

## **EFFECT OF STAKEHOLDER ENGAGEMENT ON EFFECTIVENESS OF PUBLIC UNIVERSITIES IN KENYA: CASE OF UNIVERSITY OF ELDORET**

**Kipkoech Sammy Kimutai** 

Garissa University, Garissa, Kenya

[sam.koech@yahoo.com](mailto:sam.koech@yahoo.com)

**Mercy Kwambai**

Garissa University, Garissa, Kenya

[mkossie@yahoo.com](mailto:mkossie@yahoo.com)

### **Abstract**

*The study sought to establish the effects of stakeholder engagement on effectiveness of public universities in Kenya. The study employed a descriptive survey design. The target population for the study was all staff that were involved in organizational change both directly and indirectly impacted upon by the new administrative systems. The total population of staff at the University of Eldoret is 1100. The sample size formula was adopted from Krejcie and Morgan, which gave a sample size of 65 respondents. Questionnaires were used as the main data collection instruments. Data was analyzed using descriptive statistics; frequencies and percentages. Correlation analysis was used to establish the effect of stakeholder engagement on effective of public universities. There was a significant and positive relationship between stakeholder engagement and organizational effectiveness in the University of Eldoret. Stakeholders were involved in the decision making process within the university in implementation of programs and projects. The study concluded that stakeholder engagement is and should always be an integral part of major decision-making processes in all cross-functional sections and/or departments of the universities leading to increased productivity. The study recommended the need for frequent and more stakeholder engagement in the university at all levels of operations.*

*Keywords: Stakeholders, Stakeholder Engagement, Organizational Change, Strategic Change, Change Management Strategies, Organizational Effectiveness*

## INTRODUCTION

Many organizations come up with new initiatives and strategies to cope with and manage changing environmental dynamics. The implications of change processes are regularly underestimated by senior management and not managed adequately. The economic and social environment is so dynamic that without the change that would be adoptive to the changed environment, even the most successful organizations was left behind, unable to survive in the new environment Singh (2003). According to Harigopal (2001), survival and eventual prosperity of an organization depends on its ability to monitor its external environment and align itself with changes that occur or tend to occur. This ability to plan for, implement and manage change is the factor that separates successful organizations from unsuccessful ones.

An effective organization ensures that there is a spirit of cooperation and sense of commitment and satisfaction within the sphere of it influence. In order to make employee satisfied and committed to their jobs, there is need for strong and effective motivation at various levels in an organization. An effective organization is one where there is a good strategic alignment between the mission, the structures and the subsequent human resource management policies and procedures which support people in achieving the goals of the organization. An organization is considered efficient and operationally effective if it is characterized by coordination between objectives and strategies (Abbah, 2014). Therefore, there has to be an integration of the parts into a complete structure, that is, operates as a system.

Higher education promotes the transition to sustainable ways of living and global society founded on shared ethical framework that includes respect and care for others. Any strategic change from all spheres of university's environment should therefore put into consideration human perceptions on the benefits of the change itself, and it must bring about organizational effectiveness so that the university meets its overall objects of its existence.

Institutions of higher learning in contemporary world are undergoing some of the most drastic transformation in the wake of ever changing environmental dynamics. Universities in Kenya today are operating in a highly turbulent and dynamic environment as a result of liberalization of the higher education industry, resulting in an influx of many players. For these institutions to survive in such an environment, their strategies need to focus on their customers (students, parents and industry) to deal with emerging environmental challenges which in turn pose managerial challenges.

The University of Eldoret is one of the 23 public universities in Kenya and situated approximately 9 km along the Eldoret-Ziwa road in Eldoret town, Uasin Gishu County. It was founded in 1946 by the white settlers as a Large Scale Farmers Training Centre. In 1984, it was

converted to a teachers' training college and renamed Moi Teachers' Training College to offer Diploma Science Teachers Training. Due to the double intake crisis, the College was taken over by Moi University as a Campus in 1990, renaming it Chepkoilel Campus. From 1990, the University made it a campus of natural, basic and applied science programmes.

In August 2010, the President, through Legal Notice No. 125 of 13 August 2010 upgraded the campus into a University College with the name Chepkoilel University College, a Constituent College of Moi University. Upon the award of Charter by the President on March 2013, the University College was renamed University of Eldoret. Currently it has staff population of 1100 and over 33, 000 students. The university has undergone a lot of transformational changes in terms of academic programmes and infrastructural development since attaining university status. Currently, there are 8 schools offering diverse diploma, undergraduate and postgraduate programmes.

In Kenya, universities have experienced various changes in their external environment, prompting responses from players in the higher education sub-sector with the objective of mitigating risks and taking advantage of opportunities. This has triggered research in the area of strategic management through application of clear and sustainable response strategies. Past research has been carried out on problems facing the public universities, especially focusing on funding, resources (human and physical), staff remuneration, political interference and research in view of changing environments and government policies.

With dwindling financial support from the government, various managerial and environmental challenges have been identified (Mathooko, 2013). This is coupled with competition from the increasing number of private universities which have better facilities, infrastructure and terms of service, hence, competing for students and human resource. The change management strategies that organizations adopt in order to cope with the changes in the environment have been of academic interest for many years, especially in the corporate world but little attention to public institutions, universities included.

The desire to grow and become more competitive amid many bigger and established public and private universities in the region presents enormous challenges of coming up with response strategies of managing change so as to enhance organizational effectiveness. This study, therefore, sought to establish the coping change management strategies adopted by public universities in Kenya with focus in University of Eldoret, and how it affects the organizational effectiveness. Stakeholder engagement becomes an essential and mutually beneficial strategic function that results in better-informed staff and constituents as well as more effective policies, projects, programs and services. There are four distinct levels of stakeholder

engagement to choose from when determining what role(s) may be most appropriate for key stakeholders: Inform, Consult, Involve, and Collaborate/Empower.

## LITERATURE REVIEW

Companies engage their stakeholders in dialogue to find out what social and environmental issues matter most to them about their performance in order to improve decision-making and accountability. Engaging stakeholders is a requirement of the Global Reporting Initiative, a network-based organization with sustainability reporting framework that is widely used around the world. The International Organization for Standardization (ISO) requires stakeholder engagement for all their new standards (Wikipedia, 2016). An underlying principle of stakeholder engagement is that stakeholders have the chance to influence the decision-making process.

According to Jeffrey (2009), stakeholders should have a say in decisions about actions that could affect their lives or essential environment for life, participation includes the promise that stakeholder's contribution will influence the decision and seeks input from participants in designing how they participate.

The Altria consulting group (2003), often called upon by organizations to improve its engagement of stakeholders defines stakeholder engagement as it requires a commitment to actively engage with stakeholders, listen to them, build a respectful relationship with them, and then respond to their concerns in a mutually beneficial way. It is based on an organization's willingness to consider changing what it aims to achieve and how it operates (i.e. staffing, training, policies, communications, and organizational structure) as a result of learning that which arises from stakeholder engagement.

To be effective, an organization must at least minimally satisfy the interests of all the groups that have a stake in the organization. The claims of each group must be addressed; otherwise, a group might withdraw its support and injure the future performance of the organization, such as when banks refuse to lend company money, or a group of employees goes out on strike. When all stakeholder interests are minimally satisfied, the relative power of a stakeholder group to control the distribution of inducements determines how the organization will attempt to satisfy different stakeholder goals and what criteria stakeholders will use to judge the organization's effectiveness.

This study therefore determined the relationship which exists between stakeholder engagement and organizational effectiveness in the University of Eldoret.

## METHODOLOGY

### Research Design

The study employed a descriptive survey design. This design was considered suitable because the study required an accurate examination; whereby in-depth, insightful and unique information on change management strategies and organizational effectiveness at University of Eldoret could be obtained and analyzed. Descriptive survey design enables the researcher to describe the state of affairs as they are and report the findings (Kombo & Tromp, 2009). According to Kothari (2008), such design is efficient method of collecting descriptive data regarding the characteristics of populations to justify current conditions and practices.

### Target Population

The target population for the study was all staff that were involved in organizational change both directly and indirectly impacted upon by the new administrative systems. The total population of staff at the University of Eldoret is 1100. The study targeted 78 senior staff members involved in decision-making, mostly the top of management staff in the institution. These include Council members, Management Board Members, Senate Members and all Heads of Departments.

### Sampling

Patton (2002) argue that the sample size depends on what one wants to know, the purpose of the inquiry, what is at stake, what is useful, what will have credibility and what can be done with available time and resource. The sample size formula for this study was Krejcie and Morgan (1970) as quoted by Kasomo (2001). The formula is given as:

$$n = \frac{X^2 * N * P(1 - P)}{(ME^2 * (N - 1)) + (X^2 * P * (1 - P))}$$

Where

n=Sample size

$X^2$ =Chi Square for the specified confidence level at 1 degree of freedom = (3.841) from tables

N=Population size

P=Population proportion (.50 in the table)

ME=Desired margin of error (expressed as a proportion=0.05)

The sample size was;

$$n = 74.8995/1.15275$$

$$= 65$$

The sample size is presented in Table 1.

Table 1: Sample size

Management Level	No. of employees	Sample size
University Council	9	7
Management Board	18	15
Senate Members	20	17
Heads of Departments	31	26
<b>Total</b>	<b>78</b>	<b>65</b>

The members of each subgroup included were selected using simple random sampling.

### Data Collection Instruments

Data for the study were collected through the use of self-designed questionnaires with Likert questions. Both open-ended and closed questionnaires were administered to the target staff. The questions were structured so as to be both qualitative and quantitative in nature to capture all the aspects of the effectiveness of change management strategies in an organization.

### Data Analysis

The data collected from questionnaires was summarized according to the study themes being stakeholders' engagement strategies and organizational effectiveness. Data was then analyzed to determine its accuracy, credibility, usefulness and consistency. According to Cooper and Schindler (2011), content analysis measures the semantic content or the "what" aspect of the message. Its breadth makes it flexible and wide-ranging tool that is used as a methodology or as a problem-specific technique. Quantitative data was analyzed through coding in SPSS version data editor where inferences were drawn and descriptive statistics; frequencies and percentages which were then presented in form of tables. Pearson Correlation analysis was used to test the hypotheses of the study.

## FINDINGS

### Effect of Stakeholder Engagement on Organizational Effectiveness

The third objective of this study was to examine the effect of stakeholder engagement on effectiveness of the University of Eldoret. To achieve this objective, the respondents were requested to rate their level of agreement on a five point likert scale items on effect of stakeholder engagement on organizational effectiveness. The results are presented in Table 2.

Table 2: Responses on Effect of Stakeholder Engagement on Organizational Effectiveness

Statement	SD		D		UD		A		SA	
	F	%	F	%	F	%	F	%	F	%
The university stakeholders are involved in decision-making process	10	16.9	11	18.6	0	0.0	28	55.9	5	8.5
The university stakeholders are involved in the recruitment of staff	20	33.9	23	39.0	6	10.2	3	5.1	7	11.9
The university engages executive sponsors in implementation of programs and projects	0	0.0	10	16.9	5	8.5	33	55.9	11	18.6
There is established national, regional and international collaboration and partnership for information sharing.	4	6.8	11	18.6	4	6.8	27	45.8	13	22.0
Achievements of the university are widely shared to all stakeholders involved towards such milestones	10	16.9	0	0.0	5	8.5	39	66.1	5	8.5
There are mechanisms for informing all stakeholders on new programs, projects and policies of the university	3	5.1	7	11.9	0	0.0	25	42.4	24	40.7
The university embraces a wider consultation between all its stakeholders before implementing new projects	5	8.5	2	3.4	1	1.7	44	74.6	7	11.9

Table 2 shows that 28(55.95) respondents agreed with the statement that the university stakeholders are involved in decision-making process, 11(18.6%) respondents disagreed with the statement, 10(16.9%) respondents strongly disagreed with the statement while 5(8.5%) respondents strongly agreed with the statement. The study findings showed that majority (64.4%) of the university management members in the university of Eldoret the university stakeholders are involved in the decision making process within the university. To enhance decision making, participation of key institutional members is important. One advantage of participatory decision making process as outlined by Somech (2010) is that each member of the institution has the opportunity to share their perspectives and voice their ideas to improve overall institutional effectiveness.

In addition, 23(39.0%) respondents disagreed with the statement that the university stakeholders are involved in the recruitment of staff, 20(33.9%) respondents strongly disagreed with the statement, 7(11.9%) respondents strongly agreed with the statement and 6(10.2%)



respondents were undecided on the statement while 3(5.1%) respondents agreed with the statement. the study findings showed that majority (72.9%) of the university management members cited that the university stakeholders were not involved in the recruitment of staff. The recruitment process of the staff members within the university is the prerogative of the university management and therefore stakeholders are not involved in the process.

Further, 33(55.9%) respondents agreed with the statement that the university engages executive sponsors in implementation of programs and projects, 11(18.6%) respondents strongly agreed with the statement and 10(16.9%) respondents were in disagreement with the statement while 5(8.5%) respondents were undecided on the statement. the responses showed that majority (74.4%) of the university management members in the university of Eldoret believed that the university engaged sponsors in implementation of programs and projects. engagement of sponsors is to allow for effective monitoring and evaluation of the on-going projects in the university thus allowing for effectiveness in service delivery. Similarly, 27(45.8%) respondents agreed with the statement that there is established national, regional and international collaboration and partnership for information sharing, 13(22.05) respondents strongly agreed with the statement, 11(18.6%) respondents disagreed with the statement and 4(6.8%) respondents were undecided on the statement while another 4(6.8%) respondents strongly disagreed with the statement. Moos (2008) noted that collaboration in institutions enables achievement of set goals. However, the quality of this inter-instituted collaboration and team performance highly rely on the function of knowledge sharing in the collaboration team as pointed by Mohammadi, Yeganeh, & Rad, (2010).

In addition, 39(66.1%) respondents agreed with the statement that achievements of the university are widely shared to all stakeholders involved towards such milestones, 10(16.9%) respondents strongly disagreed with the statement and 5(8.5%) respondents strongly agreed with the statement while another 5(8.5%) respondents were undecided on the statement. From the responses, it can be shown that majority (74.6%) of the university management members in the University of Eldoret noted that achievements of the university were widely shared to all stakeholders involved towards such milestones. Knowledge sharing is recognized as a crucial factor in benefiting organization learning, knowledge creation, and team performance (Bartol & Srivastava, 2002).

Furthermore, 25(42.4%) respondents agreed with the statement that there are mechanisms for informing all stakeholders on new programs, projects and policies of the university, 24(40.7%) respondents strongly agreed with the statement while 10(17.0%) respondents were in disagreement with the statement. From the responses, it emerged that majority (83.1%) of the university management members in the University of Eldoret believed



that the university had developed a mechanism for informing all stakeholders on new programs, projects and policies of the university. This further supports an earlier work of Mesmer-Magnus & DeChurch, (2009) who pointed out that communication mechanism and information-sharing quality was key in achieving institutional goals.

Moreover, 44(74.6%) respondents agreed with the statement that the university embraces a wider consultation between all its stakeholders before implementing new projects, 7(11.9%) respondents strongly agreed with the statement and 7(11.9%) respondents were in disagreement with the statement while 1(1.7%) respondent was undecided on the statement. It emerged from the responses that majority (86.4%) of the university management members in the University of Eldoret believed that there was consultation between the university and all its stakeholders before implementing new projects. Wong (2005) identified consultation as an important characteristic of the effective leadership in organizations. This implies that there was effective project implementation in the University of Eldoret due to the use of consultation process.

### Organizational Effectiveness

The purpose of this study was to investigate the effects of change management strategies on organizational effectiveness of the University of Eldoret. The dependent variable in this study was organizational effectiveness. In achieving organizational effectiveness, the respondents were asked to rate their level of agreement in a five point likert scale items on organizational effectiveness. The results of data analysis are presented in Table 3.

Table 3: Responses on Organizational Effectiveness

Statement	SD		D		UD		A		SA	
	F	%	F	%	F	%	F	%	F	%
The information in the university flows without any distortion	4	6.8	9	15.3	1	1.7	33	55.9	12	20.3
I access quality services across all departments in a timely and efficient manner	6	10.2	10	16.9	2	3.4	27	45.8	14	23.7
Recruitment process is transparent and timely done as per the staff establishment	0	0.0	15	25.4	0	0.0	30	50.8	14	23.7
There is a participatory decision-making for both senior and middle-level managers of the university	9	15.3	10	16.9	0	0.0	26	44.1	14	23.7

Strategic goals of the university is always clearly communicated to all staff and students	0	0.0	10	16.9	4	6.8	31	52.5	14	23.7
There is an effective mechanism for delegation of authority and responsibility to functional units within the structure to take initiatives	0	0.0	21	35.6	0	0.0	33	55.9	5	8.5

Table 3...

Table 3 shows that 33(55.9%) respondents agreed with the statement that the information in the university flows without any distortion, 12(20.3%) respondents strongly agreed with the statement and 13(22.1%) respondents were in disagreement with the statement while 1(1.7%) respondents was undecided on the statement. The study findings showed that a majority (71.2%) of the university management members in the University of Eldoret believed that there was effective flow of information in the university. This shows that the University has developed an effective communication channels within the university which ensures effective flow of information. Vogel, (2000) encourage effective communication in organizations for the right 'spirit' to be embraced within the organization.

In addition, 27(45.8%) respondents agreed with the statement that they accessed quality services across all departments in a timely and efficient manner, 14(23.7%) respondents strongly agreed with the statement, 10(16.9%) respondents disagreed with the statement and 6(10.2%) respondents strongly disagreed with the statement while 2(3.4%) respondents were undecided on the statement. From the responses it can be argued that majority (69.5%) of the respondents believed that there was access of quality services across all departments in a timely and efficient manner in the university. Marzano *et al.*, (2005) reported that high-quality leadership leads to efficient delivery of services and therefore it seems that the university has high quality leadership which has enhanced efficient service delivery.

On the statement that the recruitment process was transparent and timely done as per the staff establishment in the university, 30(50.8%) respondents agreed with the statement and 15(25.4%) respondents were in disagreement with the statement while 14(23.7%) respondents strongly agreed with the statement. From the responses, it can be shown that majority of the respondents (74.5%) believed that there was transparent recruitment process in the university and was done as per the staff establishment in the university. this shows that there is integrity in the recruitment process in the university.

Further, 26(44.1%) respondents agreed with the statement that there is a participatory decision-making for both senior and middle-level managers of the university, 14(23.7%)

respondents strongly agreed with the statement and 10(16.9%) respondents disagreed with the statement while 9(15.3%) respondents strongly disagreed with the statement. The responses shows that majority (67.8%) of the university management members reported that there was a participatory decision-making for both senior and middle-level managers of the university. Participatory decision making ensures that all values and views of an individual are tapped as noted by Bartol and Srivastava, (2002).

Similarly, 31(52.5%) respondents agreed with the statement that strategic goals of the university is always clearly communicated to all staff and students, 14(23.7%) respondents strongly agreed with the statement and 10(16.9%) respondents disagreed with the statement while 4(6.8%) respondents were undecided on the statement. It emerged from the study findings that a majority (76.2%) of the respondents believed that the strategic goals of the university was always clearly communicated to all staff and students. Communication ensures that all information is passed to individuals enhancing success in the project.

Moreover, 33(55.9%) respondents agreed that there was an effective mechanism for delegation of authority and responsibility to functional units within the structure to take initiatives, 21(35.6%) respondents were in disagreement with the statement while 5(8.5%) respondents strongly agreed with the statement. Responses showed that majority (64.4%) of the university of Eldoret management members believed that there is an effective mechanism for delegation of authority and responsibility to functional units within the structure to take initiative.

### Correlation Analysis

The study found out that there was a significant and positive correlation between stakeholder engagement and organizational effectiveness ( $r = .825, p = .000$ ). This shows that stakeholder engagement influences positively organizational effectiveness in universities.

Table 4: Correlation Analysis

		Stake holder engagement
Org. effectiveness	Pearson Correlation	.814**
	Sig. (2-tailed)	.000

\*\* . Correlation is significant at the 0.01 level (2-tailed).

### CONCLUSION AND RECOMMENDATIONS

The stakeholders are involved in the decision making process within the university. To enhance decision making, participation of key institutional members is important. One advantage of participatory decision making process is that each member of the institution has the opportunity

to share their perspectives and voice their ideas to improve overall institutional effectiveness. The university management members cited that the university stakeholders were not involved in the recruitment of staff, and it is the prerogative of the university management. Further, the university management members believed that the university engaged sponsors in implementation of programs and projects. Engaging sponsors allowed for effective monitoring and evaluation of the on-going projects in the university hence effectiveness in service delivery. In view of the above, the study concluded that stakeholder engagement is and should always be an integral part of major decision-making processes in all cross-functional sections and/or departments of the universities as this will not only enhance its effectiveness to service delivery, but also ensure the spirit of inclusivity and ownership which is related to increased productivity. The study recommended the need for frequent and more stakeholder engagement in various administrative and academic projects that are being undertaken in the university at all levels of operations.

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