theory can be addressed in light of two perceptions in stakeholder literature: stakeholder theory and the agency theory.

2.2.1 Stakeholder Theory

The stakeholder theory posits that an organization is a social construction made of interaction of various stakeholders. The organization is envisioned as the centre of a network of stakeholders, a complex system of exchanging services, information, influence and other resources (Mersland and Strøm 2009). Thus according to Harrison, Bosse et al. (2007) an organization’s value is created when it meets the needs of the firm’s important stakeholders in a win-win fashion by attending to the interests of all their stakeholders - not just their shareholders.

According to Freeman (1999), stakeholders are any group or individual who can affect or is affected by the achievement of the organization's objectives. In other words, it is the
person or an organization that can be positively or negatively impacted by, or cause an impact on the actions of an organization (Freeman, 1999). These stakeholders can be distinguished in terms of the immediacy of their effect and their location. In terms of effect, there are two categories which are primary and secondary stakeholders. Primary stakeholders are those who are directly affected either positively or negatively by organization's actions. They are those groups whose continuing participation is necessary for the survival of the organization. Jawahar and MCloughlin (2001) identify primary stakeholders as shareholders, investors, employees, customers and suppliers. Secondary stakeholders on the other hand, are those individuals, groups or organizations which can indirectly affect or be affected by the organization's actions. A number of theories have been advanced by various scholars on the stakeholders’ organization relationship.

The concept of stakeholder management was developed so that organizations could recognize, analyze and examine the characteristics of individuals or groups influencing or being influenced by organizational behaviour (Scott and Lane, 2000). Thus, management function in dealing with the stakeholders is carried out over three levels: the identification of stakeholders; the development of processes identifying and interpreting their needs and interests; and the construction of relationships with the entire process structured around the organization's respective objectives (Baldwin, 2002). On the other hand, stakeholders define their expectations, experience the effects of the relational experience with the organization, evaluate the results obtained and act in accordance with these evaluations, strengthening or otherwise their ties with the company (Neville et al., 2005).
According Savage et al (2004), the basic premises of Stakeholder Theory include among others; the organization entering into relationships with many groups that influence or are influenced by the company. Indeed Freeman’s (1984) focused on the nature of these relationships in terms of processes and results for the company and for stakeholders; the interests of all legitimate stakeholders are of intrinsic value and it is assumed that there is no single prevailing set of interests. The stakeholder theory focuses upon management decision making; the theory explains how stakeholders try and influence organizational decision making processes so as to be consistent with their needs and priorities; and as regards organizations, these should attempt to understand and balance the interests of the various participants.

2.2.2 Agency Theory

Agency theory is concerned with the agency relationships whereby two parties have a relationship when they cooperate and engage in an association wherein one party (the principal) delegates decisions and/or work to another (an agent) to act on its behalf (Rungtusanatham et al., 2007). In this relationship, it is assumed that there exist potential goal conflicts between principals and agents and each party will acts in its own self-interest. It therefore means that an agency problem appears when agents’ goals differ from the principals’ and it is difficult or expensive to verify whether agents have appropriately performed the delegated work (i.e. moral hazard). In the NGO operations it is possible that the employees might start pursuing their own interest to the detriment of the objectives set by the organization and it might be difficult or expensive to verify that
agents have the expertise to perform the delegated work that they claim to have (Ekanayake, 2004).

Traditional agency theory assumes that ownership of a firm is well diversified among shareholders and that managers of the firm have control over it, so the agency problem derives from the conflicts between shareholders and managers (Jensen and Meckling, 1976). On the same issue, La Porta et al. (1999) pointed out that deviation of control rights and cash flow rights provide the controlling shareholders an incentive to expropriate the outside shareholders to benefit themselves. Claessens et al. (1999) examined the individual effects of cash flow rights and control rights owned by controlling shareholders on market valuation for Asian public firms. They found that, for those firms, the more the cash flow rights were owned by controlling shareholders, the higher the share price is. This is consistent with Jensen and Meckling (1976). However, they also found that concentration of control rights is negatively related to share price, consistent with Morck et al. (1988) and Shleifer and Vishny (1997). In addition, Claessens et al. (1999) also found that deviation of cash flow and control right would decrease the firm value, indicating that controlling shareholders expropriate minority shareholders.

A risk-sharing problem arises when principals and agents have different attitudes towards risk that cause disagreements about actions to be taken (Eisenhardt, 1989). In order to resolve agency and risk-sharing problems in principal-agent relationships, agency theory prescribes two formal types of management mechanisms to govern these relationships.
(Rungtusanatham et al., 2007). One is outcome-based management mechanism. With this mechanism both principals and agents can observe outcomes, and the principals reward agents based on measured performance outcomes (Ekanayake, 2004). The outcome-based management mechanism emphasizes results regardless of how the agents achieve them (Choi and Liker, 1995). The other management mechanism is behavior-based. When this mechanism is taken, principals can use behavior controls to monitor agents’ behaviors and efforts which otherwise are unknown to the principals. The behavior-based management mechanism emphasizes tasks and activities in agents’ processes that lead to the outcomes of the agents. Accordingly, a critical issue in agency theory is determining which management mechanism, outcome-based or behavior-based, is more efficient in managing agency relationships “under varying levels of outcome uncertainty, risk aversion, information and other variables” (Eisenhardt, 1989, p. 60).

2.3 Organizational Stakeholders

Stakeholders are distinguished in terms of the immediacy of their effect and their location. In terms of effect, there are two categories which are primary and secondary stakeholders. Primary stakeholders are those who are directly affected either positively or negatively by organization's actions. They are those groups whose continuing participation is necessary for the survival of the organization. Donaldson, (2000) and Jawahar and MCLAughlin (2001) identify primary stakeholders as shareholders, investors, employees, customers and suppliers. Secondary stakeholders on the other hand, are those individuals, groups or organizations which can indirectly affect or be affected by the organization's actions.
Harrison and St. John (1998) categorize stakeholders into those within the organization (owners/board of directors, managers, and employees) and within the operating environment(customers, suppliers, government agencies and administrators, unions, competitors, financial intermediaries, local communities, and activist groups), all operating within the broader environment subject to socio-cultural, global economic, and global political/legal forces and technological change. They emphasize the importance of identifying, understanding, building relationships with, and satisfying its key stakeholders, and taking these stakeholders into account in the formulation of organizational strategy. Another distinction is in terms of their location which includes internal and external stakeholders. The internal stakeholders are those groups which belong inside the organization such as managers and employees. External stakeholders are groups which are outside the organization and have effects on the survival of the organizations (Harrison 2007). These groups consist of customers, suppliers, government agencies, local communities and unions.

Within the broad context of the stakeholder theory, it can therefore be stated that diverse stakeholder groups interact with a company. According to Clarkson (1995), these groups may be subdivided into two: the primary – those with formal or official contractual relationships with the company, such as clients, suppliers, employees, shareholders, among others; and the secondary – those without such contracts, such as government authorities or the local community. Hence, a company may be configured as a set of relationships, explicit or implicit, across both the internal and external environments.
However, with the emergence and advance of stakeholder theory, attention began to be paid to the interests of these distinct groups of individuals and not only to the shareholders or owners of the company (Gibson, 2000). Given there were so many stakeholder groups listed by Freeman (1984), over time the need to group them was necessitated by efforts to reduce managerial complexity. For example, Gibson (2000) proceeded to group stakeholders into institutional (involving laws, regulations), economic (actors in the marketplace) and ethical (environment and social pressure groups) categories. Furthermore, for Lepineux (2005), these became shareholders, internal stakeholders, operational partners and community.

Stakeholder involvement is an integral part of a stepwise process of decision making. At different phases, involvement may take the form of sharing information, consulting, dialoguing, or deliberating on decisions; it should be seen always as a meaningful part of formulating and implementing good policy (Lapenu and Pierret, 2005). Specific involvement initiatives may be seen as part of an ongoing relationship among the different societal partners who are concerned by issues. Stakeholder involvement techniques should not be viewed as convenient tools for “public relations”, image-building, or winning acceptance for a decision taken behind closed doors. However, in accordance with Freeman and Liedtka (1997), stakeholder theory was aroused by the already long-standing tradition that perceived business as an integral part of society and not as some separate and purely economic institution.
2.4 Stakeholder Involvement

Stakeholder involvement is an integral part of a stepwise process of decision making. At different phases, involvement may take the form of sharing information, consulting, dialoguing, or deliberating on decisions; it should be seen always as a meaningful part of formulating and implementing good policy (Lapenu and Pierret, 2005). Specific involvement initiatives may be seen as part of an ongoing relationship among the different societal partners who are concerned by issues. Stakeholder involvement techniques should not be viewed as convenient tools for “public relations”, image-building, or winning acceptance for a decision taken behind closed doors. Involving relevant stakeholders throughout the strategic implementation process is very important to broaden the support for policy and activities, to avoid conflicts and to generate as much support as possible for the success of the plan over time. The importance of participatory processes is generally well understood, but traditional administrative and political processes are reluctant to open up policy development and decision-making to a wider, but more unfamiliar (and perhaps less manageable) public (Lapenu and Pierret 2005).

Stakeholder involvement is a strategic decision making process that forms one of the governance tenets and strategic roles of boards. Board’s involvement here refers to the overall level of participation of board members in the process of making non routine, organizational wide resource allocation decisions that affect the long term performance of an organization (Judge and Zeithaml, 1992). For the non-governmental organizations, the
main strategic decisions made are those concerning the vision and mission in terms of the target clients and services to be offered, geographic outreach, growth strategy in terms of new product development and choice of the opinion leaders to be involved (Lapenu and Pierret, 2005). Consultation should involve decision makers listening to the views of other stakeholders in order to improve project design prior to implementation, or to make necessary changes during implementation. The process should involve government, affected parties, donor agencies, mass awareness organizations and NGOs (Local and/or international). Indeed any strategy implementation should by extension involve the participation where directly affected groups become joint partners in the design and implementation of projects.

Stakeholders cannot genuinely be consulted or participate if they are not fully informed about the objectives of a project. Consultation should involve decision makers listening to the views of other stakeholders in order to improve project design prior to implementation, or to make necessary changes during implementation (Judge and Zeithaml, 1992). The process should involve government, affected parties, donor agencies, mass awareness organizations and NGOs (Local and/or international). Indeed any strategy implementation should by extension involve the participation where directly affected groups become joint partners in the design and implementation of projects. The importance of participatory processes is generally well understood, but traditional administrative and political processes are reluctant to open up policy development and decision-making to a wider, but more unfamiliar (and perhaps less manageable) public.
In general, the involvement of relevant stakeholders throughout the strategic planning process is very important to broaden the support for policy, to avoid conflicts and to generate as much support as possible for the implementation of the plan over time (Lapenu and Pierret, 2005). The importance of participatory processes is generally well understood, but traditional administrative and political processes are reluctant to open up policy development and decision-making to a wider, but more unfamiliar (and perhaps less manageable) public. The authors posit that the levels of public involvement include information gathering that encompasses a systematic analysis of existing social, cultural and economic conditions about directly affected groups of stakeholders and also Information dissemination that include referring to the provision of information about a project to all interested parties (stakeholders).

2.5 Constraints to Stakeholder Involvement

From its original proposition, the stakeholder theory underwent rapid growth in the 1990s with a lot of research ongoing and its adoption by researchers in the organizational field. However, some questions still remain. Jensen (2002) calls into question the theory relating to two aspects: the non-specific Theory on how managers should handle conflictual interests, with a lack of objective criteria for decision making and performance evaluation, and the impossibility of an organization attaining success when chasing multiple objectives as inherently attempting to achieve many objectives simultaneously corresponds to having no overall objective. Martinez-Gomez et al., (2010), posit that companies adopting stakeholder theory, in general, experience managerial confusion, conflict, inefficiencies and even a weakening of the corporation.
Dufrene and Wong (1996) question the validity of stakeholder theory for its failure to provide clear management objectives. They maintain that stakeholder interests are frequently mutually incompatible, a fact necessarily preventing any clear decision by the management. This same position was taken by Stieb (2009), who criticized the power sharing defended by Freeman (2008). The author questioned just how you might deal with suppliers, the local community and clients as management and in control of the organization since this would seem, at the minimum, unviable. Another doubt as to the practical application of stakeholder theory was posed by the work of Sundaram and Inkpen (2004). These authors defend the purpose of the company being the maximization of shareholder value. Hence, they criticize studies calling for the needs of multiple stakeholders to be met with the objective of gaining competitive advantages.

Donaldson, (2000) categorize secondary stakeholders to include the agents who “influence or affect, or are influenced or affected by the firm without committing themselves directly in transactions with the firm and without being essential to its survival”. In this case, three questions have to be asked namely: why would the corporation seek to involve or make participate legitimate stakeholders (local residents, consumerists, environmentalists) in its decision making when these stakeholders are absent and, consequently, will not be able to claim for their rights? In addition, in the absence of these legitimate stakeholders, would not it be more advantageous for the corporation if it considered only the stakeholders who are important for its permanence and finally would a scenario not arise where it is not the stakeholders who claim for
interests but rather the corporation which requests their involvement in its organisational sphere possible (Stieb, 2009).

Considering the questions and issues set out above, it may safely be said that there is still much to do. Despite being a still relatively recent theory, it has gained in popularity and attracted the interest of researchers in countless areas. However, these criticisms serve only to help in fostering the development of stakeholder theory and over time moving towards the status representing a new paradigm for the organizational field. According to Friedman and Miles (2006), any attempt to converge around a justified and consistent theory remains premature.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter describes the proposed research design, the target population, data collection instruments and the techniques for data analysis.

3.2 Research Design

The research design adopted was a descriptive cross sectional design. According to Cooper and Schindler (2000), a descriptive research design is concerned with finding out the: who, what, where, when and how much. Furthermore, a research design is structured, has investigative questions and part of formal studies. The design was appropriate because the main interest was to explore the viable relationship and describe how the factors support matters under investigation.

A cross sectional study looks at data collected across a whole population to provide a snapshot of that population at a single point in time. This kind of study was used to determine the role of stakeholder involvement in the operations of health NGOs in Nairobi, Kenya. Descriptive design method provided quantitative data from cross section of the chosen population. This design provided further insight into research problem by describing the variables of interest.
3.3 Target Population

A population is a large pool of cases of elements from which the researcher draws a sample and results generalized from the drawn sample (Neuman, 2006). A research study’s target population should be clearly defined and the unit of analysis should be identified, which is not easy sometimes. The target population consisted of all the units being studied. The unit of analysis was the entity or who was being analyzed.

The population of the study consisted of all the health NGOs operating in Nairobi. As at the December 2013 there were 421 registered health NGOs in Nairobi. The selection of the health sector was necessitated by high level of collaboration with the stakeholders in order to achieve the realization of their objectives. In addition all the organizations have their headquarters in Nairobi and thus it was easy for the researcher to collect adequate data.

3.4 Sampling Design

Cooper and Schindler (2000) defined a sampling design as the target population that is being studied using sampling methods. The study used systematic sampling in which the researcher obtained the list of the population from the NGO council website and then take a sample in which every 10th firm in the list was picked for the research and this resulted in 42 NGO’s been selected for the study (Appendix II).
According to Flick (2007) systematic sampling was used when the population is logically homogeneous since a systematic sample units are uniformly distributed over the population. Systematic sampling involved the ‘nth’ member being selected from the total population for the inclusion in the sample population. Thus the total number of NGOs was divided into units and the sample was selected from the units.

### 3.5 Data Collection

The study used primary data which were collected through self-administered questionnaires. The questionnaires consisted of both open and closed ended questions designed to elicit specific responses for qualitative and quantitative analysis respectively. The questionnaires were administered through “drop and pick later” method. The respondents for the study were technical advisors, human resource officers, field officers or their acquaintance in the respondent health NGOs operating in Nairobi.

Questionnaires were preferred because they ensured a high response rate as the questionnaires are distributed to respondents to complete and collected by research assistants. They also require less time and energy to administer, offer the possibility of anonymity because subjects' names are not required on the completed questionnaires and they have less opportunity for bias as they are presented in a consistent manner. There was follow-up to ensure that questionnaires were collected on time and assistance to the respondents having difficulty in completing the questionnaires will be offered. Follow-up calls were made to ensure that the questionnaires were dully filled within a reasonable
period of time. This ensured that the information gathered was valid, reliable and suitable for this study.

### 3.6 Data Analysis

The data collected was analyzed using descriptive statistics (measures of central tendency and measures of variations). Once the data was collected, the questionnaires were edited for accuracy, consistency and completeness. However, before final analysis was performed, data was cleaned to eliminate discrepancies and thereafter, classified on the basis of similarity and then tabulated. The responses were then coded into numerical form to facilitate statistical analysis.

Data was analyzed using statistical package for social sciences based on the questionnaires. In particular mean scores, standard deviations, percentages and frequency distribution were used to summarize the responses and to show the magnitude of similarities and differences. Results were presented in tables and charts.
CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The research objective was to determine stakeholder involvement as a strategy in health non-governmental organization’s operations in Nairobi, Kenya. This chapter presents the analysis, findings and discussion. The findings are presented in percentages and frequency distributions, mean and standard deviations. A total of 42 questionnaires were issued out and only 32 were returned. This represented a response rate of 76%.

4.2 Demographic Characteristics

This section covered the length of service and the duration the health non-governmental organizations have been in operation in Kenya.

4.2.1 Length of continuous service

The respondents were requested to indicate the length of service with the non-governmental organization. Duration of service with the NGO was important in order to determine the respondents’ level of understanding of internal information pertinent to the NGO. The results are presented in Table 4.1 below.

The results indicate that majority of the respondents 65.6% have worked in the NGOs for a period of 5 to 10 years, 28.1% of the respondents indicated that they have worked for over 10 years while 6.3% of the respondents indicated that they have worked for less than
5 years. The results indicate that the respondents have worked for a longer duration of time and therefore they understand the role that the stakeholders play in the organizations operations.

**Table 4.1: Length of continuous service**

<table>
<thead>
<tr>
<th>Years</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5</td>
<td>2</td>
<td>6.3</td>
<td>6.3</td>
</tr>
<tr>
<td>5 – 10</td>
<td>21</td>
<td>65.6</td>
<td>71.9</td>
</tr>
<tr>
<td>Over 10</td>
<td>9</td>
<td>28.1</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

**4.2.2 Duration of health NGO operation**

The respondents were requested to indicate the duration in which the health Non-Governmental Organizations’ has been in existence.

**Figure 4.1: Duration of health NGO operation**

![Figure 4.1: Duration of health NGO operation](image)
The findings presented in Figure 4.1 indicate the distribution of responses on the duration of health non-governmental organization existence. The findings indicate that 90.6% of the health non-governmental organizations have been in operation for over 16 years while 9.4% of the respondents have been in operation for a period of 11 to 15 years. The results indicate that the non-governmental organizations have been in operation for a longer duration of time and therefore they understand the importance of incorporating stakeholders in their operations.

4.3 Stakeholder involvement in operations of Health NGO’s

The objective was to highlight the extent to which the health non-governmental organizations have involved stakeholders in their operations. All the non-governmental organizations indicated that they appreciate the role that the stakeholders play in their operations and therefore have come up with a mechanism of dealing with its stakeholders in the strategy process. The respondents were requested to indicate the extent to which they involve their stakeholders in a five point Likert scale. The range was ‘strongly agree (1)’ to ‘strongly disagree’ (5). The scores of strongly agree and agree have been taken to represent a variable which had a mean score of 0 to 2.5 on the continuous Likert scale; (0 ≤ S.E < 2.4). The scores of ‘moderate agree’ have been taken to represent a variable with a mean score of 2.5 to 3.4 on the continuous Likert scale: (2.5 ≤ M.E. < 3.4) and the score of both disagree and strongly disagree have been taken to represent a variable which had a mean score of 3.5 to 5.0 on a continuous Likert scale: (3.5 ≤ L.E. < 5.0). A standard deviation of >0.9 implies a significant difference on the impact of the variable among respondents.
4.3.1 Achievement of objectives through stakeholder involvement

The respondents were asked to indicate the extent to which stakeholder involvement has helped the non-governmental organization achieve its objectives. The results are shown in Table 4.2.

**Table 4.2: Achievement of objectives through stakeholder involvement**

<table>
<thead>
<tr>
<th>Achievement of objectives through stakeholder involvement</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broaden the support for the NGO’s policy and activities in the locality it operates in</td>
<td>1.4688</td>
<td>.7177</td>
</tr>
<tr>
<td>Helped in the avoidance of conflict during implementation of various programs in the society we operate in</td>
<td>1.5937</td>
<td>.7120</td>
</tr>
<tr>
<td>It has fostered strategic development of partnerships between the NGO and opinion leaders in our operational areas</td>
<td>1.7187</td>
<td>.8125</td>
</tr>
<tr>
<td>It has enhanced collaborative problem solving in our operations and in the process limit resources used</td>
<td>1.6875</td>
<td>.6927</td>
</tr>
<tr>
<td>Stakeholder involvement in our NGO operations has broaden support for our programs and therefore leading to a lower resistance</td>
<td>1.5313</td>
<td>.7177</td>
</tr>
</tbody>
</table>

The results indicate that respondents agreed that stakeholder involvement broaden the support for the NGO’s policy and activities in the locality it operates in with a mean score of 1.4688. They also agreed that stakeholder involvement has broaden support for their
programs and therefore leading to a lower resistance and that it has helped in the avoidance of conflict during implementation of various programs in the society they operate in with a mean of 1.5313 and 1.5937 respectively. The respondents further agreed that stakeholder involvement has enhanced collaborative problem solving in their operations and in the process limit resources used with a mean of 1.6875 and that it has fostered strategic development of partnerships between the NGO and opinion leaders in their operational areas with a mean of 1.7187. The results indicate that stakeholder involvement has enabled the health NGOs to achieve several objectives that ensures smooth running of the organizations operations and minimizes conflict.

4.3.2 Role of stakeholder involvement in NGOs

The respondents were requested to indicate the qualities and the role it plays in the NGOs. The results are presented in Table 4.3 below.

The results indicate that stakeholder involvement provides a basis for continuous improvements in the NGOs operation performance with a mean of 1.5938. The respondents also agreed that it brings to light organizational opportunities and problems that will facilitate proactive strategy adoption and therefore achieve its objectives with a mean score of 1.7187. The respondents further noted that stakeholder involvement enables the health NGOs to know how organizations develop and implement their strategies by incorporating the views of other stakeholders and also improves the understanding of the external and internal clients with a mean score of 1.7500 and 1.8125 respectively. The respondents indicated that stakeholder involvement improves the speed to which the organization adapts to changes in operating environment since all other
parties are involved with a mean score 1.9687. The results indicate that stakeholder involvement play a key role in the health NGOs operations and therefore it is important for the NGOs to ensure that they always consult their stakeholders.

Table 4.3: Role of stakeholder involvement in NGOs

<table>
<thead>
<tr>
<th>Role of stakeholder involvement in NGOs</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>It brings to light organizational opportunities and problems that will facilitate proactive strategy adoption and therefore achieve its objectives</td>
<td>1.7187</td>
<td>.8125</td>
</tr>
<tr>
<td>It provides a basis for continuous improvements in the NGOs operation performance</td>
<td>1.5938</td>
<td>.7975</td>
</tr>
<tr>
<td>Sheds light on how other organizations develop and implement their strategies by incorporating the views of other stakeholders</td>
<td>1.7500</td>
<td>.7184</td>
</tr>
<tr>
<td>Stakeholder involvement improves the speed to which the organization adapts to changes in operating environment since all other parties are involved</td>
<td>1.8687</td>
<td>1.0312</td>
</tr>
<tr>
<td>Stakeholder involvement improves the understanding of the external and internal customers</td>
<td>1.8125</td>
<td>.6927</td>
</tr>
</tbody>
</table>
4.4 Stakeholder Involvement Constraints

The respondents were requested to indicate the challenges that arise due to the involvement of stakeholders in the NGOs operations. The range was ‘strongly agree (1)’ to ‘strongly disagree’ (4). The results are presented in Table 4.4.

Table 4.4: Stakeholder involvement challenges

<table>
<thead>
<tr>
<th>Stakeholder involvement challenges</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The multiple stakeholders that the health NGO has made it challenging for the organization to meet the multiple objectives that is made by the stakeholders</td>
<td>1.7313</td>
<td>.9498</td>
</tr>
<tr>
<td>There has been managerial confusion, inefficiencies resulting from the incorporation of the stakeholders objectives which in some cases conflict with each other</td>
<td>2.0313</td>
<td>.6948</td>
</tr>
<tr>
<td>Some of the stakeholders might have interests which are in conflict with the organizations general objectives and if the same is incorporated in the health NGOs operational agenda, it will slow down the realization of the same objectives</td>
<td>1.5938</td>
<td>.6890</td>
</tr>
<tr>
<td>It has been challenging to incorporate the views of the diverse stakeholders in the health NGOs operations since they are not involved in the actual implementation of the same views by the organization</td>
<td>1.9875</td>
<td>.8957</td>
</tr>
</tbody>
</table>
The results indicate that the respondents agreed that some stakeholders might have interests which are in conflict with the organizations general objectives and if the same is incorporated in the agenda, it will slow down the realization of the same objectives with a mean of 1.5938. The results further show that multiple stakeholders have made it challenging for the organization to meet the multiple objectives that is made by the stakeholders and that it has been challenging to incorporate the views of the diverse stakeholders since they are not involved in the actual implementation of the same views by the organization with a mean score of 1.7313 and 1.9875 respectively. The respondents further noted that there has been managerial confusion, inefficiencies resulting from the incorporation of the stakeholders objectives which in some cases conflict with each other with a mean score of 2.0313. The results indicate that the health NGOs faces several challenges as a result of involving is stakeholders in its operations and therefore they should seek ways to minimize the challenges so that they can operate without any hindrance.

4.5 Discussion

Successful management of Health services organizations requires sensitivity to these and other critical stakeholders. But stakeholders’ interests are not always clear, providing a challenge to the leaders of organizations. Understanding the motivations and relative influence of different stakeholders, and employing effective management practices with each stakeholder group, is essential for sustainability. According to Freeman (1999) successful stakeholder involvement fosters strategic development of partnership, results in collaborative problem solving in which it ultimately results in broader support for
decisions. The results are consistent with the findings of the study which established that stakeholder involvement broaden the support for the NGO’s policy and activities in the locality it operates in, broaden support for their programs and therefore leading to a lower resistance, helps in the avoidance of conflict during implementation of various programs, enhance collaborative problem solving in their operations and in the process limit resources used and that it fosters strategic development of partnerships between the NGO and opinion leaders in their operational areas. Martinez-Gomez et al., (2010) on the other hand posited that companies adopting stakeholder involvement, in general, experience managerial confusion, conflict, inefficiencies and even a weakening of the corporation.

Profit and non-profit oriented organizations operate in an open system whereby they affect and are affected by other stakeholders operating in the system. The relationship that will exist in the system will evolve depending on new requirements and challenges that appear in the current changing and competitive operating environment. The study established that the role played by stakeholders include providing a basis for continuous improvements in the NGOs operation performance, bringing to light organizational opportunities and problems that will facilitate proactive strategy adoption and therefore achieve its objectives, enables the NGOs to know how organizations develop and implement their strategies by incorporating the views of other stakeholders and also improves the understanding of the external and internal customers and improving the speed to which the organization adapts to changes in operating environment since all other parties are involved. The results are consistent with the findings of Lapenu and Pierret (2005) who noted that involving relevant stakeholders throughout the strategic
implementation process is very important to broaden the support for policy and activities, to avoid conflicts and to generate as much support as possible for the success of the plan over time. The findings of Dufrene and Wong (1996) were in contrast with the findings of the study as they questioned the validity of stakeholder involvement for its failure to provide clear management objectives. They maintain that stakeholder interests are frequently mutually incompatible, a fact necessarily preventing any clear decision by the management of any organization.

The NGOs are envisioned as the centre of a network of stakeholders, a complex system of exchanging services, information, influence and other resources. However, the goals of the stakeholders may be in conflict with each other; they may threaten business organizations. The study found out that the constraints occasioned by stakeholder involvement by the health NGOs included stakeholders having interests which are in conflict with the organizations general objectives and if the same is incorporated in the agenda, it will slow down the realization of the same objectives, multiple stakeholders have made it challenging for the organization to meet the multiple objectives that is made by the stakeholders, incorporating the views of the diverse stakeholders has been challenging since they are not involved in the actual implementation of the same views by the organization, has resulted in managerial confusion, inefficiencies resulting from the incorporation of the stakeholders objectives which in some cases conflict with each other. The findings are consistent with Martinez-Gomez et al., (2010) findings that companies adopting stakeholder involvement, in general, experience managerial confusion, conflict, inefficiencies and even a weakening of the organization and stakeholder interests being frequently mutually incompatible, a fact necessarily
preventing any clear decision by the management. The results go against the findings of Lapenu and Pierret (2005) who noted that involving relevant stakeholders throughout the strategic implementation process is very important to broaden the support for policy and activities, to avoid conflicts and to generate as much support as possible for the success of the plan over time.
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter gives the summary, conclusion, recommendations of the study and the limitations of the study. The suggestion for further research was also highlighted.

5.2 Summary

The study shows that the respondents have worked in their respective NGOs for a longer duration of time and therefore they understand the role that stakeholders play in the organization operations. The NGOs were found to have been in existence for a longer duration of time and therefore they understand the importance of stakeholders’ strategy on its operations as a result they appreciate the role that the stakeholders play in their operations and therefore have come up with a mechanism of dealing with its stakeholders in the strategy process. Stakeholder involvement strategy was found to have played a key role in the achievement of the NGOs objectives as it broaden the support for the NGO’s policy and activities, broaden support for their programs, helps in the avoidance of conflict during implementation of various programs, enhance collaborative problem solving in their operations and fosters strategic development of partnerships between the NGO and opinion leaders in their operational areas.
Stakeholder involvement is an integral part of a stepwise process of implementing strategies. The stakeholder involvement in the NGOs has had several effects on the strategic process and these include provision of a basis for continuous improvements in the NGOs operation performance, bringing to light organizational opportunities and problems that will facilitate proactive strategy adoption, enabling the NGOs to know how organizations develop and implement their strategies by incorporating the views of other stakeholders and improving the speed to which the organization adapts to changes in operating environment.

In the present day business environment where the society plays a great role in the success of an organizations strategy, it becomes imperative that an organization comes up with a strategy that will not be resisted in totality by the society or if there is resistance, then the level of resistance should not curtail in total the implementation of the same project. Stakeholder involvement might also not lead to the desired results because there might exist a gap between the expectations of this collaboration and what actually is present in the current arrangement. The challenges that arise as a result of stakeholder involvement was found to be stakeholders having interests which are in conflict with the organizations general objectives thus slowing down the realization of the same objectives, multiple stakeholders come up with multiple objectives that make it hard for the NGOs to meet, incorporating the views of the diverse stakeholders has been challenging since they are not involved in the actual implementation and that it has resulted in managerial confusion, inefficiencies which in some cases conflict with each other.
5.3 Conclusion

The strategic process of an organization is an important step towards the realization of its organizations objective. The first objective of the study was to establish the value of stakeholder involvement in the operations of NGOs. It was established that the Health non-governmental organizations appreciate the role being played by the stakeholders to the extent that they have put in place a mechanism of dealing with its stakeholders in strategic process. The NGOs take into consideration the needs, interests and influences of peoples and groups who either impact on or may be impacted by its policies and operations. Therefore stakeholder-oriented policies are justifiable based upon the supposition that they do hold legitimate interests in the organizational activities that should be taken into consideration by managers.

Greater input from a variety of parties generates a variety of ideas and potentially enriches the strategic process of an institution substance. The stakeholder management emerges as the most important condition for good and satisfactory outcomes in the strategic process of an organization. Stakeholder involvement becomes increasingly more important for ensuring that the NGOs stay in tune with concurrently changing stakeholder expectations. The stakeholder engagement becomes a moving target, making it increasingly necessary to adapt and change according to shifting stakeholder expectations, but also to influence those expectations. Managers need to improve their corporate stakeholder information strategy to keep the general public better informed about their need for involvement in strategic process and to achieve legitimacy and good reputations.
The second objective of the study was to determine the constraints to stakeholder involvement in the operations of health NGO’s in Nairobi. It can be concluded that stakeholder involvement has its share of challenges and these emanates from the stakeholders who have interests which are in conflict with the organization objectives and this will put the NGOs in a position where they will not be pursue its strategy which would have enabled the NGOs to deliver on its objective for fear of causing tensions between the organizations which might lead to withdrawal of funding or sabotage.

5.4 Recommendations for the Study

5.4.1 Implications of the study for theory

The study established that stakeholder involvement by the health NGOs broaden the support for policy, programs and activities. It is recommended that the NGOs should continue engaging the stakeholder and this is what was noted from the stakeholder theory which support the theory and that the management of the NGOs need to appreciate the importance of stakeholders in the realization of the institutions objective. The level of partnership between the NGOs and stakeholders need to be enforced to capitalize in all the strengths accruing from the relationship. However, the NGOs should be wary of stakeholders with excessive demands that might not be met and as such be wary of the stakeholders when dealing with them. In addition, the management might perform better if they include a monitoring and evaluation officer in the strategy implementation process.
5.4.2 Implications of the Study for Managerial Policy

The study established that the stakeholders influence the running of activities in the health NGOs and it is recommended that the policy makers come up with policies that will ensure that the stakeholders do not majorly influence the strategic direction of the NGO since they are the financiers or stakeholders but instead should give opinion and let the management of the NGOs undertake their work.

The NGOs that have been incorporated in the recent past has been increasing at a high rate and therefore the actual work being undertaken by the NGOs need to be scrutinized. It is therefore recommended that the government comes up with regulations that will guide the sector in order to do away with those organizations that do not have a genuine agenda.

5.4.3 Implications of the Study for Managerial Practice

The study established that stakeholder involvement result in the achievement of several objectives by the NGOs. It is therefore recommended that in order to ensure that all its objectives are achieved the NGOs have to ensure that the challenges that hinder the achievement of the objectives are dealt with so that there is smooth interaction with the stakeholders. The study found out that the NGOs encountered several challenges as a result of stakeholder involvement. It is therefore recommended that the health NGOs agree with all the stakeholders on the objectives that need to be achieved in order to minimize the challenges.
5.5 Limitations of the Study

The study was undertaken among health NGOs and most of them were reluctant to indicate fully the extent to which they involve its stakeholders in strategy development. Limited accessibility to information in the organization due to confidentiality being maintained strained accessibility of data and there was also a lack of cooperation from some staff during data collection as they had to go out of their work schedule to respond.

The health NGOs are being funded by the donors in order to undertake their functions and they have to submit to the donors their proposals for them to be funded. This means therefore that the stakeholders involved are few and thus since the donors are the ones supporting the NGOs they are the ones who decide the strategic direction of the NGOs. The limitations however did not affect the data collected to undertake the study.

5.6 Suggestion for Further Research

The study confined itself to the health Non Governmental Organizations operating in Nairobi, Kenya. This research should therefore be replicated in all the health Non Governmental Organizations operating in the country since majority of the NGOs in the rural areas offer health services and the involvement of stakeholders will have great effect on their operations.

The study was undertaken on health NGOs and it is recommended that similar study be undertaken on all the NGOs operating in the country since the need and influence of the stakeholders on the NGOs differ and this will assist to establish the extent to which the stakeholders’ involvement influence their strategic process and the results be compared
so as to make a decisive conclusion regarding stakeholder involvement as a strategy in organization operations.
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Valery Michoki Mogeni

School of Business, University of Nairobi

P.O. BOX 30197, Nairobi

August, 2014

Dear Respondent,

I am a postgraduate student at the University of Nairobi, School of Business. I am carrying out research on “Stakeholder Involvement in Health Non-Governmental Organization’s Operations in Nairobi, Kenya”. This is in partial fulfillment of the requirement for the degree of Masters in Business Administration (Strategic Management) Degree program at the University of Nairobi.

This study uses health NGOs in Nairobi as the survey variables and you have been selected as one of the respondents. The success of this research substantially depends on your help and co-operation.

I hereby request you to respond to questioner as honestly as possible and the best of your knowledge. The information provided will exclusively be treated with utmost confidence; neither your name nor any other details shall appear in my report.
Thank you in advance,

Yours sincerely,

Valery Michoki Mogeni  

Prof M. Ogutu

Student  

Supervisor
APPENDIX II: QUESTIONNAIRE

Please give answers in the spaces provided and tick (√) in the box that matches your response to the questions where applicable.

PART A: DEMOGRAPHIC AND RESPONDENTS PROFILE

1) Name of the organization: ............................................................... 

2) What is your designation in the organization.......................................

3) Length of continuous service in the organization?
   a) Less than five years (    )
   b) 5-10 years (    )
   c) Over 10 years (    )

4) For how long has your organization been in operation?
   a) Under 5 years (    )  b) 6 – 10 years (    )
   c) 11 – 15 years (    )  d) Over 16 years (    )

PART B: Stakeholder Involvement

5) As an organization do you appreciate the role stakeholder play in your operations?
   Yes (    )  No (    )
6) If yes, does the organization have a mechanism of dealing with its stakeholders in the strategic process?

Yes ( ) No ( )

7) Please indicate the extent to which stakeholder involvement has helped your organization in achieving the following objectives;

Key

1) Strongly Agree 2) Agree 3) Moderate extent 4) Disagree 5) Strongly Disagree

<table>
<thead>
<tr>
<th>FACTORS</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broaden the support for the NGO’s policy and activities in the locality it operates in</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Helped in the avoidance of conflict during implementation of various programs in the society we operate in.</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>It has fostered strategic development of partnerships between the NGO and opinion leaders in our operational areas</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>It has enhanced collaborative problem solving in our operations and in the process limit resources used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Stakeholder involvement in our NGO operations has broaden support for our programs and therefore leading to a lower resistance.

8) Please indicate the extent to which you agree with the following statement on the qualities of stakeholder involvement and the role it plays in the organization.

**Key:** 1) Strongly Agree 2) Agree 3) Moderate extent 4) Disagree 5) Strongly Disagree

<table>
<thead>
<tr>
<th>FACTORS</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>It brings to light organizational opportunities and problems that will facilitate proactive strategy adoption and therefore achieve its objectives.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>It provides a basis for continuous improvements in the NGOs operation performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sheds light on how other organizations develop and implement their strategies by incorporating the views of other stakeholders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stakeholder involvement improves the speed to which the</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
organization adapts to changes in operating environment since all other parties are involved.

Stakeholder involvement improves the understanding of the external and internal customers

**PART C: Constraints to Stakeholder Involvement**

9) The table below presents statements regarding some of the challenges that might arise due to the involvement of the stakeholders in the NGOs operation. Indicate the extent to which you agree or disagree with each statement by ticking on the appropriate column, using the scale below.

<table>
<thead>
<tr>
<th>Statement</th>
<th>SA</th>
<th>A</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The multiple stakeholders that the health NGO has made it challenging for the organization to meet the multiple objectives that is made by the stakeholders.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
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2. There has been managerial confusion, inefficiencies resulting from the incorporation of the stakeholders objectives which in some cases conflict with each other.

3. Some of the stakeholders might have interests which are in conflict with the organizations general objectives and if the same is incorporated in the health NGOs operational agenda, it will slow down the realization of the same objectives.

4. It has been challenging to incorporate the views of the diverse stakeholders in the health NGOs operations since they are not involved in the actual implementation of the same views by the organization.

10) Is there any other constraining factor resulting from the stakeholder involvement in operational activities?

Thank you for your time
APPENDIX III: LIST OF SOME OF THE HEALTH NGO’s IN

NAIROBI

1. Africa Harvest Biotech Foundation International
2. African population and health research centre
3. America Friends Service Committee
4. Arise Child Development Organization
5. Action (African Development and Emergency Organization ADEO)
6. Aga Khan Foundation
7. Care International
8. Centre for Development of Enterprise (CDE)
9. Clinton Health Access Initiative
10. Crisis Pregnancy Ministries
11. DANYA International Kenya
12. Engender Health Ltd
13. Help Age
14. International Rescue Committee
15. ICL
16. JHPIEGO Kenya
17. Kenya AIDS NGO’s Consortium
19. Kenya Voluntary Development Association
20. Kenyan-Hearl National Foundation
21. Management Sciences for Health
22. Moraa new hope foundation
23. National council of NGOs
24. NPI Africa.
25. Olive Leaf Foundation
26. Oxfam
27. PACT Kenya
28. Pan Africa Climate Justice Alliance
29. PATH Kenya
30. Pathfinder International
31. Poverty Be History Organization
32. PSI- Kenya
33. RTI International
34. Save the Children
35. Separations International
36. Support For Tropical Initiative In Poverty Alleviation
37. The vision international
38. Ufadhili Trust
39. Undugu Society Of Kenya
40. WorldView Kenya
41. World Vision Kenya