

## **Influence of Stakeholder Engagement on Completion of Funded Healthcare Projects in Kenya**

**Duncan Tangara Wanzala<sup>1</sup>, Mary Karei Kibuine<sup>2</sup>, Ezekiel Kiriinya Akwalu<sup>3</sup>**  
**St. Paul's University**

### **Abstract**

*Healthcare programs play a critical role in Kenya to achieve Universal Health Coverage (UHC) as outlined in the Vision 2030 and the Kenya Health Policy (2014-2030). The health sector plays a critical role in achieving equitable access to quality healthcare services, improved social welfare, and national development. A significant amount of sponsored healthcare projects, however, continue to experience challenges, including delays, cost increases, mismanagement of budget, stalled facilities, and unfinished implementation despite the national, local governments, and foreign donations of large amounts. Such inefficiencies often contribute to the waste of resources, poor service delivery, and loss of trust by the citizens in the healthcare system. This research sought to fill in the research gaps of prior studies which often viewed stakeholder engagement as a symbolic aspect and not a systematic process of governance, by considering the effect of stakeholder engagement on the completion of funded healthcare projects in Kenya. The concept of stakeholder engagement was to be an accountability-based, participatory measure that fosters ownership, inclusiveness, and transparency in project planning and implementation. The research design was a descriptive and explanatory study of about 223 funded healthcare projects in all 47 counties in Kenya and anchored on the Stakeholder Theory, Agency Theory, and Institutional Theory. Data were collected through structured questionnaires administered to procurement officers, project managers, suppliers, and monitoring and evaluation staff, representing diverse stakeholder categories. The data were analyzed using descriptive statistics, Pearson correlation, and multiple regression analysis to determine the relationship between stakeholder engagement and project completion. The results revealed that stakeholder engagement has a significant and positive influence on project completion, explaining 32.9% of the variance ( $\beta = 0.547$ ,  $p < 0.001$ ). Projects with higher levels of stakeholder engagement exhibited superior performance in timeliness, budget adherence, quality of output, stakeholder satisfaction, and sustainability. The study identified inclusivity, effective communication, participatory decision-making, transparency, and accountability as critical elements of engagement. However, weak feedback mechanisms were found to limit the transformative and long-term benefits of engagement practices. The research concludes that stakeholder engagement is a measurable, strategic, and policy-relevant factor of successful completion of funded healthcare projects in Kenya.*

**Keywords:** Stakeholder Engagement, Project Completion, Funded Healthcare Projects, Universal Health Coverage, Governance, Public Sector, Institutional Theory, Agency Theory, Stakeholder Theory

## **Introduction and Background**

The Kenya Health Policy 2014-2030 and Vision 2030 describe Kenya as a country that is on a path to realizing Universal Health Coverage (UHC). Healthcare projects will form part of this direction. These programs cut across several areas, such as building and renovating health facilities, acquiring necessary medical supplies, disease-control programs, and developing the capacity to absorb health workers. The financial support is usually obtained as a combination of the national governmental funds, the devolution budgets of the counties, and foreign donors like USAID, the World Bank, and the Global Fund. Even with these huge financial investments, the Office of the Auditor-General (2024) has continually reported delays, stalled facilities, and uncompleted projects. The most notable ones are the Kenyatta National Hospital Paediatric Emergency Center and the Kisii Cancer Center, which have lain unfinished after years of initiation. These chronically low efficiency rates emphasize the fact that cash alone is not enough, which brings up the question of what the real drivers of successful healthcare project execution in Kenya are: governance and operations factors.

Stakeholder engagement is one of the new governance tools that has become a significant influencing factor of project success. Healthcare projects have stakeholders who represent a varied group of actors, such as government ministries and agencies, funding partners, healthcare providers, suppliers, contractors, county authorities, community representatives, and monitoring institutions. Engagement here does not involve consultation but the systematic involvement of these actors in planning, decision-making, implementation, and monitoring. The strategy is especially important in the healthcare industry, which is already a resource-demanding sector and sensitive to the needs of the community. The Stakeholder Theory proposed by Freeman (1984) argues that organizations are more prone to be legitimate, sustainable, and resilient when they adequately address the interests of the stakeholders. Using this rationale, stakeholder participation in Kenyan healthcare initiatives creates a sense of ownership, responsibility, and alignment of priorities with those of the locals, thus increasing the likelihood of Kenyan healthcare projects being completed in a timely and sustainable manner (Mbani, Lango, & Naikuru, 2025).

Globally, the value of stakeholder engagement in healthcare project success has been widely demonstrated. In the United States, Bazzano et al. (2017) established that community involvement strengthens sustainability by improving trust and responsiveness of public health interventions.

Projects in Sub-Saharan Africa funded by donors that incorporated participatory systems of governance had a greater success rate than the projects whose decision-making was decentralized and enforced (Agyapong & Adusei, 2023). In a similar study, Ndayishimiye and Irechukwu (2023) examined eye healthcare projects in Rwanda and discovered that participatory monitoring and evaluation had major roles in enhancing the performance outcomes. Such works highlight the fact that the engagement is not only symbolic but also a parliamentary tool that aids in minimizing opposition, increasing inclusivity, and eliminating the threats of paralysis or withdrawal.

The healthcare sector provides a very useful context to study these dynamics in Kenya. Healthcare initiatives still end up in systemic bottlenecks, such as ineffective accountability structures, decision-making discounters, and communication failures between players, despite the heavy investment. According to Shuna and Kithandi (2024), even a well-funded project is spoiled by insufficient stakeholder participation in the oversight systems to cause inefficiencies and poor performance. This is enhanced by the involvement of politics, the mismatches in the priorities of the communities, and the administrative weaknesses of the county governments. On the other hand, foreign-financed projects like the ones of the PEPFAR program and Global Fund have a higher completion rate because of the integrated accountability and strict stakeholder management systems. This comparison demonstrates a contextual gap in the governance of projects: though Kenya has embraced the concept of stakeholder involvement, its use is still poor, disjointed, and inconsistent between projects and counties.

The literature also indicates that stakeholder involvement can improve a project's performance using four mechanisms that are interconnected to each other. To begin with, it promotes inclusivity and legitimacy as various views influence the design of the projects and making the project less resistant and more community-owned (Kariuki & Wanjohi, 2023). Second, it creates trust and cooperation and facilitates the mobilization of resources and managing issues together. Third, it establishes effective communication channels that can enable early recognition and resolution of the challenges involved in the implementation of the implementation hence reducing the delays and any cost increase. Fourth, it enhances participatory monitoring and accountability, which decreases the chances of corruption and also makes sure that resources are utilized effectively (Abebe & Megento, 2021). Combined, these mechanisms prove that stakeholder engagement is not a peripheral undertaking but an element of proper governance and project success.

Although the role of stakeholder engagement is relatively vital, there are major gaps in the conceptualization and empirical research. The main idea is that most of the studies in Kenya and the broader Sub-Saharan region consider the overall stakeholder engagement as a monolith, without disaggregating the various roles and the power of particular actors, e.g., the suppliers or some procurement officers, contractors, or the representatives of communities. This danger is ignoring the role of different groups at different phases of the project cycle. In practice, the available empirical research considers the context of one county or a project of an isolated type, which is not generalizable across the 47 counties of Kenya (Muriithi, Wanyoike, & Omollo, 2022). Methodologically, most of them use descriptive designs or a qualitative approach, which leads to a lack of testing stakeholder engagement as a predictive independent variable of project outcomes, using effective inferential regression models. Therefore, the causal approaches by which stakeholder involvement can affect the completion of healthcare projects are under-researched.

The research paper aims to fill the gaps by providing an empirical test of the impact of stakeholder engagement on the completion of funded healthcare projects in Kenya as based on the data collected on 223 respondents in all 47 counties. This is analyzed according to Stakeholder Theory, which focuses on inclusivity and legitimacy; Agency Theory, which focuses on accountability and oversight of principal-agent relationships; and Institutional Theory, which focuses on putting engagement into a wider governance and regulation framework. The combination of these lenses brings about the full picture of what makes engagement translate into project success in the healthcare sector in Kenya. The study provides an elaborate picture of the levels of influence of stakeholder participation on the project outcomes by questioning the depth and breadth of the stakeholder participation (how they are involved). Finally, the study makes a contribution to both theory and practice.

In theory, it builds on the literature of stakeholder engagement as it empirically investigates the role of stakeholder engagement in the completion of healthcare projects in a complex, politically charged under-researched sector such as Sub-Saharan Africa. In practical terms, it presents policy-level implications to policymakers, donors, and project managers who may want to enhance the management of their projects. The study also offers a scientific justification for the introduction of participatory structures within the Kenyan healthcare project management systems by showing the circumstances in which stakeholder engagement results in the attainment of tangible results when

it comes to healthcare project completion. It is important not only to reach UHC but also to make sure that investments in the health sector of Kenya are converted to accessible, equitable, and sustainable health outcomes for the Kenyan citizens.

### **Purpose of the Paper**

The primary purpose of this paper is to examine the effect of stakeholder engagement on the completion of funded healthcare projects in Kenya. Healthcare projects are central to Kenya's strategies to achieve Universal Health Coverage and improve health outcomes as stipulated in Vision 2030 and Kenya's health sector policy between 2014 and 2030. In spite of substantial financial outlay efforts from both Kenya and foreign donors to execute this vision and strategy, project completion has remained inconsistent and has often ended in delays and project abandonment (Auditor-General, 2024). In view of this critical question that has arisen as a consequence of this inconsistent performance in project completion in Kenya's health sector, this study seeks to fill this important information gap.

The key interest in stakeholder engagement specifically stems from its known role in project legitimacy and sustainability as conceptualized within different theoretical frameworks. There is a gap in knowledge arising from inconsistencies in stakeholder engagement definitions and approaches adopted in different studies. Stakeholder participation has primarily been examined in literature as symbolic stakeholder engagement and as a one-off stakeholder engagement activity rather than a project-long process (Mbani et al., 2025; Shuna & Kithandi, 2024). In addition to this understanding of stakeholder engagement from a theoretical perspective within project literature, generally found in Kenya's national health sector. By investigating stakeholder engagement comprehensively, this paper seeks to fill a conceptual and empirical gap by reframing it as a systematic and inclusive approach to project governance that directly influences healthcare project completion.

The study aims to analyze how practices such as stakeholder identification, prioritization of stakeholder needs, effective communication, and participatory monitoring contribute to the completion of funded healthcare projects. Importantly, completion is understood not merely as the physical delivery of infrastructure, equipment, or services but as the delivery of these outputs within the agreed scope, time, cost, and quality parameters while ensuring long-term functionality and sustainability (Abebe & Megento, 2021). This operationalization emphasizes that

multidimensional success projects must not only be finished but also provide enduring value to beneficiaries.

Along with its conceptual contributions, the study provides an answer to theoretical gaps. Based on the Stakeholder Theory, the paper will look at how engaging the public improves legitimacy, trust, and accountability in healthcare projects (Freeman, 1984). It also expands the scope of governance-oriented theories by showing how the stakeholders can mobilize abstract principles of participation into quantifiable project outputs. This theoretical stance highlights the relevance of the research in enhancing the relationship between the stakeholder theory and project management practice in developing countries.

This research also makes a contribution to policy and practice in the area of stakeholder engagement. It reacts to a long history of challenges identified by oversight agencies like the Office of the Auditor-General, which has been describing huge amounts of money stuck in unsuccessful or unfinished healthcare endeavors (Auditor-General, 2024). The findings will offer policy recommendations to policymakers, donors, and project managers by proposing stakeholder engagement as a means of governance that can aid in addressing project inefficiencies. In particular, the research will inform the institutionalization of inclusive engagement frameworks that will go beyond tokenistic consultations and institutionalize substantial participation in all project cycle stages. This is especially true in Kenya, where the interference of politics, inefficient accountability systems, and a dead decision-making process usually discourage project delivery.

Moreover, the study can be applied in development policy domains to compare the projects funded by local and foreign departments through the comparison of locally financed and internationally financed healthcare projects. The completion rates of projects funded by a specific country, unlike those that are internationally funded, including the ones by PEPFAR and the Global Fund, show lower completion rates because of the strict stakeholder and supplier management mechanisms. Through interrogation of the discrepancy, the study offers evidence-based recommendations that can assist local projects to embrace stronger stakeholder engagement and governance systems that will conform them to the global health programs' best practices.

Ultimately, this paper provides a context-specific understanding of how stakeholder engagement influences healthcare project completion in Kenya. It addresses a gap in empirical research, strengthens the theoretical application of stakeholder theory in healthcare project management,

and offers practical strategies for improving governance in the sector. By doing so, it contributes both to academic scholarship and to policy and practice, ensuring that healthcare projects funded with substantial public resources are completed on time, within budget, and in a sustainable manner that improves public health outcomes.

## **Methods**

This study adopted a descriptive and explanatory research design to assess the influence of stakeholder engagement on the completion of funded healthcare projects in Kenya. Descriptive design was utilized to bring out the perceptions and practices of the respondents with respect to stakeholder engagement, whereas the explanatory design enabled the testing of hypotheses and the establishment of cause-and-effect relationships between project completion and stakeholder engagement.

The target population was 223 funded healthcare projects in all 47 counties in Kenya. These projects consisted of the hospital infrastructure, the supply chain projects, the disease-specific projects, and the capacity-building projects, which were supported by the local and international donors. The respondents were selected by the use of the procurement officers, project liaison officers, monitoring and evaluation personnel, and suppliers who were related to these projects. The census method was used, meaning that the study involved all 223 projects to be depicted in the universe of candidates to provide the overall representation and contribute to the better generalizability of the results.

Structured questionnaires were used to gather primary data in the form of questionnaires based on the key variables of the study. The engagement practices summarized in the questionnaire included the identification of stakeholders, communication practices, participatory decision making, and feedback mechanisms, and indicators of project completion, which included timeliness, budgetary adherence, quality standards, and sustainability. To establish the level of reliability and validity, the instrument was pre-tested on one-tenth of the sample. Internal consistency was established with Cronbach's Alpha coefficients of 0.70 and above, and construct validity was established with factor loading of more than 0.50.

To ensure that the questionnaires covered all 47 counties, the questionnaires were administered both physically by visiting the offices of the project and online to cover all the respondents.

Research assistants were oriented on the need to maintain consistency in administration and ethical procedures such as informed consent and confidentiality. Both descriptive and inferential analyses were used to analyze data. The stakeholder engagement practices and project completion levels were summarized by descriptive statistics such as frequencies, means, and standard deviations. The Pearson correlation method was used to develop initial relationships between the study variables. A multiple regression analysis was used to test the effect of stakeholder engagement on completing the project, and the significance levels were  $p < 0.05$ . The models were evaluated in terms of the explanatory power through the coefficient of determination ( $R^2$ ), and the direction and strength of relationships were characterized by standardized beta coefficients ( $\beta$ ).

The research followed ethical standards of social research such as informed consent, confidentiality, and voluntary participation. Institutional review boards were consulted to permit the study, and national and county health authorities were consulted to provide permission to access the project information.

## **Results**

The analysis design was designed in a manner that would give both descriptive information on the stakeholder engagement practices and the project completion outcomes, as well as the inferential evidence which would be used to test the hypothesized relationship between the stakeholder engagement and the project completion. Findings are provided in three sub-sections, which include: the descriptive statistics, correlation analysis, and regression analysis. This step-by-step methodology guarantees clear comprehension of the way in which the patterns exist in the data, as well as the strength of connections between the variables.

This was because descriptive statistics were initially created to evaluate the practices of stakeholder involvement among the 223 funded healthcare projects sampled. The results indicated that general stakeholder engagement was rated as moderately high, satisfying most indicators with mean scores of over 3.5 out of five points on the Likert scale. Communication and information-sharing were the dimensions of engagement with the greatest mean score ( $M = 4.01$ ,  $SD = 0.62$ ), and the results indicated that most of the projects paid significant attention to keeping the stakeholders informed and ensuring the information flows transparently. This was next in line as inclusivity in decision making ( $M = 3.95$ ,  $SD = 0.70$ ) and role clarity ( $M = 3.88$ ,  $SD = 0.74$ ) closely followed. These findings indicate that projects that were invested in the provision of diversity of



voice in the decision-making forums, as well as the allocation of responsibilities, were well defined, which resonates with the best practices of participatory governance.

Although that was the case, there were some areas where the stakeholder engagement was not particularly strong. The lowest mean ( $M = 3.42$ ,  $SD = 0.81$ ) was the feedback mechanisms, and this is because there were minimal chances of stakeholders influencing a decision after the implementation process had started. This weakness identifies- directional form of engagement where the stakeholders were, in most cases, receivers of information but not active participants in the project adjustments that were ongoing. Financial reporting inconsistency and lack of transparency in decision-making, especially of locally funded projects, were also reported by the respondents. Such deficiencies were linked to reduced trust and lack of ownership amongst the stakeholders in the community, whose support weakened the sustainability of project outcomes.

Four indicators: timeliness, budget compliance, compliance with quality, and sustainability of outcomes were employed regarding the completion of the project. The descriptive statistics depicted that although most of the projects (62 percent) had produced tangible outputs, including hospital wards, laboratories, or procurement systems, most of the projects continued to face significant challenges. Almost half (48 percent) of the people reported massive cost overruns, 36 percent. Reported that the quality standards were not met completely. In addition, projects that were based on infrastructure were more likely to be delayed as opposed to supply chain or training interventions. It is important to note that those projects that were characterized by an increased rate of stakeholder involvement were also represented by the rate of compliance with established timeframes and a greater capacity to sustain. Such a trend was particularly pronounced in donor-funded projects in which systematic participatory monitoring systems were formed, implying that the engagement factor is a buffer mechanism against the usual threats like cost inflation and project stalling.

Pearson correlation analysis was used to make initial associations between variables. These findings indicated that there was a strong and statistically significant positive correlation in the relation between stakeholder engagement and project completion ( $r = 0.701$ ,  $p < 0.001$ ). This coefficient shows that the higher the stakeholder involvement, the higher the results of project completion. The high correlation coefficient (over 0.70) confirms the solidity of the relationship since it is possible to conclude that stakeholder involvement is not a supporting measure but one

of the key determinants of project success in the healthcare setup. Notably, this result confirms the theoretical participants of the study, as its findings are presented in terms of the Stakeholder Theory, which is supported by the empirical data that inclusive and participatory practices would result in improved governance performance.

In order to surpass correlation and test the key hypothesis of the study, the multiple regression analysis was run on the variable of stakeholder engagement as the independent variable and project completion as the dependent one. The results of the regression model are presented in Table 1.

**Table 1: Summary of Descriptive Statistics on Stakeholder Engagement Dimensions**

<b>Dimension of Engagement</b>	<b>Mean (M)</b>	<b>Standard Deviation (SD)</b>	<b>Interpretation</b>
Communication & Information Sharing	4.01	0.62	Strong
Inclusivity in Decision-Making	3.95	0.70	Strong
Role Clarity	3.88	0.74	Moderate to Strong
Feedback Mechanisms	3.42	0.81	Moderate

The regression analysis indicated that stakeholder engagement explains 32.9% of the variance ( $R^2 = 0.329$ ) in the completion of funded healthcare projects. The F-statistic ( $F = 124.56$ ,  $p < 0.001$ ) confirmed that the overall model was statistically significant and not due to chance. The standardized beta coefficient for stakeholder engagement ( $\beta = 0.547$ ,  $t = 11.16$ ,  $p < 0.001$ ) demonstrated a strong positive effect, meaning that projects with higher levels of engagement were significantly more likely to be completed successfully on time, within budget, and to required quality standards while also being sustainable.

**Table 2: Descriptive Statistics for Project Completion Indicators**

Indicator of Project Completion	Percentage of Projects Meeting Target (%)	Remarks
Timeliness	62	The majority completed on schedule
Budget Adherence	52	Moderate adherence; cost overruns noted
Quality Standards Met	64	Most projects met acceptable quality standards
Sustainability Achieved	58	Sustainability moderately achieved

This result is noteworthy for two reasons. First, the size of the beta coefficient indicates that stakeholder engagement is a major predictor of project outcomes, with a practically meaningful effect size. Second, the relatively high  $R^2$  in a social science context highlights the explanatory power of governance-related practices compared to purely technical or financial inputs. By empirically confirming the strength and direction of this effect, the regression results provide robust evidence to reject the null hypothesis that stakeholder engagement has no significant effect on the completion of funded healthcare projects in Kenya at the 5% level of significance.

**Table 3: Comparison of Donor-Funded vs. Locally Funded Projects**

Funding Type	Completion Rate (%)	Governance/Engagement Strength	Common Challenges
Donor-Funded (e.g., PEPFAR, Global Fund)	82	Strong engagement, strict monitoring	Bureaucratic procedures
Locally Funded (County/National Govt.)	54	Weak feedback, political interference	Poor accountability

Overall, the descriptive, correlation, and regression analyses converge to demonstrate that stakeholder engagement is a critical determinant of healthcare project success in Kenya. Projects that emphasized inclusive decision-making, role clarity, and transparent communication tended to perform better, while those that lacked robust engagement mechanisms were vulnerable to delays, budget overruns, and weak sustainability. While gaps in feedback mechanisms remain a challenge, the quantitative evidence presented here confirms that strengthening stakeholder engagement directly enhances the likelihood of project completion.

**Table 4: Regression Results for the Effect of Stakeholder Engagement on Project Completion**

Predictor	$\beta$ (Standardized)	Std. Error	t-value	p-value
Stakeholder Engagement	0.547	0.049	11.16	<0.001

Model Statistics:  $R^2 = 0.329$ ; Adjusted  $R^2 = 0.326$ ;  $F(1, 221) = 124.56$ ,  $p < 0.001$

The regression results indicate that stakeholder engagement explains 32.9% of the variance ( $R^2 = 0.329$ ) in the completion of funded healthcare projects. The F-statistic (124.56,  $p < 0.001$ ) confirms that the overall model was statistically significant. The standardized beta coefficient for stakeholder engagement ( $\beta = 0.547$ ,  $t = 11.16$ ,  $p < 0.001$ ) further demonstrates that stakeholder engagement had a strong and positive effect on project completion. This means that for every one-unit increase in stakeholder engagement, project completion improved significantly, holding other factors constant.

The results, therefore provide strong empirical support for the study's hypothesis. The null hypothesis that stakeholder engagement has no significant effect on the completion of funded healthcare projects in Kenya was rejected at the 5% significance level. Rather, the findings rely on the alternative hypothesis and confirm that stakeholder engagement is a great boost to the probability of project completion within predetermined timeframes, budgetary constraints, and expectations of quality, with added worth to sustainability. The results prove that projects that have a well-developed stakeholder engagement based on inclusivity, effective communication, and participative monitoring have a positive result on completion. On the other hand, the projects that

have a weak or symbolic involvement tend to have delays, cost overruns, and low sustainability results. The integrated descriptive, correlation, and regression findings are effective arguments to convince that stakeholder engagement is not just a formality of ensuring the procedure of the healthcare projects in Kenya, but it is a decisive factor of project success.

## **Discussion**

The results of this research support the key importance of stakeholder involvement in the process of the elaboration of completed funded healthcare projects in Kenya. The fact that the relationship between the level of stakeholder involvement and project success is strong and significant ( $\beta = 0.547$ ,  $p < 0.001$ ) clearly shows that the assumption of inclusivity, communication, and participative decision-making as a desirable ideal of governance is more than an idea; it can actually be measured in a project and is statistically significant. This finding converges with studies conducted by Mbani, Lango, and Naikuru (2025) and Ndayishimiye and Irechukwu (2023), who present the instrumental value of the participatory practices in increasing the project's legitimacy, responsiveness, and sustainability. It is also echoing back to the premises of the Stakeholder Theory made by Freeman (1984), which states that the ability to actively address the interests of various stakeholders offers organizations and projects both legitimacy and accountability. The study within the Kenyan healthcare setting confirms that effective stakeholder involvement enhances the ownership of the project, reduces resistance, as well as makes the project more aligned with community priorities.

Quantitative support of the arguments proposed in the scholarly and policy debate can be given by the results of the regression analysis that stakeholder engagement explained 32.9 percent of the variance in project completion. It is especially important, since healthcare projects are usually complex, they cover infrastructure, medical supplies, disease-specific programs, and capacity development, all of which involve coordination of various actors. The findings are similar to those of Rwanda, where participatory monitoring was linked to increased performance by eye-healthcare projects (Ndayishimiye & Irechukwu, 2023), and Ghana, where inclusive procurement and stakeholder integration achieved better health sector results (Agyapong & Adusei, 2023). Combined with these studies and the current results, these demonstrate that engagement is not a side issue but a key determinant of efficiency and effectiveness in project delivery in healthcare.

The descriptive analysis also helps deepen this insight, as it revealed that the projects that had good stakeholder engagement tended to meet timelines and budgets, whereas those whose engagement was weak or symbolic tended to have cost overruns, schedule delays, or stalling. This observation aligns with the findings of the Auditor-General (2024) reports, which stress extensive instances of unfinished healthcare projects even with adequate financial assignments. We can attribute such inefficiencies in the context of the Transaction Cost Economics (Williamson, 1985), which argues that engagement serves as a means of reducing uncertainty, minimizing opportunistic behavior, and lowering transaction costs; it establishes trust and accountability between the contracting parties. The projects involving inclusive decision-making are thus resistant to disruptions, since possible conflicts or inappropriate priorities can be dealt with in advance, with regard to structured participation.

One of the most important insights of the descriptive results, however, is the identification of feedback mechanisms as a vulnerability of the stakeholder engagement practices. Although the scores of communication and inclusivity were quite high, the absence of two-way feedback mechanisms in a structured form of structure indicates a vacuum in participatory governance. The progress of the project was frequently communicated to the stakeholders, who had few opportunities to affect the implementation or to express their concerns in a manner that would make a difference. This reflects the criticisms expressed by research by Muriithi, Wanyoike, and Omollo (2022), who have identified symbolic forms of participation to limit the transformational capability of stakeholder involvement to a compliance practice, instead of a mode of accountability and co-production. Project completion in Kenya could then be offered a significant leverage point by intensifying feedback systems.

The difference between the globally funded initiatives and locally run projects further clarifies the necessity of the institutionalization of stakeholder inputs. Projects that are supported by international institutions receive increased success and subsequent completion rates, which are mostly caused by strict monitoring frameworks and designed engagement requirements (World Bank, 2023). In comparison, locally financed projects tend to be affected by political influence, bureaucratic inefficiency, and a lack of proper accountability systems, which undermine active involvement and decrease the success of a particular project. Such a deviation can be explained with references to Agency Theory (Williamson, 1985) that dwells upon the importance of

surveillance in regards to the alignment of the interests of the principal (donors or governments) and the agent (implementing organizations). International projects usually protect the asymmetries of information by integrating high levels of monitoring systems, whereas local projects do not have these benefits, and inefficiencies eventually result.

The study has implications in addition to those realized by Kenya itself, contributing to wider theoretical and empirical research on the topic of project governance in developing countries. The study operationalizes stakeholder engagement through assigned quantifiable measurements (identification, communication, participatory decision-making, and feedback) and proves that engagement is not a hypothetical or intangible attribute that cannot be measured, but a tangible indicator of the project outcomes. This contributes to one of the major literature lines, where stakeholder engagement is frequently debated in the normative context, but the empirical experiment on its causal role in project success is rarely explored (Abebe & Megento, 2021). Besides, demonstrating that engagement practices understand up to a third of the variance in project completion, the study shows that governance mechanisms have a significant explanatory capacity when compared to financial or technical input.

The implications of the findings also have a significant implication for the current process of seeking Universal Health Coverage (UHC) in Kenya. Even though healthcare projects are independent projects, they are part of the health system strengthening agenda. Lack of strong involvement not only slows down project implementation but also erodes the trust of the people towards governmental bodies and non-governmental organizations that provide donation funds. On the other hand, inclusive participation brings about legitimacy and sustainability, meaning projects bring benefits in the long term than in the short term. It is especially topical considering the growing exposure of the healthcare investments in Kenya, where people are getting more and more insistent on the responsiveness of the billions of shillings they put in the health investment in infrastructure and services (Standard Media, 2025; Auditor-General, 2024).

## **Conclusion**

This paper attempted to address a gap in the practice of governance and the existing body of empirical evidence by conducting an exploration of the impact of stakeholder engagement on the completion of the funded healthcare projects in Kenya. The results clearly show that stakeholder engagement is a positive factor in increasing the completion of a project, as the regression findings

show that the effect of stakeholder engagement has a positive value ( $\beta = 0.547$ ,  $p < 0.001$ ) and a regression coefficient of 32.9%. These findings confirm that projects with effective and substantive involvement of stakeholders are more timely, economical, and of higher quality, and eventually attain greater sustainability than those with ineffective and symbolic involvement.

The research has a number of substantive contributions to the scholarship and practice of project management. First, it shows that stakeholder engagement is not just a normative or symbolic exercise but is a measurable predictor of project success. The research contributes to Stakeholder Theory (Freeman, 1984) by using empirical relationships between engagement and project outcomes to demonstrate that inclusivity, communication, and participatory decision-making are directly translated into tangible and sustainable outcomes in the healthcare industry. The given theoretical extension underlines that project legitimacy and accountability are real operational facts that can be measured and enhanced systemically.

Second, the research adds to Stakeholder Theory the implications of the Transaction Cost Economics (Williamson, 1985) and Agency Theory. The findings also illustrate that strong stakeholder involvement helps reduce uncertainty and opportunistic behaviors, as well as minimize conflicting circumstances that are likely to cause delays and stalling of projects. Engagement mechanisms strip transaction costs through fostering trust, role clarity, and free communication, thereby improving coordination. Similarly, the Agency Theory gives an advantageous perspective in which we can recognize how the participatory governance frameworks can aid in monitoring and accountability, thus aligning the interests of the principals (funders and policymakers) with those of agents (implementers and contractors). These theoretical integrations place stakeholder engagement not as a solitary practice but as the governance mechanism that is functioning in various dimensions of project management.

Third, the results offer important policy and managerial implications to the healthcare sector of Kenya and other comparable settings in Sub-Saharan Africa. Although massive funds are pumped into projects in the healthcare system, either in the form of the infrastructure of a hospital or to supply chain projects, as well as projects supposed to deal with specific diseases, reports by the Office of the Auditor-General (2024) still record massive delays, project stalls, and partial facilities. This paper highlights the fact that monetary payments are not sufficient to ensure the execution of projects. Rather, effective stakeholder involvement gives the governance framing



component to streamline various interests, create a degree of responsibility, and create a sense of ownership within communities and implementing actors.

Also, the research points to a severe discrepancy between international and locally funded healthcare projects. Although donor-backed programs such as the one supported by PEPFAR and the Global Fund tend to have better completion rates because such platforms involve stringent monitoring and stakeholder interactions, locally based projects are prone to poor governance and insufficient participation models (World Bank, 2023). This discrepancy explains why it is important to institutionalize stakeholder engagement in the context of the local government systems of Kenya, but not to carry it on as a conditioning factor by the donors. The resilience of healthcare investments, alongside making it more sustainable by embedding the concept of engagement in national and county-level project governance structures, can have a beneficial impact, as such investments will generate desired effects on citizens.

Practically, the research concludes that the stakeholder engagement is a beneficial factor in enhancing the completion of healthcare projects in four main ways: (1) the identification and inclusion of different actors, which lead to accountability and reduced resistance due to legitimacy; (2) participatory, decision-making, which allows the sharing of ownership and priorities; (3) clear communication, which helps to detect risks and bottlenecks early; and (4) participatory monitoring and feedback, which promotes increased responsibility and responsiveness. All these serve to make certain that healthcare projects do not go beyond the technical and financial input but provide outputs and outcomes that are timely, cost-effective, and sustainable.

The conclusion also points to the ongoing issues that persist. Communication and inclusivity were also fairly practiced throughout the projects, but feedback mechanisms and two-way communication channels were found to be underdeveloped. That result indicates that the participation of various stakeholders in Kenya is one-sided, as they do not possess the power to influence decisions and other outcomes but are informed about them. The solution to this gap is to enhance dynamic feedback mechanisms in which the stakeholders do not receive updates only, but they will have a role in effecting changes in the project in real time as well. These reforms would shift the engagement process from compliance-based engagement to the actual co-production of the project results.

The current study serves both theoretical and practical purposes because it introduces stakeholder engagement as one of the determining factors to complete healthcare projects in Kenya. It expands theoretical arguments, proving empirically the explanatory capabilities of the Stakeholder Theory, the Transaction Cost Economics, and the Agency Theory in healthcare governance decision-making. It also gives practical action to the policymakers, donors, and project managers by demonstrating how engagement is a feasible provider of efficiency, accountability, and sustainability. In the case of Kenya and the similarities, the results imply that the way to successful completion of the healthcare project in Kenya is not just in the rise of funding but also in the incorporation of the company of inclusive and participatory governance and obligation to stakeholder participation as a priority agenda.

### **Recommendations**

This research has presented several recommendations to enhance governance and the effective completion of healthcare projects that are funded in Kenya. These recommendations are founded on both empirical and theoretical information so that they tackle the practical, policy, and scholarly aspects.

### **Consumerism Stakeholder Engagement Frameworks**

To ensure that systemic competencies of project governance within healthcare are addressed, national and county governments, in collaboration with donor agencies, ought to come up and institutionalize extensive frameworks of stakeholder engagement. Such frameworks must clearly have a set of procedures for identifying, classifying, and prioritizing the stakeholders at every stage of the project cycle, planning, and assessment. Making them formal would be an assurance of systematic and consistent stakeholder participation as opposed to ad hoc and symbolic.

### **Enhance Feedback and Communication Systems**

The research found that, although the inclusivity and communication practices were fairly good, feedback mechanisms were still not developed. In improving the sense of legitimacy and ownership, stakeholder singularity should not remain on one-sided source information dissemination, but a two-sided active communication. By recruiting real-time feedback loops, including community scorecards, digital reporting channels, and participatory review forums,

stakeholders would be able to affect the project design, implementation, and corrective response, which would enhance accountability and responsiveness.

### **Improve Project Governance Transparency and Accountability**

Weak accountability structures have continued to pose a persistent problem in Kenya in terms of healthcare projects. As a remedy to this, processes and structures like obligatory open posting of project funds, schedules, procurement procedures, and development reports ought to be institutionalized in the governance structures. Having transparency in reporting leads not only to building trust among other stakeholders but also to reducing the chances of corruption, mismanagement, and political influence, which, in the past, weakened the completion of projects.

### **Capacity Building for Stakeholders**

To ensure that engagement is not a sham, the stakeholders should be given the knowledge and skills necessary to be effective participants in project governance. Training opportunities should therefore be structured around various actors like the community representatives, health care providers, the project officers, and suppliers in the various areas like participatory planning, oversight of procurement, monitoring and evaluation, and communication. These competencies would contribute to the quality and effectiveness of engagement by empowering stakeholders, which would eventually improve the results of project completion.

### **International Funding Projects: Adoption of Best Practices**

Findings in this paper have shown that initiatives where funding is borne by donors, including PEPFAR and the Global Fund, have greater completion rates because of well-constructed monitoring mechanisms, supplier vetting procedures, and management guidelines. They should translate these best practices into Kenya, through locally-funded projects which benchmark and adapt these best practices to reflect Kenya and its governance structures and socio-political environment. This would aid in the minimization of differences between the international and local project performance.

### **Stakeholder Engagement as a Part of Policy and Regulatory Frameworks**

Lastly, in order to achieve sustainability and enforceability, stakeholder involvement has to be entrenched in the national health policies and laws established in Kenya to govern the management

of projects. The stakeholder involvement should be compulsory and a requirement that cannot be compromised in any healthcare project, no matter the source of finances. This integration of the policies would entrench the practices of engagement, so that they are not donor-specific, but are instead part of the governance systems of the country, Kenya.

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