

**STAKEHOLDER INVOLVEMENT AND SERVICE DELIVERY:
PROVISION OF AFFORDABLE HOUSING BY NATIONAL
HOUSING CORPORATION IN KENYA**

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DECLARATION

I, the undersigned, declare that this research project is my original work and has not been submitted for a degree in this or any other university.

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

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

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MAY THE ALMIGHTY GOD BLESS YOU ALL!

DEDICATION

This project is dedicated to my family for your love, trust and faith in me in all my endeavors. Thank you for your support and encouragement throughout the master's program. I truly appreciate you.

ABSTRACT

The importance of identifying and including important stakeholders in the service provision process is critical since when stakeholders are excluded, the relevance and anticipated benefits from the service provided will be limited. Stakeholder involvement is considered an integral part of an organization service delivery process aimed at ensuring there is a broad support for the organizations policy and activities, to avoid conflicts and to generate as much support as possible for the success of the plan over time. The need for a broad consensus in the service delivery process is necessary especially in the present day business environment where the society plays a great role in the success of an organizations performance. It becomes imperative therefore 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 organization objectives. In this study, the objective was to establish to what extent stakeholder involvement affected service delivery with regards to provision of affordable housing by the National Housing Corporation. The research design was a case study which employed primary data that was gathered from the respondents through interviews. Findings from the study indicated that when stakeholders were involved properly in the service delivery process, it resulted to increased efficiency and the operational costs are greatly reduced, which is a benefit of improved cooperation as well as minimized conflicts with crucial stakeholders. This was realized through an integrated stakeholder involvement which was a key initiative towards achieving the organization's strategic objective. Findings from the research also revealed the ease of success achievement especially superior practices on stakeholder involvement are adopted by a firm thus leading to increased outputs, superior collaboration and synchronization with the external environment which extensively leads to successful service delivery implementation and thus resulting to achievement of goals of the organization. Based on the aforementioned, the study recommended wider inclusion of stakeholders in the service provision operations. While this inclusion would ensure wider ownership of projects implementation and success, it would also assist in faster decision making to avoid stalling of projects. In addition, it could be highly desirable for the corporation to engage stakeholders especially those regulating its operations and funding agencies for the purpose of mitigating challenges which might distract the corporation from its goal of providing quality service. On this basis, there is need to investigate how different players can have harmonized application models that can be understood by all participants/stakeholders in the housing sector. Also, it is worthwhile to conduct a detailed and cross-sectional practical examination among service providers of affordable housing in Kenya to establish universal stakeholder involvement practices to help in unifying the housing provision approaches while providing a basis for learning and continual service improvements.

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ABBREVIATIONS AND ACRONYMS

EPS	Expanded Polystyrene
GoK	Government of Kenya
KENHA	Kenya National Highways Authority
KENSUP	Kenya Slum Upgrading Program
MoU	Memorandum of Understanding
NHC	National Housing Corporation
SWOT	Strengths, Weaknesses, Opportunities and Threats
UN- HABITAT	United Nations Human Settlements Progra

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Corporations function in open systems which means that their actions impact their surroundings in the same measure that they are impacted by events in their operating environment. This is due to the close link to both the internal and external environment whose effects is principally outside the corporation's control (Pearce & Robinson, 2011). Stakeholder Involvement is a major determining success factor of each plan in every corporation. In business environment characterized by numerous projects, the number of these stakeholders' increases and their levels of influence can vary significantly. According to Mitchell, Agle and Wood (1997) the main characteristics of stakeholders include control, legitimacy and earnestness.

Due to fluctuations of stakeholders' numbers and nature in the course of a corporation's undertaking, it is advisable to continuously conduct identification reviews (Moodley, 2002). Involvement of stakeholders can be incorporated in various stages of the project cycle and at different levels of society, as well as take many diverse forms. The stakeholders can be involved in pre planning, project predetermination, sharing of information, conducting consultations, making decisions, partnerships and empowerment. Involvement is considered to be both a means and also an end. With regards to being a means, it is referred to be a process of cooperation and collaboration by individuals and communities when developing projects.

According to Freeman (1999), the stakeholder theory considers a firm to be a social entity where different stakeholders interact. The firm operates as an open system where it is influenced by both internal and external environments. Organizations come together to harness on strengths of numbers, identify and overcome weaknesses, and also block threats (Nutt & Backoff, 1992). The approach of stakeholder involvement to strategic management entails identification of individuals and also groups interested in the organization or organization strategy program.

An activity or venture is likely to succeed if it seriously considers its operating environment and endeavors to fulfil concerned stakeholders' needs. The demand for housing mostly in urban areas has been on the rising trend yet the supply side has remained stagnant. This has resulted to prices going up resulting to houses being affordable to a minority. The urban housing sector in Kenyan is characterized by decent affordable rental housing that is inadequate, low ownership levels and extensive as well as inappropriate dwelling units. The government working with the housing ministry has greatly emphasized housing improvement. This is because of the realization that enhancement in stocks in housing and quality is tactically significant to stakeholders socially as well as economically.

Like all state corporations, National Housing Corporation operates to fulfil the objectives of various stakeholders with varied interests in their operating environment. They play a key role as development partners by working with relevant stakeholders to develop the lives of the Kenyan citizens. These institution plays is critical as it provides vital services that is mandated by central government. These services are mainly in the provision of affordable housing and it is in this context that the study intended to investigate the extent their stakeholders contribute to the service delivery by the corporation.

1.1.1 Stakeholders Involvement

Stakeholders are individuals or firms with interests in a specific organization. These persons or organizations have an influence on decisions made and also whose interest are an organization's mission to meet. Stakeholder involvement is a means of ensuring that residents contribute to public decisions. Mize divulges that the term "stakeholder involvement" and its connection to public decision-making has evolved with no universal consensus on neither its meaning nor consequences (Mize, 1972). Different stakeholder studies have shown that each organization has purposes that are influenced by strategy plans made by stakeholders for attainment of their objectives (Isenmann, 2006). According to Kasimbu (2010) during the process of the formulation of strategy an opportunity is presented to the stakeholders to give their ideas. During the formulation of strategy, stakeholders are allowed to review and evaluate ideas and making of decisions is carried out jointly with the stakeholders throughout a project's phases.

According to Johnson and Scholes (1997), it is important to examine and comprehend different stakeholders so as to deliberate to what extent they will be interested in and actively participate in the strategic development of the organization. The notion of stakeholder management fronts that management puts effort in the formulation and implementation of processes that address needs of all those groups having a share in the firm (Freeman, 1984). The fundamental activity in stakeholder involvement is management and integration of associations and interests of the stakeholders in a manner that ensures long-term success of the organization. Most of the earlier views of strategic management have disregarded a portion of stakeholders, sidelined others and regularly traded-off the interests of others over few preferred stakeholders (Johnson, et al., 2008).

According to Wheelen and Hunger (2008), Determination of the people who pay for delivered services is the key to understanding how to manage an organization. If the end user pays a small proportion or none at all, the strategic managers are likely to be more concerned with satisfying the needs of the funding stakeholders. Rowley (2009) argues that an organization's survival is dependent on how well it satisfies its stakeholders. Creation of value happens when the important stakeholders' needs are met by an organization. Therefore successful stakeholder involvement promotes strategic advancement of partnerships which results to collaborative problem solving thus broader support for decisions (Freeman, 1984).

Stakeholder involvement encourages management to develop strategies that ensure long-term success of the firm and facilitates a cohesive approach to strategic decision making. According to Kasimbu (2010) during the process of the formulation of strategy an opportunity is presented to the stakeholders to give their ideas. During the formulation of strategy, stakeholders are allowed to review and evaluate ideas and making of decisions is carried out jointly with the stakeholders throughout a project's phases.

Estrella & Gaventa (1998) define involvement as a process of formal or informal individuals and collective learning and capacity development, whereby individuals are made aware and become conscious of their various strengths as well as weaknesses, their wider societal truths, and their ideas and outlooks of development results, which creates environments favorable to variation and action. The key concern of stakeholder involvement is the company's survival thus managers need to understand who are the stakeholders, what their issues are, and what motivates them.

Not all stakeholders' interests can be taken into account. It depends on the power and interest a stakeholder wields to block or facilitate the process (Johnson & Scholes, 2008). The purpose of the organization according to Lynch (2009) is ultimately to advance the interests of its owners usually the shareholders. Stakeholders are likely to have conflicting interests thus the mission and objectives of a firm need to be developed with the two sets of interests in mind; those who will operationalize the objectives and those who have a stake in the outcome. Therefore the purpose of the organization will be shaped by the values of the organization and the power of the stakeholders. Stakeholder theory aides the comprehension of the environment as well as the various shareholders whose concerns should be addressed for effective management of the organization.

Theories on management of stakeholders are grouped into segments which include descriptive theories, normative theories, and instrumental theories (Donaldson and Preston, 1995). The descriptive stakeholder theory presents that stakeholders are identified based on them possessing one or more of certain attributes. These include level of influence dictated by the power they possess, the validity of the relationship between the stakeholder and the firm, the urgency of stakeholder's claims to the firm (Mitchell *et al.*, 2007). They further point that the approach taken by stakeholder theory provides for corporate organizations to recognize that interests may differ from one stakeholder group to another, therefore misunderstandings are likely to occur which will need to be balanced. On the need of balancing the stakeholders' interest, Reynolds et al., (2009, p. 286) suggest that the harmonizing of interests of various stakeholders involve the assessment, weighing as well as addressing their different claims.

Hence, to survive, an organization ought to concentrate on those stakeholders that supply vital resources and provide support needed for survival and to aide activities preferred by the stakeholders. The ability to divide organizational resources determine whether a manager will attempt to balance a number of stakeholders' interests or focus on one stakeholder at a particular time. Involving stakeholders successfully promotes strategic development of partnerships, results in collaborative problem solving (sharing of power), which ultimately leads to extensive support for decisions. According to Savage et., al (2004), the basic premises of stakeholder theory is that; the organization enters into relations with numerous parties who have an influence or can be influenced by the dealings of the company, focus is placed on nature of these relationships regarding processes and results for the company and for stakeholders; the interests of all genuine stakeholder are of inherent value and assumptions are that there are no particular interests that prevail those of the organization.

Thus definition of stakeholder involvement can be put to be 'the early and continuing process of building and maintaining interaction that are grounded on mutual trust and respect through conversing with varied parties about multifaceted matters' (Shaw, Ackermann and Eden, 2003). Various scholars categorize stakeholders differently. We have two types of stakeholders; primary and secondary (African Development Bank 2011). Those that benefit from a development project are primary stakeholders while those that influence a development project are secondary stakeholders. Secondary stakeholders' influence is less but the organization is affected by their ability to source for support (Frooman 2010).

Another classification of stakeholders is into internal and external (Gibson 2000). Chinyio and Olomolaiye (2010) on the other hand introduced a different perspective where they classified them as key and non- key. Key refers to those stakeholders whose successful completion of the project depends on their interests and needs being recognized. Non-key on the other hand refers to those stakeholders whose needs and interests are inconsequential.

1.1.2 Service Delivery

Service delivery refers to transfer of services as excellently and as swiftly as possible to the intended beneficiary. Stenzel J. & Stenzel C. (2003) observes that service delivery presents an organization's levels of excellence. Definitions given by Helmsing (1995) presents service delivery as a decision that is deliberate and obligatory made by officials who have been elected or appointed to offer service or deliver goods and services to the beneficiaries. On the other hand, Heskett (1987) defines service delivery as an attitudinal or dispositional sense, giving reference to the globalization of consistent service values and norms. Mintzberg and Quinn (1991) define service delivery as a set of technology components that provide capabilities.

In the current globally competitive environment, the public sector plays a very significant part in a country's economy; thus, rendering excellent service is an indispensable success strategy (Besley & Ghatak, 2007). Polishing delivery of service is principally about refining the efficacy and efficiency of the manner in which government institutions deliver services to citizens. Khamis (2008) stated that governments face many challenges which have made it necessary to implement new intelligent service delivery systems to solve these problems.

Sarshar & Moores (2006) indicates that superior service delivery can be achieved through usage of public institutions, service market and values in contracting. Sarshar and Moores (2006) further suggest that preferences of stakeholders and democratic processes create the values for optimum delivery of service. Furthermore, a working combination of strategies is required to ensure employees are both enthusiastic and have ability to deliver superior services. They need to maintain the enthusiasm required to be service centered and customer.

To build a service-minded, customer-oriented workforce, an entity must employ the right workers, cultivate people to deliver quality services, provide the requisite support systems and retain the best employees (Sarshar & Moores, 2006). Stauss (2005) suggests that in economic transactions, it is specialized skills and knowledge that are exchanged for money rather than the physical resources.

Conditional on the service offering, each service presents the primary capacity of initiating a transforming effect to the recipient and that the customer himself/herself is the main beneficiary. Ghatak (2007) argue that the citizens' quality of life is highly determined by the quality of public services provided and that is determined in per capita income. The authors reiterate that when strategizing on poverty reduction, delivery of service is a significant feature. Hernandez (2006) concurs on the importance of service delivery to poverty alleviation efforts and that it is key to the realization of the development goals both directly and also indirectly.

1.1.3 Affordable Housing in Kenya

The Kenya population growth rate as at 2012 stood at 4.2% per annum. Based on this growth and the rural to urban migration rate, the demand for houses has also increased tremendously. By the end of the year 2011, for instance, Kenya had a housing deficit backlog of 2,156,000 million house units. The Ministry of Housing estimated an additional shortfall of 85,000 units in the year 2012. According to year 2009 population census in Kenya, people who were living in slums were above 30% of the country's 38.6 million total population with an estimate of over 1 million out of a city population of 3.2 million having lived in Nairobi alone. Only 3% of the Nairobi city population lived in houses with permanent walls, water and electricity (Arvanitis, 2013).

Land policies, regulations and property titles have been the basis in Kenyan housing sector. The Kenya National Housing Policy which was formulated in the year 1966/67; for instance, still remains as the national housing policy. Similarly, land and property regulations which were inherited from the British colonists involve a complicated tenure system framed in different Kenyan laws. Articles 60 to 68 provisions contained in the Kenya constitution 2010 regarding equal access to land has, however, brought some clarity to these regulations. Improvement in the property market requires a stable and transparent regulatory system. Development of the private sector in housing, especially the low and middle market segments requires a simple and relaxed land regulation (Arvanitis, 2013).

The housing sector in Kenya, despite its recognized significance, is characterized by countrywide worsening house conditions which are due to the acute housing shortage which manifests itself through overcrowding, proliferation of slums and informal settlements in urban areas and poor quality of housing fabric and lack of basic services in rural areas (GoK, 2004). The sector has also been characterized by rogue contractors and malpractices which have led to collapsing of many buildings.

As one of its strategies to reduce housing problems in Kenya, the Government of Kenya signed a Memorandum of Understanding (MoU) with UN-Habitat on 15th January 2003 to upgrade slums in Mavoko, Kisumu, Kibera, Kahawa-Soweto and Mombasa covering a long-term period of 2005-2020. This Kenya Slum Upgrading Programme (KENSUP) is being implemented by the Ministry of Housing and County Governments in Kenya and complemented and supported by the UN-Habitat. KENSUP's aim is to have better livelihoods of at least 5.3 million people living in slums (1.6 million being households) countrywide.

The entire program is estimated to require a financing of Kshs.884 billion (UN-HABITAT, 2008). Its goal is to “improve living conditions in informal settlements in selected Counties in Kenya” (GoK, 2011). These are clear indications of Kenya's intentions to improve the housing sector. The Government of Kenya and some private house developers have also come up with low cost housing initiatives through adoption of alternative building technologies. The NHC for instance has an initiative of constructing a total of 2,000 police units (50 units in each county) costing Ksh.1 billion using the prefabricated material (EPS) panels technology.

Other low cost housing initiatives include the recently unveiled government agenda of building 500,000 low cost units by 2020 and Jamii Bora Makao Kisaju project in Kaputei, Kajiado County (Thuita, 2014; Nduire, 2012) among others. This is a clear indication that the Kenyan housing fraternity is now changing the rules of the game by adopting innovative building technology reducing both construction costs and period by huge margin.

1.1.4 National Housing Corporation in Kenya

National Housing Corporation (NHC) is an institution incorporated by the state, that falls within the Ministry of Housing. The Act of Parliament passed in July 1967 provided the establishment of the corporation and also outlines the foundation for its existence and functioning. NHC's history dates back in the year 1953 during the period of colonialism when the then government of Kenya formed a Central Housing Board through the housing ordinance. The amendments done to the Housing ordinance of 1953 paved way for the establishment of the NHC in 1965 which replaced the Central Housing Board.

The NHC was given mandate to facilitate the development of housing that was decent and low cost, enabling development of rural housing, and mobilization of capital both locally & internationally to facilitate housing development, growing partnerships with authorities nationally and locally, relevant cooperatives, the private firms and other relevant stakeholders in the housing sector. Housing development stands as one of the important contributors towards attainment of the Vision 2030. NHC among other players play an important function of guaranteeing that the vision is realized through the development of housing units that are decent and low cost.

1.2 Research Problem

Stakeholder involvement being among the critical strategies in management has been extensively applied by state administrations as well as civil societies to facilitate as well as provide assurance of quality of service delivered (Wholey, 2004). Quality service delivery is one of the most important concepts in the context of assessing resource allocation and subsequent institutional productivity. Stakeholder involvement in decision-making has been increasingly sought and embedded into national and international policy. The main stakeholders in a typical corporation include the investors, employees, suppliers and customers, tax authorities, bankers, creditors and debtors.

Nonetheless, modern theory drifts further to incorporate more stakeholders like the existent community, the government and also trade associations. According Johan (2009), involvement is the active engagement of the minds, hearts and energy of people in the process of finding their own solutions and facilitating their own development. Due to the nature of what entails development, it will be nonexistent without meaningful and effective stakeholder involvement. Although many benefits have been claimed for involvement, like infrastructural development and employment opportunities, disillusionment has grown amongst the different stakeholders over service delivery.

Housing is one of the basic needs of human beings. People's lives are greatly affected by the availability and quality of the type of houses they dwell in. In Kenya, the demand for housing still far outstrips supply; hence to achieve adequate housing, both the Government and private sector must encourage citizens to accept alternative building technologies.

The Government of Kenya through National Housing Corporation also initiated several housing projects in a bid to improve housing conditions as well as increase the number of low cost housing units for the citizens. Despite these efforts, housing problem still remains a daily nightmare to date. The housing sector in Kenya, for instance, are slow in adopting the new building technologies hence have not managed to tap the housing demand opportunities within the Kenyan environment.

The area of housing is vast and limited research has been carried out. More research therefore needs to be carried out if any meaningful steps are to be made in improving the housing sector. A descriptive study conducted by Arvanitis (2013), where the researcher did content analysis of existing qualitative data on African housing dynamics observed that some of the major contributors to housing problems in Kenya were lack of adoption of new building technologies and wide gap in demand and supply among others.

Studies done on stakeholders in Kenya include that by Nyandika and Ngugi (2014) where the researchers looked at the influence of stakeholder participation on performance of road projects at Kenya National Highways Authority. The research methodology employed for this study was descriptive research design where a case study was conducted at KENHA and analysis was done both quantitatively as well as qualitatively. Abiero (2010) looked at the management of stakeholder challenges in implementing of Kenya's Sondu Miriu power project on hydro-electricity. The research design employed was a survey where structured questionnaires were used to collect data from respondents and analyzed quantitatively.

Barbara (2016) carried out a descriptive study which focused on project success and management of stakeholders: Kenya's integrated financial management information system project case. Analysis of data which was obtained from the respondents through the use of structured questionnaires, was done both quantitatively and also qualitatively to come up with findings. According to the findings of all the above mentioned studies, organizations needed to adopt high level of stakeholder involvement to identify stakes of most of them and try to link them with the organizational objectives. However, the researcher noted that there is no known study conducted on involvement of stakeholders in facilitating service delivery by the National Housing Corporation. Informed by this knowledge gap, the key question that the current study endeavored to address was: What role does stakeholder involvement play in facilitation of service delivery in the provision of affordable housing by the National Housing Corporation in Kenya?

1.3 Research Objectives

The specific objective for this study was:

To establish the role of stakeholders in facilitating service delivery in providing affordable housing by the National Housing Corporation in Kenya.

1.4 Value of the Study

The research is of major importance to makers of policies in the National Housing Corporation since it gives them insights into critical factors needed for consideration when formulating policies meant to enhance service delivery in the effort to provide affordable housing. The study also benefits all Ministries and the Government of Kenya at large by determining the extent to which to involve stakeholders in service delivery.

It also highlighted areas of further improvement in management of stakeholders as well as provide a benchmark for implementation of other public sector projects for other nations especially in the African continent. Theories on Stakeholder, resource-based view as well as organizational development were fronted by many commercial entities as relevant to their industries and were relevant in this study.

The study also proves to be beneficial to researchers carrying out study relating to similar context. The findings of this research provides a reference point and thus aims to assist in figuring out existing gaps yet to be filled in the same area of study. The research also added to the existing literary works in the area of investor involvement under different capacities.

The chapter addressed the background information of the variables that were addressed by this research. The motivation of the research as well as the research problem was also discussed. The chapter also discussed the contextual and also the conceptual background of the study and the research objectives. The chapter was concluded with insight on how it was to benefit different players in Kenya and globally.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section was dedicated to a discussion on the association between the variables of the study, in light of the theoretical as well as empirical perspectives. This was conducted critically to bring out consistencies, inconsistencies, and the proposed strategies in the current study that addressed the issues.

The predictions of the theories particularly were highlighted since they informed the conclusions drawn from the study findings. The conceptual, contextual, and methodological gaps in literature were also underscored since they formed the justification for the current study.

The review also provided understanding of the existing literature on the subject under study and how it related to the provision of affordable housing in Kenya. It also summarized the findings of these studies in relation to stakeholder involvement.

2.2 Theoretical Foundation

The precise origins of stakeholder are difficult to track down according to Freeman (1984); the actual word was used in 1963 by the Stanford research institute (SRI) which was used to generalize the concept of stockholder being the only group to whom the management needed to pay attention to. Thus the notion was initially defined to be “those groups without whose support the organization would cease to exist” (Freeman, 1984). A number of theories have been advanced which attempt to demystify the concept of stakeholders and stakeholder involvement. In this study we look at the Stakeholder theory, Resource-based view theory and Organization development theory.

2.2.1 Stakeholder Theory

Stakeholders refer to a person or a group which can be affected or affect the accomplishment of the institution's objectives (Freeman, 1999). According to Isenmann (2006) stakeholder is any person or organization that can be impacted negatively or positively or even have an impact on organization action. These stakeholders can be differentiated in terms of their effect and their location. With regards to the effects to the firm, there are primary and secondary stakeholders' whereas in terms of location there are internal and external stakeholders. Primary stakeholders refer to individuals whose input is crucial for the organization's endurance. Those positively and also negatively affected include the investors, employees, suppliers and customers (Jawahar & MCLAughlin, 2001). On the other side secondary stakeholders are those people who can indirectly affect or are affected by organization's actions (Matten & Crane, 2005).

The internal stakeholders refer to people working in the organization for example employees while external stakeholders are those people who are outside the organization such as customers and suppliers but have an effect on the organization's survival (Baraldi, Brennan, Harrison, Tunisini & Zolkiewski, 2007). The theory further states that all stakeholders stand significant for the organization's survival and development (Aregbeshola & Munano, 2012). Stakeholder theory state that while making a decision, organizations should take into consideration the view of people who can be affected or affect the organization activity (Gibson, 2000). This is because organizations are responsible and accountable to all stakeholders.

According to this theory the relationship between organization and stakeholders is very dynamic and this calls for management of these relationship (Chinyio & Olomolaiye, 2010). Stakeholder theory helps in understanding the role of all stakeholders and how both organization and stakeholders influence each other (Friedman & Miles, 2002). Identification of stakeholders is very important to an organization; this is because if the stakeholders are not identified stakeholders engagement becomes problematic (Belal, 2002). According to Mitchell, Agle and Wood (1997) for all stakeholders to contribute positively to the development of the organization, they need to be prioritized in terms of their powers to affect the organization action and urgency. This process is referred to as stakeholder mapping. Management function in dealing with the stakeholders involves three stages: stakeholder identification, the development of processes that identify and interpret needs and wants of individuals as well as their interests and also constructing interaction with the complete process planned around objectives of the organization (Baldwin, 2002).

The theory therefore predicts that an organization that not only considers its stakeholders needs in their strategic management process but also meets their expectations is likely to enhance its performance. However, a balance needs to be made to ensure that stakeholders' expectations are in line with the objectives, vision and mission of the organization. According to Freeman (1999), for any manager to maximize shareholders' wealth, five stakeholders' categories need to be taken into consideration, namely: shareholders, investors, employees, customers and suppliers. According to this theory the most important thing in this theory is stakeholders. The stakeholders determine the direction of the organization.

2.2.2 Resource-Based View

Proponents of the resource-based view state that, the foundation of the organization strategy is formed by its resources but not the environment (Feurer & Chaharbaghi, 1995). According to Wernerfelt (1984) the core principle of this theory is that, “the basis of a competitive advantage of an organization lies in the application of the bundle of valuable resources at the organization’s disposal”. According to Wernerfelt (1984), the resources are the tangible and non-tangible assets that help the organization with a competitive advantage above the competitors.

The resource-based view seeks to explain the reason as to why organizations in the same industry may perform better than the others (Wernerfelt, 1984). According to Hitt et al. (2005) resources can be described in three groups: human, physical and organizational capital which comprise of employees skills, finances and capital equipment. Basis of a strategy is determined by firm’s unique resources.

According to Ainuddin et al. (2007) some of the resources owned and controlled by the organization can create a competitive advantage which leads to superior firm performance. Through Resource-based view, the organization is in position to deploy its internal resources and hence develop a unique capability enabling the organization performance to increase. Internal factors like effective management of resources, great relationship with stakeholders and culture can lead to competitive advantage and accomplishment of organizations objectives (Ayuso et al., 2011).

2.2.3 Organization Development Theory

Organization development is explained in behavioral sciences to be any process or action that can enhance outcomes in an organization either primarily or in the long term. These outcomes include expertise, productivity, satisfaction, income, interpersonal relationships, and other desired outcomes that may be for personal gain or benefit organizations, communities, nations or ultimately humanity (Mclean & Mclean, 2001)

According to Scholes (2006) Organizational development entails a body of knowledge and practice that improves the performance of an organizational as well as facilitation of individual development, viewing an organization to be a complex system existing as part of other systems forming a larger system, each characterized by unique attributes and levels of alignment.

Battelle (2007) defines organization development as a systematic learning and development strategy intended to change the basic beliefs, attitude and structure of the current organization to better absorb changes in the business environment. Organization development theorists and practitioners define it in various ways. Its multiplicity of definitions reflects the complexity of the discipline and according to Scholes (2006) is responsible for its lack of understanding. He however warns that the primary purpose of organization development is to develop the organization to train or develop the various stakeholders involved.

2.3 Stakeholder Involvement and Service Delivery

Formulation of strategies can be done while putting into consideration important factors such as resources or capabilities, SWOT assessments, new values, and stakeholders. Stakeholder demands play a vital role because in the current business environment, most businesses are challenged with powerful stakeholders having diverse objectives (Lipineux, 2005). Lapenu and Pierret (2005) presents that the benefits of effectively engaging dialogue with the stakeholder during early stages include mutual understanding of expected outcomes and interests in launched project, timely identification and resolving of issues that are likely to arise thus preventing costly occurrences in time and cost.

Establishing a common agreement ensures minimization of surprises and offer greater acceptance levels within the team carrying out and handling the project, the expected client and participating stakeholders. In addition, inclusion of relevant stakeholders provides more credibility and makes the initiative more attractive for investors and financiers.

Considerations should always be made regarding providing mentorship to stakeholders willing to take part in the planning council or workgroups. This ensures meaningful participation standards are met because they are well-informed and knowledgeable observers, thus providing meaningful criticisms to the organizations efforts and eventually becoming agents of positive change. Experiences from field researches have established that there was higher success experienced in development projects where there was active involvement of the local people.

Active participation resulted to skill development and improved competencies of local people, which could be put into use in other community developments in the future, and could be applied in different capacities in the lives of the people (Liffman, 2008). However, it is not enough for the community to just participate, it is very important that they also live up to expectations. This is partly attributed to definition hurdles where there is a clash on the ways of understanding of community participation in different settings. Becker & Green, (2002), opined that because implementation gives the stakeholders a high extent of feedback information, performance is also increased.

The effectiveness of service delivery depends on the strength of the evaluation process. As observed earlier, a budget is formed to obtain certain intended functional effects (Ostman, 2000). In this study, a good evaluation and monitoring process was intended to achieve, among others, budget accuracy (realization) and improved service delivery. Therefore, accuracy is evaluated according to the effects that arise from the initial plan (Samuelson, 2003). But for systems to be effective, supportive instructional structures for reporting should be in place. Key structures for reporting include full stakeholder participation, accounting information systems, human resource development system, performance management systems; all aimed at improving service delivery.

Research by Edelenbos and Klijn (2006) point out that involvement of stakeholders provides quality input leads in terms of creativity thereby leading to quality decision-making. It also gives stakeholders greater satisfaction and the chances of successful implementation increases as the stakeholders become more committed to the plan since they feel what is implemented reflects their true aspirations.

Lynch (2012) advises organizations not to involve stakeholders just as a “public relations” activity but to have it ingrained in the stakeholders due to the value they add to the strategy formulation and implementation process. The complexity of the stakeholders’ web calls for a thorough understanding of the environment that the strategies are implemented in and this can only be understood in depth by the people who are affected or not affected directly by the strategies. Laine and Vaara (2007) observe that lack of participation may not always be a problem in an organization but it may create problems during the implementation stage.

Results from Paris (2003) concluded that involving stakeholders at the initial stages of strategy formulation leads to better service delivery. DFID (1995) outlines the importance of considering the quantitative, qualitative and time dimensions of participation. The qualitative dimensions of involvement should also be evaluated as performance is dependent on empowering participants to take on greater responsibility and control.

2.4 Empirical Studies and Research Gap

A study was conducted on the National Social Security Fund’s degree of involving stakeholders in formulating and implementing of strategies (Mwikuyu, 2009). The employment of an interview guide for the responses of the respondents was to obtain from them comprehensive information. Heads of department, altogether stationed in Nairobi, Kenya at the headquarters were the target of the study. Planning of strategies is a common practice for many departments and analysis of stakeholders for determination of the interests of different stakeholders as discovered from outcomes of the study.

Many departments include stakeholders in formulating and implementing of their strategies and the extent of involvement of many of the stakeholders is determined by a number of issues as proved by the research. Involving of stakeholders in formulating of strategy in state corporations of Kenya was studied (Owuor, 2011). The research depended on data that was key and sourced from a questionnaire that combined questions that were inclusively open and closed. 50 senior and middle level managers unsystematically selected from corporations of the state were targeted by administering a survey form which combined questions that were open and closed ended. Results of the study disclosed that many of the corporations of the state engaged in planning of strategies with a considerable proportion not involving their stakeholders considerably.

A research was conducted that aimed at determining and pinpointing the degree of involving stakeholders in the process of strategies formulation at the land, housing and urban development Ministry and to determine the Ministry's performance as a consequence of external stakeholders' participation (Obonyo, 2013). The method used in the research was interviews of the Ministry's team of senior management that. The study found that positive outcomes were the results of the Ministry's involving of stakeholders in the process of strategies formulation which include the public's low resistance to implementation of strategies resulting from stakeholders' minimal resistance, reduced process time for execution of strategy, and enhanced collaboration brought about legislation.

Osano (2013) did a study on the extent of stakeholder involvement in the strategic management process in health-based non-governmental organizations in Nairobi County, Kenya. The findings revealed that health-based non-governmental organizations in Nairobi engage stakeholders to a great extent before any decisions or policies are made but they do not involve them in assessment of the strategic management process.

A research was carried out on Tullow Oil, Kenya aimed at determining participation of stakeholders in the actualization of the objectives of strategies (Lomunan, 2014). The study's objective is establishment of the involvement of stakeholders in the process of strategies formulation and actualization of objectives of strategies. A methodology adopted in research design was used with data collection with the researcher holding one on one interviews. The interviewer employed a guide on interviews on five respondents after targeting six primarily gotten from the company's management from the middle and top level. Increase in efficiency and minimal costs in operations that resulted from collaboration on a greater scale and minimum disagreements among stakeholders were all benefits of appropriate involvement of stakeholders as the research discovered.

According to Macharia (2011) the organization is established as a central point for a web of stakeholders, a multifaceted structure for service exchange, influence, information and a number of other resources. Fruitful participation of stakeholders promotes strategic partnership development, leads to solving of problems in a cooperation which eventually leads to decisions being supported across board. The exhortation of the research to the schools' managements is the continual involvement of stakeholders in implementation of their strategies for their goals to be attained continually.

The level of influence that stakeholders have in service delivery has been largely discussed by various researchers. All point out the importance of involving stakeholders in organization and planning mainly due to their contribution towards the success of the projects thus leading to provision of superior service. Although these studies offer insight on stakeholder involvement in organization and planning, there are various research gaps that can be identified.

Some of the conceptual gaps were the studies focused on strategy and performance. Other studies were on stakeholders' participation and management in strategy implementation which is different from stakeholder involvement but none of the studies have been done on stakeholders' involvement in service delivery on provision of affordable housing by NHC. The independent variable or predictor is stakeholder involvement at different levels while service delivery is the dependent variable measured under different dimensions.

The study therefore entailed undertaking an empirical study to establish the extent to which stakeholders were involved in facilitating provision of affordable housing by NHC.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section presented the plan through which the objective of the study was met. It entailed the research design, being the approach that the study took in meeting its objective. The chapter also presented the study population being the total number of units of analysis, data collection being the manner in which the requisite data on each variable was obtained.

The chapter also discussed methods and tools to be used in collecting data for this study which included primary data. The research problem analyzed was the role of stakeholder involvement and service delivery in the provision of affordable housing by National Housing Corporation in Kenya.

The chapter also addressed the data analysis techniques used in this research where data analysis referred to the way through which the data collected was processed and analyzed for purposes of drawing conclusions about the study. The analysis of the data gathered was through content analysis.

3.2 Research design

According to Denvir & Miller (2013), a research design is viewed to provide the bond that holds a project together. A research design is used to provide structure to the research, indicating how major chapters included in the project, which includes sample chosen or groups targeted, metrics employed, designs or strategies as well as methods of assignment work together in an attempt to answer the questions in the research.

The research design for this study was a case study. Presentations by Mugenda and Mugenda (2003) explained a case study to be in-depth exploration of a character, organization or phenomenon. It is a cautious and absolute assessment of an institution social unit, family, cultural groups or the community in its entirety.(Kothari, 2004). Sirya (2010) and Kinuu et al., (2012) have for instance successfully adopted this type of research design.

A case study was suitable for this study as it helped in gathering relevant data that describe relationships and events which were instrumental in answering the questions addressing the research problem. This research was focusing on the role of stakeholder involvement in service delivery in providing affordable housing by NHC in Kenya hence a case study was considered more fitting to achieve the stated objective.

3.3 Data Collection

Data collection referred to the methods employed to collect the necessary information in a well and organized form that allowed one to respond to important questions and evaluate the outcome (Burns & Groove, 2003). There exist two types of data that is primary data and secondary data. Primary data refers to firsthand information collected directly from the respondents. It can be categorized as either experimental or non-experimental research.

Secondary data on the other hand refers to information collected from existing sources. This study involved primary data collection method. Primary data was collected using an interview guide. The interview guide contained open ended questions which ensured the information obtained from the respondents was relevant to the research objective (Weiss,1994).

Personal interviews obtain in depth information as the researcher can adapt the questions as necessary, clarify doubts and ensure that the responses are properly understood by rephrasing or repeating the questions thus improving the quality of the information received (Cozby, 2005). The interview guide was administered to the executives and heads of departments in NHC.

3.4 Data Analysis

Data analysis was a term that was used to refer to categorizing, ordering, manipulating and summarizing data in the effort to generate answers to objectives being researched. It entailed data clean up and explanation. Data cleanup involved editing, coding and tabulation of the gathered information to identify any inconsistencies in the replies as well as codify the responses in readiness for further analysis. The coded data was then checked for any errors and omissions (Cooper and Schindler, 2003).

The purpose of the analysis was to obtain meaning from information collected. This study yielded qualitative data which was analyzed qualitatively. Analysis of the data collected was done qualitatively by use of content analysis. Content analysis involved a procedure of analyzing content of journal, books, newspapers and any other verbal materials whether printed or spoken (Kothari, 2004). Content analysis was used to identify similar themes, as captured in the interview.

The findings from the analysis were used to examine the role that stakeholders play in service delivery in the provision of affordable housing by the National Housing Corporation in Kenya, thus enabling the researcher to draw conclusions as well as give recommendations based on the findings.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND DISCUSSION

4.1 Introduction

The research objective was to ascertain the role of stakeholder involvement in service delivery in providing affordable housing by the National Housing Corporation in Kenya and also to establish the extent to which stakeholders are involved in service delivery by the corporation.

In this chapter, the analyzed data was presented together with the relevant interpretations. Findings were presented in three parts: General information on respondents, information relating to the stakeholder involvement and its influence on service delivery with regards to provision of affordable housing by NHC.

The chapter also presented the discussion of the research findings where the results were linked to previous and also current studies. This facilitated comparison between the findings of the relevant researches that were reviewed and the findings of this study thus resulting to better comprehension of the research outcome.

4.2 Respondents Profile

This section of the interview guide sought to establish the targeted respondent's academic as well as professional qualifications. In addition, their work experiences were also to be established. From their academic qualification backgrounds as well as work experience, the researcher was able to assess their capacity to answer ably questions on the role of stakeholders' involvement in provision of affordable housing by the National Housing Corporation in Kenya.

The respondents comprised the top and middle level managers in the Corporation. In total, the researcher interviewed 6 respondents out of the intended 10 respondents. A large size of the respondents was targeted because the corporate structure and function requires that various departments work with different stakeholders to facilitate achievement of the goals set of providing affordable housing by the corporation. The departments include Human resources department, the library, the business development department, corporate services department, the finance department and also the managing director's office.

Responses from the interviewees indicated that all the respondents had at least a first degree from various fields such as land economics, business courses, urban planning and housing. With such academic and professional backgrounds, the respondents were deemed capable of analyzing and critically identifying and responding appropriately to the research questions.

The work experience for the respondents ranged from 2 to twenty two years both within the corporation and without. Having worked in various government sectors for such a period, the researcher believed that the respondents had firsthand experience on working with different stakeholders and the role they played in service delivery with regards to provision of affordable housing by the National Housing Corporation. This background indicated that the respondents possessed the relevant knowledgeable regarding the subject under research thus would be of help in achievement of the objective of study.

4.3 Levels of Stakeholder Involvement in the Corporation

This section of the interview guide was intended to establish whether the corporation has any form of engagement with any group of external stakeholders and at what levels and forms the same engagement entailed. On the question of whether the corporation involves other stakeholders in their service delivery processes, all the respondents answered to the affirmative. The respondents noted that as the Corporation gears itself to effectively respond to the changes in the country, it needs to become aware of the ever emerging conditions pertaining in the local and external economy that affected its operations. One of these conditions and partners that were important in the strategic process of the institution were external stakeholders.

The respondents noted that the common groups of stakeholders normally involved in the service delivery processes included the local authorities, Land Commission, private development companies, local communities, various task forces, donors and the investors. The identified stakeholders were involved at different levels in the operations of the corporation. The respondents pointed out that most of the stakeholders were involved in project planning, while others were involved at project implementation as well as monitoring phases. Generally, the respondents observed that the level of engagement in the service delivery process in the Corporation include during, formulation of land related bills, at validation state, projects identification, budgeting and adoption, development and finalization of service delivery plans.

In addition, they noted that some of the stakeholders were involved during identification of customer needs/service requirements for example slum upgrading activities and low-cost housing technologies and also in seeking of policy direction especially in the participatory requirement for land bills formulation. This meant that stakeholders' involvement varied depending on the type of area that they were specialized on as well as area of need.

Another area where the stakeholders were involved in service provision process of the Corporation as identified by the respondents was the planning process and implementation of the national housing agenda unveiled by the government in 2017. They noted that successful planning, implementation and delivery of the affordable housing requires a broad based engagement with many different groups and individuals whose success was dependent on the cooperation of the groups. They gave an example where the constitution currently gave the corporation powers to manage public housing on behalf of the government; a task which the Corporation had previously been entrusted with and which therefore calls for cooperation with the numerous stakeholders for the success of the same objective. In addition, they also noted that the public participates in development of legislation, rules and policy framework to be developed.

On the specific input that these stakeholders bring during service delivery process, the respondents noted that the Corporation had attained a position of leadership in managing stakeholder affairs. To this position, they lay claim to the cordial relationship existing between the Corporation and the stakeholders involved.

The respondents were also to expound on whether the Corporation had a mechanism of dealing with the various groups of stakeholders. To this question, all the respondents indeed said that they had a formal mechanism of dealing with the stakeholders. The presence of such a formal mechanism was advantageous and such position was similar to the one that was propagated by Koppenjan and Klijn (2004) who argued that for a positive relationship to be derived from such a relationship, then there is need of a formal structure. A number of the mechanism used by the Corporation include forming technical working groups comprising of both internal and external stakeholders, holding round table meetings for both external and internal stakeholders, through public awareness campaigns, stakeholder meeting and consultative forums, road shows and many more.

On why they had adopted different mechanism of engagement with the stakeholders, the respondents noted that they had adopted the same to reach and engage as many types of stakeholders as possible. The other mechanisms used by the Corporation to get the inputs of its stakeholders included stakeholder validation and consensus building during project initiation and implementation, Contractual spelled out the roles of stakeholders and the corporation, open and regular consultations and communication; involvement (represented in management committee, and formulation of Steering committees; thematic groups (public/private stakeholders) and public satisfaction surveys. What came out from the level of involvement of these stakeholders was that the various stakeholders were involved at different stages in service delivery process of the Corporation depending on their needs and expertise.

The researcher also sought to establish from the respondents whether this engagement with the stakeholders had in anyway influenced the Corporation service delivery. The answer to the question was to the affirmative and that indeed the Corporation had benefited from the process of involving stakeholders in its processes of service delivery. Three of the respondents noted that in the recent 3 years, the Corporation's service had improved to be customer focused as a result of their engagement and this had led to its ranking to go up the ladder. The realization of the importance of the customer in service delivery and being made the focal point of any service delivery was similarly made by Parasuraman, Zeithaml, Berry (1991).

It was also found that stakeholders were involved greatly during formulation of policies and preparation of the corporation strategic plan for service delivery (2008-2012) where their comments were fully incorporated into the Corporation's documents. Similarly internal stakeholders' views had been incorporated in Corporation's service planning process with regards to budget plans, work plans and outputs. The other area that the researcher sought to find out was how the involvement of stakeholders had affected operations of the Corporation. Majority of the respondents answered to the affirmative that indeed the Corporation's service delivery process had been affected by stakeholder involvement. Several effects were identified and included reduction in the process time for project implementation due to the reduction of resistance by the stakeholders.

The other advantages that accrue to the strategic operations of the Corporation from the cooperation with the stakeholders as identified by the respondents include being able to finance civil servants all over the country utilizing the countrywide branches of its stakeholders. Involvement of stakeholder's especially civil society had helped to ensure that public resources were only channeled towards important activities meant for public good. Scrutiny of the Corporation operations had helped in efficient utilization of resources such that wastage through such actions as corruption and unnecessary expenditure had been continuously scaled down. Further, request for more structured involvement in Corporation policy and legislative process had been institutionalized.

4.4 Effect of Stakeholder Involvement in the Corporation's Performance

This section aimed at establishing the influence of stakeholders on Corporation service delivery. The researcher theorized that if stakeholders are engaged in the service delivery process of an organization or institution, then the same was to be expected to have an effect in the operation of the entity. Hence this section aimed to determine how the same involvement had affected service delivery in the Corporation. All the respondents pointed out that indeed the Corporation's operations had been positively affected by the action of involving stakeholders in the strategic process of the Corporation. Some of the effects that the same engagement had included, helping in buy-in and support of the projects by the public, for example Kibera Slum Upgrading was possible because locals were convinced by their own representatives.

In addition, there was influence of the legislation by the cooperation, service charters as well as the corporation requirements, policies affecting customer care as well as information sharing. Three of the respondents also noted that recent policies and legislation spearheaded by the Corporation had been more acceptable to the public and example of the decentralization of services to the districts as well as the automation of service delivery processes. This acceptance had also helped in marshalling resources by providing funding for moving activities by donors who now felt that the funds were better utilized than before.

The respondents noted that stakeholder involvement had improved relationship with the stakeholders as it had led to the establishment of a secretariat dealing with policy planning and research in order to assist in coordination of policy development, monitoring and evaluation programs and performance contracting process. The involvement also led to establishment of a gender office whose mandate was to coordinate the implementation and cascading of the housing policies especially where ownership was involved.

Another example where stakeholder involvement was of assistance to the Corporation was the establishment of a vibrant audit where internal audit committee was established to compile periodic audit reports and advise the senior Corporation officials on the appropriate intervention measures, conducting regular audit inspections in the decentralized units, sensitization of heads of service areas on new audit approaches, development of the fraud prevention policy; development of the internal audit charter, review of internal audit manual; and review of the internal audit guide.

Another area in which the operations of the Corporation had been affected through stakeholder involvement was the problem solving capacity of the Corporation. The respondents noted that it made the service delivery process easy because the stakeholders have been involved since strategic planning. In addition, some of the stakeholders were able to advise on somewhat complex scenarios which the Corporation on its own with the competency lacking will have had problems or consumed more time to accomplish the task at hand.

The recent policies and legislation spearheaded by the Corporation has been more acceptable to the public since their inputs were incorporated from the beginning. According to Porter (1985), a firm's sustenance can be attributed to its ability to continuously improve its operations. In this regard, the researcher also sought to establish from the respondents how stakeholder involvement had influenced the Corporation's level of continuous improvement. On this question, the researcher observed that indeed the operations of the corporation had improved as a result of this collaboration. The stages of processing titles deeds had reduced drastically meaning that the Corporation satisfied the needs of its customers faster enough than if the same collaboration with the various stakeholders had not been present.

Another instance where stakeholder involvement helped in the organization's performance was the multi-stakeholder forum in slum upgrading department that led to the formulation of slum prevention policy that is currently on-going that has resulted on establishment of Appropriate Building Technology (ABT) centers whereby local residents identify and provide land making it possible for the Corporation to establish more areas where such a need exist.

According to Rowley (2009), stakeholder involvement also comes about with challenges and the organization will need to identify the ones that will be beneficial to it and those that will affect its operations and be able to take the appropriate action. Towards this end, the researcher also sought to establish from the respondents whether, there are challenges that have been brought about by the involvement of the stakeholders in the service delivery process of the Corporation.

The respondents were able to identify several instances where stakeholder involvement had brought about a sub optimal results in the performance of the Corporation. Disagreements on the mandate had come about due to the stakeholder involvement and thus led to competing interests among various stakeholders. Further, it was noted that some stakeholders wanted to push forward strategic areas beneficial to them without necessarily considering the public good. Consultation with the many stakeholders was also cited as a time consuming exercise and also a drain on the limited resources available. Examples given on this was world urban forums and Habitat days sponsored by the Corporation.

Stakeholder involvement probably led to the desired results because possible gaps existed between the expectations of this collaboration and what actually was present in the current arrangement. They noted that most stakeholders from outside were unaware of the Government procedures and wanted to overlook them which according to the government officials was not good. It was also observed that there was need to enhance the sharing of vital information between the Corporation and stakeholders through the process of widening the level of participation of the stakeholders.

It was noted that at times participation was limited to a few stakeholders who may not represent a wider public and this at times led to clear misunderstanding of the real problem. It also came out that there existed a communication gap between stakeholders and the senior officers and this could only be reduced through establishment of a structured communication structure.

The other area that the researcher sought to establish was whether the stakeholder involvement in the Corporation had been able to realize the intended results. On this question, the respondents' answers were varied. Majority of the respondents suggested that indeed the collaboration had improved the performance of the Corporation while a smaller group of the respondents noted that further collaboration was needed to build on what had already been achieved. This was because they pointed out that in some cases, the results had been positive and there was need of continued improvement while in some cases, there had been a pull and push relationship which led to a sub optimal results.

4.5 Discussion

Institutions and organizations in the present day business environment are interlinked with the power of government regulations and information technology affect and is affected by other market parameters. It therefore implies that the evolvement of corporate management will depend on the new environmental requirements. The Corporation was found to be cognizant of this environmental effect and as a result it aligned its strategies with the demands of the stakeholders. This position is found to be in line with the position held by Elbanna (2006) who advocated the strategies of a firm to be in alignment with ever changing corporate goals that are increasingly dependent on business environments.

The Corporation stakeholder partnership involved encouragement of collaborative problem solving and seeking of broader for decisions support before implementing a particular strategy. This consensus building on strategies was also supported by Elbana (2006). Stakeholder's theory states that in order for organizations to succeed and be sustainable over time, executives must keep the interests of stakeholders aligned and going in the same direction (Freeman, 2004). The prominent way in which the stakeholders are involved is through consultations and involvements in the service planning and delivery process.

From where the views and interests of the stakeholders were noted, used and incorporated in the service delivery process before it being rolled out to make them aligned. In this process stakeholders are involved, their views collected on the service delivery strategy and implemented based on the views of the stakeholders. This approach agrees with those of Adesse (2008) who pointed out that occurrence of alterations would result to the stakeholders being involved to give their input on the way forward.

The study established the presence of stakeholder involvement at different levels in the service delivery process in the Corporation ranging from strategy formulation to implementation. The level of engagement in the service delivery process in the Corporation varies depending on the type of area that the various stakeholders are specialized on as well as area of need. As Lapenu and Pierret (2005) observed, for effective results to be realized from the process, stakeholder involvement should always be viewed as an integral part of a stepwise process of decision making.

Specific involvement initiatives may be seen as part of an ongoing relationship among the different societal partners who are concerned by issues and should not be viewed as convenient tool for “public relations”, image-building, or winning acceptance for a decision taken behind closed doors.

Further, the study established that stakeholder involvement in service delivery positively affected the corporation’s performance. The interviewees indicated that the stakeholders provided invaluable contributions that informed the firm’s service delivery activities by positively criticizing ideas as well as decisions fronted by management’s, instrumental submissions on initiatives that strategically enhance the performance of the firm, availing necessary resources essential for the effective implementation of strategy and also helpful feedback on the analysis of threats and opportunities that exist in the market. This implied that the organization’s management took seriously service delivery practices and that involving stakeholders in the management of strategy was an important aspect that affected the organization’s performance. The findings were in line with Porter (2004) who argued that strategic management enables organizations view matters linked to its performance from an angle of competitive advantage.

For that reason, putting into consideration the complexity, dynamism and competitiveness of the business environment, organizations need to employ strategic management practices in order to gain a strategic position. The findings also concurred with Makaa (2013) who focused on strategic management at Group 4 Security Services (K) Limited and observed that G4S (K) Ltd has had remarkable financial growth with regards to profits, revenue and their share of the market due to continuous adoption of strategic management programs.

The interviewees indicated that stakeholder involvement in service delivery had helped improve performance of the organization as stakeholders' contributions and suggestions played a part in making decisions regarding critical areas such as strategic alliances, financing, expansion, investment, restructuring and company management. This implied that stakeholder involvement in service delivery process had significant effect on the firm's performance through the outcome of the decisions made by the stakeholders in the company's meetings.

The findings agreed with Kasimbu (2010) who observed that the participating stakeholders were allowed to have a say and table their ideas during service planning process. The stakeholders could also assess as well as review tabled ideas before a joint decision is reached at all stages of a project. The findings were also consistent with Hitt et al. (1999) who opined that the concept of stakeholder involvement is based on the belief that when stakeholders are meaningfully involved in an activity the benefits for the organization and the stakeholders tend to be greater than if they had not been involved.

The study findings also revealed that the interviewees indicated that some of the benefits that accrued to NHC from involving stakeholders in the organization's strategic management process included obtaining clarity with regards to the direction the organization intends to follow, consistent decision making in the organization, being able to handle market dynamics more effectively, improved coordination of firms' activities, more structured and effective communication between the different stakeholders, improved efficiency in operations and employees being more productive, Managing operational costs better, creating products and services that are more innovative, better

quality of offered products and services, growth of firms' output, improved utilization of resources and heightened ability of handling the growing competition in the market.

This implied that involving stakeholders in the organization's Service strategy contributed many benefits which resulted to the enhancement of its performance. The findings were in agreement with David (2005) who observed that strategic management has been widely embraced by organizations all over the world in pursuit of achieving efficiency and effectiveness that ultimately leads to competitive advantage over competitors as well as enabling the firms resolve issues to do with disparity between firms' output and market demand. On his part, Liu (2011) argued that objectives are vital to an organization's success because they provide direction, aid in evaluation, create organizational synergy, reveal priorities, allow coordination and better communication and are essential for the successful management of organizations.

The study also found out that stakeholder trainings prepare the stakeholders to know how to approach their participative role in regards to contributing to the service delivery process at NHC which enhances the process. It was established that good training helped the stakeholders understand the service delivery processes in the organization and also understand their role in the process. This has ensured success in service delivery. It was also reported that early training allowed the managers to get the feedback on the impact of the training and make adjustments to the service delivery process. Lastly, the respondents pointed out that trainings and workshops gave the employees new skills necessary to handle the other task as well as their interaction process.

The findings also agreed with Wheelen and Hunger (2008) who argued that today's business operating environment is rapidly changing and this change is attributable to various factors such as globalization, changing customer and investor demands, ever-increasing product-market competition and changing legal and economic policies within the different economies and to compete successfully in this environment, organizations continually need to improve their performance by reducing cost, innovating products and processes and improving quality, productivity and speed to market.

The stakeholder involvement in the Corporation has had several effects on the service delivery process and these effects include reduction in the process time for implementation of plans and projects due to the reduction of resistance by the stakeholders, shaping up the reforms in the Corporation such information management and development of strategies/interventions to combat corruption & poor service delivery.

The study findings also indicated that the interviewees indicated that the organization could adopt several means to make sure their stakeholder involvement is effective with regards to delivery of quality service including ensuring on time, precise and current communication with the firm's stakeholders regarding matters that affect the organization, bringing stakeholders together in meetings and forums so as to make contributions to the formulation of service strategy and also coming up with means of implementing the strategy, setting of firms' goals and objectives which are clear and can be achieved, allocation of sufficient funds needed for supporting implementation of strategy and also ensuring provision of timely feedback to the firms' stakeholders regarding results of implementation of strategy.

The implication of this is that organizations can employ various means to guarantee effective involvement of stakeholders. The findings were in agreement with Schwenk and Shrader (2003) who argued that management of strategy plays a big role on organizational performance where it generates pertinent information, which facilitates improved comprehension of the operating environment and reducing ambiguity. The findings also agreed with Euro found (2009) that asserts that successful strategic management implementation leads to action, builds a shared vision that is value based, it's an inclusive participatory process in which board and staffs take on a shared ownership, accepts accountability for actions and is externally focused and sensitive to the environment.

The study findings showed that the interviewees agreed that their organization's goals were translated into targets that could be measured in terms of volume produced and sold, the organizations' share in the market, the rate of organization's growth and the resulting profitability in the course of formulation of service strategy. The interviewees explained that their organization was keen to express the firms' objectives by breaking them down into measurable targets of performance in order to provide the different stakeholders yardsticks on which to gauge the firms' performance against. This indicated there being a similarity between organizational objectives with the organization's performance targets.

The findings concurred with David (2009) and Miller (1988) both of whom noted that performance measurement is critical in conducting business since it enables accurate assessment of the accomplishment of essential company goals and also sets the capacity and track of potential acts of advancement. Gauging performance can either be

qualitative or quantitative entailing analyzing of a firm's financial performance as well as operational performance.

CHAPTER FIVE:

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

Organizations of all types and nature have found it necessary to engage in stakeholders their service delivery processes in order to deliver on their goals efficiently and effectively. The objective which was to establish stakeholder involvement in service delivery in the provision of affordable housing by National Housing Corporation in Kenya.

This chapter addressed the summary of findings as analyzed in the previous chapter, conclusions arrived at which were based on the findings as well as the recommendations made from the study. The chapter also discussed the limitations faced in the course of this research and also suggested areas that can be researched further.

The findings were presented in respect to the main objective which was to establish stakeholder involvement in service delivery in the provision of affordable housing by National Housing Corporation in Kenya.

5.2 Summary

The main objectives of the study was to establish the effects of stakeholder involvement in service delivery in the provision of affordable housing by National Housing Corporation in Kenya. The study revealed that there is an important awareness of the role of stakeholders in the service delivery in National Housing Corporation. The knowledge about the operations and mandate of the corporation was exhibited by the respondents by virtue of all of them having worked in the institution for more than two years.

In addition, the respondents were found to be well versed with the subject matter of the study and had all solid academic background having attained a first degree. As a result of the above, the researcher felt that the results obtained from the respondents reflects the true position as in the Corporation. Regarding stakeholder involvement, results of study revealed that the corporation worked with various stakeholders who were involved at different levels in the service delivery process of the Corporation ranging from strategy formulation to implementation. The level of engagement in the service delivery process in the Corporation varies and therefore this means that the level of involvement varies depending on the type of area that the various stakeholders are specialized on as well as area of need. The engagement consisted of a formal process and a number of formal mechanisms of dealing with the stakeholders exist. These formal mechanisms include forming technical working groups comprising of both internal and external stakeholders, holding round table meetings for both external and internal stakeholders, through public awareness campaigns, stakeholder meeting and consultative forums.

With regard to the role of stakeholders the findings revealed that internal stakeholders accounted for specific project planning activities that needed to participate in certain activities. Most of the external stakeholders were groups outside the corporation who were not directly working in National Housing Corporation, however, they were affected by the decisions of the organization for example customers, suppliers, creditors, community, trade unions, and other government agencies. This was in agreement with the arguments rose by Scott and Lane (2000) who indicated that external stakeholders play an important part in strategy implementation of the organization however their interests with that of internal stakeholders may be different.

The study further revealed that some of the stakeholders engaging with the corporation had an obligation to understand the corporation's objectives and to be well informed of the company operations to ensure that the dialogue is constructive. It was clear that the stakeholders clearly understood all the processes of strategy implementation by NHC since they were highly involved in the processes of decision making. The study discovered that the Corporation used a participatory effort that involved representation of as various stakeholders, a strategy that could have resulted in many critical benefits namely: having much more ideas presented as compared to if the efforts on development and implementation were confined to a limited group of people with like minds.

The study further confirmed that many stakeholders were resourceful in making key decisions in the corporation since the corporation was able to get support from all stakeholders through placing them as important element of its processes in development, planning, implementation, and also evaluation. NHC committees made decisions on the stakeholders to be involved in the service delivery process in order to achieve the organizational goals. This was achieved through developing an outline of the service plan, the implementers and the budget to execute the plan. This outline acted as a guide on how the process of implementation of the project was to be executed in time and cost.

The findings also proved that stakeholders were engaged at different levels in their Service delivery process. The study also found that stakeholder involvement was a key ingredient towards achieving organizational strategic goals. According to the findings, better stakeholder involvement led to increased efficiency and cost reductions which were essential components in achieving organizational strategic objectives.

The stakeholder involvement in the Corporation had several effects on the service delivery process and these included reduction in the process time for service delivery due to the reduction of resistance by the stakeholders, shaping up the reforms in the Corporation such as information management and development of strategies/interventions to combat corruption & poor service delivery. The other consequence of the stakeholder engagement in service delivery identified included helping in buy-in and support of the projects by the public. In addition, the cooperation had impacted the running, service charters and necessities of the Corporation, policies in customer care as well as sharing of information.

5.3 Conclusion

From the research findings, some conclusions can be made about the study: The service process of an organization is an important step towards the realization of the organizations objective. From the findings, it was established that the service delivery process in the Corporation is an all-inclusive exercise where both internal and external stakeholders are involved.

Organizations ought to consider the needs, interests and influences of peoples and groups who either impact on or may be impacted by its policies and operations. Therefore policies that are stakeholder-oriented are acceptable where it is assumed they are informed by sincere benefits with regards to organizational undertakings which ought to be considered by executives. Therefore managers should consider the interest and the influence of these stakeholders during the development and implementation service delivery plans.

It is expected that in the present day open society, the role of stakeholders in the implementation of an organization's service strategy will grow in importance due to public interest, greater coverage by the media and also concerns about corporate governance. Greater input from a variety of parties generates a variety of ideas and potentially enriches the service delivery process of an institution substance. Greater input does not guarantee good outcomes since it is possible for good outcomes to be realized with less variety of the stakeholders. 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 a company stays 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 service delivery process and to achieve legitimacy and good reputations.

5.4 Recommendations

This study found that stakeholder involvement had a positive effect in service delivery in provision of affordable housing by the National Housing Corporation thus recommends that the government directs more resources to the financing of the stakeholder involvement of the various Ministries due to their many beneficial effects. Currently, the government provides funds that do not meet its requirements. The important role being played by various external stakeholders need to be highlighted and the critical role they facilitate in the realization of the organizations objective need also to be clarified.

Secondly, the study found out that it might be difficult to meet the demands of all the stakeholders. It is therefore recommended that a firm establishes the demands that it will be able to fulfill and also in line with its strategic objectives the institutions should be wary of external stakeholders with excessive demands that might not be met and in such cases the management of the Corporation should be wary of such stakeholders when dealing with them.

Finally, the study found out that there is less resistance by the stakeholders when they take part in service delivery process. It was therefore recommended that to reduce the level of resistance, institutions should consider making it a policy to incorporate the views of appropriate stakeholders where consensus is necessary

5.5 Limitations of the Study

One of the limitations faced in the course of this research was the difficulty faced in trying to convince the information bearers to share the relevant information critical for this study. Government corporations operate under very stringent policies regarding confidentiality which is aimed to protect any unsanctioned admission of classified information. Majority of the respondents consented to partake after assurances that disclosed information would not to be disclosed to any third party and would only be used for academic purposes.

The approval process to collect data is also very lengthy thus time challenges were also encountered. The researcher managed to convince the responsible persons to fasten the process. Movement to and from in the effort of following up with the persons of interest was also a challenge given that the bearers of the information were very busy and getting them to give the information was a challenge.

The study was limited by the busy schedule of the interviewees which affected the pace of data collection. However, the researcher managed to overcome this limitation by making courtesy calls to the respondents to inquire their schedules and book appointments with them when they were not fully occupied with office work. This made the researcher to plan and execute the interviews successfully.

5.6 Area for further research

The study confined itself to the National Housing Corporation. This research should therefore be replicated in other Ministries so as to establish the extent to which the stakeholders' involvement influences their strategic process and the results to be compared so as to make a decisive conclusion regarding the involvement of stakeholders in strategic process of an organization. Comparisons can then be made between the findings to ascertain if there is existence of any major commonalities or unique factors.

It is suggested that a correlation analysis is conducted to establish quantitatively how stakeholder involvement relates with service delivery not only in the governmental organizations but also in other formal service provision entities. This quantitative supplementation is set to strengthen this study's qualitative findings while analyzing cause-effect relationships between the variables under study.

The researcher also suggests that a study should be done on the challenges that hinder stakeholder involvement in strategic management among firms in Kenya. The study is set to shade more light on stakeholder involvement in strategic management process among firms as well as try to find workable solutions to the challenges that will be found to exist thus making the process more efficient.

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APPENDICES

Appendix I: Interview Guide

The interview guide will seek to achieve the following objectives;

- i. To identify the extent of stakeholder involvement in service delivery by the National Housing Corporation
- ii. To establish the effect of stakeholder involvement in service delivery of affordable housing by National Housing Corporation

Respondent Background Review

1. What is your highest level of education?
2. For how long have you worked in the Corporation?
3. For how long have you been holding the current position in the Corporation?

Part A: Stakeholder Involvement

1. As a corporation, do you involve both internal and external stakeholders in your service provision processes?
2. If yes, at what level of strategic process do you require their input? What are some of the areas that they are involved?
3. Does the corporation have a mechanism of dealing with both internal and external stakeholders? If yes, what are some of the mechanisms?
4. Have the external stakeholders influenced in anyway your service provision process as a corporation? Please expound on your answer.
5. At what levels do you involve stakeholders? Social, cultural or economic conditions that affect the stakeholder?
6. How important are the views of external stakeholders in the development of strategies in the corporation?
7. Have the external stakeholders influenced the service operations of the corporation? How have they made the same?

Part B: Effect of Stakeholder Involvement in Service Provision

8. Has stakeholder involvement in any way affected your corporation's service delivery? Please expound.
9. How has your collaborative problem solving been influenced through involvement of stakeholders in your service delivery process?
10. Has a broader support been achieved in service delivery process as a result of involving the stakeholders?
11. How has the involvement brought about the continuous improvement in your development activities? Would you please provide some of the examples of improvement?
12. What are some of strengths and weakness of the current corporation's stakeholder's involvement its strategic process?
13. What are some of positive attributes that have arisen from the stakeholder involvement in the corporations' business processes?
14. What are some of the negative attributes from the same stakeholder involvement at the corporation?
15. What gap exists between the stakeholder involvement required to enhance the Corporations' performance and that perceived by senior officers and the actual situation in the corporation?
16. While implementing the stakeholder involvement process has the results required to enhance the corporation performance been achieved?

Appendix: II: Reference Letter



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE 13th Nov 2018

TO WHOM IT MAY CONCERN

The bearer of this letter GRACE MURITHIKA

Registration No. D.G.1/87390/2016

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.



PROF. JAMES M. NJIHIA
DEAN, SCHOOL OF BUSINESS

Appendix III: Request Letter for Data Collection

Grace Musyoka
23rd November 2018

To the Managing Director,
National Housing Corporation,
P.O Box 3025-00100,
Nairobi, Kenya.



Handwritten notes:
11/11/2018
28/11/2018
29/11/2018
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1/12/2018
2/12/2018
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24/12/2018
25/12/2018
26/12/2018
27/12/2018
28/12/2018
29/12/2018
30/12/2018
31/12/2018

Dear Sir/Madam,

REF: REQUEST TO COLLECT DATA FOR ACADEMIC PURPOSES.

I am a graduate student undertaking a Master's degree in Business Administration at University of Nairobi (UON). As part of my course work, I am conducting a study on **Effects of Stakeholder Involvement in Service Delivery in Provision of Affordable Housing by National Housing Corporation**. I would like to request for permission to collect the necessary information in your organization. The information collected will strictly be confidential and used for academic purposes only. Your assistance will be highly appreciated.

Yours Faithfully,

Grace Musyoka

tel. 0710589863

Appendix IV: Turn It In Report