

The Mediating Effect of Stakeholder Commitment in the Relationship between Stakeholder Participation and Project Sustainability

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Abstract

This study examines the mediation effect of Stakeholder Commitment in the Relationship between Stakeholder Participation and Project Sustainability. A self administered structured questionnaire was used to collect data from 86 NGOs in Uganda. Data was analyzed using Baron and Kenny's Approach to mediation (1986). Results revealed that Stakeholder Participation is a significant predictor of the Project Sustainability. This can be seen from the Beta value which was significant, showing a significant model (Beta = .619, $p < .01$). Results also revealed that the Stakeholder Participation is a significant predictor of Stakeholder Commitment and therefore the two are practically related variables (Beta = .464, $p < .01$). Results also show that Stakeholder Commitment is a predictor of project sustainability and therefore the two are statically significant with a Beta Value of (Beta = .569, $p < .01$). Overall, multiple regression model is significant with a Beta value of .457**. However, there was a significant decrease in the beta value from .619** to .457** when we introduced Stakeholder Commitment. This study provides empirical evidence from health projects to the effect that Stakeholder Commitment plays partial mediation role on the relationship between Stakeholder participation and project sustainability.

Keywords: Stakeholder participation, Stakeholder commitment, Project sustainability,

INTRODUCTION

Stakeholder participation has been cited by many scholars to be one of the key factors in project sustainability (Bryde; 2008, Finzi; 2009, UNEP; 2000 & House et al 1997). According to the Documentation of Capacity building experience in Uganda carried out in November 2000, both government and NGOs had implemented a number of Community Based Health Care (CBHC) projects investing large amounts of resources in these efforts. Despite the ability to raise funds for their several projects, the already concluded projects within NGOs have persistently experienced gaps in capacity building, infrastructure, service provision and maintenance of project activities, suggesting lack of project sustainability (Bryde, 2010, Mancini & Marek 2004). Whereas the 2004 NGOs performance report show that this phenomenon is attributable to limited functional stakeholder participation in most projects activities, empirical studies to the phenomenon remain scanty. There is need for an empirical study in this vein to examine the mediation effect of stakeholder participation on the sustainability of projects among NGOs in Uganda.

Conceptual framework

The framework below illustrates the relationship between stakeholder participation and project Sustainability. Stakeholder Participation in this study is viewed as an independent variable which leads to project sustainability. When stakeholders participate in by being consulted, take up roles and make decisions regarding the project, this is said to translate into project sustainability. However, the strength of the relationship between stakeholder participation and projects sustainability will be mediated by stakeholder commitment.

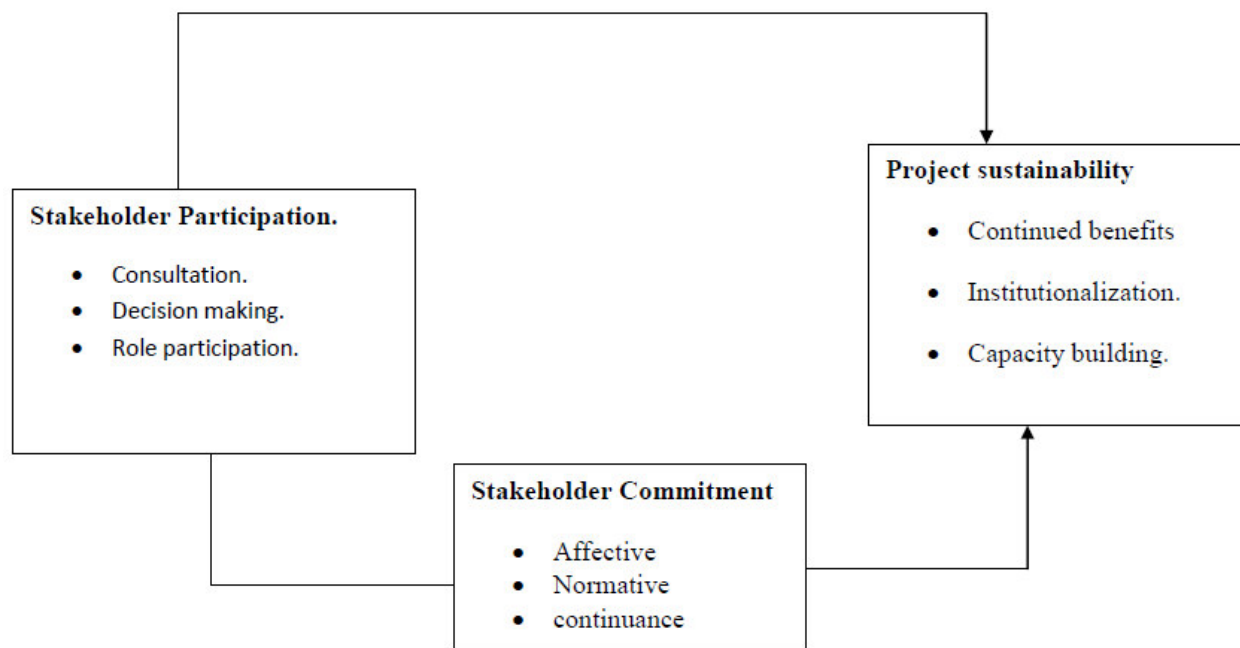


Figure1: Conceptual Framework (Source: Allen & Meyer, 1990b; Mancini & Marek, 2004; Kanungo, 1982; Shediac-Rizkallah & Bone, 1998)

Stakeholder Participation, Stakeholder commitment and Project Sustainability

The world bank (1996) contends that NGOs' are catalysts of participatory development and they have a comparative advantage over bureaucratic agencies and that the success of many projects and hence institutions depend upon a high degree of community acceptance and participation as they will be required to commit substantial time, resources and risks in order to achieve desired objectives. Narjolein and Archferkamp (2008) further affirms that interests of stakeholder need to be dealt with to support the sustainability of the project deliverables as stakeholder participation can lead to higher levels of stakeholder commitment throughout the project life.

According to Meyer and Allen (2002) stakeholder involvement leads to increased affective commitment where stakeholders adopt the project's goals as their own and, therefore, desire to remain with the organization to help it achieve its goals. It is this that leads to increased project performance as Carmeli and Freund (2001) also notes that stakeholders who have high levels of role involvement might reciprocate in the form of greater affective commitment to the organization leading to increased performance and thus sustainability.

Cleland's (1999) findings coincides with the findings of the earlier studies, he asserts a strong willingness of stakeholders to carry out project activities influences their expectations and perceptions towards the project and this leads to emotional attachment of these stakeholders to the interests of the project and willingness to achieve the project goals. According to Crawford, (2005) and Morris *et al.*, (2006), Stakeholder involvement is one of the core soft skills areas that have been highlighted as being necessary for building commitment to the project in order to achieve desired outcomes. In their study, Cooper, (1998) and Loo, (2002) state that involvement of senior management was found to be essential in building their commitment towards the project in order to avoid wastage of resources or even termination of the project.

Projects have always required planning, management and control to deliver the required outcome. The key to forming successful project relationships lie in understanding that the different stakeholders have different expectations of the project and will affect project sustainability different (Klein et al, 2000) as cited by Bourne, (2006). Since most developed projects mainly focus on the less fortunate in society and stakeholders analysis seeks to involve these disadvantaged groups in the developed process to ensure their needs are properly catered for, there is Bourne and Walker (2006). Almost all projects because of their relatively short duration and often prioritized control of resources require formal, detained planning argues kerzner, (1999). Planning in general is described as the function of selecting the entire prize objectives and establishing the policies, procedures and programmes necessary for achieving them, stresses kerzner. Planning is determining what needs to be done, by whom and by when in order to fulfill one's assigned responsibilities. Stakeholders need to be involved when project objectives are being set, when requirements are being developed, when risks and opportunities are being assessed and when decisions are being made. The point of identifying and getting to know stakeholders early

means that we can involve the right people while implementing the project and throughout the project in order for them to be committed to project objectives (Finzi,2009).

According to Marilee (2000), stakeholder participation at the implementation stage of the project cycle leads to efficiency, effectiveness capacity building of stakeholders or beneficiaries, self reliance, empowerment, commitment and project sustainability. The United Nations report (2002) states that one of the biggest challenges facing civil society at all levels is the lack of fully integrated participation in decision processes and most NGOs and projects are unsustainable due to insufficient funding and lack of participation of primary stakeholders in implementation. Despite all the above, only few countries and NGOs have effectively included interest of all stakeholders in the entire process and in many cases, participation remains superficial and is restricted to certain stakeholders groups and often dwindles to nothing when it comes to commitment during implementation (FAO, 2003). Ongoing program monitoring and evaluation is viewed as a valuable tool to promote project sustainability in addition to achieving program characteristics with the needs of its stakeholders (Johnson et al, 2004). Weiss et al (2002) argues that program evaluation can help in the development of strategies for sustainability of many organizations to follow up their implementation and evaluate the effectiveness. Similarly, it was noted that evaluation could be useful in identifying problems in the project and facilitating flexibility.

Participation in planning by the stakeholders facilitates consensus building and ownership of project findings, and enhances stakeholder commitment towards the achievement of the project goals. Broader participation of stakeholders further enhances the quality, commitment and credibility of Monitoring and Evaluation and the likelihood of appropriate follow up action (Freund & Carmeli, 2003). Whenever possible, both partners and participants should be involved in the evaluation process. Participation of the implementers and beneficiaries is particularly important since they are responsible for sustainability of the project outcomes (World Bank, 2004). Whereas the researchers were in agreement about the importance of monitoring and evaluation in attainment of project sustainability, they did not specify who should do it. Should it be the project staff? External evaluators? Or to involve even the stakeholders in the exercise? When done, for whose interest, are questions that needed to be answered so as to establish the effect on project sustainability.

H1: Stakeholder Commitment is a potential mediator of the relationship between Stakeholder participation and project sustainability.

In line with the above theoretical review, it is clear that vast literature related to the study variables have been conducted. It has been observed however, that most of the established relationships have been conducted in a developed environment. Also, no aggregative study has been conducted to examine their independent impact on the sustainability of health projects which are continuing to attract funding from donors for most of the NGOs.

Data Collection Instruments

A self administered structured questionnaire was used. The questions in the questionnaire were close-ended. These were rated using a 5-point Likert Scale of strongly agree (5), agree (4), uncertain (3), disagree (2) strongly disagree (1). The questionnaire was divided into sections to address specifically all the variables in the model.

Geographical scope: The study was limited to the health projects of selected NGOs in Uganda. NGOs were selected since most of the health projects in Uganda are implemented within NGOs (USAID, 2001). Kampala in this study was taken as the area of coverage because this is where most of the Health NGOs are concentrated (NGO Directory, 2010).

Subject Scope: The study focused on the relationship between stakeholder Participation and sustainability of health projects among NGOs in Uganda. The study followed claims by many articles (e.g. Mancini, Martin, & Bowen, 2003; Bourne; 2006 and Holder & Moore; 2000), that the failure of organizations to achieve sustainability in many projects is due to lack of project stakeholder participation. The intensity of the investigation of the variables was limited to the objectives of the study.

Measurement of Variables

Stakeholder Participation

Stakeholder participation was measured using the stakeholder involvement questionnaire developed by Kanungo (1982) and Schaeffer, (1994) and Arnstein (1969). Who identified the levels of stakeholder participation to involve job participation which tested the stakeholders' willingness to carry out the current project activities, consultation which involves testing the stakeholder views about the way they were involved by being consulted about the project before the initiation phase, and decision making which looked at the degree at which stakeholders participated in making decisions which impacted on them.

Stakeholder Commitment

Commitment to the project was measured using the instrument developed by Allen and Meyer (1990b). This

involved testing commitment to the project in terms of three categories; Affective (stakeholder's emotional attachment to, identification with, and involvement in the project activities), Continuance (commitment based on the costs that a stakeholder associates with abandoning the project) and Normative (stakeholder's feelings of obligation to stay with the project).

Project Sustainability

Project sustainability was measured using the instrument developed by Shediac-Rizkallah and Bone (1998), this included testing sustainability in terms of three categories; Individual-level outcomes (sustainability of beneficial outcomes for clients), Institutionalization (continuation of program activities within an organization, and Community-level capacity (the maintenance of community attention to the problem addressed by the program).

Data Collection Procedures and Data Analysis

After approval of the research proposal, the researcher obtained a letter of introduction to the field introducing her to the respondents. Research assistants were appointed and data collection commenced. Coding and editing was done while in the field after data collection. Thereafter, data was analyzed and a report of findings was written. Data was analyzed using SPSS software version 20.0

FINDINGS

Baron and Kenny's Approach to mediation (1986) was used in a four stage process as illustrated below to examine the mediating effect of Stakeholder Commitment on the relationship between Stakeholder Participation and Project Sustainability.;

Table 1: Testing for Mediation

	Model 1 results	Model 2 results	Model 3 results	Model 4 results
Constant	Stakeholder participation on project sustainability	Stakeholder participation on Stakeholder Commitment	Stakeholder Commitment on Project Sustainability	Stakeholder participation and Commitment on project sustainability
Beta	.619**	.464**	.569**	.457**
R	.619	.464	.569	.692
R2	.384	.215	.324	.479
R2 Change	.384	.215	.324	.164
Adjusted R2	.371	.199	.310	.457
F Change	29.865	13.157	23.462	14.815
Sig. of change	.000	.001	.000	.000

Source: Primary Data.

Model 1: With the analysis at Model 1, the research data results revealed that indeed the Stakeholder Participation is a significant predictor of the Project Sustainability. This can be seen from the Beta value which was significant, showing a significant model (Beta = .619, $p < .01$). With these findings, the potential for a mediating variable can be seen.

Model 2: This model revealed that the Stakeholder Participation is a significant predictor of Stakeholder Commitment and therefore the two are practically related variables (Beta = .464, $p < .01$). This means that the stakeholder commitment is a potential mediator. Without a significant relationship between the Stakeholder Participation and the Stakeholder commitment, we cannot talk of Stakeholder Commitment being a mediator in the relationship between Stakeholder Participation and the Project Sustainability.

Model 3: As the model indicated, Stakeholder Commitment is a predictor of project sustainability and therefore the two are statically significant with a Beta Value of (Beta = .569, $p < .01$). From the results above, we can conclude that the Stakeholder Commitment is a potential mediator in the relationship between Stakeholder Participation and Project Sustainability. If this had not been the case, Model 1 would not have been significant (sig. $< .01$).

Model 4: the results revealed that when we conduct a multiple regression to test the combined effect of Stakeholder participation and stakeholder Commitment on project sustainability, the model is still significant with a Beta value of .457**. However, there was a significant decrease in the beta value from .619** to .457** when we introduced Stakeholder Commitment. The implication is that when we control for stakeholder commitment in model 4, the model is still significant. From the discussion, we can conclude that Stakeholder Commitment plays partial mediation role on the relationship between Stakeholder participation and project sustainability.

CONCLUSION AND RECOMMENDATIONS

The study used stakeholder participation, and commitment to the project as a mediator variable to predict project sustainability. The Research findings revealed a positive and significant relationship between the variables. Stakeholder participation and commitment were positively related ($r = .464$, $p < .01$). A significant positive relationship was observed between Stakeholder participation and project sustainability of health projects among NGOs in Uganda ($r = .619$, $p < .01$). And the study revealed that stakeholder commitment plays a full/ partial mediation role on the relationship between Stakeholder participation and project sustainability. The findings of the study can ably be used as a reference for future scholars embarking on a similar study, hence enhancing existing literature in the area of project sustainability. This study will also contribute to the existing body of knowledge on stakeholder participation and its relationship with project sustainability of NGOs.

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