

Governance Strategy and Sustainability: The Role of Project Operating Environment of Youth Empowerment Projects in Kenya

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Abstract

Contextual factors, when aligned with internal organisational factors, may generate positive organisational related outcomes. This is an assertion that demands empirical justification in governance strategy and sustainability relationship in Kenyan context. From a survey of 196 respondents, this study investigated the moderating effect of project operating environment on the relationship between governance strategy and sustainability of Youth Empowerment Projects in Kenya. Data collected from 132 respondents were subjected to descriptive and inferential analysis, and the results of the analysis, following the three-step model for determining moderation effect proposed by Baron and Kenny (1989), showed that the relationship between governance strategy and sustainability of projects was significantly moderated by project operating environment. In addition, the results of the analysis also demonstrated the significant effect of project governance on sustainability of projects. The implication of the findings of this study is that the fit between governance strategy and contextual factors will contribute to sustainability of projects across Kenya.

Keywords: *Governance Strategy, Operating Environment, Sustainability, Youth Empowerment Projects, Kenya.*

1. Introduction

The knowledge of the environment where project activities take place has been identified as an important critical success factor for project related outcomes. The environment constitutes the context where projects take place and therefore successful project is contingent on the alignment of contextual factors within the project environment (Zhu & Mostafavi, 2017). In project management literature, a plethora of studies have shown that contextual factors can moderate the relationship between internal organisational factors and performance outcomes (Adeleke, Bahaudin, & Kamaruddeen, 2016; Jabeen, 2014). However, studies investigating the impact of contextual factors in the relationship between internal organisational factors and performance related outcomes remain largely anecdotal in a low-income economy such as Kenya. In Kenya, a sub-Saharan Africa country, a chunk of Youth Empowerment Projects have been executed fundamentally to ease unemployment and poverty among youth towards achieving Kenya's vision 2030 (Honorati, 2015), and most of these projects suffered sustainability problems (Lenjo, 2018). While research efforts from scholars in Kenyan context beamed towards contextual factors as antecedents of performance outcomes

(Kayenria&Karugu, 2020), there is also need for empirical enquiry on whether the strength of the relationship between governance strategy and sustainability of projects can be explained by project operating environment.

2. Review of Literature

2.1: Theoretical Literature Review

2.1.1 Contingency Theory

Contingency Theory was developed by Joan Woodward (1958) as a behavioural theory. The theory contended that there was no best way of managing. Indeed, an organization's effective style of leadership could work in some situations and fail in others; hence effectiveness was contingent upon various internal and external constraints (Fiedler, 1964). Proponents of this perception related the Contingency Theory to organizations (Burns & Stalker, 1961), underlining that a project could not be premeditated systematically exclusive of its context. Thus, the project analogy towards the external contingencies was an influential factor on the temporary organizational effectiveness. Burns and Stalker's (1961) termed Contingency Theory as the discrepancy amongst systematic and on-going organizations as they try to fit into static and dynamic environments. The Contingency Theory maxim is that project's environmental alignment plays a critical role on its performance (Hanisch& Wald, 2012). Donaldson (1987) claimed that the current description of Contingency Theory mostly focuses on the organization's adaptability to a constantly unstable environment. As such, the environment was the decisive construct initiating the variation. However, the context variable nature in which the mediating and moderating constructs lead to its effects is not suggested. The prior examined the extent to which an independent variable had an impact on the mediating variable, whereas expressing its manipulative effect on a similar dependent variable. The latter examined through the moderating variable in order to determine its strength or nature on an independent and a dependent variable relationship. In this study, the strength or nature of the interactional relationship between project governance and project sustainability will be moderated by the project operating environment.

2.1.2 Resource Based View (RBV) Theory

The Resource-Based View theory (RBV) is acknowledged as a modern-day approach that highlights the way competitive advantage (CA) can be generated through organizational resources and capabilities. It sourced contributions from several scholars in the disciplines of economics and strategic management (Penrose, 1959; Porter, 1985; Wernerfelt, 1984; Barney, 1991). The contribution of Barney in 1991, therefore, formalized RBV as a present-day approach to understanding the significance of developing and maintaining organizational internal resources as a means of creating sustainable competitive advantage.

Barney's (1991) view of RBV is that resources are heterogeneous and immobile across firms; therefore, sustainable competitive advantage could be achieved by a firm that is able to develop internal resources and capabilities that are considered rare, valuable, inimitable and also non-substitutable. The internal resources entail assets, capabilities, information, knowledge, firm's attributes and organizational processes, among others, and these are controlled by a firm, allowing it to conceive of and implement strategies that would enhance its effectiveness and efficiency (Barney, 1991).

RBV has often been criticized because of its inability to specify the particular organizational resources that possess the attributes of valuableness, rarely, inimitability, and non-substitutability. However, RBV theory has been an important theoretical lens for underpinning studies among scholars in different fields of discipline. Jugdev and Mathur (2013) posited that the RBV was a theoretical paradigm for developing unique capabilities, assets, information, tacit knowledge, tools and processes for managing project in an organization. RBV, therefore, becomes relevant because of its significant contribution to creating sustainable projects, as resources in terms of finance, personnel and facilities that are essential during project implementation. Therefore, leveraging on governance practices in various organizations would lead to development of capacities that would enhance project sustainability.

2.2 Empirical Literature Review

Project governance is a structure comprising responsibilities, processes, policies and value systems that enable projects tend towards achieving organizational objectives and fostering implementation that supports preeminent interests and needs of both external and internal stakeholders besides the project itself (Müller, 2009). Thus, projects have become the key engine towards the achievement of organizational constructive change and strategic goals (Biesenthal & Wilden 2014). There has been a debate on what constitute the meaning of governance and management of project. Lechler and Dvir (2010) asserted that effective project governance remains a major determinant on the success of project. Effective project governance is essential in sustainable and successful achievement of value for the involved stakeholders and the organization (Beleiu & Nistor, 2015).

Project governance is an all-inclusive concept. According to Project Management Institute (PMI) project governance entails aligning project objectives to the project with the larger organizational strategy (PMI, 2013). Further, Garland (2009) views project governance as project decisions, for making frameworks within an organization. Zwikaël and Smyrk (2015) elaborate project governance as a model grounded on Principal-Agent Theory that demonstrates the communication hierarchy, responsibilities and roles of major project structures such as project funder, project manager, project owner, project team and steering committee. Generally, project governance emphasizes on the connection amongst the project management team, its sponsors and other stakeholders. It also focuses on the project objectives and the ways to attain those objectives while monitoring project performance. Therefore, project governance might be thought of instituting and employing control. This is due to its principal oversight role of controlling and coordinating the efforts of players in the projects context; it also enhanced consensus needed towards the achievement of project objective in an arena where various diverse interests of stakeholders are at play (Jeffrey, 2013).

However, in the project operating environment, project governance mechanisms are required in managing the interface amongst project teams and their clients, supporting the operational control processes (Teemu & Kirsi, 2017). Thus, project governance establishes the structure through which the project's objectives are established, determines the ways of achieving the objectives as well determining the techniques of monitoring the performance (Haq, Liang, Gu & Zhao, 2018). Project governance furthermore enables project managers to monitor, control and govern a project's different stages and functions; it helps in delivering to internal and external stakeholders the project benefits (Haq, Liang, Dongxiao & Yinchao, 2016).

Sanderson (2012) argues that misalignment or underdevelopment of project governance mechanisms impair performance. Thus, these hinder provision of robust and sufficiently flexible response by project actors to a certain turbulent environment. According to Luo Richards, Wilson and Li (2014), an effective project governance structure reduces conflicts amongst diverse stakeholders' groups, thus contributing to a greater firm's performance. It also supports in managing and minimizing project risk, improvement of transparency amongst various levels of organization and enhancement of positive information interchange among various groups of stakeholders (Muller 2009). However, ineffective project governance structures in project organization may delay improvements in the project management context (Aubry, Monique, Richer & Lavoie-Tremblay, 2014; Zwikael & Smyrk, 2015).

Prior studies have indicated the various operational definition of project governance. Joslin and Müller (2016) indicated that project governance affects positively the success of project. The study operationalized project governance in terms degree of shareholder versus stakeholder orientation and the degree of behavior versus outcome control, mutually applied on projects through the central organization. Müller and Lecoeuvre (2014) pronounced measures of project governance and clustered them in terms of behaviour or outcome control; whereas Lu *et al.* (2015) aligned project governance in terms of relational and contractual governance components. M'aburi, Nzulwa and Kweni (2017), opined that project governance is measured through stakeholders' participation and resource mobilization. Too and Weaver (2014) investigated project governance as a composite of intertwined governance structures plus management functions. According to the study, project steering committee is the principal project governance institution whose tasks include establishing the governance structure. The study further measured project governance in terms of stakeholder management and divided governance structures in terms of project management office, project portfolio management, project sponsorship and project and program management. Obare (2017), Wu, Zhao, Zuo and Zillante (2019) conceptualized project governance in terms of project team diversity. Accordingly, project teams comprise people networking from diverse experiences towards project delivery. Thus, they are imbued with different experiences, gender, age, training, education and work- culture diversities. Thus, the current study conceptualized project governance in terms of stakeholder management, governance structure and project team diversity.

The stakeholder management is the most significant aspect of project governance; it incorporates key stakeholders and other parties interested in ensuring that there is effectiveness in the project process (Patton, 2010). To enhance project functions, project governance involves initiation, termination and maintenance of a good rapport with internal and external stakeholders engaged with project (De Brucker, 2013). According to Jones, (2008), if in the entire project process includes the right people, the outcomes are greatly enhanced and the recommendations well perceived. Likewise, corrective measures are embraced and enforced promptly. Therefore, establishing these relations effectively amongst the stakeholders internally significantly contributes to project success. In like manner, the success depends on firm management and project teams insulated against external stakeholders such as the government, clients and suppliers within the environment (Porter & Kramer 2011). Project governance is mostly involved in controlling processes. Therefore, project governance provides an oversight role in ensuring that internal and external stakeholders are complying with the project organizational authority, developing a robust

association and enhancing suitable project decisions-making (Ochunga & Awiti, 2017). Therefore, through stakeholder involvement, everyone feels part of the project; they own the project and take all necessary steps to safeguard the required standards.

Engaging stakeholders in discussions about sustainability of youth empowerment projects often empowers them. It promotes meaningful participation by diverse stakeholder groups. This avails to the project team, sufficient and relevant information useful for the exercise (M'aburi, Nzulwa & Kwen, 2017). Stakeholder management is also key in determining project sustainability. This is because the involvement level will either make or mar the sustainability of a project (Sang, 2015). Project governance is also anchored on governance structure to ensure there is transparency, accountability, effectiveness and achievements of project goals in future (Zwikael & Smyrk, 2015). Governance structure is described as the framework for solving problems and managing issues arising in the project life cycle and providing adequate consideration on recommendations made on planning project deliverables. It involves various committees and their approved decision-making rules, roles and responsibilities.

Whenever people work as a team, they are inter-connected or they need to interact with others from diverse demographic orientation, experience, culture or training. These diversities tell us why an individual is different from another and may have positive or negative impacts on team outcomes. Diversity may affect team member satisfaction, performance or the innovative capacity of the team (Wu, Zhao, Zuo and Zillante, 2019). Obare (2017) described diversity in workplace as variations in relation to age, gender, sexual orientation, experience, education, training, work-culture and religion. Dulaimi and Hariz (2011) discussed project team diversity (PTD) regarding cultural diversity, Amar, Chang and McIlkemy (2015) in terms of gender diversity. Zhang and Li (2016), claimed that team diversity might be measured in terms of knowledge diversity; this infers about the fundamental heterogeneity of knowledge amongst the project teams, including thinking, experience and professional diversities. This study, the diversities in project team which includes demography (gender, age and ethnicity), training, culture and experience are critical in contributing towards sustainability and quality levels. Project team diversity was thus operationalized with relation to work- culture, training, gender and experience.

A handful of studies in literature have documented evidence of project governance as an antecedent of some variable outcomes in literature. As investigated by Lechler&Dvir (2010), project governance was identified to be associated with project success. In a similar vein, Beleiu and Nistor (2015), project governance was found to associate with conflict reduction among diverse stakeholders and firm's performance. Project governance can also serve as a tool for achieving project quality which will in turn lead to project related outcomes (Hénard&Mitterle, 2010; Haq, *et al.*, 2010). However, misalignment or underdevelopment of project governance mechanisms may impair performance. In addition, ineffective project governance structures in project organization may delay improvements in the project management context (Aubry, Richer, & Lavoie-Tremblay, 2014).

Project sustainability is a significant issue confronting humanity, considering the development that encounters the present needs without compromising the future generations' ability in meeting their individual needs (Brink & Silvius, 2014). Project sustainability refers to the ability of the project to achieve its main objectives after the project initial sponsors have withdrawn their support (Gonz'alez & Perez, 2015). For Morfaw (2014), project

sustainability is organizational ability to continue its program and mission far into the future as all projects eventually have to end, retaining the positive impact of the project. Therefore, project sustainability contributes to improved project value, for instance, increased productivity, improved output quality, reduced cost of living, profitability, and enhanced business (Carvalho & Martens, 2016; Marcelino, Gonz'alez & Perez, 2015). In general, for the sustainability of projects, definite standards and metrics ought to be established from project identification through feasibility studies, formulation, design, appraisal, funding, implementation, closure, monitoring and evaluation (Morfaw, 2014).

The growing attention on the sustainability in project management is promising. However, the concept of sustainability remains abstract, often challenging to express in operational and concrete terms (Silvius & Schipper, 2014). Many management scholars have used different indicators to measure project sustainability. Ika (2012) and Carvalho and Rabechini (2015) contended that project sustainability could be measured with regard to social, economic and environmental benefits to the necessary stakeholders. In like manner, Carvalho and Senzi (2014) pointed out that in project management and from various disciplines of administration and engineering, sustainability measures studied were grounded on three concepts: social aspect, economic aspect, and environmental aspect. Thomson *et al* (2011) viewed sustainability comprehensively as an essential understanding tool towards the economic, environmental and social concerns concomitant in the manner in which the projects and their support systems are constructed, designed, maintained, operated and eventually eliminated.

Project sustainability, as evidenced in literature, has been measured in numerous ways using composite values. Zhou *et al* (2013) posited that project sustainability may be operationalized in relation to the users' intended flow of benefits, facilities' operational level, evidence of existing project outcome, project design and institutional support. Jassor (2016) and Lenjo and Moronge (2018) measured project sustainability in terms of project continuity, increase in number of beneficiaries (youth), and reduced unemployment. Odenyo and James (2018) identify measures of PS: project financial strength, recorded growth, project's ability to meet its objectives, improvement in standards and recorded profitability. The choice of sustainability measures depends on the objectives of the projects. Measuring project sustainability has been criticized for appropriating systems to assess operational practices of performance to enhance sustainability such as economic operations. However, they focused on institutional and strategic terms such as product development (Martens & Carvalho, 2016). Silvius and Schipper (2015) argued that the three metrics of the Triple Bottom Line – TBL (economic, social and environment) should be placed into a framework of factors, variables or constructs that an organization wishing to improve their sustainability can use as a decision model.

Intense debate exists as to which sustainability indicator best measures project sustainability. Martens and Carvalho (2016) posited that project sustainability should be measured in TBL: economic, environmental and social dimensions. This is because project sustainability is crucial to its short-term and long-term survival. Likewise, sustainability of youth empowerment project will be best measured using TBL indicators. This study measured project sustainability in terms of social, environmental and economic benefits towards the stakeholders in communities where youth empowerment projects have been implemented.

Today's managers of the project must be attuned with the project's economic, ecological, political, cultural, organizational and social environmental risk factors. Understanding this

reality implies identifying the environment where the project is in operational and the impacts rendered by internal and external stakeholder on successful project outcome. Thus, due to the complexity and high technicality of the operating environment, the project team should be conversant and aware of the external factors affecting the project success so as to realize tremendous results. Hence, the project manager and their project team should be sympathetic towards and comfortable with the project surroundings such as cultural, social and organizational environments (Kirsi, 2016).

Project sustainability is impacted by the various environmental forces that operate in both the internal and external environments. Forces from internal environment can be controlled or subject to manipulation of the organization. Forces from the external environment are largely uncontrollable; they significantly influence the project sustainability. They include political, economic, institutional, social and legal forces (Sang, 2015). Moreover, these external factors are key considerations for any project to be sustainable (Jarkas & Haupt, 2015). This is due to the uniqueness and dynamism of projects, uncertainties, multiple intricacies, different techniques and methodologies and diverse environments involved in implementation of projects. Therefore, identification and management of potential external environmental factors plays a critical role thus improving the project performance and realizing successful innovation to the enterprise; they significantly diverge from project to project depending on several environments (Kaumbulu & Sang, 2018).

An effective project governance model is essential in identifying the operating environment better, for example, the economic, political, legal, socio-cultural and complexity factors embedded in the management of the project and the project itself. Turner and Müller (2005) stressed that the project governing team should ensure that there is proper coordination and collaboration amongst themselves. Through such collaboration and coordination, the process of addressing and managing the external environment factors will be enhanced, thus producing sustainable outcomes to the project stakeholders. Therefore, incorporating government policies for practical execution of project policies is significant for the achievement of sustainability as these guides appropriate action. Hang *et al* (2018) believe that project governing rules, regulations and policies on the operating environment are significant in enhancing the project governance model, thus, indicating that project operating environment significantly impacted on project governance.

Musa, Amirudin, Sofield and Aminu (2015) discuss how to measure the significant influence of project operating environment on project governance and project sustainability relationship. They assert that the operating environment defines the way the project are being governed as the projects are faced by economic and political factors which are difficult to control in the project organization. Moreover, Sang (2015) argued that project operating environment factors such as political, organizational and economic factors significant effected sustainability of World Bank funded projects. Hence, operating environmental factors, that is, political, economic and legal aspects can corporately have a moderating effect between the project governance and project sustainability relationship.

Operating environmental factors such as the political factor significantly impacts on project sustainability. Ozorhonet *al* (2007) averred that political factors are those forces within the external environment that result from activities and decisions that affect project sustainability. Such factors comprise amendments in laws and regulations, discrepancy in policies, breach of contract, impact restrictions and political violence (Sang, 2015). As emphasized in the literature, political risks have been known as a major project sustainability setback after implementation (WB, 2011). A country's political atmosphere is an important concern in funding the project and subsequently, its sustainability. Indeed, political forces within the organizational environment remain a core risk that can threaten projects at their crucial stage.

Threat to the economic environment affects project viability, and consequently its sustainability. Sang (2015) underlines that economic factors include issues ranging from interest rate and unemployment, among others. Therefore, in order to ensure viability and sustainability of a project, need arises to factor in economic forces in the external environment. Effective project governance may lead to enhanced operating environment, consequently improving project sustainability. In the current study, the relationship between project governance and project sustainability would be moderated by project operating environment indicators which included political and legal factors.

The theoretical lens from contingency theory supports the argument that the alignment of internal organisational factors and its contextual factors will produce positive organisational outcomes. In a similar vein, RBV is of the view that firm's internal resources and capabilities can be built and developed so as to obtain sustainable advantage. Drawing from these theories, project governance is an internal organisational factor and if properly aligned with the contextual factors, may lead to sustainability of projects. This study therefore hypothesised as follows:

H₀₁: There is no significant effect of governance strategy on sustainability of Youth Empowerment Projects in Makueni County, Kenya

H₀₂: Project operating environment has no moderating effect on the relationship between governance strategy and sustainability of Youth Empowerment Projects in Makueni County, Kenya

3. Methodology

This design employed in this study composed of both descriptive and explanatory research designs. Descriptive research design enables the researcher to apprehend a population's possible behaviour, characteristics, values and test hypotheses (Cooper & Schindler 2011). The aim is to describe an exact outline of events, persons or situations. Furthermore, the researcher has no manipulative control over the variables, thus protecting them against bias. The explanatory research design tests the hypotheses by measuring the relationships and establishing the causal relationship between variables (Saunders, Lewis & Thornhill 2009). In so doing, it tries to find out what is happening, assessing phenomena; it interrogates the causal effect between the variables, besides moderating and intervening relationships. Using Krejcie and Morgan's (1970) formula, a sample size of 196 was determined from a

population of 400 comprising project managers, leaders, and members of Youth Empowerment Projects in Makueni County, Kenya. The study used self-design questionnaire as a method of data collection and data collected from 132 respondents were analysed through descriptive and inferential statistics.

4. Research Findings and Discussions

4.1 Response Rate

Out of 196 questionnaires was sent to the study participants 132 questionnaire were filled and returned. The percentage of questionnaires filled and returned was 67.35 and the remaining questionnaires not retrieved accounted for 32.65 per cent which according to Saunders, Lewis and Thornhill (2007) is satisfactory to conduct data analysis and interpretation of the findings.

4.2 Demographic Profile of the Respondents

This section presents demographic characteristics of the respondents. Table 1 summarizes the findings.

Table 1 Demographic Profile of the Respondents

		Gender* Demographic Characteristics		
		Male	Female	Total
Age	20-29yrs	57	38	95
	30- 39yrs	25	9	34
	40- 49yrs	3	0	3
	Total	85	47	132
Education	Secondary	11	6	17
	Diploma	4	8	12
	Degree	44	28	72
	Masters	23	5	28
	PhD	3	0	3
	Total	85	47	132
Duration	1-5years	63	45	108
	6-10years	22	2	24
	Total	85	47	132
Position	Project leader	19	4	23
	Project official	15	0	15
	Member	51	43	94
	Total	85	47	132

As indicated in Table 1, the profile distribution of respondents shows more male than female across the age brackets with 72% were aged between 20 and 29 years and 25.7% were aged between 30 and 39 years. On the other hand, only 2.3% of the participants were aged between 40 and 49 years. In terms of the distribution by level of education, majority of the respondents (54.5% had university degree, a further 21% had master's degree and 2.3% doctorate qualifications. Those who had diploma academic qualification represented 9.1% while 12.9% had secondary education. The distribution of the duration of project showed that majority of the respondents (81.8%) had participated in the project for a period of 1 to 5 years while 18.2% had spent 6 to 10 years working in youth empowerment project. The implication of the results is that majority of the respondents of this study had participated in the project long enough to gain sufficient experience in their job. The distribution of position held showed that majority of the respondents (71.2%) were project members followed by 17.4% who were project leaders. Project officials represented 11.4% of the sample. This implies representativeness of all units of the project in the sample

4.3 Descriptive Analysis

The descriptive analysis of variables shows how the respondents have addressed the items of this study and the results of the analysis were interpreted using descriptive parameters such as the mean and standard deviation as shown in table 2.

Table 2 Descriptive Analysis of Variables

Variable	Aggregate Score	
	Mean	Standard Deviation
Governance Strategy	4.31	0.63
Project Operating Environment	4.24	0.64
Project Sustainability	4.26	0.62

As presented in Table 2, the aggregate mean and standard deviation scores for the composite construct of project governance stood at 4.31 and 0,63 respectively. The mean score, based on the scale adopted in this study, show that the majority of the respondents were in agreement in respect of the items measuring project governance and also the standard deviation score reveals low variability of responses among the respondents. The aggregate mean score for project operating environment stood at 4.24 and the standard deviation score was 0.64 respectively. These scores, based on the scale adopted in this study, reveal that the respondent agreed to the items measuring project operating environment, and at the same time the variability of responses among the respondents was at minimum. The construct of project sustainability has aggregate mean score of 4.26 and standard deviation score of 0.62 respectively. These scores indicate agreement based on the scale adopted in this study, and also low variability of responses. The overall interpretation the scores indicates the respondents were aware of the various governance issues relating to the sustainability of projects in their environment. From the descriptive analysis of data collected in this study, the values descriptive parameters (mean and standard deviation scores) indicated that the respondents were aware of issues relating to project governance, contextual factors, and project sustainability in respect to Youth Empowerment projects in the study area. Furthermore, the descriptive scores also indicated that the respondents were in agreement with the items measuring the variables operationalised in this study. The findings of the descriptive analysis were in conformity with findings in previous studies (Musa *et al* (2015).

4.2 Test of Hypothesis

4.2.1 Governance Strategy and Project Sustainability

This study sought to find if governance strategy has a significant effect on sustainability of projects in Makueni County, Kenya. This hypothesis was tested by regressing governance strategy on sustainability of projects. The results of the regression statistics are shown in Table 3.

Table 3 Regression Results for Governance Strategy

Regression Parameter	Test Statistic		p-value
R^2	0.732		
Adjusted R^2	0.728		
F-value	176.194		.000
Variable	Coefficient (β)	t-statistics	p-value
Constant	1.967	8.997	0.000
Governance Strategy	0.014	8.516	0.000

As presented in Table 3, the results of the regression analysis showed that the coefficient of determination (R^2) indicates 7.37% variation in project sustainability was explained by the construct of governance strategy. The F-value (176,194) was also significant at $p < 0.005$, and this therefore indicates that there was a fit between the model and study data. At 95% level of confidence, the test statistics ($t = 8.516$; ($p = < 0.05$)) was also significant, and this therefore indicates non- acceptance of the null hypothesis of direct relationship in this study. The study, therefore, concluded that governance strategy had a significant effect on sustainability of Youth Empowerment Projects in Makueni County, Kenya. The findings of significant effect concurred with the findings in previous studies of governance strategy-project sustainability relationship (Franz, Leicht, Molenaar, & Messner, 2016; Silvius, & Schipper, 2014).

4.2.2 Moderating effect of Project Operating Environment on the relationship between Governance Strategy and Project Sustainability

The hypothesis of moderating effect of project operating environment on the relationship between governance strategy and sustainability of projects was tested using hierarchical regression and the results of the analysis were interpreted following the decision criteria proposed by Baron and Kenny (1989), as shown in table 4.

Table 4 Regression Results for Hypothesis of Moderating effect

	R^2	Adj R^2	F-val.	β	t	Sig. 0.05
Model	0.732	0.728	176.194			0.000
Step 1 Governance Strategy	-	-	-	0.014	8.516	0.000
Project Operating. Environment				0.353	5.516	0.000
Step 2 Project Gov.	-	-	-	-0.001	-0.29	0.772
PG*POE	-	-	-	0.003	4.365	0.000
Sustainability	-	-	-	1.967	8.997	0.000

As presented in Table 4, in the first step of the analysis, both the independent variable (governance strategy) and the mediating variable (project operating environment) were introduced to the first model and the regression results showed that both governance strategy and project operating environment were significant (project governance: $\beta = 0.014$, $t = 8.516$, $p = 0.00$, project operating environment: $\beta = 0.353$, $t = 5.516$, $p = 0.000$) when regressed against sustainability of projects. These results showed that project operating environment can as well serve as an explanatory variable. In the second step of the analysis, the interaction of project governance and project operating environment (PG*POE) was added to the model to determine interactional effect. The results of the analysis for the interactional effect showed significant regression parameters ($\beta = 0.003$, $t = 4.365$, $p = 0.000$) but the regression parameters for project governance were insignificant ($\beta = -0.001$, $t = -0.29$, $p = 0.772$). These results indicated that, following the criteria for moderation effect by Baron and Kenny (1989), project operating environment fully moderated the relationship between project governance and sustainability of projects. Therefore, the hypothesis of no significant effect was not accepted. Project operating environment, therefore, moderated the relationship between project governance and sustainability of Youth Empowerment Projects in Makueni County, Kenya. The findings of significant moderating effect of contextual factors were also in conformity with findings in previous studies that project environment moderated the relationship between organisational internal factors and sustainability of projects (Amjad, 2018).

5. Conclusion and Policy Recommendations

5.1 Conclusion

The study sought to determine the moderating effect of project operating environment on the relationship between governance strategy and sustainability of Youth Empowerment Projects in Makueni County, Kenya. The results of the analysis of this study indicated that the project operating environment moderates the relationship between governance strategy and sustainability of youth empowerment projects. Therefore, from the findings, conclusions can

be made that with a stable project operating environment superior sustainability results would be yielded.

5.2 Policy Implication

The findings of this study will be useful for the various stakeholders in the policies relating to the management and implementation of project activities that projects do not take place outside its environment; rather important attention needs to be paid to contextual factors so as to attain project related outcomes. The study also recommends the project management to create a stable project operating environment through cushioning the effects of chance in organizational management during the project, establishing proper rules, regulations and policies to be adhered to, minimizing conflict between stakeholders, enhancing involvement of everyone in policy implementation and fostering cooperation from project users.

5.3 Limitations and Future Research

Future researchers may dwell on the findings of this study to front a longitudinal study so as to determine the causal effect of project governance on sustainability of projects. This study is carried out in Kenyan context, therefore the findings of moderating effect of project operating environment may not be generalised to other sub-Saharan Africa countries since environment factors are different from one country to another. Future researchers can also front studies on the construct of project operating environment in other sub-Saharan Africa countries for better generalisation of findings.

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