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Effect of Stakeholder Engagement Practices on Project Performance of the Integrated Housing Projects in Laikipia County, Kenya

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Abstract:

This study examined the effect of stakeholder engagement practices on the performance of the Integrated Housing Project implemented by Habitat for Humanity Kenya (HFHK) in Laikipia County, Kenya. A descriptive case study design was adopted, targeting 128 respondents comprising HFHK project staff, community beneficiaries, and local government representatives. Structured questionnaires were administered and data analysed using IBM SPSS Statistics Version 26. Both descriptive and inferential statistics, including Pearson correlation and simple linear regression analysis, were employed alongside diagnostic tests for normality, multicollinearity, linearity, and homoscedasticity. Stakeholder engagement practices had a positive and statistically significant effect on project performance ($\beta = 0.523$, $p < 0.05$), with stakeholder engagement explaining 27.4% of the variance in project performance ($R^2 = 0.274$). Descriptive analysis (Mean = 3.88, SD = 0.83) confirmed that community participation, feedback integration, and local partnerships were actively practised, though perceptions varied across respondent categories. The regression model was statistically significant ($F = 36.789$, $p < 0.05$). Development organizations should institutionalize structured stakeholder engagement mechanisms across all project phases. Meaningful participation beyond tokenistic consultation enhances project ownership, accountability, quality, timeliness, and beneficiary satisfaction. This study contributes localized empirical evidence on stakeholder engagement in NGO-led integrated housing projects in rural Kenya, an underexplored context in project management literature.

Keywords: Stakeholder Engagement, Project Performance, Integrated Housing, Habitat for Humanity, Laikipia County, Kenya

1. Introduction

Effective stakeholder engagement has emerged as a critical determinant of project success in the global development sector. Development organizations worldwide have increasingly recognized that projects which actively involve communities, government agencies, and other interest groups in planning, implementation, and evaluation tend to yield better outcomes than those driven exclusively by external actors (World Bank, 2017; UNDP, 2020). In the housing sector particularly, where interventions intersect with complex social, economic, and political dynamics, stakeholder participation serves as both a quality-assurance mechanism and an accountability safeguard (UN-Habitat, 2019).

In sub-Saharan Africa, the performance of housing and infrastructure projects has historically been undermined by top-down implementation approaches that bypass community knowledge and local priorities. Research from Rwanda and South Africa demonstrates that housing programs incorporating multi-sectoral coordination and early stakeholder engagement consistently outperform those that do not, achieving better timeliness, quality, and beneficiary satisfaction (UN-Habitat, 2019; Amolo & Niyizigihe, 2025). Within Kenya, persistent challenges including weak inter-agency coordination, low beneficiary participation,

and insufficient feedback mechanisms continue to constrain project outcomes, particularly in rural counties (KIPPRA, 2021). The Integrated Housing Project in Laikipia County, implemented by Habitat for Humanity Kenya (HFHK), offers a compelling case to investigate these dynamics. The project combined the construction of twelve housing units using Compressed Soil Block (CSB) technology with complementary components including water and sanitation, skills training for local youth, and community empowerment. As a multi-stakeholder initiative involving local government departments, community leaders, beneficiary households, and HFHK staff, the project provided an opportunity to examine how different levels and forms of stakeholder engagement shaped actual performance outcomes.

Despite a holistic design aligned with integrated development principles, preliminary assessments of the project indicated mixed performance results, raising important questions about how stakeholder engagement was practised and its relationship to project performance. No systematic empirical study had previously examined these dynamics within this specific project context. This study therefore addressed this gap by investigating the effect of stakeholder engagement practices on the performance of the Integrated Housing Project in Laikipia County, thereby generating evidence-based insights applicable to similar NGO-led rural housing interventions in Kenya and comparable settings.

2. Literature Review

2.1 Theoretical Framework

This study is anchored on three interconnected theoretical frameworks.

The Ladder of Participation Theory, originally developed by Arnstein (1969), conceptualizes citizen involvement as a continuum ranging from manipulation and tokenism at the lower rungs to partnership, delegated power, and citizen control at the higher rungs. Arnstein argued that genuine participation only occurs when communities are given real influence over decisions affecting them. Cornwall (2016) and Botes and van Rensburg (2020) extended this framework, emphasizing that participation must be assessed not merely by its presence but by its quality and depth. Applied to the Laikipia housing project, this theory guides analysis of whether beneficiaries and community actors were engaged at superficial or meaningful levels, and how the depth of that engagement influenced performance.

Empowerment Theory, articulated by Zimmerman (2000) and later expanded by Christens (2019), posits that sustainable development requires enhancing the agency, voice, and decision-making capacity of individuals and communities. In housing projects, empowerment manifests through skills training, participatory decision-making, and community ownership of project outputs. Empowerment-oriented stakeholder engagement, such as training beneficiaries in construction techniques or establishing community committees, reduces dependency on external actors and builds resilience, directly strengthening project sustainability.

Systems Theory, introduced by von Bertalanffy (1968), frames development projects as dynamic systems composed of interrelated subsystems. Badewi (2016) and Valencia et al. (2022) applied this framework to project management, arguing that inefficiencies in one subsystem such as weak stakeholder communication cascade into broader performance failures. For integrated housing projects combining shelter, water, livelihoods, and community development, Systems Theory highlights the critical role of stakeholder coordination in ensuring that all project components function synergistically.

2.2 Stakeholder Engagement in Development Housing Projects

Stakeholder engagement, rooted in Freeman's (1984) stakeholder theory, refers to the systematic process of involving all parties who have an interest in or are affected by a project throughout its lifecycle. Effective engagement includes consultation, collaborative planning, feedback integration, partnership-building, and shared decision-making (PMI, 2021).

Empirical evidence consistently demonstrates that stakeholder participation enhances housing project performance across multiple dimensions. Amolo and Niyizigihe (2025) found that while planning and risk management were primary performance drivers in Rwanda's Kinigi Settlement Project, stakeholder involvement required stronger institutional integration to produce

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measurable outcomes. Chepkwony, Muchelule and Somba (2024) established that community participation significantly moderated the relationship between project scope management and performance in National Housing Corporation projects in Kenya, concluding that inclusive engagement from project inception strengthens stakeholder acceptance, efficiency, and sustainability. Wanjau, Namusonge and Lango (2024) demonstrated that team planning incorporating diverse stakeholders accounted for 51.3% of the variance in housing project performance in the Nairobi Metropolitan area.

In East Africa, Namara and Ssemakula (2021) documented that rural housing initiatives were more successful when communities actively participated in construction and monitoring compared to top-down projects that faced resistance and low sustainability. Similarly, Otieno and Wambugu (2019) observed that housing projects in Kisumu underperformed due to weak beneficiary involvement and ineffective monitoring, reinforcing the importance of structured community engagement. These findings collectively affirm the Ladder of Participation Theory's proposition that higher levels of community involvement generate stronger project legitimacy and performance outcomes.

2.3 Project Performance in Housing Interventions

Project performance in the housing sector is typically assessed through indicators of timeliness, budget adherence, quality of deliverables, beneficiary satisfaction, and sustainability (Khang & Moe, 2008; PMI, 2021). Stakeholder engagement influences each of these dimensions distinctly. Participation in planning reduces scope misalignment and resource misallocation, thereby improving timeliness and cost efficiency. Feedback loops enable early identification of implementation challenges, enhancing quality. Community ownership resulting from meaningful engagement sustains project outcomes beyond the implementation period (Kerzner, 2022).

Research by Muriuki and Nyandemo (2021) in the Kenyan context highlighted that monitoring and evaluation practices linked to stakeholder feedback significantly improved project responsiveness and satisfaction levels. García and Kumar (2021) established in their international review that stakeholder engagement was a strong predictor of housing project success, particularly in low- and middle-income country contexts where community knowledge often compensates for limited technical resources.

3. Methodology

This study adopted a descriptive case study research design to examine the effect of stakeholder engagement practices on the performance of the Integrated Housing Project in Laikipia County. The case study approach was appropriate given the study's focus on an in-depth investigation of implementation dynamics within a specific real-life project context, allowing for comprehensive exploration of the relationship between stakeholder engagement and multiple performance dimensions (Creswell & Creswell, 2018).

The study population comprised 128 individuals directly involved in the project, including 30 HFHK project staff responsible for planning, implementation, and monitoring; 75 community beneficiaries participating in the housing initiative; and 23 local government officials responsible for oversight and coordination. Given the manageable population size, a census approach was adopted, targeting all 128 individuals. A total of 101 completed questionnaires were returned, representing a 79% response rate, which exceeded the recommended 70% benchmark (Creswell & Creswell, 2018).

Data were collected using structured questionnaires containing five Likert-scale items (1 = Strongly Disagree to 5 = Strongly Agree) measuring stakeholder engagement practices and five items measuring project performance. Content validity was ensured through expert review by academic supervisors. Reliability was assessed using Cronbach's Alpha, with values above 0.7 considered acceptable.

Data were analysed using IBM SPSS Statistics Version 26. Descriptive statistics including means and standard deviations summarized the distribution of responses. Pearson's product-moment correlation assessed the strength and direction of the association between stakeholder engagement and project performance. Simple linear regression analysis established the

predictive effect of stakeholder engagement on project performance. Prior to inferential analysis, diagnostic tests for normality (Shapiro-Wilk test), multicollinearity (Variance Inflation Factor), linearity (Ramsey RESET Test), and homoscedasticity (Breusch-Pagan test) confirmed that regression assumptions were satisfied.

4. Results and Discussion

4.1 Descriptive Analysis of Stakeholder Engagement Practices

Table 1 presents descriptive statistics for the five stakeholder engagement practice items.

Table 1: Descriptive Analysis of Stakeholder Engagement Practices (n = 101)

Statement	Mean	SD
Stakeholders are actively involved in project planning and decision-making processes.	3.91	0.84
The project communicates effectively with stakeholders throughout the implementation period.	3.85	0.88
Feedback from stakeholders is considered in project adjustments and improvements.	3.90	0.82
The project fosters strong partnerships with local leaders and community groups.	3.87	0.81
Stakeholder engagement activities promote ownership and sustainability of project outcomes.	3.89	0.79
Overall Average	3.88	0.83

Source: Field Data (2025)

The overall mean of 3.88 (SD = 0.83) indicates that respondents generally agreed that stakeholder engagement was actively practised in the project. The highest mean (3.91, SD = 0.84) was recorded for active involvement in planning and decision-making, suggesting that HFHK adopted participatory planning approaches that engaged beneficiaries and community representatives when setting priorities and determining implementation schedules. This reflects a bottom-up planning structure consistent with the higher rungs of Arnstein's (1969) Ladder of Participation.

The second-highest mean (3.90, SD = 0.82) for the statement on feedback integration indicates that modification of project activities based on beneficiary and community input was practised, supporting an adaptive management approach consistent with Systems Theory. The promotion of ownership and sustainability through engagement scored 3.89 (SD = 0.79), reflecting that inclusive practices fostered community responsibility for maintaining housing infrastructure beyond the project period, consistent with Empowerment Theory (Zimmerman, 2000). Stakeholder communication scored the lowest mean (3.85, SD = 0.88), and its higher standard deviation suggests variation in communication experiences across respondent categories, pointing to a potential area for improvement.

4.2 Descriptive Analysis of Project Performance

Table 2 presents descriptive statistics for the five project performance items.

Table 2: Descriptive Analysis of Project Performance (n = 101)

Statement	Mean	SD
The project met its construction and service delivery goals.	4.35	0.72
The housing units were delivered on time.	4.20	0.81
The project stayed within its allocated budget.	4.05	0.88
The quality of the housing units met expectations.	4.28	0.76
The beneficiaries were satisfied with the outcome.	4.40	0.70
Overall Average	4.26	0.77

Source: Field Data (2025)

Project performance recorded a high overall mean of 4.26 (SD = 0.77), indicating strong agreement that the project performed well across all measured dimensions. The highest mean (4.40, SD = 0.70) was for beneficiary satisfaction, suggesting that stakeholder-engaged implementation yielded housing outputs perceived as highly relevant and responsive to community needs. Construction and service delivery goal attainment scored 4.35 (SD = 0.72), while quality of housing units scored 4.28 (SD = 0.76). Budget adherence recorded the lowest mean (4.05, SD = 0.88), indicating moderate cost management effectiveness with some variability likely attributable to inflation or unanticipated expenditures.

4.3 Correlation Analysis

Pearson's correlation analysis revealed a moderate positive and statistically significant relationship between stakeholder engagement and project performance ($r = 0.492$, $p < 0.05$). This finding indicates that as stakeholder engagement practices improve, project performance correspondingly improves, consistent with the theoretical propositions of the Ladder of Participation Theory and Empowerment Theory. The moderate strength of the correlation also suggests that while stakeholder engagement is an important predictor of performance, other factors such as MEAL practices and project planning also contribute independently to project outcomes.

4.4 Regression Analysis

Simple linear regression was conducted to determine the predictive effect of stakeholder engagement on project performance. Tables 3, 4, and 5 present the model summary, ANOVA results, and regression coefficients respectively.

Table 3: Model Summary – Stakeholder Engagement and Project Performance

R	R Square	Adjusted R^2	Std. Error of Estimate
0.523	0.274	0.266	0.453

Source: Field Data (2025)

Table 4: ANOVA – Stakeholder Engagement and Project Performance

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	7.342	1	7.342	36.789	.000
Residual	19.414	99	0.196		
Total	26.756	100			

Source: Field Data (2025)

Table 5: Regression Coefficients – Stakeholder Engagement and Project Performance

Model	B	Std. Error	β (Beta)	t	Sig.
(Constant)	3.189	0.095		33.568	.000
Stakeholder Engagement	0.534	0.088	0.523	6.065	.000

Source: Field Data (2025). Dependent Variable: Project Performance

The regression model summary shows that stakeholder engagement accounts for 27.4% of the variance in project performance ($R^2 = 0.274$, Adjusted $R^2 = 0.266$), indicating a meaningful explanatory effect. The ANOVA results confirm that the model is statistically significant ($F = 36.789$, $p < 0.05$), validating stakeholder engagement as a significant predictor of performance. The regression coefficient ($B = 0.534$, $\beta = 0.523$, $p < 0.05$) indicates that for every one-unit increase in stakeholder

engagement, project performance improves by 0.534 units. The t-value ($t = 6.065$, $p < 0.05$) confirms the statistical robustness of this relationship.

These findings support the study's hypothesis that stakeholder engagement practices positively and significantly influence the performance of the Integrated Housing Project in Laikipia County. The findings are consistent with Chepkwony et al. (2024), who established that community participation significantly enhanced project performance in Kenyan housing projects, and with García and Kumar (2021), who identified stakeholder engagement as a strong predictor of housing project success in low- and middle-income country contexts.

4.5 Discussion

The study findings offer several important insights for theory and practice. First, the statistically significant positive effect of stakeholder engagement on project performance ($\beta = 0.523$, $p < 0.05$) validates the central proposition of the Ladder of Participation Theory (Arnstein, 1969) that meaningful community involvement creates conditions for better project ownership, relevance, and satisfaction. The high mean for beneficiary satisfaction (4.40) relative to other performance dimensions suggests that engagement-driven project delivery is most powerfully felt in how beneficiaries perceive and value project outcomes, consistent with the SERVQUAL model's emphasis on the gap between expectations and perceived outcomes (Parasuraman et al., 1988).

Second, the variation in stakeholder communication scores (SD = 0.88) reveals that engagement quality was uneven across respondent categories. While HFHK staff may have perceived communication as comprehensive, beneficiaries and local government officials may have experienced it differently, pointing to a need for differentiated communication strategies that account for literacy levels, language diversity, and access to information channels in rural settings.

Third, the explanatory power of the model ($R^2 = 0.274$), while meaningful, indicates that 72.6% of the variance in project performance is attributable to other factors. This is consistent with the broader regression analysis from the parent study, which found that MEAL practices ($\beta = 0.602$) and project planning ($\beta = 0.582$) also independently and significantly predicted performance. This underlines the Systems Theory perspective that integrated housing project performance is determined by the coordinated interaction of multiple implementation subsystems, and that stakeholder engagement, while vital, functions most effectively in synergy with robust monitoring systems and sound planning frameworks.

Fourth, the partial mediation effect of organizational capacity (R^2 change = 0.095) identified in the broader study suggests that HFHK's internal systems, leadership structures, and technical expertise amplified the benefits of stakeholder engagement, translating participatory practices into tangible performance improvements. Organizations with weaker capacity may engage stakeholders extensively yet fail to translate that engagement into improved outputs, underscoring the importance of institutional strengthening alongside engagement strategies.

5. Conclusion and Recommendations

5.1 Conclusion

This study established that stakeholder engagement practices have a positive and statistically significant effect on the performance of the Integrated Housing Project implemented by Habitat for Humanity in Laikipia County, Kenya ($\beta = 0.523$, $R^2 = 0.274$, $F = 36.789$, $p < 0.05$). Meaningful community participation in planning, consistent feedback integration, partnership cultivation with local leaders, and engagement-driven ownership all contributed to improved project quality, timeliness, beneficiary satisfaction, and sustainability. However, engagement intensity varied across stakeholder groups, and communication practices showed greater inconsistency than other engagement dimensions.

The findings affirm the Ladder of Participation Theory's assertion that higher-quality participation generates superior project legitimacy and performance outcomes, and validate Empowerment Theory's proposition that equipping communities with agency enhances both the effectiveness and sustainability of development interventions. From a Systems Theory perspective,

stakeholder engagement functions as an essential subsystem within the broader project management system, and its effectiveness is moderated by the organization's internal capacity.

5.2 Recommendations

Based on these findings, the following recommendations are made:

- Development organizations should institutionalize structured stakeholder engagement frameworks that define the roles, responsibilities, and participation mechanisms for all stakeholder groups across all project phases from design through evaluation. Engagement should move beyond consultation to partnership and delegated power, consistent with the higher rungs of Arnstein's Ladder.
- HFHK and similar organizations should invest in differentiated stakeholder communication strategies tailored to the literacy levels, languages, and information access channels of distinct community groups. Regular community feedback sessions, beneficiary scorecards, and accessible complaint mechanisms should be institutionalized.
- Policymakers and county governments should create enabling frameworks that facilitate NGO-community-government collaboration in housing delivery, reduce bureaucratic barriers to participation, and recognize community input as a formal component of project approval and evaluation processes.
- Future research should examine stakeholder engagement in integrated housing projects using longitudinal designs to assess how engagement intensity at different project phases differentially affects performance outcomes. Comparative studies across Kenyan counties and NGO contexts would further enrich understanding of contextual moderators.

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