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Stakeholder Involvement and Performance of Independent State Institutions in Kenya

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ABSTRACT

Purpose: The objective of this study is to assess the effects of stakeholder involvement on performance of Independent State Institutions in Kenya. This study was guided by Stakeholder Theory.

Methodology: The study employed the descriptive research design. The research paradigm for this study was positivist. The unit of analysis was therefore for be the 20 Independent State Institutions while the unit of observations was 242 respondents comprising of 200 board members, 20 CEOs, 20 Audit Committee members, head of public service and principal secretary. The total population was therefore 242 respondents. The sample size was determined using Slovin's Formula. The sample size for the study was 151 respondents. Primary data was obtained using structured and semi-structured questionnaires. The pretesting sample was made of 15 respondents representing 10% of the sample size. Inferential and descriptive statistics was employed for analysis of quantitative data with the assistance of Statistical Package for Social Sciences version 26. The findings were presented in tables, figures, and graphs.

Findings: The study found that board composition has a positive and significant effect on performance of Independent State Institutions in Kenya.

Unique Contribution to Theory, Practice and Policy: The study recommends that the management of independent state institutions in Kenya should prioritize the recruitment of highly qualified, diverse, and experienced members who bring a range of expertise and perspectives. A well-structured, competent board with members from varied professional backgrounds can provide strategic oversight, sound decision-making, and effective governance.

Key Words: *Stakeholder Involvement, Performance, Independent State Institutions*

Background of the Study

Independent state institutions refer to governmental bodies or organizations within a country that operate autonomously from the direct control or influence of the executive, legislative, or judicial branches of government. These institutions are typically established to perform specific functions or tasks that require impartiality, expertise, and insulation from political interference. Independent state institutions are organized institutions that are formed to undertake all business activities in key industries by the government with the purpose of fulfilling its economic policies (Wong & Mwanzia, 2019). There are twelve independent state institutions listed under chapter fifteen of the constitution of Kenya (GoK, 2010) in Article 248(2) and eight others created through Acts of parliament bringing the total number of independent state institutions to twenty (20). The 20 independent state institutions cover human rights; land; elections; salaries in the public sphere; appointments and disciplinary action for the police, public service, judiciary, parliament and teachers; allocation of revenue (for counties); corruption; gender and equality; administrative justice and national cohesion and integration, budget, audit, law reforms, police oversight, prosecution, political parties, and data protection, (GoK, 2020).

The Constitutional Commissions and independent Offices (CCIOs) were established by the Constitution of Kenya, 2010 to not only discharge their specific individual mandates as stipulated under the Constitution but to also meet the common objective of protecting the sovereignty of the people of Kenya, securing observance by all State Organs of democratic values and principles, and promoting Constitutionalism (Article 249(1)). The existence of independent commissions can be traced to both local and international factors. There is wide recognition internationally that certain functions that are necessary to enhance democracy can best be carried out by a state body that is independent of the formal government. Most attention has been given to human rights protection. In 1993, the UN General Assembly adopted what are now known as the Paris Principles. These Principles set out the critical elements that a national human rights body should meet to be considered functionally independent.

The constitutional commissions and independent offices established under Chapter 15 of the Constitution of Kenya, 2010 include the Kenya National Commission on Human Rights; the National Land Commission; the Independent Electoral and Boundaries Commission; the Parliamentary Service Commission; the Judicial Service Commission; the Commission on Revenue Allocation; the Public Service Commission; the Salaries and Remuneration Commission; the Teachers Service Commission and the National Police Service Commission. The independent offices are the Auditor-General and the Controller of Budget. There are other independent state institutions whose work is crucial and complementary to the CCIOs. They include the Ethics and Anti-Corruption Commission (EACC), the National Cohesion and Integration Commission (NCIC), Kenya Law Reform Commission (KLRC), Independent Policing Oversight Authority (IPOA), National Gender and Equality Commission (NGEC), Office of the Director of Public

Prosecution (ODPP), Office of the Registrar of Political Parties (ORPP) and Office of the Data Protection Commissioner (ODPC).

Further, Independent Commissions office holders are subject only to the constitution and law and are thus independent and not subject to the direction or control by any person or authority. Each Commission consists of at least three, but not more than nine members, who are identified and recommended for appointment, approved by the National Assembly before their appointment by the president. This independence is protected in various ways under the constitution. Their members (called commissioners), responsible for the policy and decisions of the bodies, must satisfy the values criteria of Article 10 which requires appointment to be based on integrity, competence and suitability, and behaviour marked by impartiality, selflessness, and discipline. Commissions are supported by a staff (called a Secretariat) whom they appoint and are accountable to them. Their salaries are like those of judges, a "charge on consolidated fund", which means they are not supposed to be voted on annually or discussed in Parliament. And pressure cannot be put on them by reducing their salaries or benefits. They have security of tenure, power to conduct investigations on their own initiative or on a complaint made by a member of the public, including summoning witnesses, just like a court.

Statement of the Problem

Independent State Institutions (ISIs) in Kenya, established under the Constitution of Kenya (2010), play a critical role of delivering constitutional democracy, promoting governance, transparency, accountability, and the rule of law (Namanya, Musiime, & Muganga, 2024). These institutions, such as the Ethics and Anti-Corruption Commission (EACC), the Commission on Revenue Allocation (CRA), and the Judiciary Service Commission (JSC), are mandated to safeguard public interest, foster equitable resource distribution, and uphold human rights (Ndege, Tenambergen, & Njoroge, 2024). They act as checks and balances to ensure that governance systems function effectively and in alignment with constitutional principles. By addressing corruption, resolving disputes, and guiding public policy, ISIs contribute significantly to national development and the realization of Kenya's Vision 2030 (Njoroge, Bula, & Wanyoike, 2024).

However, despite their crucial role, the performance of Independent State Institutions in Kenya has been declining in key areas, raising concerns about their effectiveness. Reports from the Office of the Auditor-General indicate that less than 50% of planned activities by ISIs are fully implemented annually (Ndege, Tenambergen, & Njoroge, 2024). Mandate fulfillment has suffered due to inadequate funding, political interference, and leadership inefficiencies (Sihanya, 2025). Secondly, customer satisfaction has deteriorated, as evidenced by a 2024 survey by the Kenya National Bureau of Statistics (KNBS), which showed that only 35% of Kenyans expressed confidence in ISIs' ability to deliver services efficiently. Lastly, the impact of decisions made by these institutions is often limited (Namanya, Musiime, & Muganga, 2024). For example, the EACC has seen a low conviction rate for corruption cases, with only 4% of cases resulting in successful prosecutions between 2018 and 2022. These trends indicate systemic governance challenges within ISIs, underscoring the need for research into the corporate governance structures influencing their performance (Munyoki, 2024).

Corporate governance plays a pivotal role in shaping the performance of organizations (Krithi, & Pai, 2024). Strong corporate governance ensures that institutions adhere to principles of accountability, transparency, fairness, and ethical decision-making, which are essential for achieving their mandates effectively (Jill, & Simone, 2024). Governance structures such as well-defined roles of boards, robust internal controls, and strategic leadership enhance decision-making processes, resource allocation, and operational efficiency (Hanafizadeh, Shafia, & Bohlin, 2024). Conversely, weak governance—characterized by poor oversight, lack of stakeholder engagement, and leadership inefficiencies—can lead to mismanagement, corruption, and diminished trust among the public (Ehikioya, 2024). Research indicates that organizations with sound corporate governance are 20-30% more likely to achieve their objectives and maintain stakeholder confidence, emphasizing the critical link between governance structures and institutional performance (Adeabah, Gyeke-Dako, & Andoh, 2024).

Various studies have been conducted on stakeholder involvement and organization performance. Otiti (2023) studied on stakeholder involvement and Performance in the Heritage Insurance Company Limited. Gitari (2024) sought to find out the relationship between Corporate Governance and the Financial Performance of state corporations. Chelang'at (2024) studied the challenges of implementing corporate governance practices at the Judicial Services Commission. Mwangi, and Nyaribo, (2024) analyzed the effect of Corporate Governance Structures on Organizational Performance of State Corporations in Education Sector in Kenya.

However, none of these studies specifically focused on the effects of stakeholder involvement on performance of Independent State Institutions in Kenya. To fill the highlighted gaps, the current study sought to assess the effects of stakeholder involvement on performance of Independent State Institutions in Kenya.

General Objective

The main objective of this study is to assess the effects of stakeholder involvement on Performance of Independent State Institutions in Kenya.

LITERATURE REVIEW

Theoretical Review

Stakeholder Theory

Stakeholder Theory is a framework in management and ethics that emphasizes the importance of considering all parties affected by a company's actions, not just its shareholders. Developed by Edward Freeman (1984), the theory posits that businesses operate within a network of relationships that includes various stakeholders—such as employees, customers, suppliers, communities, and investors (Fazili, Khairul & Norsiah, 2020). By acknowledging these stakeholders and their interests, organizations can create more sustainable and ethically sound business practices. The central idea is that businesses should strive to create value for all stakeholders rather than focusing solely on maximizing shareholder profit. A key aspect of Stakeholder Theory is the identification and prioritization of stakeholders based on their influence and the significance of their interests (Nkurunziza & Sikubwabo, 2023). Stakeholders can be categorized into primary and secondary groups. Primary stakeholders are those whose direct involvement is essential for the company's survival, such as employees and customers. Secondary stakeholders may include groups like the media, advocacy organizations, and government entities, which can influence or be affected by the organization's activities. Understanding the dynamics among these different stakeholders helps organizations make informed decisions that consider a wider array of perspectives and potential impacts (Musyoki, Khamah & Ooko, 2024). Stakeholder Theory also highlights the ethical responsibility of businesses to engage with their stakeholders transparently and fairly. This engagement fosters trust and collaboration, which can lead to better outcomes for all parties involved. The theory suggests that businesses should actively seek feedback from stakeholders and incorporate their views into decision-making processes. By doing so, companies not only enhance their social license to operate but also strengthen their long-term viability and reputation (Mwangi & Mutiso, 2020).

Stakeholder Theory operates on several foundational assumptions that guide its principles and practices. One primary assumption is that businesses exist within a network of relationships with multiple stakeholders, each of whom has distinct interests and influences (Nginya & Mutuku, 2024). This perspective challenges the traditional view that a company's sole responsibility is to maximize shareholder value. Instead, Stakeholder Theory posits that long-term success is best achieved by addressing the needs and concerns of all stakeholders, including employees, customers, suppliers, and the broader community. Another key assumption is that ethical considerations should guide business decisions, advocating for transparency, fairness, and accountability in stakeholder engagement (Fazili, Khairul & Norsiah, 2020).

Despite its strengths, Stakeholder Theory faces several critiques. One prominent critique is its potential for ambiguity regarding which stakeholders should be prioritized and how their interests should be balanced. With a wide array of stakeholders, companies may struggle to define whose interests matter most, leading to conflicting priorities (Nkurunziza & Sikubwabo, 2023). This lack of clarity can complicate decision-making processes and may result in organizations becoming mired in negotiations and compromises that dilute their effectiveness. Critics argue that this complexity can hinder an organization's ability to respond decisively to challenges, as the focus on multiple stakeholders may slow down critical decisions (Musyoki, Khamah & Ooko, 2024). Another significant critique relates to the challenge of measuring stakeholder interests and outcomes. While the theory advocates for engagement and consideration of diverse perspectives,

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quantifying the impact of these interactions can be difficult. Businesses may find it challenging to gather meaningful data on stakeholder preferences or to evaluate the effectiveness of their engagement strategies. This ambiguity can undermine accountability, as organizations may struggle to demonstrate how they are fulfilling their responsibilities to stakeholders (Mwangi & Mutiso, 2020).

Additionally, some critics question the practicality of Stakeholder Theory in competitive markets. They argue that in situations where profit margins are tight, businesses may feel pressured to prioritize short-term financial performance over long-term stakeholder interests. This tension can create a perception that Stakeholder Theory is idealistic or impractical, especially for companies operating in highly competitive industries where immediate financial results are critical (Nginya & Mutuku, 2024). Critics contend that without a clear framework for prioritizing stakeholder interests, organizations may inadvertently revert to a focus on shareholder value, particularly in times of financial strain. Moreover, Stakeholder Theory can sometimes be seen as a reactive approach rather than a proactive one (Fazili, Khairul & Norsiah, 2020). Critics argue that merely responding to stakeholder interests does not necessarily lead to innovative or forward-thinking strategies. Instead, organizations might benefit from a more proactive stance that anticipates stakeholder needs and proactively seeks to create value for all parties involved. This forward-looking approach could help businesses not only to address current stakeholder concerns but also to foster long-term relationships and drive sustainable growth (Nkurunziza & Sikubwabo, 2023). This theory was used to assess the influence of stakeholder involvement on performance of independent state institutions in Kenya.

2.3 Conceptual Framework

A conceptual framework is a structured, visual, or written representation that outlines the key concepts, variables, and their relationships within a study or project (Sekaran, & Bougie, 2019). The figure below shows the independent variables, the moderating variable and the dependent variable (Cooper, & Schindler, 2019). In this study, the independent variable is Stakeholder Involvement while the dependent variable is performance of independent state institutions in Kenya

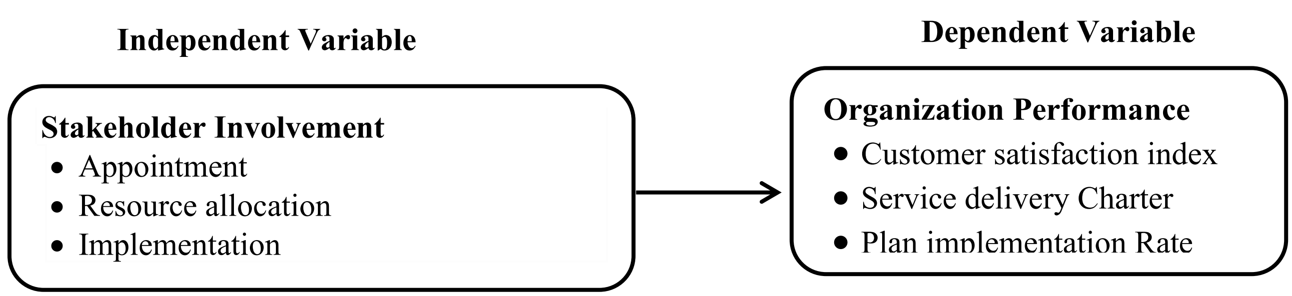

Figure 2. 1: Conceptual Framework

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Stakeholder Involvement

Stakeholder involvement refers to the active participation and engagement of individuals, groups, or organizations that have an interest or investment in a particular project, decision, or process (Fazili, Khairul & Norsiah, 2020). This involvement can take various forms, including consultation, collaboration, and communication, ensuring that stakeholders' needs, concerns, and perspectives are considered throughout the project or decision-making process. Effective stakeholder involvement helps to build trust, improve outcomes, and reduce potential conflicts by creating a sense of shared ownership and accountability (Nkurunziza & Sikubwabo, 2023). It is particularly crucial in projects that have significant social, environmental, or economic impacts, as it fosters inclusivity and ensures diverse viewpoints are addressed. Appointment refers to the formal process of selecting and assigning individuals to specific roles or positions within an organization, project, or initiative (Musyoki, Khamah & Ooko, 2024). It involves choosing the right people with the necessary skills, expertise, and experience to take on responsibilities that align with the organization's goals or project objectives. The appointment process typically includes evaluating candidates, assessing their qualifications, and ensuring that they are capable of fulfilling their roles effectively. A clear and strategic appointment process helps to build a competent team, instills confidence in stakeholders, and sets the stage for successful project execution by ensuring that key roles are filled by capable individuals (Mwangi & Mutiso, 2020).

Resource allocation is the process of distributing available resources—such as time, finances, materials, and human capital—across various activities or projects to achieve desired outcomes (Nginya & Mutuku, 2024). Effective resource allocation requires careful planning and prioritization to ensure that resources are used efficiently and where they are most needed. This process involves assessing resource availability, forecasting future needs, and balancing competing demands to avoid overburdening any particular resource while ensuring that the project stays on track (Fazili, Khairul & Norsiah, 2020). By allocating resources strategically, organizations can optimize performance, minimize waste, and ensure that essential tasks are completed on time and within budget. Implementation is the phase in which plans, strategies, or projects are put into action. It involves executing the necessary tasks, processes, and activities to bring ideas or concepts to fruition (Nkurunziza & Sikubwabo, 2023). The implementation stage requires careful coordination, effective communication, and monitoring to ensure that the goals and objectives are being met. It may involve a series of steps such as piloting initiatives, gathering feedback, making adjustments, and scaling up actions. Successful implementation requires overcoming potential challenges and addressing unforeseen issues promptly, all while staying aligned with the original plan. Through effective implementation, the vision or goals of a project are translated into tangible results, which can then be evaluated for impact and success (Musyoki, Khamah & Ooko, 2024).

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Empirical Review

Stakeholder Involvement and Organization Performance

Fazili, Khairul and Norsiah (2020) examined the relationship between stakeholders focus and company performances: some empirical evidences from Malaysian business firms. An instrument is developed to measure the related constructs and is found to be reliable. Using exploratory factor analysis, the study found that the items clearly group into the three factors; customer focus, employee focus, and community focus. Another factor analysis on the company performance measure results in a single factor. The study proceed with the multiple regression analysis to test the relationship between the dependent, company performances and the independent factors, the three dimensions of stakeholder focus capability. The study concluded that stakeholders` focus significantly influence the organization performance.

Nkurunziza and Sikubwabo (2023) determined the effect of Stakeholders' Management Practices on the Performance of Social Protection Projects: A Case of Girinka Program in Musanze District, Rwanda. The researcher conducted both descriptive and correlational studies. The research included 179 participants, including Girinka committee at the District level, Girinka Liaison Officer, the Girinka committee at the sector level and the beneficiaries' representative at the sector level in Musanze District. Findings revealed that there is a positive and significant effect of stakeholders' identification practices on the performance of Girinka program in Musanze District. There is a positive and significant effect of stakeholders' analysis practices performance of the Girinka program in Musanze District. There is a positive and significant effect of stakeholders' communication practices performance of the Girinka program in Musanze District. The study concluded there is a positive and significant effect on stakeholders' relationship management performance of Girinka program in Musanze District.

Musyoki, Khamah and Ooko (2024) The Effect Of Stakeholder Participation On Students' Academic Performance In Public Secondary Schools In Kibwezi Sub County, Makueni County, Kenya. The target population of the study was 65 school principals, 260 academic HoDs, and 650 teachers. The data was collected by use of questionnaires. The study established that students' academic performance in public secondary schools in Kibwezi Sub-County was significantly affected when parents and teachers motivated students to work hard. The study concluded that stakeholder participation positively influences students' academic performance in public secondary schools.

Mwangi and Mutiso (2020) conducted a case study on the influence of stakeholder involvement on performance of mining projects in Taita Taveta County in Kenya. The study used descriptive research design and the target population of the study was 89 mining projects. Primary data was collected and analyzed through descriptive and inferential statistics. The findings indicated that involvement of financial partners and market players in mining projects has a positive and significant influence on performance of mining projects. However, the influence of government is negative but significant. On the other hand, community involvement positively but insignificantly influences the performance of mining projects. The study concludes that an increase in financial involvement practices such as donor institutions promoting Artisanal Mining, improving accessibility to donor funds, ensuring easy access to microfinance institutions, increasing banking facilities to miners and ensuring that local financing is enough to facilitate the mining projects leads to a significant increase in performance of mining projects in Kenya. The study further concludes that an improvement in market players‟ involvement practices such as ensuring global markets of mining projects can be easily accessed, ensuring there is ready local market of mining projects, stabilizing the global price of mining projects and ensuring that the demand of minerals remain high leads to a significant improvement in performance of mining projects in Kenya.

Nginya and Mutuku (2024) examined stakeholder management and performance of non-governmental organizations supported health care projects in Nairobi County, Kenya. The research utilized a descriptive research design. The target population for the study was 47 projects. The respondents consisted of 47 project managers and 47 program officers. Data were obtained through a descriptive research design. Questionnaires were administered to respondents. The study found that there was a positive perception, with stakeholders expressing confidence, enthusiasm, and optimism. High levels of stakeholder involvement in project planning, common understanding, contribution, training, and positive outcomes. The study concluded that there is a significant positive correlation between stakeholder identification and the performance of non-governmental organizations (NGOs) supported healthcare projects in Nairobi City County, Kenya.

RESEARCH METHODOLOGY

Research Design

The study employed the descriptive research design. This design is pertinent in "developing the profile of a situation and a community of people by getting complete and accurate information through an interaction between the researcher and the respondent via data collection tools" (Kothari & Garg, 2019).Van Manen (2019) states that a descriptive research design as a data collection method from which a sample of individuals being investigated using research instruments by use of data collection instrument which has both the closed-ended and open-ended questions, interviews, and observations. It is one of the most widely used non-experimental research designs across disciplines to collect large amounts of survey data from a representative sample of individuals sampled from the targeted population. This study design is applicable in the study area since it made it easy to collect data from the study participants in insurance companies.

Research Philosophy

The research paradigm for this study was positivist. According to Cooper and Schindler (2017), the positivist research paradigm is founded on real facts, objectivity, impartiality, measurement, and the validity of results. The foundations of positivism can be found in empiricism, which states that all factual knowledge depends on positive information received through observable experiences. Positivism holds that knowledge should be founded on facts rather than abstractions; hence knowledge is founded on observations and experiments based on current theory (Cooper & Schindler, 2017). In the positivist paradigm, an epistemological study is how the social world can be explored as natural science. Hypotheses must be tested using empirical methods. According to Koul (2018), the positivist paradigm's quality requirements are validity and reliability because the objective of the positivist paradigm is to discover the "truth" through empirical study.

Target Population

The target population makes a part of the universal population (Creswell, 2018). There are twelve independent state institutions listed under chapter fifteen of the constitution of Kenya (GoK, 2010) in Article 248(2) and eight others created through Acts of parliament bringing the total number of independent state institutions to twenty (20). The 20 independent state institutions cover human rights; land; elections; salaries in the public sphere; appointments and disciplinary action for the police, public service, judiciary, parliament and teachers; allocation of revenue (for counties); corruption; gender and equality; administrative justice and national cohesion and integration, budget, audit, law reforms, police oversight, prosecution, political parties, and data protection, (GoK, 2020). The unit of analysis was therefore 20 Independent State Institutions while the unit of observation was 242 respondents comprising of 200 board members, 20 CEOs, 20 Audit Committee members, head of public service and Clerk of the National Assembly. The total population was therefore 242 respondents

Sampling Techniques and Sample Size

The study used stratified random sampling to select a sample of 226 policy, management, supervisory and operational levels of employees from the target population. Stratified random sampling technique is a method of sampling that involves the division of a population into smaller groups known as strata (Jolivette, 2015).

The sample size was determined using Slovin's Formula. Slovin's formula is used in statistical analysis as a tool to determine the sample size of a population that must be taken for a specific study.

$$n = \frac{N}{1 + NE^2}$$

Whereby:

n = number of samples

N = total population

E = error margin / margin of error (0.05)

$n = 242/ [1+242*.05^2]$

= 150.778

n≈151

Table 1: Sample Size

Category	Target Population	Sample Size
Board Members	200	125
CEO	20	12
Audit Committee	20	12
Head of Public Service	1	1
Clerk of the National Assembly	1	1
Total	**242**	**151**

Research Instruments

This study collected both primary and secondary data. This study adopted the self-administered questionnaire approach. Self-administered questionnaires offer researchers the potential to reach a large number of potential respondents in a variety of locations (Cooper & Schindler, 2017). Gitahi (2015), Sialala (2016), and Hassan (2017) used self-administered questionnaires in their studies on the influence of monitoring and evaluation on the performance of roads projects in Kenya.

Primary data was obtained using structured and semi-structured questionnaires. The structured questions were useful as they enable easy analysis of data and reduce the time and resources needed for data collection. The unstructured questionnaires helped the researcher get in-depth responses from the respondents as they give respondents a chance to provide views and suggestions on the various issues.

For this study, secondary data was sourced from the official annual reports of independent state institutions in Kenya. The data covered a five-year period, from 2020 to 2024, ensuring both a recent and longitudinal perspective that enables the researcher to capture trends, patterns, and changes within the institutions over time.

Pilot Study

The researcher carried out a pilot study to ensure the data collection tool is reliable and valid. The pilot test helped correct some of the challenges encountered before undertaking the final study. According to Singpurwalla (2019), a pilot study sample size should ideally be 1-10% of the study sample. The pretesting sample was made of 15 respondents representing 10% of the sample size. Respondents selected for piloting were not involved in the actual study and their input was used to modify the questionnaire. The pilot study was conducted on state agencies in Kenya. The results from the pilot test were not used in the main study.

Data Analysis and Presentations

Qualitative data was analyzed on thematic basis and the findings provided in a narrative form. Before quantitative data is analyzed, the researcher ensured the data is checked for completeness, followed by data editing, data coding, data entry, and data cleaning.

Descriptive statistics such as frequency distribution, mean (measure of dispersion), standard deviation, and percentages will be used. Descriptive statistics are very important because if the researcher simply presented raw data, it would be hard to deduce what the data was showing, especially where there was a lot of it. Descriptive statistics therefore enables researchers to present the data in a more meaningful way, which allows simpler and easier interpretation (Singpurwalla, 2019). Inferential and descriptive statistics were employed for analysis of quantitative data with the assistance of Statistical Package for Social Sciences (SPSS) version, 26).

The relationship between the study variables were tested using univariate and multivariate regression models. The univariate model is simple with one predictor and a single outcome while the multivariate model is complex with a single outcome but more than one predictor.

Inferential data analysis was conducted by use of univariate regression analysis, Pearson correlation coefficient, and multiple regression analysis. Inferential statistic is used to make judgments about the probability that an observation is dependable or one that happened by chance in the study. Before conducting inferential statistics, the researcher conducted diagnostic tests. This study adopted multiple regression formula as illustrated below;

$Y = \beta_0 + \beta_1 X_1 + \varepsilon$

Where;

Y = dependent variable (Performance of Independent State Institutions in Kenya)

X_1 = Stakeholder Involvement

β_0 = the constant term

β_1 = the Beta coefficient

ε = the error term

PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

Descriptive Statistics

Stakeholder Involvement and Organization Performance

The first specific objective of the study was to assess the influence of stakeholder involvement on performance of independent state institutions in Kenya. The respondents were requested to indicate their level of agreement on statements relating to stakeholder involvement and performance of independent state institutions in Kenya. The results were as presented in Table 2.

From the results, the respondents agreed that stakeholders are appointed based on their expertise and experience (M=3.973, SD=0.981). In addition, the respondents agreed that the selection process for stakeholders is transparent and fair (M=3.966, SD=0.850) Further, the respondents agreed that the appointed stakeholders align with the organization's goals (M=3.931, SD=0.914). The respondents also agreed that resources are allocated efficiently to meet stakeholders' needs (M=3.896, SD= 0.947). In addition, the respondents agreed that stakeholders have access to the necessary resources to perform their roles (M=3.889, SD=0.856). The findings concur with the findings of Fazili, Khairul and Norsiah (2020) who indicated that stakeholders` focus significantly influence the organization performance. In addition, Nkurunziza and Sikubwabo (2023) concluded there is a positive and significant effect on stakeholders' relationship management performance of program.

The respondents agreed that the organization ensures that stakeholders receive adequate support (M=3.786, SD=0.876). Further, the respondents agreed that stakeholders are actively involved in the implementation process (M=3.698, SD=0.897). The respondents also agreed that stakeholders work collaboratively to achieve implementation goals (M=3.674, SD=0.873). In addition, the respondents agreed the organization effectively monitors the progress of stakeholders' contributions (M=3.668, SD=0.668). The findings are in line with the findings of Musyoki, Khamah and Ooko (2024) who revealed that stakeholder participation positively influences students' academic performance in public secondary schools. Nginya and Mutuku (2024) also revealed that there is a significant positive correlation between stakeholder identification and the performance of non-governmental organizations (NGOs) supported healthcare projects.

Table 2: Stakeholder Involvement and Organization Performance

	Mean	Std. Deviation
Appointment		
Stakeholders are appointed based on their expertise and experience.	3.973	0.981
The selection process for stakeholders is transparent and fair.	3.966	0.850
The appointed stakeholders align with the organization's goals.	3.931	0.914
Resource Allocation		
Resources are allocated efficiently to meet stakeholders' needs.	3.896	0.947
Stakeholders have access to the necessary resources to perform their roles.	3.889	0.856
The organization ensures that stakeholders receive adequate support.	3.786	0.876
Implementation		
Stakeholders are actively involved in the implementation process.	3.698	0.897
Stakeholders work collaboratively to achieve implementation goals.	3.674	0.873
The organization effectively monitors the progress of stakeholders' contributions.	3.668	0.668
Aggregate	**3.831**	**0.874**

Organization Performance

This study used secondary data to collect information on performance of independent state institutions in Kenya which was measured through customer satisfaction index, service delivery Charter and plan implementation Rate. The results were as shown in figure 1-3

Customer satisfaction index

The Customer Satisfaction Index showed a consistent upward trend over the five-year period, starting at 68.5% in 2020. In 2021, the index rose to 70.3%, reflecting modest improvements in responsiveness to citizen needs. The upward momentum continued in 2022, where the index reached 71.4%, suggesting incremental but steady gains in public trust. In 2023, satisfaction levels improved further to 73.6%, showing stronger appreciation of institutional performance. By 2024, the index climbed to 75.1%, marking an overall increase of 6.6 percentage points since 2020. This steady rise indicates that independent state institutions gradually strengthened service delivery and enhanced citizen confidence over time.

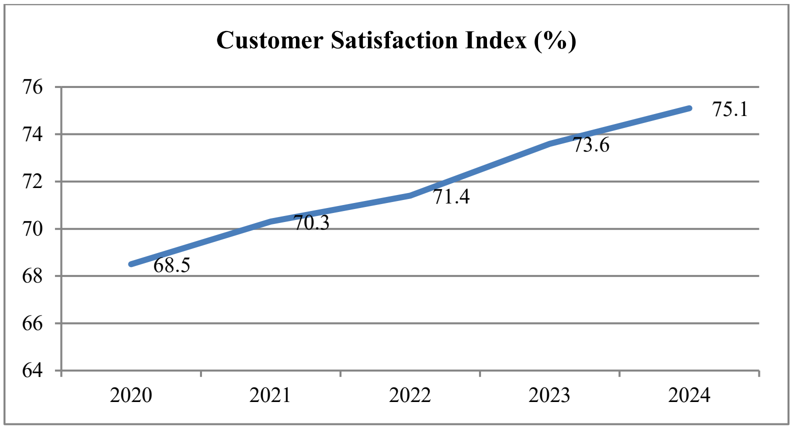

Figure 1: Customer satisfaction index

Service delivery Charter

Compliance with Service Delivery Charters recorded significant year-on-year improvement throughout the review period. In 2020, the compliance rate was relatively low at 59.7%, pointing to notable gaps between institutional commitments and actual service delivery. However, this improved to 66.2% in 2021, indicating strengthened operational efficiency. The rate rose markedly to 72.8% in 2022, showing growing adherence to performance standards and timelines. In 2023, compliance reached 77.5%, highlighting the positive impact of monitoring and accountability mechanisms. By 2024, compliance had increased sharply to 83.6%, representing an overall gain of 23.9 percentage points since 2020. This sharp growth demonstrates substantial progress in aligning institutional practices with citizen-focused service charters.

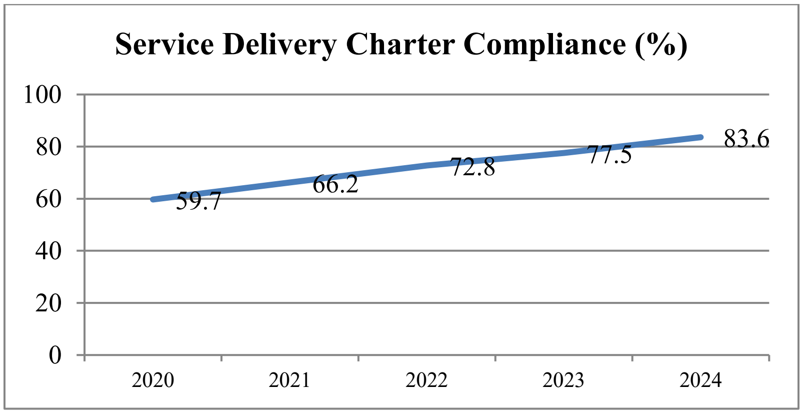

Figure 2: Service delivery Charter

Plan implementation Rate

The Plan Implementation Rate also showed remarkable progress during the five-year period. Beginning at 55.5% in 2020, the rate reflected major challenges in translating strategies into action. This improved significantly in 2021 to 65.3%, signaling stronger institutional capacity in execution. The upward trend continued in 2022, with the rate reaching 72.6%, indicating that most planned initiatives were being successfully implemented. By 2023, implementation rose to 75.4%, showing further consolidation of performance systems. In 2024, the rate peaked at 79.1%, translating to an overall increase of 23.6 percentage points from the baseline year. This strong growth underscores increasing efficiency in resource utilization, project execution, and delivery of institutional objectives.

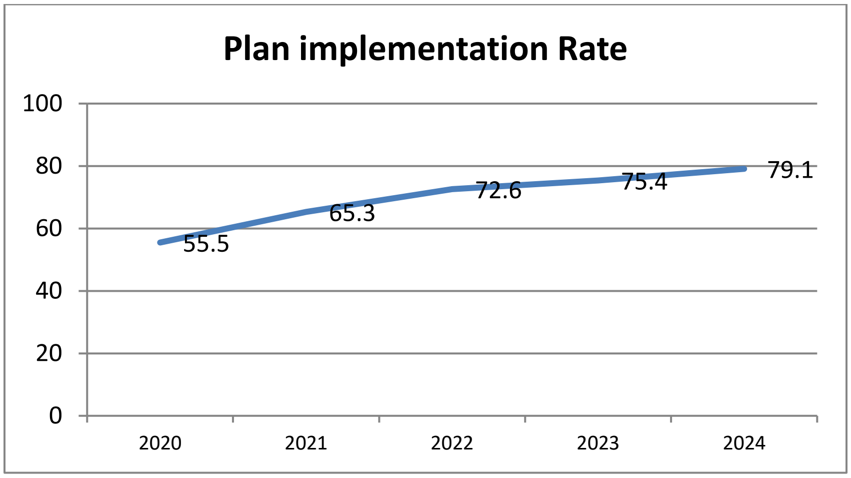

Figure 2: Plan implementation Rate

Test for Hypothesis One

The first specific objective of the study was to assess the influence of stakeholder involvement on performance of independent state institutions in Kenya. The associated null hypothesis was that stakeholder involvement has no statistically significant influence on performance of independent state institutions in Kenya. A univariate analysis was conducted in which performance of independent state institutions in Kenya was regressed on stakeholder involvement.

The R-Squared depicted the variation in the dependent variable that can be explained by the independent variables. The greater the value of R-squared the greater the effect of independent variable. The R Squared can range from 0.000 to 1.000, with 1.000 showing a perfect fit that indicates that each point is on the line. As indicated in Table 3, the R-squared for the relationship between stakeholder involvement and performance of independent state institutions in Kenya was 0.241; this is an indication that at 95% confidence interval, 24.1% of variation in performance of independent state institutions in Kenya can be attributed to changes in stakeholder involvement. Therefore, stakeholder involvement can be used to explain 24.1% of changes in performance of independent state institutions in Kenya but there are other factors that can be attributed to 75.9% change in performance of independent state institutions in Kenya.

Table 3: Model Summary for Stakeholder Involvement

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.491[a]	.241	.240	.67231

a. Predictors: (Constant), stakeholder involvement

The analysis of variance was used to determine whether the regression model is a good fit for the data. It also gave the F-test statistic; the linear regression's F-test has the null hypothesis that there is no linear relationship between the two variables. From the analysis of variance (ANOVA) findings in Table 4, the study found out that that Prob>$F_{1,\ 133}$= 0.000 was less than the selected 0.05 level of significance. This suggests that the model as constituted was fit to predict performance of independent state institutions in Kenya. Further, the F-calculated, from the table (246.86) was greater than the F-critical, from f-distribution tables (3.912) supporting the findings that stakeholder involvement can be used to predict performance of independent state institutions in Kenya.

Table 4 : ANOVA for Stakeholder Involvement

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	45.67	1	45.67	246.86	.000[b]
1	Residual	24.725	133	0.185		
	Total	70.395	134			

a. Dependent Variable: performance of independent state institutions in Kenya

b. Predictors: (Constant), stakeholder involvement

From the results in Table 5, the following regression model was fitted.

$$Y = 0.236 + 0.376\ X_1$$

(X_1 is Stakeholder Involvement)

The coefficient results showed that the constant had a coefficient of 0.236 suggesting that if stakeholder involvement was held constant at zero, performance of independent state institutions in Kenya would be 0.236 units. In addition, results showed that stakeholder involvement coefficient was 0.376 indicating that a unit increase in stakeholder involvement would result in a 0.376 improvement in performance of independent state institutions in Kenya. It was also noted that the P-value for stakeholder involvement coefficient was 0.000 which is less than the set 0.05 significance level indicating that stakeholder involvement was significant. Based on these results, the study rejected the null hypothesis and accepted the alternative that stakeholder involvement has positive significant influence on performance of independent state institutions in Kenya.

Table 5: Beta Coefficients for Stakeholder Involvement

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.236	.074		3.189	.000
	stakeholder involvement	0.376	0.099	0.377	3.798	0.000

a. Dependent Variable: performance of independent state institutions in Kenya

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The first null hypothesis test was 'Stakeholder involvement has no statistically significant influence on performance of independent state institutions in Kenya. The study found that stakeholder involvement is statistically significant in explaining performance of independent state institutions in Kenya. The influence was found to be positive. This means that unit improvement in stakeholder involvement would lead to an increase in performance of independent state institutions in Kenya. Based on the findings, the study concluded that stakeholder involvement positively and significantly influences performance of independent state institutions in Kenya.

Recommendations

The study therefore recommends that the management of independent state institutions in Kenya should foster strong collaboration between these institutions and civil society organizations. By engaging with civil society groups, stakeholders can create a platform for dialogue, monitor performance, and ensure that these institutions are held accountable to the public.

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