ASSESSING THE LEVEL OF STAKEHOLDERS' PARTICIPATION IN PROJECT RISK MANAGEMENT IN MINERAL EXPLORATION IN KENYA. A CASE OF TULLOW OIL IN TURKANA COUNTY

BY

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DECLARATION

This research project report is my original work and has not been presented for an award of a Degree/Research in any other university.

Signature.....Date.....19/11/2015.....

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Declaration by the supervisor

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

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DEDICATION

This research project report is dedicated to my beloved daughter Zuri Njeri Kituu.

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ABBREVIATIONS AND ACRONYMS

ASAL	Arid and Semi-Arid Lands
BBL/D	Barrels Per Littre per day
CDC	Center for disease control and prevention
CE	Civic Education
EIA	Environmental Impact assessment
GDP	Gross Domestic Product
GDP	Gross Domestic Products
GOK:	Government of Kenya
MPRM	Mining Project Risk Management
NEMA	National Environmental Management Authority
NPV	Net Present values
PLC	Private limited Company
PMI:	Project Management Institute
SADC	Southern African Development Community
SPSS	Statistical Package for the Social Science
UON	University of Nairobi
USA	United States of America

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ABSTRACT

Active participation of stakeholders in project risk management is essential for any large scale development project. Where the participation of stakeholders is not satisfactory, confusion, uncertainty and in extreme cases civil uprising are normally the outcome. The study sought to assess the level of participation of stakeholders in Project Risk Management .A case of Tullow Oil in Turkana County. The study was guided by four objectives namely; to establish the activities which stakeholders participate in project risk management, to establish the factors that influence the level of participation of stakeholders in project risk management, to assess the contribution of stakeholders towards project risk management and to identify the challenges that affect stakeholder's participation in project risk management.This study usedexploratory researchdesign. The target population of this study comprised of the Community living in Turkana south sub-county, private sector involved in oil. exploration and government Agency. The study used a total sample size of 186 respondents which was determined by use of Fischer equation (n=Z2pq/e2). In addition to this, ten (10) key informants were purposely selected for data triangulation.This study used questionnaires as the data collection instruments. The questionnaire comprised of both open and close ended questions with a threshold coefficient of 0.60 on Cronbach Alpha reliability test. The data was collected using self-administered questionnaires through drop and pick later method where the researcher delivered the questionnaires in person at the respondents' places of work. Before embarking on data analysis, the questionnaires collected from the field were inspected for completeness, coded, and entered into Statistical Package for Social Sciences (SPSS) for analysis. SPSS version 21.0 analysis program was used to analyse the quantitative data while content analysis was used to analyse qualitative data.The key findings were stakeholders' participate actively in project risk management oriented activities which are tagged to a monetary value. The study demonstrate a link between the level of participation and civic responsibility which ensures project stability. The study concluded that there is a positive and significant relationship between the level of participation and security. The more insecurity in the region the less the level of participation in project risk management. Recommendations were that interventions targeting holistic publicity of other project risk management activities other than tendering process should be intensified, the government should scale up security operation in the region to get rid of illegal small arms and light weapon which has pose great security threat and the need for community investment models to prepare the community for natural resource management.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The term 'stakeholder' has a relatively recent history (Pouloudi, 1999) and has become an increasingly popular term in management vocabulary. Freeman (1984), defines stakeholders as any group or individual who can affect, or is affected by, the achievement of the organization's objectives. There are two distinct groups of stakeholders that is internal and external stakeholders. The former have legal contact with the client and those clustered around the client on the demand side and supply side while the latter help to shape the inception and operation of the project such as government regulations, technology and standards (Pokharel, 2011).Different researchers have also defined the concept of stakeholder differently with their own perspectives depending on different views of their roles. For instance, stakeholders have been defined as differently as "groups of constituents who have a legitimate claim on the firm" (Hill & Jones, 1992), "participants in corporate affairs" (Ackoff, 1974), those that "will be directly impacted by the decisions" (Friend &Hickling, 1987), and those who "hold a stake" about the decisions made by the organization (Eden & van der Heijden, 1993; Wagner, 1993).

In the recent past, participation of stakeholders as key actors in project risk management has had a rippling effect on quality and project performance along the entire project cycle and has become a critical tool for the facilitation of development efforts. Various development agencies, governments and Non-governmental organizations have employed participation in its planning and implementation of development interventions. This has been because of the perceived benefits of participation which includes but not limited to improvement of participants' capacities, skills and knowledge due to continues interactions and involvement in various development activities. Participation helps build strategic alliances and networks to support programme and projects implementation. Besides, participation helps improve decisions, development of better policies, plans and programmes that are practicable to local people. It is believed to promote ownership for sustainable development because decisions are taken based on broad consensus. It is most of the time assumed that stakeholders would participate automatically because they understand the benefit of development and the participatory process.

According to Cheung et al (2004), stakeholder's participation can be measured and evaluated using a large number of project risk performance indicators that could be related to various

dimensions (groups) such as time, cost, quality, client satisfaction, client changes, business performance, health and safety. Generally, project risk dimensions may have one or more indicators, and could be influenced by various project characteristics.

In Africa, holistic involvement model of stakeholders in project associated with in mineral exploration has often been associated with fraud, corruption and civil unrest as is the case of Niger Delta, South Sudan, Libya and South Africa because of the unmanageable interest groups as the minerals account for 22 percent to 90 percent of the Gross Domestic Products (GDP) and a major direct foreign exchange earner (Chapagain et al., 2006).

The focus of this research paper therefore, was in Turkana county which is the poorest region of Kenya and where most of the population is dependent on food aid and scarce water resources has considerable prospects of oil and gas.

Oil exploration in the county began in late 2012 and raised hopes of a rebirth for the community. In as early November 2013, protests by local residents forced a two-week shutdown of Tullow Oil's operations in Turkana which resulted to over 300million net loses. The locals many of whom were affected or displaced by the drilling operations protested the lack of a community investment model developed mutually and publically, lack of employment and lack of inclusivity in the project. After the protest, Tullow Oil, the British company that started drilling this arid land and the Ministry of Energy signed a Memorandum of Understanding (MoU). The agreement resulted in the company's doubling its annual social investments to Sh340 million (2.9 million Euros) in exchange for more government security and stakeholder involvement. However, most of the citizens who participated in the protests have no idea whether the contents of the confidential document satisfy their demands.

Despite, Tullow Oil employing some locals from Turkana, the Kenyan region with the worst unemployment rates, and provides some scholarships. There is a constant narrative that, the community is unprepared to formulate their demands adequately as the county government has not taken the initiative and there are no collective bargaining mechanisms in place for the community besides community advisory boards set up by Tullow itself and local civil society leaders said are not representative and are easily manipulated. It is therefore, imperative for the community to be provided with knowledge on their rights with a clear focus on helping them seek compensation if mining companies displaced them from their grazing areas, their roles in the project and training to protect themselves from upcoming hazards from the oil resources.

With this backdrop, this study therefore seeks to assess the level of stakeholder's participation in project risk management.

1.2 Statement to the Problem

Oil exploration and subsequent production in Kenya is seen as one of the ways that will ensure not only ensures economic development but also achievement of Vision 2030 blue print. Scholastic studies by (Ei-Gohary et al., 2006; Yang et al., 2009; Yang et al., 2010; Smude and Courtright, 2011; Boon et al., 2012) have identified the importance of stakeholder and management in large scale project. As the number of stakeholders involved in the project can increase the complexity of the situation (Karlsen et al., 2008) as each stakeholder usually has their own interest in the project which may result to failure or success. Despite un-avoided issues with respect to stakeholder's participation in mining environment such as ineffective conflict resolution mechanism, lack of trust and communication among stakeholders, (Finch, 2008; Rowlinson and Cheung, 2008; Karlsen et al., 2008; Yang et al., 2009; Yang et al., 2009; Reid, 2011).It is imperative to find a proper way to identify the activities which stakeholders participate on, what influence them and figure out the challenges and how to overcome the issues caused by stakeholders so as to have a critical success factor in the unique mining environment

This study therefore, seek to assess the level of stakeholder's participation in project risk management in mineral exploration. A case of Tullow Oil in Turkana County.

1.3 Purpose of the Study

The main purpose of this study was to assess the level of stakeholder's participation in Project Risk Management in Mineral Exploration.

1.4 Objectives

The study was guided by the following objectives:

i To establish stakeholders activities in project risk management in Tullow oil, Kenya

ii To establish the factors that influence the level of participation of stakeholders in project risk management in Tullow oil

iii To assess the contribution of stakeholders towards project risk management in Tullow oil

iv To identify the challenges that affect stakeholder's participation in project risk management in Tullow oil

1.5 Research Questions

This research study answered the following fundamental questions;

i What activities do stakeholders participate in project risk management?

ii What factors influence the level of participation of stakeholder in project risk management

iii What are the contributions of stakeholders towards project risk management?

iv What challenges affect stakeholder's participation in project risk management?

1.6 Significance of the Study

This study therefore may contribute to the generation of knowledge and understanding of the dynamics of stakeholder involvement as failure to have stakeholder participation in a project will undoubtedly result to nothing.

Secondly, the study may be of significance to Tullow Oil Plc as it will provide a comprehensive outlook of stakeholders and their roles in achieving the project objectives.

Finally, the findings may provide practical values to current scholars and identify areas of further research in project risk management.

1.7 Delimitations of the Study

This study was limited to Turkana County and focused on analyzing the level stakeholder's participation in project risk management in mineral exploration in Kenya. The study was conducted in one year.

1.8 Limitations of the Study

A key limitation that the researcher encountered was respondent's truthfulness and inability of some community members to use the questionnaire which was one of the research tools due to their low levels of literacy. The researcher encountered cases where the respondents were not fully truthful, and they provided what they thought the researcher wanted to hear as opposed to what is the exact situation. To counter this, the researcher assured the respondents' anonymity and confidentiality, and re-assured them that the feedback was only for the purpose of the study and also hired a translator in cases where respondent failed to comprehend what was being expected of him or her.

Secondly, the researcher was faced with difficulties in accessing top level management of the Tullow and its subsidiary such as African Oil, Swala Energy, Newport, Slumberger and

Berker Hughes and government Agency (Turkana County Government and NEMA) owing to their busy schedule. On the difficulties imposed by accessing top level management, the researcher attempted to reach them via electronic means, for instance the use of emails.

Finally, the researcher faced time and financial constraints in collecting the information. This is because the time allocated for the study was minimal and required a lot of financial injection to cover the scope. To counter this, the researcher used research assistants to aid in dropping and picking the questionnaires.

1.9 Assumptions of the Study

The study was carried out on the basis of the following assumptions:

I. The respondents willingly gave the needed feedback
II. The data collection tools used in the study were valid and measured the desired constructs.
III. The sample chosen represented the true population to enable generalization of the findings to the target group.

1.10 Definition of Significant Terms

The following terms assumed the stated meaning in the context of the study.

Alloying: homogeneous mixture or solid solution of two or more metals, the atoms of one replacing or occupying interstitial positions between the atoms of the other

Feasibility Study: is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of realistically assumed mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations together with any other relevant operational factors and detailed financial analysis, that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable).

Project Risk: is an uncertain event that, if it occurs, has a positive or negative effect on the prospects of achieving project objectives.

Seeps: places where oil naturally rise to the surface and came out of the ground.

Stakeholders: those who have the potential to influence or affect an organization, and or be influenced or affected by it.

Stakeholders' Participation: These are individuals or organizations who are actively involved in the project, or whose interests may be positively or negatively affected as a result of project implementation or successful project completion.

Success: Accomplishment of one's goal

Tullow Oil Plc: is a multinational oil and gas exploration company founded in Tullow, Ireland with its headquarters in London, United Kingdom.

Value Chain: is a chain of activities that a firm operating in a specific industry performs in order to deliver a valuable product or service for the market.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the literature review for the study. It is organized into themes according to the objective of the study which are to establish stakeholder's activities in project risk management, to establish the factors that influence the level of participation of stakeholders in project risk management, to assess the contribution of stakeholders towards project risk management and to identify the challenges that affect stakeholder's participation in project risk management in Tullow oil. The chapter further gives the theoretical and conceptual frameworks and identifies gaps in the study.

2.1.1. Stakeholders in Project Management

Different scholars have different opinion over who or what exactly stakeholders are (Reed et al., 2009); some definitions are singularly broad and others are relatively narrow. According to Freeman (1984), stakeholders is defined as any group or individual who can affect, or is affected by the achievement of the organization's objectives. Donaldson& Preston, (1995) look at stakeholders as any group with legitimate interest in an organization. This implies that: the claimants are groups or persons with legitimate interests and they are well identified and known.

Ahlstedt and Jahnukainen, (1971), define stakeholders as participants driven by their own interest and goals which a firm depend on. Bowie, (1988) view stakeholders as a group without whose support the organization would cease to exist. Brenner, (1993), view stakeholders as people having legitimate and non-trivial relationship with an organization such as exchange transactions, action impacts and moral responsibilities. Others scholars have defined stakeholders in different perspectives for example; Those that contribute voluntarily or involuntarily to the organization's wealth-creating and activities (Post et al., 2002); Groups or individuals who have a stake in or expectation of the project's performance and include clients, project managers, designers, subcontractors, suppliers, funding bodies, users and the community at large (Newcombe, 2003);Those who have any input in decision making (Phillips, 2003); A person or group of people who has a vested interest in the success of a project and the environment within which the project operates (Olander, 2007) and any individuals or groups which can affect an organization or project performance or which are affected by the achievement of the organization's or project's objectives (Li, 2007).

There are too many definitions of stakeholders and this raise the question of what purpose a definition of stakeholders serves. In this context, the author prefers a definition of stakeholders that classify stakeholders into active and passive: active stakeholders directly provide continuous inputs on the projects and are impacted by its design and operation on a regular basis and on the other hand, passive stakeholders like government regulations, technology and standards help to shape the inception and operation of the project (Pokharel, 2011).

2.1.2. Stakeholders Participation in Project Management

According to Kirby et al. (2003), participation is not simply about being present or taking part but should be based upon having some influence over decisions and action in a project. World Bank (1999) defined stakeholders' participation as a process by which interested parties affect and take part in the control of development initiatives, decision making and resource utilization that influence them. Bisset, (2000), look at stakeholder participation as the process of inviting the stakeholders to comment on the documentation and provide feedback on analysis, alternatives or decisions. The International Association for Public Participation (IAP2, 2007) distinguishes five key participation forms that is; informing which entails providing the stakeholders with balanced and objective information to assist them in understanding the problems, alternatives, opportunities or solutions. In principle stakeholder participation focus on interested group as it is not always possible to reach all individuals and some are not interested in being involved (Li et al., 2012).

2.1.3. Concept Project Risk

According to Knight, (1921), risk is defined as situation in which one could assign probabilities to outcomes and by uncertainty situations in which one could not. Crovelli, (2009), look at risk as the combination of probability and impact in that probability describes the likelihood of an event or condition actually occurring on a project and impact describes the consequence of the event or condition occurring. ISO/IEC 27000 series of standards refer risk as threat that has a potential to harm assets such as information, processes and systems in the organization. In principal, risks that have a positive outcome are opportunities while risks with a negative outcome are threats.

2.1.4. Concept of Project Risk Management

Project risk management is a systematic process of identifying, analyzing, planning for, responding to and monitoring project risk. It involves processes, tools and techniques that

will help the Project Manager minimize the probability and consequences of adverse events. Management of project risks is seen as quantifying economic impact of uncertainty on investment decisions. While managing risks, identification of the risks, assessment of their potential variability and coming up with a strategy that can limit their impact is seen as a crucial step towards management of these uncertainties. Manuj & Mentzer (2008) reasons that while coming up with risk management strategy, it is important to clarify risks according to their economic impact and probability of occurrence. High impact risks are usually associated with mining projects involving resource evaluation and definition of the concept. High risk projects usually impact on other subsequent processes in associated with the project.

Laird (2001) is of the opinion that before undertaking any project, it is crucial to do a feasibility study, this helps in stating weather the project is feasible or not. This should be extended to designing, construction and operation through following a detailed plan prior to the project. Arango (2010) Further adds that apart from feasibility study, mining projects need to undergo a methodological process that will further help in risk management.

Effective management of mining project is usually looked at as a step towards the risk reduction process. Risk management requires intensive capital investment. Decisions are usually taken after each subsequent step; this decision depends on the available information in regard to the project. Each subsequent stage translates to more capital injection (Jose et al., 2011). The last stage financial risks are determined and decisions are made as to whether the risk is acceptable by the investor in order to proceed to the development stage.

It is important to use mining project risk management (MPRM) while identifying and managing risk decisions along the project value chain (Gaffo & Barros, 2012). Through the MPRM methodology, uncertainties and other technical risks can be evaluated in each project life cycle thus risks are identified and where possible mitigated. Lane et al, (2007) gives an observation that much as there is a lot of literature on mining investment risk, there lacks a global decision making methodology. Most of the earlier works focuses on resource, planning and evaluation of a mining project but fail to identify the origin of risk and how it can impact on the different stages of value chain in a project.

Suslick, Schiozer and Rodriguez (2008) opine that there has been significant improvement over the last decade in in risk analysis applied to petroleum exploration and production. They therefore show some contributions and development of analysis applied to development such

as field appraisal, production forecast under uncertainty, decision-making process, portfolio management, and real options approach.

Beauchemin, et al (2008) Argue that mineral deposits models can be made amiable to financial risk and value analysis thus communication of value created and geological concepts can be broken down to financial stakeholders who are looked at in economic terms. To them the resulting probabilistic mineral systems model can generate a measure of the probability of ore occurrence as an input for exploration decision trees and simulations to calculate the expected value of an exploration project and the probability distribution of all possible surrounding net present values (NPVs) within a minimum and maximum range.

2.2. Stakeholders Interest in Project Risk Management

The organizational success (social acceptance and financial success) is very much reliant on various stakeholders' activities. Studies on large scale projects by scholars such as (Kapelus, 2002; Handelsman et al., 2003; Jenkins, 2004; Kemp et al., 2006; Kemp, 2010; Esteves and Barclay, 2011) have shown a crucial importance of identifying the stakeholder activities and involving the stakeholders in the activities as the inclusivity and a good relationship with them earns the organization entity a local social license to operate.

As noted by Pfeffer, 1994, the willingness of stakeholders to carry out the specific tasks of the project is said to be at maximum when a stakeholder is engaged in all components of the project. Kanungo (1979), also observed that stakeholders who are highly involved in the project will put forth substantial effort towards the achievement of project objectives and will be less likely to withdraw from project work and stakeholders who are lowly involved in the project work are more likely to abandon the project and/or withdraw effort from the project work and either apply that energy to tasks outside the scope of the project or engage in various undesirable on-the job activities. Cohen's (1999) research also supported the important status of job involvement, through arguing that those individuals with high levels of job involvement, which stem from positive experiences on-the-job (Kanungo, 1979; Witt, 1993), make attributions for these experiences to the organization. Thus, having previously received benefits from the organization and being obligated by the norm of reciprocity (Gouldner, 1960) to repay them, high job involvement employees feel compelled to reciprocate in some form.

In this retrospect, many organizations, both public and private, source for ways and means to involve stakeholders in their operations. The key interest and interactions over the life of a project as identified by the World Bank (2007), include; negotiation and partnerships, grievance management, consultation, information disclosure, project monitoring, reporting of progress and management functions.

2.3. Factors that Influence the Level of Participation of Stakeholders

The stakeholder involvement in project management is a topic of growing interest (National Research Council 2001; Kelleher 1999; Salm, Clark, and Sirila 2000; Wells and White 1995). This stakeholders can either be primary or secondary stakeholders (Winter et al., 2006). According to (Baker, 1988), the level of stakeholders participation is majorly determine the category where the stakeholder is coming from. There are four primary stakeholders to any project; these include customers, developers/ sponsors, project teams and product end-users. Secondary stakeholders can be organizations or individuals who are affected by the project in any form, for example politically, economically, socially or otherwise (Veraz, 2007). In a study of large engineering projects that was carried out by (Olander and Landin, 2005), it was found out that it is important for a project management team to identify the factors that influence participation of all stakeholders, and then manage their differing demands throughout the project stages in order to achieve the intended project goals.

According to Mascia 2003,the key factors that influence stakeholders participation include and not limited to; political factors which affects the organizations in terms of government regulations and legal issues and define both formal and informal rules under which the firm must operate relate with partners; economic factors which affect the business operations and decision making of the organization; social cultural which involves demographic aspects of the environment which the stakeholder operate, technological factors that involve the cost and quality of the outputs by the stakeholders and determine the barriers to entry and minimum efficient production level expected from the stakeholders, environmental which focus on ecological and environmental aspects such as weather, climate, climate change and concept of green business and legal factors that influence the operation, its costs, and the demand.

Other factors observed by Pingali et al. (2005) in developing economies include limited access to information, financial constraints and cost of participation. These are mostly reflected in the hidden costs that make it difficult to access input and output. Transaction

costs are also the embodiment of access barriers to full participation for most poor smallholders (Delgado 1999; Holloway et al. 2000).

Though neoclassical economists essentially assume that information is costless, this assumption does not match reality, especially in developing countries (Stiglitz, 1998). The fact that information is not costless has important implications for contracts, as has been pointed out in work pioneered by Coase (1937) and later expanded in Coase (1960). Commercialization studies such as Goetz (1992), Key et al. (2000) and Makhura et al. (2000) have identified high transaction costs as one of the key reasons for stakeholder failure to participate in project management. Most are located in remote areas with poor transport, market infrastructure and lack of reliable information on what is expected and potential partners.

2.4. Contribution of Stakeholders

Stakeholders such as community, government agencies and civil society organizations contribute immensely in project planning, design, implementation, monitoring and evaluation. It is imperative to note that stakeholder involvement benefits both the organization and the stakeholders of the organization. The involvement of stakeholders is a mutually benefiting scheme that marks a person or group as a stakeholder and merits them additional consideration over and above the consideration due to any human being. (Phillips, 1997).

According to Steiner (1988), society can and must hold business responsible for social conditions in society because the collective actions of businesses determine to a great extent the prevailing social and environmental state of society. In essence, project success concerns does not only concern with cost, time and quality, but also the satisfaction and effective management of the stakeholders who are involved (Mallak et al., 1991; Bourne and Walker, 2004; Jepsen and Eskerod, 2008). Lerbinger (2006) stated that organizations that engage with their stakeholders' activity are more likely to succeed. Furthermore, there is a high degree of consensus among development actors and project managers on the need for active participation of stakeholders in order to insure high project implementation success (Boon et al:, 2012). The contribution of key stakeholders are discussed below:

2.4.1. Government Agencies

There are many important reasons to establish and maintain good working relationships with governmental authorities at different levels, and to keep them informed of the project's

activities and anticipated impacts. Government support can be critical to the success of a project, and routine engagement with various regulatory and public service authorities is often required as part of doing business. On a practical level, local government authorities may have long-established relationships with project-affected communities and other local and national stakeholder groups, and as such can play a role in convening and facilitating discussions between the project and stakeholder representatives. Local government can also partner with private companies in many respects, for example, in providing services, communicating information to the local population, or integrating local development plans with the operational needs of the project. Keeping track of government-led consultation with stakeholders on issues related to your project is highly recommended and may be required as part of regional economic planning, environmental permitting or exploration licensing, compensation for land and assets, or the design and management of the exploration activities. For example, if the quality or extent of consultations carried out by government turns out to be inadequate, it may give rise to grievances, or pose risks that a the exploration firm will later need to manage. These include raising false expectations or creating misperceptions about the project. More seriously, if consultations are a legal obligation of government prior to the granting of licenses or concessions, for example, failure to meet such obligations may jeopardize the mining company's operating license.

2.4.2. Civil Society

Non-governmental organizations (NGOs) and community-based organizations (CBOs), particularly those who represent communities directly affected by a project is a very important stakeholder for the oil exploration companies to identify and engage on a proactive basis. NGOs may have expertise valuable to effective stakeholder engagement. For example, they can be sources of local knowledge, sounding boards for project design and mitigation, conduits for consulting with sensitive groups, and partners in planning, implementing and monitoring various project-related programs. However, it is important to carry out initial research regarding the local power dynamics and existence of special interest groups to ensure that any intermediary organizations, such as NGOs, are truly representative of and accountable to the community interests they claim to support and represent. It is worth to note that, if there is NGO opposition to your project, engaging early to try and understand the concerns or critiques being raised can offer an opportunity to manage these issues before they escalate or find another outlet for expression.

2.4.3. Community

The community is the most important of all the stakeholders since they host the project and are directly affected by the mining activities. While certain types of contributions, for example, participation to civil society organizations, can be more easily categorized as 'community contributions', there are some greyer areas such as contributions embedded in operating costs for example land access, provision of community infrastructure and service such as products, equipment, services or other non-cash items or services. It is imperative for the mining companies to seek a proactive and open relationship with the community for sustainability of the project

2.5.Challenges that affect Stakeholder's Participation

Stakeholders are confronted with many challenges among them lack of project ownership which is reinforced by the case studies done by the Boon et al. (2012) and El-Gohary et al. (2006). According to Boon et al (2012), there are a number of community projects in Ghana such as; market structures, toilet facilities and boreholes have been abandoned due to little or no stakeholder participation. Ei-Gohary et al. (2006) stated that major public private partnership (PPP) transportation initiatives in the United States has reportedly failed due to stakeholder opposition. As a result, it reveals that stakeholder s' participation in project is the key to project success and without their input the outcome may not be favorable. In essence, different stakeholders have different levels and types of investments and interests in the project (Yang, 2009) which sometimes results to conflicts among the stakeholders.

Scholars have also given the opinion that project success concerns not only cost, time and quality but also overcoming both micro and macro challenges in the such as meagre resources, high illiteracy level, lack of information, political dynamics and effective management of the interest groups (Mallak et al., 1991; Bourne and Walker, 2004; Jepsen and Eskerod, 2008). Lerbinger (2006) stated that organizations that engage in overcoming challenges by building consensus among development actors, project managers and community on the need for active participation of stakeholders in project design and implementation are more likely to succeed.

2.6 .Theoretical Framework

This study was based on stakeholder's theory. Stakeholder theory has its origins in management literature. Preston (1999) traces the notion of stakeholders back to the great depression in the United States (1929-1941), when the General Electric Company defined

four major stakeholder groups - shareholders, employees, customers, and the general public. Stakeholder theory' is a managerial conception of organizational strategy and ethics (Donaldson and Preston, 1995; Evan and Freeman., 1993; Freeman, 1984, 1994, 1996; Freeman and Evan, 1990; Hill and Jones, 1992; Jones, 1995; Mitchell, Agle, and Wood, 1997; Orts, 1992, 1997; Phillips, 1997; Rowley, 1997). The theory is based on two principles that balance the right of the claimant on the organization with the consequence of the organization form. The first principle of the 'organization effect' state that, 'the organization and its managers are responsible for the effects of their actions on others' (Evans and Freeman, 2004).The principle is consciously drawn from the modern moral theory of utilitarianism which hold that moral worth of actions or practices is determined solely by their consequences. Utilitarianism is committed to the maximization of the good and the minimization of harm and evil (Beauchamp & Bowie, 2004).

The second principle, namely the principle of Organization rights, states that "the corporation and its managers may not violate the legitimate rights of others to determine their own future" (Evan & Freeman, 2004). This principle is drawn from the deontological ethical theory of Immanuel Kant (1724-1804) based on the respect-for-persons principle that persons should be treated as ends and never only as means. Respect for human beings is demanded because human beings possess a moral dignity and therefore cannot be treated as if they merely have conditional value (Beauchamp & Bowie, 2004). The implication is that the corporation must treat its stakeholders as rational beings with a right to pursue their own interests without undue interference.

The central idea is that an organization's success is dependent on how well it manages the relationships with key groups such as customers, employees, suppliers, communities, financiers, and others that can affect the realization of its purpose. The manager's job is to keep the support of all of these groups, balancing their interests, while making the organization a place where stakeholder interests can be maximized over time. The identification of stakeholder groups is currently among the central debates in the scholarly and popular literature (Mitchell, et al., 1997; Phillips, 1997) but most scholars would include employees, customers, suppliers, financiers, and local communities, at a minimum.

Contributions to stakeholder theory have come from, among others, such disciplines as: Ethics (Boatright, 1994; Burton and Dunn, 1996; Donaldson and Dunfee, 1999; Goodpaster, 1991: Phillips, 1997; Phillips and Reichart, 2000; Starik, 1995: Wicks, Gilbert and Freeman,

1994; Van Buren, 2001);Strategy (Berman, Wicks, Kotha, and Jones. 1999; Carroll, 1993; Clarkson, 1994, 1995; Freeman, 1984; Frooman, 1999; Mitchell, Agle. and Wood, 1997); Law (Lampe, 2001; Orts, 1992, 1997);Economics (Alkhafaji, 1989; Barton, Hill and Sundaram, 1989; Freeman and Evan, 1990); andOrganization theory (Donaldson and Preston, 1995; Freeman 1994, 1996; Evan and Freeman, 1993; Hill and Jones, 1992; Jones, 1995; Rowley, 1997; Williamson and Bercovitz, 1996).

Stakeholder theory has also received significant attention in the discourse of political economy, particularly in the U.K. (e.g., Hutton, 1995; Kelly, Kelly, and Gamble, 1997; Plender, 1997). These authors propose a "stakeholder economy" that features a large-scale role for government in the process of value creation and trade. They argue that, while the stakeholder concept was originally applied to the private sector as a theory of organizational ethics (Phillips and Margolis, 1999), expanding the concept to include public institutions and the entire national or world economy is a conceptual advance (Rustin, 1997; Barnett 1997). This has led some to claim that the stakeholder approach comes from a socialist worldview.

In the recent past, Stakeholder management has become an important tool to transfer ethics to management practice and strategy. The visual power of the stakeholder model and its high simplicity are seen as contributors to the success of the stakeholder concept (Fassin, 2008) .An increasing interrelation is observed between the concepts of stakeholder theory, corporate responsibility, and business ethics (Valor, 2005; Garriga et al., 2004). The stakeholder approach in the organization integrates stakeholder relationships within a company's resource base, industry setting, and socio-political arena into a single analytical framework (Susniene & Sargunas, 2009).

Stakeholder's theory has, nonetheless, been criticized for being ambiguous and undermining the property rights of the owners of the company, compromising the mechanisms of the free market and destabilizing the operations of government (Sternberg, 1997). However Freeman (2004) suggests that the theory is better understood not as a monolithic theory, but rather as a genre of stakeholder "theories."

2.7 Conceptual Framework

The interrelationships between study variable are drawn from the literature review conceptualized as shown on Figure 1.

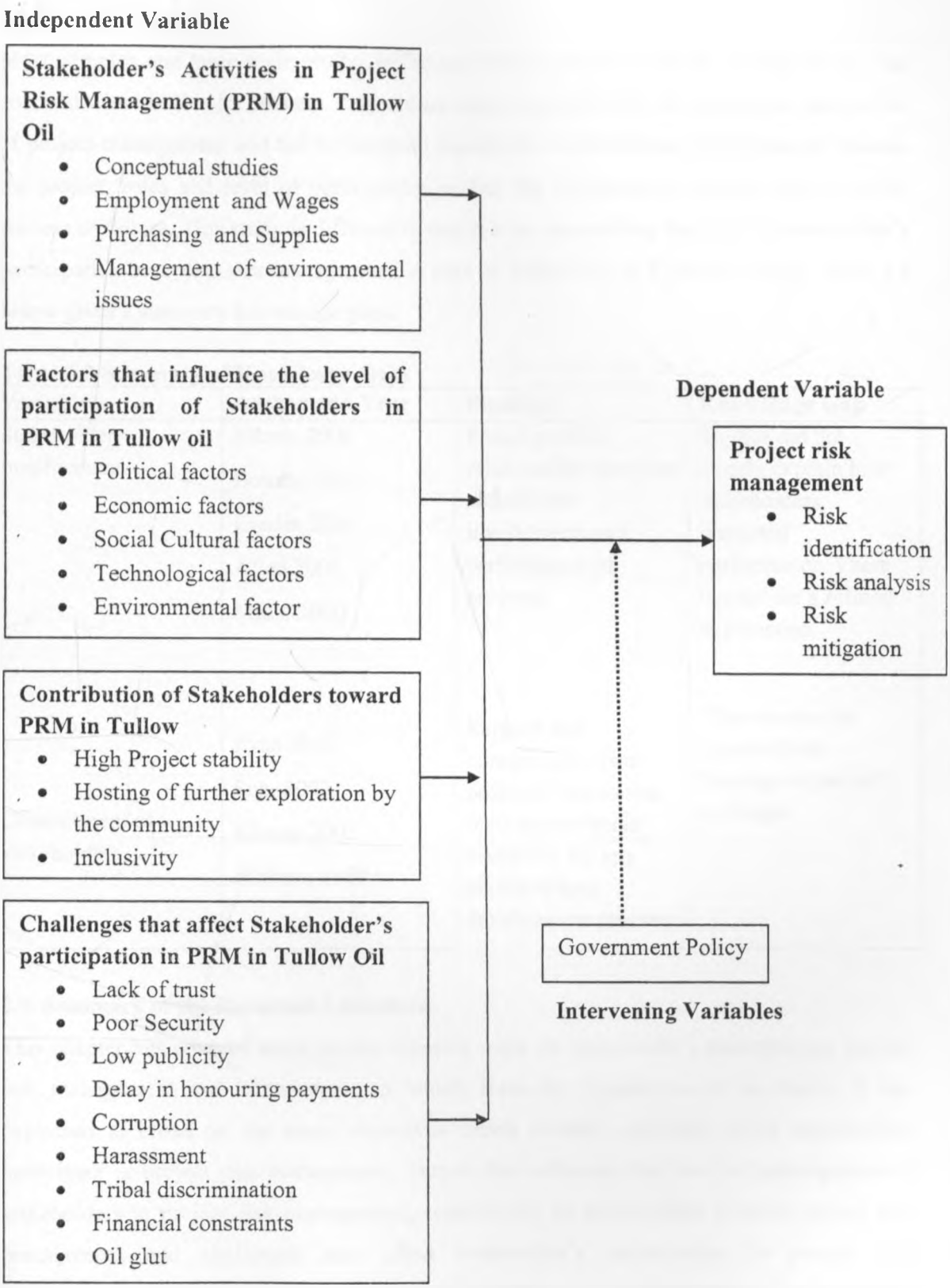

Figure 1: Conceptual Framework Model of the Study

2.8.Research Gaps

Most complex and large scale project in the past look at project in terms of time, scope, and cost and translate this for success. Projects are further quantified in the traditional approaches of project management and fail to integrate stakeholder relationships, commitments towards the project, roles and level of participation within the organization resource base to either success or failure. This study is different in that it aims at assessing the level of stakeholder's participation in project risk management. A case of Tullow Oil in Turkana County. Table 2.2 below gives a summary knowledge gaps.

Table 2.2 Summary of Knowledge Gaps

Variable	Author and Year	Findings	Knowledge Gap
Stakeholder Involvement	Morris 2006 Bourne 2005 Landin 2005 Allen 2002 Mills, 2000	Found positive relationships between stakeholder involvement and performance of projects.	Studies did not clearly explain how stakeholders impacted performance. There is need for a refined explanation
Commitment of stakeholders	Eyaa 2010 Suh, 2003 Rikette 2002 Mokwa, 1999	Support and commitment from political leaders and their supporters is necessary for any people-driven development process	There is need to upscale these findings on project in Kenya

2.9. Summary of the Reviewed Literature

This chapter has covered more on the scholars work on stakeholder's participation, project risk management and knowledge gap which form the foundation of the study. It has explained in broad on the study objectives which include; activities which stakeholders participate in project risk management, factors that influence the level of participation of stakeholders in project risk management, contribution of stakeholders towards project risk management and challenges that affect stakeholder's participation in project risk management. The study reviews empirical data on the level of stakeholder's participation in project risk management and the classical stakeholder's theories. The chapter ends with a discussion on the conceptual framework of the study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

The chapter discusses the methodology that was followed in the process of conducting the study, the research design, the target population, sample, sampling method, data type and source, methods of data analysis and the techniques.

3.2. Research Design

The research design employed was exploratory in nature as it aimed at assessing the level of stakeholder participation in project risk management in mineral exploration. .A case of Tullow oil in Turkana County. According to Creswell (2014) this research design is ideal when there are few or no earlier studies to refer to through gaining insights and familiarity then later investigations can be based on what this type of research establishes. Exploratory helps ground a picture of a situation being developed as it helps one to familiarize with basic details, settings and concerns while generating new ideas and assumptions and developing hypotheses at the same time (Thompson et al, 2005). Research of all types can be addressed by this type of design thus its flexibility is evident. Since exploratory research design looks at studies that have no prior studies to refer to thus the study does not provide conclusive answers to problems and issues but rather it gives guidance on what future research to be conducted.

Secondly, project risk management in an oil exploration setting is a new concept in Kenya, thus there are few studies that one can point to. Studies on other countries that carry out oil exploration have different dynamics from the Kenyan situation. Moreover the studies are not academic but only look at exploration from a commercial perspective. Dynamics are also different in this study as the community also form part of the stakeholders and in many instances they are usually ignored as case in point is the Biafra crisis in Nigeria. The appropriateness of this study was to help look for ideas and insights that might be useful in conducting future studies of this nature. These approaches alsoyielded quantitative and qualitative information that was analyzed through both qualitative and quantitative methods.

3.3. Target Population

Target population is defined as specific population or hypothetical set of people,events or objects to which a researcher wishes to generalize the results of the researchstudy (Borg & Gall, 1989). The target population for this study consisted of the entireLokichar basin

population (44,230) as per the 2009 population census. Private sector involved in oil exploration (Tullow: Newport, Swala energy, Slumberger, Berker Hughes etc) and government Agency(Turkana County Government, Ministry of Energy & Petroleum, Ministry of Devolution and Planning, Ministry of Mining and National Environmental Management Authority (NEMA)were purposively selected to triangulate the data collected.

3.4: Sampling procedure and Sample Size

3.4.1: Sampling Procedure

The study use simple random sampling procedure in collection of the data. Simple random sampling ensured that the target group had equal and independent chance of being selected into the sample (Mugenda and Mugenda, 2003).Purposive sampling was used to choose the key informant who contribute greatly to the project. These were theprivate sector involved in oil exploration (Tullow:Newport, Swala Energy,Slumberger, Berker Hughes etc) and government Agency(Turkana County Government, Ministry of Energy & Petroleum, Ministry of Devolution and Planning, Ministry of Mining and National Environmental Management Authority (NEMA).

3.4.2: Sample Size

Morgan and Grainie (1983) define a sample as an aspect of representativeness of the whole population. In order to get a sample size which is representative of the study population, the Fisher, Laing, Stoeckel and Townsend (1998) formula for determining sample size was employed. This formula is given as:

$$n=\frac{z2pq}{d2}$$

Where:

n= the desired sample size (when the population is greater than 10000)

z= the standard normal deviation, usually set at 1.96 which corresponds to 95 percent confidence level;

p= the proportion of the target population have particular characteristics;

q= 1.0-p; and

d= the degree of accuracy desired, this is usually set at 0.05

With (z) statistic being 1.96, degree of accuracy (d) set at 0.05 percent and the proportion of the target population with similar characteristic (p) at 90 percent which is equivalent to 0.90, then "n" is:

$$n = \frac{(1.96)^2(0.86)(0.14)}{(0.05)^2}$$

A calculated sample size of approximately 186 respondents was obtained. In view of this, the study used a sample size of 186 stakeholders. In addition to this, ten (10) key informants from private sector involved in oil exploration (Tullow: Newport, Slumberger Swala, Berker Hughes etc.) and government Agency (Turkana County Government, Ministry of Energy & Petroleum, Ministry of Devolution and Planning, Ministry of Mining and NEMA who were purposively selected to triangulate the data obtained from the study.

3.5 Data Collection Intruments

This study utilized a questionnaire as a primary tool for data collection. A questionnaire is a set of carefully selected and ordered questions used in survey studies (KIM, 2009). According to Mugenda and Mugenda (2003) questionnaires are commonly used to obtain important information about the population. The questionnaire contained both structured and unstructured questions. The closed ended questions used of a five point Likert scale where respondents filled according to their level of agreement with the statements. The unstructured questions were used to encourage the respondents to give an in-depth response where close ended questions are limiting. The questionnaire comprises of two sections. The first part includes the demographic while part two dealt with the identified factors.

Interview Schedule on the other hand was used to triangulate the data obtained from the questionnaire. An interview schedule is a set of questions that the interviewer asks when interviewing (Mugenda & Mugenda, 2003). Further Kothari (2004) asserts that it involves presentation of oral verbal stimuli and reply in terms of oral verbal responses. The interviews were conducted with the project stakeholders which included, Tullow, Newport, Slumberger, Berker Hughes , Turkana County Government, Ministry of Energy & Petroleum, Ministry of Devolution and Planning, Ministry of Mining and NEMA who were be selected purposively.

3.5.1. Pilot Testing of the Instruments

According to Ngechu (2004), a pilot study is critical in improving the research instruments. For this study, a pilot study was conducted to test for clarity and understanding of questions and also to find out whether the questions yielded the outcome expected. The researcher selected a pilot group of 5% of the target respondents from Lodwar town who had similar demographics as those in Lokichar area to undertake the pilot study. The researcher carried out a pilot study to test the validity and reliability of data collected using the questionnaire.

3.5.2. Validity of the Instrument

Mugenda and Mugenda (2003) looks at validity as the degree to which results obtained from the analysis of the data actually represent the phenomenon under study and it deals with how accurately the data obtained in the study represents the variables of the study. The study used both face and content validity to ascertain the validity of the questionnaires. Content validity of the study measured the degree to which data collected using a particular instrument represents a specific domain or content of a particular concept. Face validity was done by developing indicators for research instruments with the help of the supervisor and other expert in risk management and mineral exploration field.

3.5.3. Reliability

Joppe (2002) defines reliability as `the extent to which results are consistent overtime and an accurate representation of the total population under study' and "if the results of a study can be reproduced under a similar methodology then the research instrument is considered to be reliable'. Embodied in this citation is the idea of replicability or repeatability of results or observations. Cronbach Alpha test was used to check on the reliability of the research instrument.The survey instruments yielded a threshold coefficient of 0.60. A coefficient of 0.50-0.70 or more is acceptable and impliesthat the gathered data was "good enough" as it was within the benchmark and can be generalized to reflect opinions of all respondents in the target population (Zinbarg, 2005).

3.6:Data Collection Procedures

The data was collected using self-administered questionnaires through drop and pick later method where the researcher delivered the questionnaires in person at the respondents' places of work. However, where it proves difficult for the respondents to complete the questionnaire immediately, the researcher will leave the questionnaires with the respondents and pick them up on a later date. The entire data collection exercise took one month.

3.7: Data Analysis

This study utilized both qualitative and quantitative methods of data analysis. Qualitative data was transcribed followed by writing up of memos and analysis notes. Thematic analysis was used for grouping the information basing on emergent themes then a quick impressionist summary undertaken. Kombo and Tromp (2009) give thematic analysis and quick impressionist summaries as two ways of analyzing qualitative data.

Quantitative data analysis was analyzed using SPSS version 21.0 statistical tools. Descriptive analysis was employed to measure the central tendencies, frequency and percentages. Inferential statistics was used to check on the relationship between the dependent and independent variables. The researcher also used regression analysis to check relationship between the level of participation of stakeholders and Project Risk. The multivariate model for the study was

$$Y=B_0+B_1X_1+B_2X_2+B_3X_3+B_4X_4+\varepsilon$$

Where Y- is the dependent variable

X_{1-4} – are the independent variables

B_0 – is the constant (intercept)

B_{1-4} –are the regression coefficients or change induced in Y by each X.

ε – Is the extraneous error term.

The findings of the results were presented in tables for uniformity, interpretations and discussions followed thereafter.

3.8. Operational Definition of Variables

Research objective	Indicator	Data collection Methods	Measurement Scale	Approach of Analysis	Types of Analysis	Level of Analysis
Activities which Stakeholders participate	Conceptual studies, Employment and Wages, Purchasing and Supplies, Revenue collection	Questionnaires, interviews Observation	Nominal Ordinal	Qualitative Quantitative	Non-Parametric	Factor Analysis Multiple Regression
Factors that determines the level of stakeholders participation	Political ,Economic, Social cultural, Technological, Environmental factor	Questionnaires	Nominal Ordinal	Qualitative Quantitative	Non-Parametric	Factor Analysis Multiple Regression
Contribution of stakeholders towards PRM	Project stability, Inclusivity	Questionnaires, interviews Observation	Nominal Ordinal	Qualitative Quantitative	Non-Parametric	Factor Analysis Multiple Regression
Challenges that affect stakeholder's participation	Trust, Security, publicity, Corruption, Oil glut	Questionnaires, interviews Observation	Nominal Ordinal	Qualitative Quantitative	Parametric	Factor Analysis Multiple Regression

3.9. Ethical Issues

Ethics in research requires personal integrity from the researcher. Cooper & Schindler (2003) gives the goals of ethics in research as to ensure that no one's privacy and confidentiality undermined. The researcher ensured that the questionnaires were non-invasive and the information gathered was solely for academic purposes only and not for any other purpose.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter provides an analysis of data, interpretation and the presentation data collected from the field. Chandran (2004) defined data analysis as the process of reducing large amount of collected data to address the initial proposition of the study. The results are presented in tables to highlight the major findings. They are also presented sequentially according to the research questions of the study. Mean scores and standard deviations were used to analyze the data collected. The raw data was coded, evaluated and tabulated to depict clearly the results of Stakeholders participation in Project Risk Management. A case of Tullow Oil in Turkana County.

4.2:Response Rate

The study consisted of a sample frame with a total of 186respondents. 156 out of the targeted 186respondents gave complete feedback. This was 84% return rate which according to Mugenda and Mugenda (1993), a response rate of more than 80% is adequate for empirical analysis for a study. See Table 4.1

Table 4.1: Questionnaire Response Rate

	Frequency	Percent
Completed	156	84%
Not completed	30	16%
Total	**186**	**100.0**

4.3:Demographic Profile

Socio-demographic characteristics of the respondents give a clear picture of the respondents that were involved in the study. It further provides information about who the respondents are and other essential qualities relating to the respondents status. Socio-demographic variables captured in the study are; gender, age, marital status level of education, and number of years the respondent has reside in the research area. This information was meant for checking appropriateness of respondent in answering questions for the study.

4.3.1: Gender of the Respondent

The results in Table 4.2 indicate that majority 58.3% of the respondents were male while 41.7% of the respondents were female. Hence, it can be concluded that majority of the respondent interviewed in Turkana County were male.

Table 4.2: Distribution of Respondent by Gender

Gender	Frequency	Percent
Male	91	58.3%
Female	65	41.7%
Total	**156**	**100.0**

4.3.2: Age of the Respondents

Results in Table 4.3 indicate that the majority 34.6% of the respondents were aged 51-60 years. This was followed by 24.4% of those aged 21-30 years, 23.1%% were those aged 41-50 and 9% were aged above 31-40years. These results implied that majority of the stakeholders interviewed are mature and experience adults of age 51-60 years.

Table 4.3: Distribution of Respondent by Age

Age	Frequency	Percent
11-20	14	9.0%
21-30	38	24.4%
31-40	14	9.0%
41-50	36	23.1%
51-60	54	34.6%
Total	**156**	**100.0**

4.3.3: Marital Status of the Respondents

Table 4.4: Marital Status

Status	Frequency	Percent
Single	17	10.9%
Married	136	87.2%
Other	3	1.9%
Total	**156**	**100.0**

From the findings presented in Table 4.4 above, 87.2% (136) of the respondents covered in this study were married, 10.9% (17) were single, 1.9% (3) in other categories specified widowed and divorced.

4.3.4: Level of Education

The level of education of the respondents plays an integral role in any participatory paradigm. The study sought to establish the highest level of education of the stakeholders. Majority of respondent 38.5% (60) had diploma level of education, 29.5% (46) undergraduate degrees22.4% (35) secondary level, 4.5% (7) post graduate level, 3.2% (5) primary level and 1.9% (3) had no formal education. The diversity of qualification in the sample frame brought about different perspective and expertise into the study.

Table 4.5: Level of Education

Status	Frequency	Percent
None	3	1.9%
Primary level	5	3.2%
Secondary Level	35	22.4%
Diploma Level	60	38.5%
Undergraduate Level	46	29.5%
Post graduate Level	7	4.5%
Total	**156**	**100.0**

4.3.5: Years of Residence

The study further sought to establish the number of years stakeholders have stayed in Turkana County. Majority of respondent 76.9% (120) had lived in Turkana County for over 11 years, 10.3 %(16) between 2-5years, 7.1% (11) between 6-10 years and 5.8% less than one year. See Table 4.6.

Table 4.6: Years of Residence

Status	Frequency	Percent
Less than 1year	9	5.8%
2-5 years	16	10.3%
6- 10 years	11	7.1%
Over 11 years	120	76.9%
Total	**156**	**100.0**

4.4: Stakeholders Activities in Project Risk Management in Tullow Oil plc

4.4.1: Awareness of Tullow Exploration Activities

An attempt was made to establish the level of awareness of Tullow exploration activities in Turkana County. 98.1% (153) of the respondent were aware of Tullow Oil Exploration activities in Turkana County and 1.9% of the respondents were not aware of the company's exploration activities as illustrated in Table 4.7

Table 4.7: Awareness of Tullow Exploration Activities

Status	Frequency	Percent
Yes	153	98.1%
No	3	1.9%
Total	**156**	**100.0**

4.4.2: Support for Tullow Oil exploration Activities

An attempt was made to establish if the stakeholders support the oil exploration project activities in Turkana County. As illustrated in Table 4.8 below, a whopping 86.5% per cent of the stakeholders said they support Tullow oil exploration activities in Turkana County whereas 13.5% did not.

Table 4.8: Support for Tullow Oil Exploration Activities

Status	Frequency	Percent
Yes	135	86.5%
No	21	13.5%
Total	**156**	**100.0**

4.4.3: Project Risk Management Oriented Activities which Respondent are Involved

Participation of stakeholders in project risk management oriented activities is underscored as the process usually results to either success of failure of the project right from inception. To find out the activities that the stakeholders participates in most in Turkana County, respondents were given a list of activities to choose the one they involve themselves in very much. The results are shown in Table 4.9

Table 4.9: Project Risk Oriented Activities which Stakeholders are Involved

Status	Frequency	Percent
Conceptual studies	1	0.6%
Due diligence	2	1.3%
Revenue collection	2	1.3%
Infrastructure Development	9	5.8%
Employment and Wages	22	14.1%
Public consultation	28	17.9%
Land acquisition compensation	7	4.5%
Purchasing and Supplies	34	21.8%
Provision of Services	26	16.7%
Resettlement	10	6.4%
Legal and other agreements	2	1.3%
Cultural properties	8	5.1%
Management of environmental issues	2	1.3%
Management of the social issues	3	1.9%
Total	**156**	**100.0**

Out of the one hundred and fifty six (156) respondents that were sampled for the study, 21.8% (34) indicated that purchasing and supplies was the main project risk oriented

activities that they mostly participate at Tullow Oil Exploration in Turkana South County. Other activities include; Public consultation at 17.9% (28), Employment and Wages at 14.1% (22), Management of environmental issues1.3% (2), Management of the social issues 1.9 % (3) and Conceptual studies at 0.6%.

When the ten key informants comprising the Government Agencies, Tullow Oil Plc and its subsidiary companies such as; Newport,Slumberger, BerkerHughes, Swala Energy, were interviewed; their views on participation in project risk management activities validated and followed the same pattern like the respondents. Eight (8) out of the 10 key informants said that purchasing and supplies is the main risk oriented activity that most stakeholders participate on. Other such as government agencies involves themselves in advisory, revenue collection and monitoring and evaluation.

4.5:Factors that Influence the Level of Participation of Stakeholders in Project Risk Management in Tullow Oil

The researcher further sought to establish the factors that influence the level of stakeholder's participation in project risk management at Tullow oil plc. The findings of the study are shown in Table 4.10 below. The researcher found out that majority of the respondents rated economic factors with the mean of 4.2434 and standard deviation of 0.95596 as the main driver towards participating in the project risk management at Tullow Plc. Other factors include; Environmental factors with a mean of 3.5533 and standard deviation of 1.11450, political factors with a mean of 3.4000 and standard deviation of 1.06661,technological factors with a mean of 3.3533 and standard deviation of 0.78036 and social cultural factor with a mean of 3.0855 and standard deviation of 0.62977 respectively.

Table: 4.10: Factors that influence the Level of Participation of Stakeholders in Project Risk Management

Factors that determine the level of participation of Stakeholders	Mean	S.D
Political Factors	3.4000	1.06661
Economic Factor	4.2434	0.95596
Social Cultural Factor	3.0855	0.62977
Technological Factors	3.3072	0.78036
Environmental factors	3.5533	1.11450

4.6: Contribution of StakeholdersToward Project Risk Management inTullow Oil Plc

For any project to run smoothly and devoid of any inconveniences, stakeholders must contribute their quota as expected of them. Stakeholders contribute well in Project risk management by playing their roles assigned to them. In Turkana County, the respondents were requested to indicate their level of agreement with the following stakeholder's participation variables contribution towards performance of project risk management. To this statements, most of the respondents agreed that; Stakeholder's participation in project risk management has brought a sense of civic responsibility in managing the project with a mean of 4.5385 and standard deviation of 0.59443, the stakeholder's participation affect the performance of the employees at the project with a mean of 4.4295 and standard deviation of 0.60228, The stakeholders influence the expectations and perception of the residents concerning the project with a mean of 4.4103 and standard deviation of 0.56650 ,stakeholders participation has brought synergy in the oil exploration project with a mean of 4.3654 and standard deviation of 0.56894 and the stakeholders desired to host the oil exploration in the county with a mean of 4.2500 and standard deviation of 0.67800.See Table 4.11.

Table 4.11: Contribution of Stakeholders towards Performance of PRM

Contribution of Stakeholders towards Performance of PRM	Mean	S.D
The stakeholders desired to host the oil exploration in the county	4.2500	.67800
The stakeholders influence the expectations and perception of the residents concerning the project	4.4103	.56650
Stakeholders participation in project risk management has brought a sense of civic responsibility in managing the project	4.5385	.59443
The stakeholders affect performance of risk management within the project cycle	4.5128	.59554
The stakeholders are politically and economically interested in the project	4.3910	.62809
Stakeholders participation has brought synergy in the oil exploration project	4.3654	4.3654

An attempt was further made to establish if the contribution of stakeholders towards risk management at Tullow oil Plc was sufficient. As illustrated in Table 4.12 below, a whopping 94.9 per cent of the respondent said that there contribution toward project risk management was sufficient towards managing the project risks.

Table 4.12: Sufficiency of Stakeholders Contribution toward Project Risk Management

Status	Frequency	Percent
Yes	148	94.9%
No	8	5.1%
Total	**156**	**100.0**

On rating the overall level of stakeholder's participation in project risk management, respondent. 48.1% of the respondent rated the level of participation as very high, 32.7% as high and 19.2% as neutral as shown in table 4.13 below.

Table 4.13: Rating the Overall level of Participation of Stakeholders in Project Risk Management

	Frequency	Percentage
Very High	75	48.1%
High	51	32.7%
Normal	30	19.2%
Low	0	0%
Very low	0	0%
Total	**156**	**100%**

4.7: Challenges that Affect Stakeholders Participation in Project Risk Management in Tullow Oil Plc

Stakeholder's participation in project risk management is faced with many challenges. These challenges at times hinder them from performing the roles expected of them. In some cases these challenges even stop them from participating in project management activities. Respondent were given a set of variables to identity the factors that limit their level of participation in project risk management. The results are shown in the Table 4.14.

Table 4.14. Factors that limited the level of participation of Stakeholders

Factors limiting the level of participation of Stakeholders	Mean	S.D
Lack of Trust in PMR activities	3.2745	0.82904
Poor Security	4.4359	0.72894
Low Publicity	4.1032	0.92001
Delay in Honoring Payment	3.5577	1.07307
Corruption	4.1688	0.94837
Harassment	3.8333	0.95602
Tribal discrimination	4.3333	0.73030
Financial constraints	4.2821	0.90014

Out of the 156 sampled respondents for the study, the majority identified poor security with a mean of 4.4359 and standard deviation of 0.72894 as the main factor which limited their participation in project risk management activities at Tullow. Other factors include; Tribal discrimination with a mean of 4.3333 and standard deviation of 0.73030, Financial constraints with 4.2821 and standard deviation of 0.90014, low publicity with a mean of 4.1032 and standard deviation of 0.92001, delay in honoring payment with a mean of 3.5577 and standard deviation of 1.07307 and lastly lack of Trust in project risk management activities with a mean of 3.2745 and standard deviation of 0.82904.

A similar trend was also observed among the ten key informants for study, financial constraint and security concerns was the main challenge affecting them. All the ten key informants expressed worry on inadequate financial and security arrangement in the drilling areas .For example, one key informant remarked: "The security situation manifested by frequent bandits between the Turkana community and the Pokot coupled by robberies on the roads is nothing to write home about. Insecurity in the region has prevented my stakeholders who cannot afford the services of Kenya police reserves from participating in all the activities.

The respondents were further asked how these affects their level of participation in project risk management. The findings are in the table 4.15 below.92.7 % of the respondent agreed that these challenges have hindered and limited their level of participation and in turn it has affected the performance of the project. 7.7% were neutral.

Table 4.15: Extent which the challenges affects the level of Stakeholders' participation in project risk Management

Status	Frequency	Percent
To a very great extent	84	53.8%
To a great extent	60	38.5%
Neutral	12	7.7%
Low extent	0	0
Very low extent	0	0
Total	156	100.0

CHAPTER FIVE

SUMMARY OF THE FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1. Introduction

This chapter presents a summary of the study findings discussion, conclusions and recommendations. The findings are summarized in line with the objectives of the study which was to assess the level of stakeholder's participation in project risk management. A case of Tullow Oil in Turkana County.

5.2. Summary of findings

The study sought to assess the level of participation of stakeholders in project risk management .A case of Tullow oil in Turkana County. Specifically, the study was undertaken to: To establish the activities which stakeholders participate in project risk management; To establish the factors that influence the level of participation of stakeholders in project risk management; To assess the contribution of stakeholders toward performance of project risk management; To identify the challenges that affect stakeholders participation in project risk management.

The study used the following research questions, what activities do stakeholders participate in project risk management?, what factors influence the level of participation of stakeholder in project risk management, what are the contributions of stakeholders towards performance of project risk management? , and what challenges affect stakeholder's participation in project risk management.

This study adopted an exploratory research design which according to Creswell (2014) this research design is ideal when there are few or no earlier studies to refer to. The independent variables comprised of; activities which stakeholders participate on, factors that determines the level of Stakeholders participation, contribution of stakeholders and challenges that affect stakeholder's participation while the dependent variable was project risk management. The target population of this study comprised of the Turkana Community living in Lokichar Basin, private sector involved in oil exploration (Tullow: Newport, Slumberger and Berker Hughes) and government agency(Turkana County Government, Ministry of Energy & Petroleum, Ministry of Devolution and Planning, Ministry of Mining and National Environmental Management Authority (NEMA).

The researcher utilized simple random sampling procedure in selection of the target population.A sample size of 170 was selected for the study. Questionnaire and Interview schedule were the main research instruments used to collect data from the field.The descriptive statistics such as percentages and frequency distribution were used to analyze the demographic profile of the participants. The demographic data was tabulated using frequency and percentages. In order to describe the date, means were used for each variable. The results of the study were presented using tables and figures. Data analysis was done using Statistical Package for Social Science (SPSS).

5.3. Discussions

5.3.1: Demographic

The study established that majority of the stakeholders participating in project risk management activities at Tullow in Turkana County were male (58.3%) whereas the female gender participating in project risk management activities were (41.7%). From the findings, the study established that majority of the stakeholders were mature adults of age between 51-60 years. On the level of education, the study established that majority of the respondent had diploma education level (38.5% followed by undergraduate degree level (29.5%) and only few with Postgraduate degrees (4.5%).On the years of residence, the study established that majority of the stakeholders had lived in Turkana County for more than 10 years and way before the discovery of oil in the county.

5.3.2: Activities which Stakeholders Participate in Project Risk Management at Tullow Oil in Turkana County

On the activities which stakeholders participate in, the study established that majority of the respondent interviewed were involved more in purchasing and supplies of goods and services used in the exploration processes and less on conceptual studies which culminated to the establishment of the exploration process. This was triangulated by the key informant interviews, Eight (8) out of the 10 key informants said that purchasing and supplies is the main risk oriented activity that most stakeholders participate on. Similarly, there was high level of awareness of the project risk management activities among the stakeholders and enormous support for the activities.

5.3.3. Factors that Influence the Level of Participation of Stakeholders in Project Risk Management

On factors that influence the level of participation of stakeholders in project risk management, the study established that majority of the stakeholders were motivated to participate in the risk management in Tullow as a result the economic gain particularly the monetary benefits they derived from the project. Other factors rated in descending order were environmental factors, political factors, technological factor and least being social cultural factors.

5.3.4. To Assess the Contribution of Stakeholders Participation toward Project Risk Management at Tullow Oil Plc

On the contribution of stakeholder's participation toward project risk management, the study established that, majority of the respondents interviewed agreed that participation in project risk management has brought a sense of civic responsibility in managing the project. This was in line with Steiner (1988), observation that society through collective actions of businesses determine to a great extent the prevailing social and environmental state of society. The study further found out that, the stakeholder's participation has motivated and improved the performance of the employees which was also noted by Kauffman (2005) in his findings that making sure that employees are a part of the implementation process, their motivation towards the project will increase and they will see themselves as an important part in the process resulting to project stability. In addition, the established that, stakeholders participation has influenced the expectations and perception of the residents concerning the project and brought synergy in the exploration process.

5.3.5. Identify the Challenges That Affect Stakeholder's Participation in Project Risk Management

On challenges that affects stakeholder's participation in project risk management, the study established that, insecurity in the region as a result of banditry between the Turkana community and the Pokot was the major setback limiting respondent's participation in project risk management. Other factors that limit full participation in project risk management were; tribal discrimination with a mean of 4.3333 and standard deviation of 0.73030, financial constraints with 4.2821 and standard deviation of 0.90014, low publicity with a mean of 4.1032 and standard deviation of 0.92001, delay in honoring payment with a mean of 3.5577 and standard deviation of 1.07307 and lastly lack of Trust in project risk management activities with a mean of 3.2745 and standard deviation of 0.82904 which was in line with Boon et al. (2012) and El-Gohary et al. (2006) observation on abandoned projects in Ghana.

5.4.Conclusions

Based on the summary of findings, the study concludes that stakeholders' participate actively in project risk management oriented activities which is tagged to a monetary value such as purchasing and supplies of goods and services to the company. The study also concludes that economic factors to a greater extent influence the level of stakeholder participation in project risk management and social cultural factor have least influence in determining the level of participation.

On the contribution of stakeholder's participation toward project risk management, the study drawn a link between the level of participation and civic responsibility in managing the projects. Increase in level of project participation results to increase in civil responsibility and thus the stability of the project both economically and politically.

On challenges that affects stakeholder's participation in project risk management, the study concludes that there is a positive significant relationship between the level of participation and security. The more insecurity in the region the less the level of participation in project risk management.

5.5. Recommendations

In relation to the findings and conclusion of the study the following recommendations were put forward;

I. Publicity of other project risk management activities other than purchasing and supplies should be intensified. Publicity will help the stakeholders with holistic information on activities which they can play a role in the entire project scope.
II. The government of Kenya should scale up security operation in the region to get rid of illegal small arms and light weapon which has pose great security threat not only to the exploration companies but also to the community.
III. There is urgent need for community investment models to prepare the community for natural resource management and development agenda. This can be achieved through targeted projects with long-term impact on social and economic tenents of vision 2030 and other development blue prints
IV. The government should expeditious work on a framework that will guide the revenue sharing formula from the net proceeds of oil and mining resources.

5.4. Suggestions for Further Research

This study has investigated the level of stakeholder's participation in project risk management .A case of Tullow oil in Turkana County. There are numerous areas that still require further research.

The researcher would therefore wish to propose detailed study on the importance of establishment of a framework on dispute resolution mechanism and community investment model/ revenue sharing in mining projects.

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APPENDICES

Appendix 1: Questionnaire

The main aim of this research is to assess the level of stakeholder's participation in Project Risk Management .A case of Tullow Oil in Turkana County. This questionnaire is designed to elicit information regarding this research work. Information given will solely be used for this research purposes and will be treated with utmost confidentiality. Kindly answer all the questions by ticking in the appropriate box or filling in the spaces provided.

SECTION A: GENERAL INFORMATION

1. Gender

Male [ ] Female [ ]

2. Age of the respondent (Tick whichever applicable)

11-20 years [ ] 21-30 years [ ] 31-40years [ ] 41-50years [ ] 51-60 years [ ]

3. Marital Status;

Single [ ] Married [ ] Others [ ] specify ----------

4. Educational level

None [ ] Primary level [ ] Secondary level [ ] College [ ] University [ ]

Post graduate [ ]

5. Years of residence in Turkana South Sub -County constituency (Tick whichever applicable)

Less than 1 year [ ] 6-10 years [ ]

1-5 years [ ] Over 10 years [ ]

SECTION B: STAKEHOLDERS ACTIVITIES IN PROJECT RISK MANAGEMENT

6. Are you aware of Tullow's Exploration activities in Turkana County?

Yes [ ] No [ ]

7. Do you support Tullow oil exploration project in Turkana County?

Yes [ ] No [ ]

8. If No in 7 above why?

.....
.....
.....
.....

9. Which project risk management activities do you/ were you actively involved in at Tullow oil Plc in Turkana County? (Tick one)

Activity	**Tick**
Conceptual studies	
Due diligence	
Revenue collection	
Infrastructure Development	
Employment and Wages	
Public consultation	
Land acquisition compensation	
Purchasing and supplies	
Provision of Services	
Resettlement	
Legal and other agreements	
Cultural properties	
Management of environmental issues	
Management of the social issues	

SECTION C: FACTORS THAT INFLUENCE THE LEVEL OF PARTICIPATION OF STAKEHOLDERS IN PROJECT RISK MANAGEMENT

10. On a scale of 1 to 5 where 5 is Very high ,4 high,3 Neutral,2 low and 1 is Very low, please rate how the following factors influence your level of participation in project risk management activities at Tullowplc in Turkana County?

Variables Under Consideration	1	2	3	4	5
Political factors					
Economic factors					
Social Cultural factors					
Technological factors					
Environmental factors					

SECTION D: CONTRIBUTION OF STAKEHOLDERS TOWARD OF PROJECT RISK MANAGEMENT

11. Using a Likert scale of 1-5, with 5 being 'strongly agree', 4 being 'agree', 3 'Neutral ', 2 being 'disagree' and 1 being 'strongly disagree', to what extent do you concur with the following statements related to performance of project risk management at Tullow.

Variables	**1**	**2**	**3**	**4**	**5**
The stakeholders desired to host the oil exploration in the county					
Stakeholders are actively involved in the project.					
The stakeholders affect performance of risk management within the project cycle					
Project risk management has The stakeholders are politically and economically interested in the project					
The stakeholders affect the performance of the employees at the project					
The stakeholders influence the expectations and perception of the residents concerning the project					
Stakeholders participation in project risk management has brought a sense of civic responsibility in managing the project					
Stakeholders participation has brought synegy in the oil exploration project					
Other (specify)					

12. What contribution does your institution/organization provide toward project risk management at Tullow oil plc?

.....
.....
.....
.....

13. In your opinion is your contribution toward project risk management sufficient?

Yes [ ] No [ ]

14. If Yes in 10 above how?

How?.....
.....
.....

15. If No in 13 above

Why?.....
.....
.....

16. How would you describe the level of your participation?

a. Very high [ ]
b. High [ ]
c. Normal [ ]
d. Low [ ]
e. Very low [ ]

CHALLENGES THAT AFFECT STAKEHOLDERS PARTICIPATION IN PROJECT RISK MANAGEMENT

17. On a scale of 1 to 5 where 5 is Very high ,4 high,3 Neutral,2 low and 1 is Very low, please rate how the following factors limited your participation in project risk management activities at Tullowplc?

Variables Under Consideration	1	2	3	4	5
Lack of trust in that activity					
Poor security					
Low publicity					
Delay in honouring					
Corruption					
Harassment					
Tribal discrimination					
Financial constraints					

18. To what extent does the challenges in 18 above affects your level of participation in project risk management?

To a very great extent [ ]
To a great extent [ ]
Neither great nor low extent [ ]
Low extent [ ]
Very low extent [ ]

19. Is there synergy between Tullow oil and stakeholders? Yes [ ] No [ ]

20. If No in 16 above,
why?.....
.....
.....
.....

21. In your view what do you recommend to encourage more participation in project risk management?

.....
.....
.....
.....

Appendix 2: Key Informant Interview Guide

Date of interview:_____

Place of interview:_____

Interviewer name: _____

Interviewee Gender: _____

Organization/Institution: _____

Position/title:

The main aim of this research is to assess the level stakeholder's participation in Project Risk Management .A case of Tullow Oil in Turkana County. This interview guide is designed to elicit information regarding this research work. Information given will solely be used for this research. You are also assured of full confidentiality, privacy and anonymity of all the information that will be given by you. You should therefore feel free to give the right information to ensure the success of this work.

1. Activities in project risk management at Tullow in Turkana County
    a. What are the roles/functions of your institution in Project Risk Management process?
    b. Which of these roles does your institution perform best and why?
    c. Which of these roles does your institution do not perform best and why?
    d. What are some of the problems your institution faces when performing these roles?
2. To establish the factors that determine the level of participation of stakeholders in project risk management
    a. What are some of the policies and activities that your institution/organization was involved in?(Probe on planning, implementation, evaluation etc)
    b. What factors encourage your institution/organization to actively participate in that activity?
3. Contribution of your institution toward project risk management at Tullow oil Plc?

a. What contribution does your institution/organization provide toward project risk management at Tullow oil plc?

b. Which areas or parts of the project risk management does your institution/organization contribute to?

c. What form or nature did the contribution take?

d. What effect did the contribution have on project risk management process?

4. To identify the challenges that affect stakeholders participation in project risk management

    a. What are some of the challenges/problems that your institution/organization encounter in its participation in the Project risk management at Tullow Oil Plc?

    b. Among these challenges/problems which ones were most serious and less serious?

    c. Please can you give reasons for that?

5. What recommendation(s) can you suggest to help stakeholders in general to participate more in project risk management?

Appendix 3: Letter of Introduction

Maweu Christopher Kituu,

University of Nairobi,

School of Distance and Continuing Education,

P.O Box 30197,

NAIROBI.

Dear Participant,

RE: ASSESSING THE LEVEL OF STAKEHOLDERS PARTICIPATION IN PROJECT RISK MANAGEMENT

I am a Master of Arts student in Project Planning and Management student at the University of Nairobi; I am currently collecting data for the above named research.

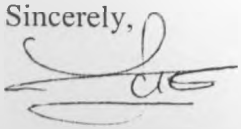
You have been selected to participate in this study. The main purpose of the study is to *assess the level of Stakeholders Participation in Project Risk Management in mineral exploration .A case of Tullow Oil in Turkana County.*

The researcher would use the results to provide recommendations that may be applied to come up with a suitable and effective project risk management model in the exploration sector in Kenya.

To accomplish this objective, you are kindly requested to complete the questionnaire provided so as to provide the necessary data. If you are interested in the results and recommendations of this study, please advise the researcher to avail them as soon as the study is completed.

Your contribution is highly appreciated.

Yours Sincerely,



Maweu Chritopher Kituu

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