TENDERING PROCESS, CORPORATE GOVERNANCE PRACTICES, STAKEHOLDERS ENGAGEMENT AND PERFORMANCE OF COUNTY GOVERNMENT WATER PROJECTS IN SEKEB REGION, KENYA

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DECLARATION

This thesis is my original work and has not been presented for the award of a degree in any other University or institution.

Signed……..… Date……..…….……...

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This thesis has been submitted for examination with our approval as the appointed University supervisors.

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DEDICATION

This thesis is dedicated to my loving wife Rose Mwende and to my children Timothy Maluki, Isaac Maluki, late Priscilla, Carolynn Mutunga and my grandchildren Ethan Kilonzi, Erica Mwende and Eli Maingi.

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LIST OF ACRONYMS AND ABBREVIATIONS

ALAC	Advocacy and Legal Advisory Centre
ANOVA	Analysis of Variance
BPFA	Beijing Platform for Action
CGP	Corporate Governance Practices
CSRP	Civil Service Reform Programme
ETP	Economic Transformation Programme
e-Government	Electronic Government
GTP	Growth and Transformation Plan
ICGU	Institute of Corporate Governance Uganda
ICT	Information and Communications Technology
KII	Key Informant Interview
KMO	Kaiser-Meyer-Olkin
MDG	Millennium Development Goals
MLQ	Multifactor Leadership Questionnaire
MP	Member of Parliament
NACOSTI	National Commission for Science, Technology and Innovation (Kenya)
NKEAs	National Key Economic Areas
OCB	Office of the Controller of Budget
OECD	Organization for Economic Co-operation and Development
SDGs	Sustainable Development Goals
SEKEB	South Eastern Kenya Economic Bloc
SID	Society for International Development
SMEs	Small and Medium Enterprises
SOEs	State-Owned Enterprises
SPSS	Statistical Package for the Social Sciences
TP	Tendering Process
UNIDO	United Nations Industrial Development Organization
UNICEF	United Nations International Children's Emergency Fund
WASH	Water, Sanitation, and Hygiene

WB	World Bank
WRMA	Water Resources Management Authority

OPERATIONAL DEFINITION OF TERMS

Corporate Governance Practices: Corporate governance refers to the set of systems, principles, and processes by which organizations are directed and controlled.

In this study, it involves the governance mechanisms within county water agencies, assessed through accountability, disclosure, efficiency, transparency, and responsibility indicators.

Performance of Water Projects: Performance generally denotes how well an initiative achieves its intended objectives within given constraints.
In this study, it is measured by how efficiently and effectively county governments implement water projects—specifically through water access, quality, use, treatment, and sustainability metrics.

Stakeholder Engagement: Stakeholder engagement is the process of involving individuals or groups who are affected by or can affect a decision or project.
In this study, it refers to the participation, communication, and feedback mechanisms involving communities, public officers, and partners in county water projects.

Tendering Process: Tendering is the formal process by which organizations invite suppliers to bid for the provision of goods, services, or works.
In this study, it refers to structured procurement procedures adopted by county governments for water project execution, measured using indicators like transparency, supplier compliance, cycle time, and price accuracy.

ABSTRACT

Access to reliable water infrastructure remains a significant challenge in Kenya, particularly within devolved county governments, where performance inconsistencies hinder project success. Despite established bidding processes and regulatory frameworks in Kitui, Makueni, and Machakos counties, the performance of water projects has remained suboptimal due to factors such as inadequate stakeholder participation, opaque procurement methods, and weak governance structures. This study examined the effects of stakeholder engagement, corporate governance practices, and the tendering process on the performance of water projects in the South Eastern Kenya Economic Bloc (SEKEB).The research investigated the direct impact of the tendering process, the moderating role of stakeholder involvement, and the mediating influence of corporate governance on project outcomes. The study used Tendering Theory, Agency Theory, and Stakeholder Theory as its theoretical framework. A mixed-methods approach was employed, with data collected from 764 stakeholders involved in water project development through a cross-sectional survey. Stratified random sampling yielded a sample of 263 respondents, with 213 completed responses. Quantitative data were analyzed using descriptive statistics, Pearson correlations, and regression models, while qualitative data were analyzed using thematic analysis. The findings revealed a statistically significant positive impact of the tendering process on project performance ($\beta = 0.487$, $p < 0.001$). Corporate governance practices were found to partially mediate this relationship (indirect effect $\beta = 0.211$), while stakeholder engagement significantly moderated the effect (interaction $\beta = 0.172$, $p = 0.018$). The moderated mediation model confirmed that the relationship between tendering and performance, through corporate governance, was significantly influenced by stakeholder engagement; moderated mediation index = 0.069, 95% CI [0.018, 0.124].In conclusion, transparent and efficient tendering processes, supported by strong governance structures and active stakeholder engagement, can greatly enhance water project performance. The study recommends institutionalizing participatory tendering audits, implementing regular capacity-building for procurement officers, and integrating stakeholder consultation throughout the project lifecycle to improve governance and sustainability in Kenya's devolved water service delivery system.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This section serves as the study's introduction and covers all the contextual information in a global, regional, and local context. It also highlights the impact of the best corporate governance practices, the tendering process, stakeholder engagement, and the operations of the chosen county government water projects in Kenya on performance. The study's history and the problem statement, where the research challenge has been determined, are included in this chapter. The chapter also includes the study's goals, significance, and breadth in addition to its limitations and delimitations.

1.1 Background of the study

Project management is the backbone of successful public infrastructure delivery, determining whether planned objectives are realized within time, cost, and quality parameters. In the context of public works such as water projects, the tendering process forms a pivotal element in project management, serving as the primary mechanism through which resources are allocated, contractors selected, and accountability structures instituted (Thai, 2001; OECD, 2014). Tendering refers to the structured process through which suppliers or contractors are invited to submit competitive bids for the provision of goods, services, or works, and from which the most responsive and cost-effective proposal is selected (Tricker, 2015). It encompasses stages such as bid invitation, evaluation, award, and contract administration, each of which influences transparency, value for money, and project efficiency (Odhiambo & Kamau, 2013). A well-structured tendering process minimizes resource wastage, curtails corruption, and enhances operational efficiency, making it indispensable to the effective management of public projects.

The effectiveness of tendering is closely tied to project performance, as the outcomes of any public project are largely determined by how well the tendering process is conducted. Proper performance in project management can be evaluated through parameters such as timeliness of completion, adherence to budget, quality of output, stakeholder satisfaction, and sustainability of project outcomes (Kibui & Wanyoike, 2016). When tendering is transparent, competitive, and based on merit, it enhances cost control, minimizes contractual disputes, and ensures that qualified contractors are engaged to deliver quality infrastructure (Odhiambo & Kamau, 2013). Conversely, poor tendering procedures often lead to inflated costs, substandard work, and project delays, undermining service delivery and eroding public trust

(Wittig, 2003). Therefore, tendering represents not merely an administrative requirement but a strategic determinant of project success, efficiency, and long-term sustainability (OECD, 2014; Kothari, 2014).

Corporate governance is an integral component that reinforces the relationship between tendering processes and project performance. It entails the systems, principles, and processes by which entities are directed and controlled to ensure accountability, transparency, and integrity (Tricker, 2015). Within the context of public project management, corporate governance frameworks establish oversight mechanisms that regulate procurement decisions, prevent misuse of public resources, and align tendering procedures with ethical and legal standards (Jensen & Meckling, 1976; OECD, 2014). Good governance fosters compliance with established procurement laws, promotes the separation of duties, and ensures that project outcomes reflect efficiency, equity, and value for money (Mugenda & Mugenda, 2018). The Water Services Regulatory Board (WASREB), for instance, emphasizes governance compliance among county water boards to enhance accountability and stakeholder confidence (WASREB, 2003). Strengthened governance structures thus mediate the link between tendering and project performance by improving oversight, reducing corruption risks, and promoting professional integrity in decision-making.

Stakeholder engagement remains a decisive factor in determining how effectively projects are implemented and sustained. It involves systematic participation of all relevant parties—including communities, local leaders, contractors, and government agencies—in planning, decision-making, and monitoring phases (Freeman, 1984; Muigua, 2021). Active engagement builds legitimacy, fosters ownership, and enhances compliance with project goals, thereby ensuring smoother implementation and higher satisfaction among beneficiaries (World Bank, 2020). When stakeholders are effectively involved in tendering and project management, they provide critical feedback that can improve contract execution, minimize conflicts, and enhance monitoring and evaluation mechanisms (Hayes & Rockwood, 2020). On the contrary, limited participation often results in community resistance, delayed projects, and poor sustainability after completion. Therefore, stakeholder engagement not only moderates but also amplifies the relationship between tendering, governance, and project performance by ensuring transparency, inclusivity, and accountability at all levels of implementation (Freeman, 1984; Muigua, 2021; OECD, 2014).

Globally, public procurement has shifted toward digital-by-default, open-by-design, and strategic (green/social/SME) objectives, with widespread adoption of e-procurement, structured open data (e.g., OCDS), and evaluation on lifecycle value rather than price alone

(OECD, 2019, 2020; European Commission, 2014; World Bank, 2020, 2023). Foundational reference points include the UNCITRAL Model Law on Public Procurement emphasizing competition, transparency, and effective remedies, the EU 2014 procurement directives enabling innovation partnerships and sustainability criteria, and the WTO GPA's non-discrimination and transparency disciplines (UNCITRAL, 2011; European Commission, 2014; WTO, 2012/2014). Evidence from reform programs shows that when e-GP and open contracting are paired with analytics and oversight, bid participation rises, cycle times fall, and prices improve; however, data quality and contract-management capability often lag, collusion risks persist, and emergency procurement has exposed vulnerabilities in controls and market resilience (Open Contracting Partnership, 2021; OECD, 2022; World Bank, 2023).

Across Africa, reform momentum—driven by continental and multilateral agendas—has prioritized competitive, transparent, and development-oriented procurement, including e-procurement rollouts and stronger integrity controls (African Development Bank [AfDB], 2015; African Union Commission, 2015; World Bank, 2020). Country experiences report shorter lead times and clearer audit trails after digitization (e.g., Rwanda's UMUCYO), yet capacity constraints, market concentration, cartel risks, and incomplete sub-national coverage remain common (AfDB, 2015; Government of Rwanda, 2018; Open Contracting Partnership, 2021). Several systems are updating primary laws such as South Africa's Public Procurement Bill to consolidate rules, align with constitutional principles, and balance preferential objectives with value for money, while grappling with the policy–practice gap and the professionalization of the procurement cadre (National Treasury Republic of South Africa, 2023; OECD, 2022).

In Kenya, the tendering framework is anchored in the Public Procurement and Asset Disposal Act (PPADA) 2015, the Public Procurement and Asset Disposal Regulations 2020, oversight by the Public Procurement Regulatory Authority (PPRA), and digitized workflows through IFMIS e-procurement under the National Treasury (Republic of Kenya, 2015; Republic of Kenya, 2020; National Treasury, 2018, 2022). The PPADA codifies principles of equity, transparency, competition, and fairness; details planning, evaluation, award, and complaints mechanisms; and is broadly aligned with international good practice (Republic of Kenya, 2015; OECD, 2019). Current priorities include strengthening county-level implementation, improving contract management, and using procurement data for market analysis and integrity screening to reduce fragmentation, delays, and cost overruns particularly salient for

water projects executed under devolved governance (PPRA, 2023; Controller of Budget, 2022; National Treasury, 2022).

1.1.1 Tendering Process.

Transparency, equity, accountability, and competition are all encapsulated in the tendering process, which forms the basis for the delivery of public infrastructure. The Public Procurement and Asset Disposal Act (2015), which operationalizes Article 227 of the Constitution, is the primary law governing it in Kenya. According to this law, procurement must be carried out in a way that is cost-effective, transparent, fair, and equitable. Ashworth (2002) states that the process of determining the final project cost and submitting it for client approval is known as bidding. In addition, Lysons and Farrington (2006) define it as the official request made to vendors to submit legally binding offers for particular products, services, or projects. These definitions highlight how tendering serves as a strategic means of guaranteeing equity and value for money in public procurement as well as a cost-control method.

Similar legislative frameworks are in place around the world to protect the integrity of procurement procedures. Signatories to the World Trade Organization's Agreement on Government Procurement (GPA) are required to implement procurement practices that guarantee openness, transparency, and nondiscrimination among suppliers. A unified directive that unifies practices among member states governs public procurement in the European Union. It requires objective evaluation criteria, consistent bidding documents, and public advertising (Arrowsmith, 2014). By offering examples for equity, effectiveness, and value maximization, these global standards have impacted procurement reforms in poor nations like Kenya.

Procurement planning, supplier prequalification, invitation to tender, evaluation and award, and contract administration are the key stages of the Kenyan tendering process. To guarantee best results and procedural compliance, each of these phases must abide by regulatory requirements. For example, in order to minimize manipulation and encourage clarity among bidders, Section 54 of the Public Procurement and Asset Disposal Act (PPADA, 2015) highlights the importance of precise and unambiguous requirements. Likewise, Section 93 delineates the structure for open tendering, which, absent exceptional circumstances, continues to be the standard approach for all public procurements.

Several characteristics that work together to promote procurement efficiency define a strong tendering process. These include low bid price fluctuation, supplier regulatory compliance,

purchase order correctness, and transparent bid review. Kozik (2019) points out that the evaluation phase is very important since it establishes which supplier is both financially and technically responsive to the requirements stated in the bidding documents. Kayis and Willey (2009) caution against depending only on the lowest offer criterion, emphasizing that this method may overlook qualitative considerations including a supplier's track record, experience, and ability to meet deadlines. Avoiding cost overruns, project delays, and quality failures requires careful consideration of these factors.

Reliability and responsiveness are also evaluated using supplier-related measures, including availability, defect rates, and purchase order cycle time. Project sustainability and risk reduction are improved when these non-monetary components are incorporated into evaluation methods. According to De Boer et al. (2006), this is in line with international procurement best practices, which support the Most Economically Advantageous Tender (MEAT) criteria, which balance cost with quality, delivery capacity, and sustainability considerations.

In contemporary procurement processes, sustainability and socioeconomic inclusion have grown in significance. Both industrialized and developing nations have placed a strong emphasis on incorporating social and environmental values into tenders. The PPADA (2015), which offers preference and reservation programs, captures this change in the Kenyan setting. In order to improve economic inclusion, these programs benefit women, children, people with disabilities, and local businesses (Public Procurement Regulatory Authority, 2021). While addressing historical injustices and fostering local development are the goals of these initiatives, their success hinges on strict enforcement, close observation, and the development of targeted groups' capabilities.

Technological advancements have also redefined the landscape of public tendering. The adoption of e-procurement platforms has enhanced the efficiency, traceability, and accessibility of procurement processes. Yet, the success of these systems hinges on system integrity, cyber security, user competency, and stakeholder trust. Seo, Lee, and Choi (2018) argue that system failures such as frequent downtimes, information inaccuracies, and inadequate user interfaces can erode supplier confidence and obstruct equitable participation. Sunmola and Shehu (2020) further note that digital procurement systems must be designed with clear workflows and feedback mechanisms to support audit trails and ensure vendor accountability.

In Kenya, the Integrated Financial Management Information System (IFMIS) has been central to digitizing public procurement. While its implementation has yielded notable

improvements in transparency and control, it has also been subject to criticism for access limitations, inadequate training among procurement staff, and technical breakdowns (Office of the Auditor-General, 2021). These systemic weaknesses compromise the realization of the intended benefits of digitization and may entrench existing inefficiencies if not properly addressed.

Another often-overlooked aspect is the interdependence between procurement planning and tendering success. Harold (2009) contends that procurement cannot be treated as an isolated function but should be seamlessly integrated into broader project planning cycles. Accurate needs assessment, stakeholder engagement during specification drafting, and early budgeting are prerequisites for an effective tendering process. Failure to coordinate these elements often leads to scope creep, contract variations, and cost escalations, all of which undermine the value-for-money principle.

While Kenya's PPADA (2015) is laudable for aligning with global procurement standards, its enforcement remains a persistent challenge. Studies have shown that county-level tendering often suffers from opaque practices, political patronage, and capacity deficits (Ayoti, 2012). The phenomenon of insider bidding and pre-determined award outcomes undermines the entire procurement cycle. These deficiencies are exacerbated by weak internal audit mechanisms, irregular procurement committee appointments, and inadequate stakeholder oversight, especially in devolved units such as counties.

Internationally, various accountability mechanisms have been introduced to bolster tendering transparency. One notable approach is the use of Integrity Pacts a tool pioneered by Transparency International which entails a voluntary agreement between procuring authorities and bidders to abstain from corrupt practices, subject to third-party monitoring. Empirical evidence from Latin America and South Asia indicates that integrity pacts significantly reduce corruption and promote trust in public contracting (Transparency International, 2014).

Other innovations include the adoption of Open Contracting Data Standards (OCDS), which aim to enhance public access to real-time procurement data. These initiatives, increasingly adopted across Africa and Latin America, have shown promise in demystifying procurement cycles and fostering civic engagement in contract monitoring. Kenya has made strides in this direction through the Public Procurement Information Portal, although its usage remains inconsistent across government agencies (PPRA, 2022).

In conclusion, the tendering process is not merely a legal requirement but a strategic pillar for public project success. Its effectiveness lies in the integration of transparent procedures, responsive legal frameworks, reliable digital systems, and informed stakeholder participation. As Kenya and other developing nations continue to deepen decentralization, the strengthening of procurement integrity through capacity building, technological reinforcement, and participatory oversight will be critical. The tendering process, when properly executed, not only guarantees procedural fairness but also ensures that public resources are deployed toward impactful, timely, and sustainable development outcomes.

1.1.2 Corporate Governance Practices

Public and private organizations are guided, managed, and held accountable to their stakeholders—citizens, regulators, employees, and financiers through formal systems, structures, and procedures known as corporate governance practices. Promoting accountability, transparency, equity, and moral behavior is at the heart of corporate governance, which eventually improves the legitimacy and effectiveness of the firm (Ali & Oudat, 2021; Caplan, 2014). According to Mwirichia (2013), these procedures operationalize institutional integrity and strategic oversight, guaranteeing that stakeholder interests and organizational goals coincide.

Scholars emphasize governance's function in directing institutional strategy and upholding responsibility by tracing its etymological roots to the Greek word kubernao, which means "to steer" (Kanyane & Sausi, 2015). Board independence and structure, audit and risk controls, financial disclosure, regulatory compliance, and stakeholder representation are all interrelated components of governance systems (Carlisle & Gruby, 2019; Johnson & Svara, 2011). According to the World Bank frameworks and the OECD Principles, strong governance is necessary for resource management, institutional legitimacy, and long-term results (Engel et al., 2017; Mimicopoulos, 2006).

Corporate governance takes on more significance for county-managed water projects in Kenya's devolved governance framework. Expectations for board composition, internal audits, community engagement, and ethical behavior are formalized by national frameworks such as Mwongozo (2017) and sectoral standards from WASREB (2024). Public engagement, financial responsibility, and public service delivery are further mandated by the Water Act 2016 and the Public Procurement & Asset Disposal Act 2015 (WASREB, 2024; Public Procurement & Asset Disposal Act, 2015).

The empirical significance of governance practices is supported by research on Kenyan water service providers. Kaberia (2019) found that the Tana Water Service Board's project success was significantly influenced by the board's efficacy, the internal audit function, and financial openness. Furthermore, Nkonge and Itunga (2023) showed that governance frameworks in Kenyan water utilities predicted more than half of the variation in organizational performance ($r = 0.524$, $p < 0.05$; $\beta = 0.311$, $p < 0.05$) as assessed by compliance, leadership, and transparency.

However, the corporate governance–performance link is not uniformly positive. While many studies report beneficial effects of governance systems on transparency, accountability, and performance outcomes, some evidence suggests mixed or context-dependent results. Alabdullah et al. (2021) found that, although governance mechanisms like audit committees and board independence often correlate with firm performance in emerging economies, these relationships can be insignificant or inverted depending on organizational size, regulatory enforcement, or national culture. Similar mixed findings are echoed in other studies which observe that larger board size or weak regulatory oversight can dilute governance effectiveness (Ahmed et al., 2017; Cheng, 2008; Guest, 2009).

Mixed results appear in other Kenyan sectors too. For instance, research examining governance in Kenya's public universities and corporations reveals that while audit unit strength, board diversity, and ethical codes are vital, bureaucratic inertia, political interference, and limited enforcement can undermine their impact (Kyondu, 2022; Mwirichia, 2013) . These studies suggest that corporate governance, though necessary, may not on its own drive institutional transformation, particularly within devolved systems with varying capacity and stakeholder dynamics.

This contradiction reflects broader theoretical insights. Agency and stewardship theories predict positive governance performance relationships by framing governance as mechanisms to align managerial behavior with stakeholder interests (Alabdullah et al., 2021). Yet institutional and contingency theories assert that governance effectiveness is contingent on contextual elements regulatory clarity, institutional capacity, enforcement mechanisms, and community engagement (Carlisle & Gruby, 2019; Carlisle & Svar); hence mixed empirical findings are unsurprising.

For county-managed water projects in Kenya, this literature implies that corporate governance serves as a partial pathway of impact rather than a standalone solution. Governance practices such as board independence, internal audits, financial transparency, and citizen oversight enhance legitimacy, reduce discretion, and align decision-making with

public interest. However, their actual influence hinges on effective enforcement, institutional capacity, political autonomy, and active stakeholder participation. Without these enabling conditions, governance mechanisms risk being nominal or superficial, with limited effect on operational outcomes.

In summary, academic evidence and Kenyan public-sector experience affirm that corporate governance practices are foundational mechanisms that increase accountability and steering capacity. However, their performance effects in devolved contexts like SEKEB are conditional and often only partial. They must therefore be embedded within broader institutional and participatory ecosystems supported by regulation, oversight, civil society engagement, and digital transparency platforms to translate governance integrity into measurable project performance improvements (Kaberia, 2019; Nkonge & Itunga, 2023; Alabdullah et al., 2021).

1.1.3 Stakeholder Engagement

Stakeholder engagement has transformed over recent decades into a foundational practice for public-sector project governance. No longer considered optional, it is now recognized as essential to delivering infrastructure that is legitimate, sustainable, and socially acceptable. The central premise of stakeholder engagement is that a project's fate is intertwined with the support, feedback, and oversight of those affected by it. It presumes that governance structures need to extend beyond technical expertise to incorporate voices from community members, civil society, users, and regulatory bodies (Freeman, 1984; Hohnen & Potts, 2007).

In the context of county-managed water systems in Kenya, stakeholder engagement has become even more crucial due to the devolved model of governance introduced by the 2010 Constitution. The Constitution entrenches public participation in Article 196, requiring counties to involve citizens in decision-making processes that affect them. This is further operationalized by the Water Act (2016), which requires public hearings and the formation of water user associations prior to the awarding of infrastructure contracts. Institutions like the World Bank and UNDP, which have long stressed the significance of participatory governance frameworks for inclusive development, support global best practices that are mirrored in these provisions (World Bank, 2021; UNDP, 2019).

Yet despite these frameworks, implementation remains uneven. Many engagements are characterized by formal notifications or one-time barazas that fulfill procedural requirements without fostering genuine dialogue (Omar & Moi, 2020). Critics argue that such tokenistic approaches can even deepen mistrust by giving the appearance of inclusion while actually

excluding meaningful contributions (Slocum, 2003). In many marginal urban and rural areas, hampered by low literacy, social hierarchies, or political instrumentalization, consultations often privilege the voices of elites rather than those of women, youth, and the economically vulnerable (Chege & Mwangi, 2019).

Despite these challenges, well-structured engagement strategies have demonstrated measurable benefits. Research by Matu, Odoyo, and Chege (2020) shows that water schemes in Kenyan counties featuring regular stakeholder forums recorded a 20–30% higher rate of on-time completion and a 15% reduction in operational breakdown compared to less inclusive projects. In Machakos County, for example, periodic planning barazas before tender advertisement enabled community members to validate mapped water points and evaluate prospective contractors' reputations. Not only did these sessions reduce cost overruns and vandalism, but they also enhanced public ownership and systematic follow-up through local water committees (Wambua & Chepkemoi, 2021).

Digital technologies are also reshaping stakeholder engagement. Kenya has piloted mobile-based grievance reporting systems where users can flag non-functional pipelines via SMS or WhatsApp. These reports feed directly into county water offices and WASREB dashboards, enabling near real-time performance monitoring (WASREB, 2022). Evaluation studies show that villages utilizing these tools resolved service interruptions 35% faster than those relying solely on manual inspection. Importantly, when grievance channels are visibly linked to accountability with public status updates and response tracking technology deepens both transparency and trust (Maria, 2023).

However, successes are contingent on several enabling factors. First is inclusivity. Engagement platforms must be carefully designed to hear the voices of all stakeholders, including marginalized groups such as women and the elderly. Chambers (2007) advocates for phased capacity building through civic education, budgeting literacy, and governance mentoring to empower these groups to engage substantively. Community groups and local NGOs often play a critical role here, supporting flatter power dynamics and enhancing local buy-in.

Second, structured dialogue and negotiation processes are vital when stakeholder goals diverge. Community divisions such as between upstream landowners and downstream users must be patiently mediated. The Centre for Social Research and Development (2018) notes that multi-stakeholder committees with elected neutrality and skilled facilitators tend to yield more equitable and sustainable resolution of resource-use conflicts. Failure to actively

manage these dynamics can result in vocal discontent that blocks implementation and escalates tensions.

Third, stakeholder engagement must be linked to internal governance and performance systems. Engagement should not be a cosmetic add-on but an institutionalized mechanism embedded within project life cycles. This means attendance logs, costing inputs, consensus minutes, risk registers, and grievance outcomes feeding into audit trails. Decentralized management is also key : training frontline water officers to harness citizen insights into maintenance scheduling, resource allocation, or procurement choices enhances project relevance and efficiency. Without such integration, engagement remains performative rather than substantive.

Fourth, evolving governance protocols must align with national and global accountability standards. The OECD's principles on public governance (2015) and the UNDP's standards for stakeholder engagement (2019) provide comprehensive roadmaps for integrating stakeholder feedback within institutional accountability architectures. Kenya's Water Sector Governance Toolkit (WASREB, 2022) similarly requires counties to publish stakeholder input analyses, response frameworks, and evaluation summaries. When followed rigorously, these frameworks reinforce both procedural integrity and the quality of decisions, increasing the public legitimacy of projects.

Despite these improvements, stakeholder engagement is not without limitations or risks. Engagement involves transaction costs preparation, facilitation, translation, documentation and requires specialized skills. Poorly managed interactions may raise unrealistic expectations or spark disillusionment (Slocum, 2003). The World Bank cautions that engagement must be matched by local capacity to follow through on community commitments or risk legitimizing narratives of broken government promises (World Bank, 2021).

There is also growing evidence from cross-country studies that engagement, when embedded within adaptive governance architectures, has strong multiplier effects. Projects in Latin America with legal mandates for participatory budgeting and community service monitoring exhibited lower leak rates and higher user-generated cost-sharing (Becker & Naudé, 2015). In Uganda, water utility performance directly correlated with the number of active water user committees per 1,000 users (Whittington et al., 2008). These findings align with contingency theory, which posits that institutional structures are only effective when fit-for-context and reinforced recursively by engaged communities (Donaldson, 2001).

Kenya's own experience reinforces these lessons. Contrary to prevailing narratives that decentralized systems reduce accountability, counties like Makueni have bucked the trend by embedding participatory design into Integrated County Development Plans. These plans include collective KPIs such as "% citizens satisfied with timely billing and repairs." This level of structured engagement has been linked to a 40% reduction in non-functional water points and a marked improvement in revenue recovery (UNICEF, 2018; WASREB, 2022).

Notwithstanding this progress, institutionalizing engagement remains uneven across counties. Jurisdictions such as Kitui and Makueni have seen greater integration of stakeholder committees into procurement and performance systems, while Machakos continues to face top-down decentralization, political interference, and diluted community forums (Chege & Mwangi, 2019; Omar & Moi, 2020). These discrepancies underscore the importance of political leadership, resource allocation, and administrative will in translating engagement into tangible outcomes.

From a governance standpoint, stakeholder engagement should be understood as part of a governance triad alongside procurement transparency and corporate governance which this study identified as having synergistic effects. When procurement and governance mechanisms are robust, stakeholder inputs become meaningful additions to project oversight. Conversely, when governance is weak, engagement can be co-opted or ignored, or even manipulated to mask insider deals (Agussalim, Prihatin, & Utami, 2020).

To strengthen this triad, counties should adopt multifunctional forums collaborations between procurement committees, governance oversight teams (like internal auditors and audit committees), and water user representatives. These multi-actor platforms should be endowed with clear mandates to review tender compliance issues, approve performance dashboards, and update risk registers based on community feedback. They must convene systematically as part of governance calendars tied to project milestones.

Moreover, performance monitoring frameworks must include engagement metrics such as number of documented stakeholder sessions, diversity indices, number of grievances reported versus resolved within specified timeframes, and public satisfaction survey results. Embedding such indicators in county MIS systems ensures that engagement becomes a key performance lever rather than a standalone activity.

Effective stakeholder engagement also depends on adaptability. Engagement strategies must adjust across multiple project phases: influencing tender design through planning sessions, overseeing tender evaluations during procurement, financing proactive community

verification during execution, and guiding independent post-implementation reviews. Across this continuum, leading engagement practices have been linked to reduced cost overruns, shortened timelines, increased equitable access to water supply, and improved satisfaction ratings (Mutava & Mwaura, 2021; World Bank, 2020).

Finally, meaningful engagement builds institutional memory and social resilience. Stakeholder platforms established for water projects can be repurposed for climate adaptation, public education, or emergency response contributing to coherent local governance ecosystems. Kenya's county experience demonstrates that sustainable water systems, reinforced by stakeholder engagement, become foundational units of community governance rather than isolated infrastructure.

In conclusion, stakeholder engagement is not a peripheral administrative tool it is a vital component of devolved governance architecture. When designed to be inclusive, structured, legally supported, digitally enabled, and embedded within procurement and oversight mechanisms, engagement enhances institutional legitimacy, performance efficiency, and system durability. Conversely, when it is tokenistic, ad hoc, or disconnected from decision-making systems, it risks undermining trust and reducing water projects to political theater. The lesson from Kenyan counties is clear: inclusive governance when successfully integrated transforms water infrastructure from transactional delivery to sustainable public value. As Kenya continues to build its devolved public services, embedding durable stakeholder engagement remains one of the sharpest policy tools available to county governments.

1.1.5 Performance of Water Projects in SEKEB Region

Performance in public sector projects, especially water infrastructure, is not merely a technical benchmark but a critical node where public accountability, resource stewardship, and community welfare intersect. The origins of performance measurement in public administration date back nearly a century. Landmark ICMA studies in 1927 and 1938 provided the first systematic frameworks for evaluating governmental activities, setting the stage for modern public accountability systems (Ridley & Herbert, 1938; Van der Wal et al., 2011). These initiatives reflected an early recognition that public institutions must be held to measurable standards in delivering services that affect everyday life.

In contemporary practice, performance measurement has become multi-dimensional focusing not only on efficiency and cost-effectiveness but also on service quality, timeliness, stakeholder satisfaction, and long-term sustainability (Maharm & Anderson, 2008). This evolution characterized by the rise of performance-based public management, strategic

planning, and accountability regimes has shaped modern expectations of public water projects, particularly in resource-constrained environments like those found within county governments in Kenya.

Performance standards in public sector water management are further anchored by Kenya's institutional and legislative framework. Specific requirements for public involvement, service quality, and openness in the provision of water services are outlined in the Water Act of 2002 and the Kenyan Constitution of 2010 (Mbui, 2018; Ochieng & Onyango, 2019). The goal of complementary tools such as the County Government Performance Management Framework (2013) and the County Integrated Monitoring and Evaluation System (CIMES, 2019) is to formally establish performance monitoring and accountability among devolved authorities. These tools give counties a methodical way to evaluate project outcomes, compare them to goals, and give stakeholders explanations at every phase of execution.

There are still many gaps in the water sector's real performance outcomes in spite of these methods. Ineffective delivery has been consistently noted in national and regional monitoring reports. A startling 87% of projects fail completion dates, and 57% go above permissible time limitations, according to the 2020 Annual Water Sector Review (Ochieng & Onyango, 2019). In the South Eastern Kenya Economic Bloc (SEKEB), which includes Machakos, Makueni, and Kitui, this results in unpredictable pipe-laying timetables, blocked dam projects, and delayed boreholes. In addition to financial overruns, the practical cost is also evaluated by decreased productivity, heightened public distrust, and inconsistent service.

Procurement delays often have compounding effects. They postpone both physical connections and associated stakeholder engagement routines, creating negative feedback loops that suppress community morale and increase vulnerability to corruption. EACC estimates further compound this narrative, suggesting that procurement leakages can inflate project costs by as much as 20%—with little to no improvement in actual output (EACC, 2018). These financial distortions are more than inefficiencies; they represent systemic failures that undermine the core objective of water access as an essential human entitlement.

Funding, too, emerges as a decisive variable. While formal budgeting frameworks exist through the Public Finance Management Act (2012) and county documents, cash flow misalignment often leads to stalled payments. SMEs, often contracted for localized civil works, face delays that create operational backlogs, increasing both costs and implementation turnover (Controller of Budget, 2018; Mohamed, 2017). For many counties, stable financing both in disbursement and budget predictability remains aspirational, even when policies exist to enable it.

Institutional performance frameworks like CIMES are well-designed, yet their impact is hampered by inconsistent monitoring structures and management capacity at the county level. Well-functioning systems rely not just on data but on analysis capabilities, interdepartmental coordination, and timely interventions all of which are often weaker in decentralized governance contexts (CIMES, 2019). As a result, many counties fail to track service delivery indicators such as functional water-point ratios, bill collection efficiency, or average repair times—disabling evidence-based intervention and performance improvement.

Empirical evaluations reinforce that high-performing counties integrate multiple governance practices. Research drawing on frameworks like Asset-Based Community Development (ABCD) and Participatory Theory has shown that joint oversight where procurement teams, internal audit units, and water-user committees jointly review progress reduces misallocation, improves delivery, and shortens downtime (Mwonga & Chebii, 2020; Mutava & Mwaura, 2021). These structures distribute accountability and create cross-functional feedback loops that hold all project components to public expectations.

Furthermore, performance must be measured against impact, not just inputs and outputs. Increased water access correlates with improved health, enhanced school attendance (especially among girls), and localized economic development (Bain et al., 2014). Kenyan counties that consistently track the ratio of operational water points and billing recovery have seen demonstrable improvements in service resilience and revenue generation capacity (WASREB, 2022). However, in many devolved counties, the disconnect between infrastructure completion and service effectiveness remains a missed opportunity for verifying long-term outcomes.

Data quality and tracking systems remain critical enablers of accountability. Integrated County Systems such as those piloted under CIMES facilitate real-time dashboards and performance metric visualization, but are only effective if counties maintain adequate capacity to use them. The urban water companies in Nairobi and Mombasa exemplify success, showcasing lower non-revenue water rates and higher customer satisfaction when digital tracking systems are well-integrated into management practice (WASREB, 2022). Such successes highlight the potential impact on devolved counties if similar systems are effectively adopted.

External audits and independent oversight are also critical. Auditor-General reports augmented by county-level internal audit committees have proven essential to detecting and deterring misuse of funds. In cases where the procurement, finance, and technical teams operate in silos without cross-checks, performance declines sharply. Conversely, counties

with proactive audit systems and evidence-based feedback cycles maintain better regulatory compliance and reduce project stoppages (Office of Auditor-General, 2020). These findings align with agency theory, which emphasizes the need for aligned incentives and accountability mechanisms between principals and agents (Jensen & Meckling, 1976).

Cultural factors further complicate performance dynamics. In many rural or semi-arid communities, professional water management remains a weak governance tradition. Water committees, when untrained or co-opted, fall short in demand maintenance, fee collection, or preventive upkeep. Studies reveal that competencies not just institutional forms matter; counties that invest in community training, leadership coaching, and clear role redefinition ensure sustainable operation long after physical infrastructure is handed over (Ika & Pinto, 2022; Kiratu & Moronge, 2016).

In a systems context, county-level water performance is shaped by interlocking feedback cycles: procurement delays cause funding inconsistency; poor accountability reduces trust; low stakeholder buy-in increases leakage and vandalism; reduced revenue disables maintenance, and the cycle resets with poor infrastructure outcomes. The complexity underscores the need for integrated performance approaches that go beyond siloed interventions.

Kenya's national frameworks—Vision 2030, PFMA 2012, PFM reforms, and constitutional benchmarks provide a cohesive policy architecture to tie performance to broader national development goals. But translating them requires thoughtful design at the county level. Key levers include early-lined procurement planning, real-time tracking of milestones, transparent procurement dashboards, community oversight, and adaptive performance review desks that allow mid-project course correction.

To enhance performance monitoring, counties should prioritize dashboards that display procurement, governance, and service metrics in real-time. Incorporating stakeholder satisfaction surveys, grievance resolution tracking, and functional downtime metrics would increase transparency, verify community impact, and strengthen public accountability.

Protocol alignment must also sharpen: audit reports should be generated within 90 days of completion and integrated into both financial and service delivery cycles. Internal audit units must be empowered with legal access to procurement documentation and performance data. Feedback resolution records should be publicly accessible and verified against outcomes.

Capacity-building investments are needed across the board technical, financial, governance, and leadership training are necessary to shift the county staff mindset from compliance to

performance. Associations of County Water and Sanitation Service Providers (ACWSP) play a critical role here, helping to network, benchmark, and share good performance practices across counties.

Performance management is also enhanced by devolved accountability platforms. Public publication of procurement stages, project schedules, functional water-point lists, and repair cost data gives citizens tools to hold implementers to account. Early adopters within SEKEB counties demonstrate that this transparency reduces transaction costs, improves trust, and mobilizes additional funding from private and non-profit stakeholders.

In conclusion, performance in public water sector projects is both a technical and social infrastructure challenge. Systems built on time tracking; audited procurement, community oversight, and integrated digital dashboards produce measurable gains in outcomes including accessibility, reliability, and sustainability. Weak systems, by contrast, incentivize delays, corruption, and long-term asset failure. A public value framework one that blends task efficiency with institutional trust and civic participation offers the best path forward. With the right tools, capacities, and governance architecture, devolved counties can transform water infrastructure from transient investment into enduring social capital.

Table 1: Completed, ongoing water project in SEKEB region

S/no	County	No of Boreholes Completed	No of Boreholes ongoing	Small dams & water pans	Major dams
1	Kitui	103	17	0	1
2	Makueni	42	12	19	4
3	Machakos	47	13	15	3

Source: County News (2023)

The table 1 shows water projects targeted and this study targeted boreholes and dams completed and ongoing in the three counties of Kitui, Makueni and Machakos also referred to as the South eastern Kenya economic block (Sekeb). Water is an essential part of human, animal and plant life and with its importance as an integral part of life hence the need for its continual supply. Therefore, calling for increased water sources like boreholes and water pans, and protection/conservation of natural water sources like rivers and lakes (Peterson, 2017), water contributes to various physiological processes in micro-organism, plants and advance animals that sustain life (Hara, et al., 2022). Africa continent greatest challenge in

public health is accessing clean hygiene domestic water this due to increasing population, pollution and ineffective treatment methods (Wen, et al., 2020). The backbone of a country economic is dependent on proper maintenance of appropriate water sanitation standards (Kong, Anis-Syakira, Fun, Balqis-Ali, Shakirah, & Sararaks, 2020).

1.2 Statement of the Problem

Despite numerous national and county-level reforms aimed at improving access to clean and safe water, the performance of county government water projects in Kenya remains inconsistent and often suboptimal. Studies have shown that a significant proportion of public water projects fail to meet intended objectives due to inefficiencies in procurement planning, contractor selection, and contract management (Water Resources Management Authority [WRMA], 2012; UNICEF, 2018). According to national estimates, more than 17 million Kenyans still lack access to safe drinking water, and approximately 35% of county-implemented water projects experience delays, cost overruns, or operational failures (World Bank, 2020). These deficiencies undermine the achievement of Vision 2030 and Sustainable Development Goal 6, which seek to ensure universal access to water and sanitation by 2030.

Although Kenya has established a strong legal framework anchored in the Public Procurement and Asset Disposal Act (PPADA) of 2015 and the Public Procurement and Asset Disposal Regulations of 2020 implementation at the county level continues to face structural challenges. Studies reveal weaknesses in adherence to tendering procedures, limited capacity in procurement oversight, and inadequate monitoring systems that compromise value for money and transparency (Kioko & Were, 2014; Ayoti, 2012; OECD, 2020). These findings indicate that procurement challenges are not primarily due to the absence of laws, but rather their inconsistent application and weak institutional enforcement mechanisms.

Past research has largely focused on procurement practices within urban or national-level projects, with minimal attention to devolved sectors such as county water infrastructure (Sarker, Khan, & Begum, 2012; Kioko & Were, 2014). Yet, county water projects operate within distinct institutional, socio-political, and resource environments that shape how procurement reforms translate into performance outcomes. The South Eastern Kenya Economic Bloc (SEKEB)—comprising Kitui, Makueni, and Machakos counties provides a critical empirical context for this study. The region experiences recurrent water scarcity, high dependency on government-funded water projects, and persistent governance bottlenecks, making it a representative case for examining how tendering processes influence project performance under devolved governance structures (WASREB, 2021; PPRA, 2023).

Moreover, existing studies often examine the relationship between procurement processes and project performance in isolation, neglecting the broader institutional and participatory dimensions that play a critical role in project success. While previous research has highlighted the importance of corporate governance practices and stakeholder engagement in enhancing accountability, transparency, and community ownership of public projects (Alabdullah, Ahmed, & Muneer, 2016; Bwogen, 2023; Freeman, 1984), few studies in Kenya have simultaneously modeled these variables to investigate how governance mediates and stakeholder engagement moderates the relationship between tendering processes and project performance. This gap in the literature limits the understanding of the interactive mechanisms that determine whether well-structured procurement systems, in isolation, actually lead to sustainable project outcomes.

The conceptual gap lies in the failure to integrate corporate governance and stakeholder engagement into the tendering-performance framework, leaving a partial view of how these factors collectively influence the success of public projects. The current study seeks to fill this gap by developing a comprehensive model that combines procurement practices, governance structures, and participatory mechanisms. It focuses on county-level water projects in the South Eastern Kenya Economic Bloc (SEKEB), an under-researched context where the implications of governance and stakeholder engagement are underexplored. Methodologically, the study also addresses a significant gap by employing a mixed-methods approach that rigorously tests both mediation and moderation effects, offering a robust framework for understanding the full range of variables influencing project performance. This integrated approach is essential for informing policies and practices aimed at improving procurement effectiveness, governance integrity, and the inclusion of stakeholders in the management and delivery of public infrastructure projects in Kenya.

1.3. General Objective

This study's main goal was to investigate how the success of water projects in a few Kenyan county governments was affected by the tendering process, corporate governance procedures, and stakeholder involvement.

1.3.1 Specific objectives

The specific objectives of the study were the following:

i. To determine the effect of the tendering process on the performance of county government water projects in the South Eastern Kenya Economic Bloc (SEKEB), Kenya.
ii. To assess the mediating effect of corporate governance practices on the relationship between the tendering process and the performance of county government water projects in SEKEB, Kenya.
iii. To examine the moderating role of stakeholder engagement on the relationship between the tendering process and the performance of county government water projects in SEKEB, Kenya.
iv. To determine the combined mediated-moderated effect of corporate governance practices and stakeholder engagement on the relationship between the tendering process and the performance of county government water projects in SEKEB, Kenya.

1.4 Significance of the Study

This study makes a significant contribution to both theory and practice by presenting a comprehensive framework for examining the performance of county government water projects within Kenya's devolved governance systems. Its contribution is anchored on the recognition that public infrastructure delivery is not merely a function of efficient procurement, but rather an outcome of interlinked governance and participatory mechanisms that ensure accountability, responsiveness, and sustainability. By integrating the Tendering Process, Corporate Governance Practices, and Stakeholder Engagement, the study establishes an empirically tested model that captures the complex dynamics influencing public project performance in the context of devolution. The framework moves beyond traditional one-dimensional analyses to show how institutional processes and community factors operate synergistically to shape development outcomes.

At the theoretical level, the study advances knowledge by integrating three well-established frameworks Tendering Theory, Agency Theory, and Stakeholder Theory to create a unified explanatory model. The Tendering Theory provides the foundational lens for understanding how transparent, competitive, and efficient procurement systems contribute to effective public resource utilization. It highlights the importance of fairness, value for money, and equal opportunity among bidders as essential ingredients of project success. By applying Tendering Theory, the study demonstrates that adherence to proper tendering procedures ranging from planning and advertising to evaluation and contract management can significantly influence both the efficiency and quality of project delivery.

Agency Theory is employed to explain the internal mechanisms of control, accountability, and oversight within county governments, emphasizing the relationship between principals (citizens and county executives) and agents (project implementers and procurement officials). Within this framework, Corporate Governance Practices act as a mediating factor that reduces information asymmetry, mitigates opportunistic behavior, and enhances compliance with procurement standards. Governance structures such as audit committees, procurement oversight boards, and internal control systems are shown to strengthen the connection between tendering integrity and project performance. By introducing governance as a mediating construct, the study clarifies how institutional mechanisms translate procedural efficiency into measurable development outcomes, particularly in resource-intensive sectors such as water infrastructure.

Complementing this internal focus, Stakeholder Theory introduces an external dimension that emphasizes inclusivity, participation, and accountability to the broader community. Stakeholder Engagement is treated as a moderating variable, shaping the strength and direction of the relationship between the tendering process and project performance. When local communities, beneficiary groups, civil society organizations, and development partners are actively engaged, procurement decisions are more transparent, needs are better aligned with local priorities, and project implementation becomes more sustainable. The study empirically confirms that stakeholder engagement enhances the impact of tendering processes, particularly by building trust, improving monitoring, and minimizing implementation delays.

Unlike prior studies that treat procurement, governance, and stakeholder engagement as isolated or sequential processes, this research conceptualizes them as interdependent and mutually reinforcing. The tendering process establishes the operational foundation; corporate governance provides institutional safeguards; and stakeholder engagement introduces participatory legitimacy. Together, these elements form an integrated system that determines the success or failure of public water projects. The study's conditional process model combining mediation and moderation analysis represents a novel contribution to the literature on public sector performance, demonstrating how the effectiveness of procurement mechanisms is contingent upon both internal governance capacity and external stakeholder involvement.

An additional theoretical contribution lies in the conceptualization of the Tendering Process as a holistic construct. While many studies fragment procurement into discrete stages such as tender planning, bid evaluation, and contract management, this research recognizes the

multidimensional yet interdependent nature of these phases. The tendering process is therefore operationalized as a single, composite variable encompassing key components including needs assessment, procurement planning, bid advertising, evaluation transparency, contract award, and post-award contract administration. This comprehensive treatment avoids analytical fragmentation and allows for a more accurate assessment of the overall efficiency of the procurement system. By doing so, the study bridges a common gap in procurement research where the cumulative effect of sequential processes is often overlooked, despite their collective influence on project outcomes.

From an empirical standpoint, the study validates the mediating role of Corporate Governance Practices, showing that the positive effects of transparent tendering procedures are amplified when robust governance systems are in place. The findings reveal that governance practices such as adherence to internal audit recommendations, enforcement of procurement laws, and consistent managerial oversight serve as critical pathways through which the benefits of efficient tendering are transmitted to project performance. Governance thus acts as a structural safeguard that converts procedural compliance into tangible results. This insight underscores the importance of establishing and maintaining strong oversight and compliance structures in county governments to enhance procurement effectiveness.

The study also expands understanding of the moderating influence of Stakeholder Engagement, highlighting how community participation strengthens the tendering–performance relationship. When stakeholders are meaningfully involved in project identification, procurement monitoring, and implementation review, the likelihood of mismanagement, cost overruns, or project abandonment significantly declines. Stakeholder engagement not only ensures that projects reflect community priorities but also builds ownership that enhances maintenance and sustainability after completion. This reinforces the notion that participatory governance is not merely a normative ideal but a functional necessity for successful service delivery in devolved systems.

At the policy level, the research provides critical guidance for improving Kenya's public procurement ecosystem. The findings offer actionable insights to the Government of Kenya, the Public Procurement Regulatory Authority (PPRA), and county governments on strengthening accountability, transparency, and community participation in project implementation. The study recommends the reinforcement of governance oversight mechanisms, regular capacity-building for procurement officials, and institutionalization of participatory forums for citizen feedback. Furthermore, it supports the ongoing review and enforcement of the Public Procurement and Asset Disposal Act (PPADA) 2015 and its 2020

Regulations, providing empirical evidence on areas requiring improvement particularly in the oversight of contract management and public disclosure of tender outcomes.

Beyond compliance, the study's findings contribute directly to the realization of key national and international policy frameworks. By promoting efficient, transparent, and participatory tendering processes, the study aligns with Kenya's Vision 2030, particularly its goal of achieving equitable access to clean water and improved public infrastructure. It further complements the objectives of the Medium-Term Plan IV (2023–2027), which emphasizes good governance, effective service delivery, and public participation as central pillars of development. At the global level, the study supports Sustainable Development Goal (SDG) 6, which advocates for clean water and sanitation for all, by identifying institutional and participatory enablers that ensure sustainable water project delivery at the county level.

The practical implications of this research extend to policymakers, practitioners, and development partners engaged in Kenya's water sector. For county governments and water service boards, the study offers a diagnostic framework for evaluating and improving procurement efficiency. It highlights the need for integrated procurement planning, transparent bid evaluation, and strong post-contract monitoring to ensure that water projects are delivered on time, within budget, and to the expected quality standards. Project managers and procurement officers can leverage these insights to design accountability mechanisms that prevent conflicts of interest and enhance the transparency of decision-making processes.

For development partners and donor agencies, the findings underscore the importance of aligning funding and monitoring frameworks with governance and participatory standards. This alignment ensures that donor-funded water programs are not only technically sound but also institutionally sustainable and socially inclusive. By emphasizing community ownership and governance accountability, the study provides a framework that can improve the long-term sustainability of externally funded water infrastructure projects.

In practical terms, the integration of tendering efficiency, governance quality, and stakeholder participation offers a roadmap for enhancing water project performance across devolved units. County governments can use the study's results to refine procurement policies, build capacity in governance institutions, and establish structured feedback mechanisms that capture citizen input at every project stage. The resulting synergy between procedural integrity, institutional control, and community involvement has the potential to transform how water projects are conceived, funded, and executed across Kenya's counties.

In conclusion, this study contributes a robust theoretical and empirical framework that redefines the understanding of public procurement performance within devolved systems. It demonstrates that the success of county government water projects is not solely dependent on the technical soundness of the tendering process but is significantly enhanced when complemented by effective corporate governance and genuine stakeholder engagement. The integration of these three dimensions provides a holistic approach to improving the efficiency, accountability, and sustainability of public sector projects. By bridging theoretical constructs with actionable policy insights, the study not only advances academic discourse but also offers practical pathways for reforming public procurement and governance systems in Kenya and other developing countries pursuing decentralization and sustainable development.

1.5 Scope of the Study

To ensure methodological rigor and contextual relevance, the scope of this study was defined across three key dimensions: objective, geographical, and temporal scope. Each dimension was carefully selected to align with the research's theoretical framework, practical feasibility, and strategic importance within Kenya's devolved governance context.

The study primarily focused on analyzing the influence of the tendering process, corporate governance practices, and stakeholder engagement on the performance of county government water projects. These variables were assessed through a moderated-mediation framework where corporate governance was the mediating variable and stakeholder engagement was the moderating variable. The study aimed to explore how procurement processes, governance structures, and community participation together affect the efficiency and outcomes of public water sector projects, using financial and non-financial indicators such as project completion rates, cost efficiency, community satisfaction, and sustainability.

Geographically, the study was confined to Kitui, Makueni, and Machakos counties, which make up the South Eastern Kenya Economic Bloc (SEKEB). These counties were selected due to their vulnerability to water scarcity, the presence of significant national and donor-funded water projects, and the need for effective water infrastructure development. SEKEB provided an ideal setting for the study, given its diversity in project outcomes, ranging from successful project completions to delays and cost overruns, which offered insights into the role of procurement, governance, and stakeholder participation in shaping project success.

The study was conducted over a five-month period, concluding in May 2025, which coincided with the annual planning and budgeting cycles of the county governments. This

timing allowed the researcher to gather both retrospective data on water projects implemented from 2020 to 2024 and forward-looking perspectives on ongoing reforms and future budget allocations for 2024/2025. By incorporating a historical timeframe, the study was able to capture evolving patterns in governance, procurement reforms, and project performance, providing a comprehensive analysis of both immediate operational realities and medium-term institutional developments.

1.6 Limitations of the Study

This study faced several limitations, including the sensitivity of procurement information, which made some respondents hesitant to provide details about internal governance and tendering processes. However, this was mitigated by assuring confidentiality and sending follow-up reminders. Delays in questionnaire returns were also experienced, particularly from senior officials, but were addressed by providing flexibility in response time. Despite these challenges, the collected data was of high quality and sufficient for analysis, although the findings should be interpreted within these constraints.

1.7 Delimitation of the Study

The study focused specifically on the relationship between the performance of county government water projects in SEKEB and the procedures used for tendering, corporate governance, and stakeholder engagement. The geographic scope was limited to Kitui, Makueni, and Machakos counties to ensure practicality and allow for comparative analysis within a shared governance framework. The study excluded other factors such as fiscal decentralization and technical capacity, which might influence project outcomes. Methodologically, a cross-sectional survey approach was chosen for its practicality, though it limited the ability to capture long-term trends. The study focused only on water projects, excluding other county-managed sectors, and included stakeholders directly involved in project execution. The legal and institutional frameworks of Kenya were the primary focus, and sophisticated analysis methods like SEM were not used due to time and resource limitations.

1.8 Chapter Summary

By providing background information, defining the research topic, and describing the study's goals, rationale, scope, constraints, and delimitations, this chapter laid the groundwork for the investigation. It included the local, regional, and worldwide context of water project performance and emphasized the main issues with Kenyan county governments' governance procedures, stakeholder involvement, and tendering procedures. Relevant study hypotheses

were developed as a result of the chapter's identification of conceptual, contextual, and methodological gaps from earlier studies. A review of the theoretical and empirical literature pertaining to the research variables and the conceptual framework will be provided in the next chapter.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The theoretical and conceptual frameworks used in the research are described in this chapter, which also serves as a literature review and identifies any gaps in the studied material. Kitui, Makueni, and Machakos counties, which are part of the South Eastern Kenya Economic Block (SEKEB), are the counties chosen for the study, and the chapter is based on a review of literature that is closely related to the tendering process, corporate governance practices, stakeholder involvement, and the performance of the chosen county government water projects in Kenya.

2.1. Theoretical literature review

The three theories utilized in this study are the following tendering theory, the agency cost theory and the stakeholder theory. The anchor theory in this research is Tendering Theory that illustrates the ability of tendering to fix market prices and stands in contrast to decision theories. Defee, Randal, Thomas and Williams (2010) observe that a theoretical framework forms a range of ant conceptual concepts. According to tendering theory, Gates (1967) claimed that tendering prices constitute the best mark-up prices, and they do not change with the changes of market demand. In the theory, tender prices are established by bidders as cost estimates with a fixed proportion mark-up, in the attempt to win a specified share of contracts. Therefore, the tendering theory argues that tendering is a medium through which buyers and builders can communicate based on the price they are both ready to offer their services.

Ross and Mitnick established the agency theory in 1973 (Mitnick, 2006) and the theory divides those who own a business and the managers of the business (Laher & Proffitt, 2020). The agency theory has been reported to be the common conceptual tool deployed in the form of corporate analysis (Paniagua et al., 2018). An agency relationship is a contract between owners and managers of a company who are the owners of the company and decide to hire an intermediary or an agent, who will run the business on the owner's behalf (Mitnick, 2019). Ahmed et al. (2022) explain that the agency theory holds that managers who are hired as agent by the owners of a corporation or shareholders perform the daily operations of a corporation.

The Stakeholder theory takes note of openness and communication with the stakeholders. According to the thesis developed by Keremidchiev (2021), Stakeholder theory originated in the middle of the 1980s. It is based on realization of the importance of stakeholders in the growth of the corporation. Participatory methods include everyone and encourage equal associations with every stakeholder being valued in respect to his or her capacity, talents and activities (Dinbabo, 2003).

2.1.1 Tendering theory

Tendering Theory was first articulated by Gates (1967), who examined competitive bidding behavior within construction and infrastructure markets. Gates conceptualized tendering as a rational and strategic decision-making process under conditions of uncertainty, where contractors balance two competing goals: maximizing expected profit and increasing the probability of winning a bid. He argued that the bidding process reflects a form of game theory, aligning with Nash equilibrium, since each bidder must anticipate competitors' pricing strategies to achieve an optimal outcome. Subsequent scholars expanded this foundation. Park and Chapin (1992) introduced probabilistic modeling to express the probability of winning as a function of competitors, cost estimation, and market volatility. Runeson and Skitmore (1999) advanced the theory by formalizing it as an econometric model incorporating expected utility and competition intensity. Shash (1993) refined the analytical models by introducing stochastic approaches that accounted for risk and uncertainty in cost estimation. Collectively, these proponents argue that tendering outcomes are not random but derive from rational, information-based decisions that determine mark-up levels, competition strategy, and bid success probability. Their central proposition is that transparent, rule-based tendering ensures allocative efficiency and value for money in project delivery (Runeson & Skitmore, 1999; Shash, 1993).

Tendering Theory rests upon several key assumptions that define its analytical boundaries. First, all bidders are considered rational actors seeking to maximize expected utility within competitive yet stable markets (Gates, 1967). Bidders are assumed to possess accurate and symmetric information concerning costs, risks, and competitor behavior, allowing them to calculate optimal mark-ups (Shash, 1993), Second, information symmetry is assumed—meaning all firms possess accurate knowledge regarding project costs, market conditions, and competitors' behaviors (Park & Chapin, 1992). Third, it presupposes that the market operates under fair and predictable rules free from external interference such as corruption or political manipulation (Runeson & Skitmore, 1999). Fourth, it assumes bidders have sufficient financial and managerial capacity to make objective assessments of risk and profitability

(Shash, 1993). Finally, the theory assumes the tendering environment functions as a closed system governed by formal procurement laws and rational behavior. When these assumptions hold, tendering mechanisms theoretically lead to economic efficiency, optimal resource allocation, and improved performance of public and private projects.

A major strength of Tendering Theory is its ability to explain contractor behavior through quantifiable models of decision-making. It provides an analytical basis for understanding how firms balance expected profits against the likelihood of winning, offering predictive insights into market competitiveness (Runeson & Skitmore, 1999). The theory is grounded in economic rationality and expected utility frameworks, making it compatible with procurement evaluation models that aim for fairness and transparency (Park & Chapin, 1992). Its structure supports the design of objective bid evaluation criteria and enhances predictability in contractor selection. Tendering Theory also aligns well with governance reforms that promote transparency and competition, such as Kenya's Public Procurement and Asset Disposal Act (PPADA, 2015), which codifies open and competitive tendering procedures. Modern developments such as multi-criteria bidding models that consider price, quality, and sustainability (Chan, Lam, & Wong, 2009), further reinforce the theory's flexibility and relevance in guiding procurement efficiency and policy design. Overall, the theory's logical rigor, quantitative orientation, and compatibility with regulatory principles make it a foundational framework in public project procurement.

Despite its analytical value, Tendering Theory has faced notable criticism. Its reliance on assumptions of rationality and complete information has been challenged as unrealistic, particularly in developing economies (Rosenberg, 1999; Simon, 1955). Behavioral economists argue that bidders operate under bounded rationality, meaning they make decisions based on limited information and cognitive constraints rather than perfect optimization (Simon, 1955). Moreover, the theory overlooks the influence of institutional and political dynamics such as favoritism, corruption, and collusion, which often distort procurement outcomes (Odhiambo & Kamau, 2013). Empirical studies show that many contractors in Kenya rely on informal cost estimation and subjective risk perceptions due to insufficient data and regulatory gaps, leading to inefficiencies and cost overruns (Muthoni & Wanjohi, 2023). Runeson and Skitmore (1999) and Rosenberg (1999) also note that market fluctuations, inflation, and policy instability violate the theory's static-market assumption, reducing its predictive accuracy. Critics further highlight that the model prioritizes economic efficiency while underemphasizing social, ethical, and environmental considerations increasingly central to contemporary procurement. Hence, although theoretically elegant,

Tendering Theory is limited in explaining procurement outcomes within dynamic, politically influenced, or resource-constrained environments.

In the context of this study, Tendering Theory provides a conceptual foundation for analyzing the effect of the tendering process on project performance in county government water projects in the South Eastern Kenya Economic Bloc (SEKEB). The theory suggests that when procurement systems are competitive, transparent, and guided by adequate information symmetry, resources are allocated efficiently, contractors are selected based on merit, and project delivery improves (Sama, Murtala & Othman, 2021). This reasoning directly aligns with Kenya's Public Procurement and Asset Disposal Act (PPADA, 2015), which institutionalizes the principles of competition, fairness, and transparency in public procurement. Within the devolved framework, SEKEB counties Machakos, Kitui, and Makueni represent an ideal setting for testing this theory, as multiple contractors compete for limited tenders under diverse institutional capacities and local governance structures.

In practice, tendering processes are not solely governed by market competition; they are deeply influenced by institutional, governance, and political factors. Corporate governance mechanisms—such as internal audit systems, procurement oversight committees, and ethical compliance frameworks—play an essential role in moderating these imperfections (Alabdullah, Ahmed & Muneer, 2016). Governance structures ensure adherence to procurement laws, mitigate collusion, and promote accountability in contractor selection

To address its original limitations, modern reinterpretations of Tendering Theory have emerged. Shash (1993) introduced stochastic modeling to incorporate uncertainty in cost estimation and probability distributions of competitor behavior, thereby improving predictive validity in volatile markets. Chan et al. (2009) advanced multi-criteria bidding models that evaluate not only price but also quality, sustainability, and social inclusion criteria. These developments resonate with the global paradigm shift from "lowest-cost selection" to "value-for-money procurement." In Kenya, procurement reforms reflect this evolution through tender evaluation frameworks that integrate environmental safeguards; gender inclusivity, ethical compliance, and corporate social responsibility into scoring matrices (Liu et al., 2016; PPRA, 2023).Recent studies reinforce this expanded interpretation. Kimani and Nduati (2022) found that transparent tendering procedures significantly improved cost efficiency and project completion rates across county infrastructure projects in Kenya. Muthoni and Wanjohi (2023) emphasized that digital procurement platforms introduced by the Public Procurement Regulatory Authority (PPRA) have reduced bid manipulation and improved transparency in the tender evaluation process. Similarly, Onyango, Wekesa, and Muriuki

(2024) established that competitive tendering in the water sector correlates strongly with technical performance indicators such as adherence to design specifications and reduction of contract variations.

Tendering Theory remains highly relevant to understanding procurement and project performance within devolved governance systems such as Kenya's counties. It provides the conceptual foundation for assessing how rational, competitive, and transparent bidding processes influence performance outcomes in county government water projects across the South Eastern Kenya Economic Bloc (SEKEB). The theory predicts that adherence to rule-based tendering—through effective planning, fair advertisement, objective evaluation, and transparent award—enhances project performance by ensuring qualified contractors, minimizing cost overruns, and improving technical compliance (Sama, Murtala, & Othman, 2021; Kimani & Nduati, 2022). Its integration with corporate governance principles (Alabdullah, Ahmed, & Muneer, 2016) extends its explanatory power by linking procedural integrity to accountability and oversight. Furthermore, incorporating stakeholder engagement (Freeman, 1984; Bwogen, 2023) broadens its application, recognizing that transparency and public participation strengthen legitimacy and responsiveness in procurement.

In this study, Tendering Theory underpins the independent variable tendering process while corporate governance serves as a mediating variable and stakeholder engagement as a moderating factor. The study therefore bridges classical economic models of tendering with contemporary governance and participatory paradigms. This synthesis contributes to a richer understanding of how procurement systems function in devolved governments, where political accountability, community expectations, and administrative capacities interact continuously.

Ultimately, Tendering Theory, when contextualized within Kenya's evolving procurement landscape, explains not only the economic rationale behind competitive bidding but also the institutional pathways through which tendering influences public project performance. The combined framework situates tendering not merely as an economic transaction but as an institutional and participatory process that drives efficiency, fairness, and sustainability in public water projects within SEKEB and similar devolved contexts.

2.1.2 Stakeholder Theory

Stakeholder Theory was first introduced by R. Edward Freeman in his landmark work Strategic Management: A Stakeholder Approach (1984). Freeman argued that the success and

sustainability of any organization depend on its ability to recognize and manage the legitimate interests of all parties affected by its operations not only shareholders, but also employees, suppliers, customers, government institutions, and communities. The theory redefined traditional notions of corporate responsibility by asserting that value creation arises from ethical and mutually beneficial relationships among stakeholders (Freeman, 2009; Freeman, Harrison, & Zyglidopoulos, 2018). It thus shifted the management paradigm from profit maximization to inclusive governance and accountability across all levels of organizational decision-making.

Stakeholder Theory operates on several foundational assumptions. First, it assumes that stakeholders are interdependent and that their collective satisfaction determines organizational legitimacy and long-term success (Freeman et al., 2020). Second, it emphasizes that ethical obligations extend beyond compliance and profit to include transparency, inclusivity, and responsiveness in decision-making (Mainardes, Alves, & Raposo, 2011). Third, it holds that organizations build trust and social capital by integrating diverse stakeholder perspectives into their strategic and operational processes (Schaltegger, Hörisch, & Freeman, 2019). In public sector contexts, this approach underscores participatory governance as a mechanism for improving service delivery, community ownership, and the sustainability of development projects (Asiimwe, 2015).

Applied to this study's third objective, Stakeholder Theory provides the conceptual grounding for examining the moderating role of stakeholder engagement on the relationship between the tendering process and the performance of county government water projects in the South Eastern Kenya Economic Bloc (SEKEB). The theory posits that when stakeholders such as community members, water user associations, local contractors, and county agencies are effectively engaged, they influence the accountability and transparency of tendering procedures. Their involvement enhances information disclosure, reduces potential for collusion or elite capture, and ensures that project implementation aligns with local priorities (Bryson, Patton, & Bowman, 2011; Keremidchiev, 2021). Thus, stakeholder engagement acts as a moderating variable that strengthens the positive relationship between fair tendering practices and successful project performance outcomes.

In the context of devolved water governance, stakeholder engagement contributes to legitimacy, conflict reduction, and the long-term sustainability of infrastructure projects. It facilitates continuous feedback loops through community monitoring, participatory budgeting, and grievance mechanisms processes that enhance compliance with performance targets and ensure the proper use of public funds (World Bank, 2020). The relevance of this

theory to SEKEB lies in its ability to explain variations in project performance that stem from differences in community involvement and consultation intensity across counties such as Kitui, Makueni, and Machakos.

Despite its strengths, Stakeholder Theory has attracted critique for its conceptual ambiguity and challenges in prioritizing competing stakeholder interests. Freeman and Wicks (2003) acknowledge that while inclusivity is normatively appealing, it can complicate decision-making when stakeholders have conflicting objectives. Antonacopoulou and Méric (2005) similarly note that power asymmetries common in developing-country governance structures can marginalize less powerful actors, thereby reducing genuine participation. These criticisms are particularly relevant in Kenya's county governance context, where political patronage and bureaucratic opacity may distort participatory processes (Keremidchiev, 2021).

Nonetheless, the theory remains a vital analytical tool for understanding how inclusive governance moderates the link between structured procurement systems and project performance. Within this study, Stakeholder Theory justifies the examination of stakeholder engagement as a moderating variable by highlighting its potential to amplify transparency, enhance accountability, and foster project ownership. It reinforces the argument that participatory mechanisms such as community consultations, joint monitoring, and public disclosure serve as critical safeguards that translate well-designed tendering systems into effective and sustainable water project outcomes.

2.1.3 Agency Theory

Agency Theory originated with the work of Stephen Ross (1973) who first formulated the principal-agent relationship in economic terms. Ross described an agency relationship as one in which one party the agent acts on behalf of another the principal under conditions of uncertainty and differing motivations, especially when the agent holds more information about the decision task than the principal (Ross, 1973). Later, Michael C. Jensen and William H. Meckling (1976) significantly expanded the theory by detailing how agency costs arise from the separation of ownership and control in firms and how monitoring, bonding and residual loss mechanisms serve to align agent and principal interests (Jensen & Meckling, 1976).

In the classical Agency Theory framework, three key assumptions hold. First, agents are assumed to be self interested and rational, pursuing utility maximization unless incentives or oversight mechanisms constrain opportunistic behavior (Jensen & Meckling, 1976). Second, information asymmetry exists between principals and agents, with agents typically possessing

superior operational knowledge, which can lead to adverse selection and moral hazard problems if not properly mitigated (Ross, 1973; Klapper & Love, 2014). Third, effective governance mechanisms such as monitoring systems, disclosure requirements and accountability frameworks are necessary to reduce agency costs and align agent behavior with principal interests (Osabiya, 2015).

In the public sector context, Agency Theory applies to the relationship between citizens (the principals) and public officials or procurement administrators (the agents). Public servants are entrusted with managing public resources on behalf of the citizenry; however, because of informational, incentive and capacity constraints, the agent's actions may diverge from public interest unless appropriate controls exist (Mitnick, 2006). Applied to this study's second objective, Agency Theory provides a conceptual foundation for examining the mediating role of corporate governance practices in the relationship between the tendering process and project performance. Specifically, when governance structures such as internal audit functions, procurement oversight committees, performance monitoring tools and public reporting mechanisms are well established, information asymmetry is reduced and agents are more likely to act in the best interests of the principals (Afzalur Rashid, 2015; Tee, Wong & Hooy, 2022).

Within the devolved governance system of Kenya—and particularly in the counties of the South Eastern Kenya Economic Bloc (SEKEB) procurement officers and project managers operate as agents managing county funds. When corporate governance practices are strong, these agents translate efficient tendering processes into tangible project outcomes by ensuring integrity, transparency and accountability. Empirical research shows that independent audits, performance contracts and external regulatory supervision (e.g., by the Public Procurement Regulatory Authority) improve compliance and minimize procurement related corruption (Kalantonis, 2023; Tee et al., 2022). These mechanisms are consistent with the Kenyan legal frameworks such as the Public Procurement and Asset Disposal Act 2015 (PPADA) and the Public Finance Management Act 2012, which institutionalize oversight mechanisms aimed at mitigating agency problems in resource allocation and contract management.

Nevertheless, Agency Theory has its critics. One line of critique argues that it is overly deterministic and reduces human behavior to self interest alone, neglecting intrinsic motivation, ethical values and professional responsibility (Panda & Leepsa, 2017; Zogning, 2022). Another critique is that the assumption of principals being able to fully monitor agents is often unrealistic in politically influenced, resource constrained public institutions thus weakening the theory's application in many real world urban governance contexts (Ijaz,

Naveed & Raza, 2021). In many Kenyan counties, limited technical capacity and weak enforcement structures impede the implementation of robust monitoring systems, thereby perpetuating agency conflicts.

Despite these limitations, Agency Theory remains central to explaining governance dynamics in public project management. In this study, it underpins the mediating variable corporate governance practices by explicating how accountability, transparency and performance evaluation bridge the gap between an efficient tendering process and actual project performance outcomes. The theory therefore provides a logical and empirical basis for understanding why county institutions in the SEKEB region with strong governance systems are more likely to deliver sustainable, cost effective and high-quality water projects than those with weak oversight mechanisms.

2.2 Empirical Literature Review

The gathering and analysis of primary data derived from firsthand observation or experiences that are relevant to this research were part of the empirical literature review. The empirical literature reviewed in this research examines the performance of a few Kenyan county government water projects, stakeholder participation, corporate governance procedures, and the bidding process. This section also discusses the moderating influence of stakeholders and the mediating function of the bidding process.

2.2.1 Tendering Process, Corporate Governance Practices, and Performance

Tendering constitutes the cornerstone of modern public procurement systems, embodying the fundamental principles of transparency, accountability, competition, and value for money that underpins the prudent use of public resources. It provides a standardized procedure for acquiring goods, works, and services in a manner that ensures fairness and equal opportunity for qualified bidders. According to the Public Procurement and Disposal Regulations (2006) and the Public Procurement and Asset Disposal Act (PPADA, 2015), the tendering process is designed to promote open competition, safeguard public funds, and guarantee that government projects deliver the highest possible value to citizens. When properly structured and implemented, a well-governed tendering process contributes directly to the efficiency, cost-effectiveness, and integrity of public infrastructure programs such as water supply, sanitation, and irrigation systems, which are vital for sustainable development in Kenya.

Lysons and Farrington (2016) describe tendering as a structured and competitive process through which potential suppliers submit formal offers based on clearly defined technical specifications and contractual terms. Beyond mere price competition, tendering evaluates a

supplier's technical capability, financial stability, experience, and compliance with ethical and environmental standards. In this sense, tendering functions as both a procurement mechanism and a corporate governance instrument, reinforcing openness, discouraging collusion, and upholding fairness in public contracting (Thai, 2020). By promoting disclosure and equitable access to bidding opportunities, tendering strengthens public confidence in government institutions and ensures that procurement outcomes align with broader governance principles of integrity and accountability (OECD, 2022).

However, despite its normative intentions, practical challenges often hinder the realization of tendering objectives. Lysons and Farrington (2016) note that public contractors sometimes engage in under pricing, submitting unrealistically low bids to secure contracts—a phenomenon commonly referred to as the "low-bid trap." This practice frequently results in poor workmanship, stalled projects, or contract abandonment once suppliers are unable to sustain operations at the bid price. In Kenya, Auditor-General reports have consistently highlighted this problem, particularly in large-scale water and infrastructure projects, where cost underestimation and weak monitoring lead to financial losses and project delays (Office of the Auditor-General [OAG], 2023). The PPADA (2015) attempts to mitigate these inefficiencies by allowing alternative procurement methods such as restricted or direct tendering in situations where open competition is impractical or time-sensitive. Nevertheless, these alternatives require strong governance oversight to prevent misuse, favoritism, and corruption (PPRA, 2023).

For tendering to yield optimal performance outcomes, several prerequisites must be observed. Dobler and Burt (2004) emphasize that procurement specifications must be accurate, complete, and proportionate to the value of the project. Ambiguous or poorly defined requirements create room for misinterpretation by contractors, resulting in scope creep, cost overruns, and quality deficiencies. Effective tendering also depends on the existence of a competitive and diversified market. In sectors dominated by a few suppliers, the benefits of cost reduction and innovation are diminished. Hence, maintaining competition and pre-qualifying technically competent contractors are fundamental governance functions that directly affect the performance of public projects (Basheka, 2021).

Timeliness and procedural efficiency represent another crucial dimension of tendering effectiveness. Traditional tendering systems are often bureaucratic and time-consuming, leading to delays in project initiation and completion. In water-sector projects, where rapid implementation is essential to meet community needs and national development goals, excessive procedural rigidity can compromise performance. Lysons and Farrington (2016)

argue that adaptive procurement approaches those integrating risk-based decision-making, digital tendering platforms, and real-time monitoring can enhance flexibility while maintaining governance integrity. Recent studies by Muthoni and Wanjohi (2023) and Kimani and Nduati (2022) confirm that Kenya's adoption of e-procurement systems under the Public Procurement Regulatory Authority (PPRA) has shortened processing times, reduced bid manipulation, and increased transparency, ultimately improving project efficiency and accountability.

Comprehensive price analysis and cost forecasting further underpin both tendering quality and corporate governance credibility. Dobler and Burt (2006) stress that procurement officers must conduct market research and cost-benefit evaluations to assess the reasonableness of prices. Market volatility, inflation, and supply-chain disruptions can all distort pricing, and without systematic cost analysis, procuring entities risk overpayment or under-scoping of work. Negotiations when conducted transparently and ethically serve as a governance safeguard that promotes equitable outcomes and cost efficiency (Burt, Dobler, & Starling, 2003). This aligns with the principle of value for money, one of the guiding pillars of Kenya's procurement law, which demands that public institutions justify expenditures relative to project outputs and outcomes (PPADA, 2015).

Corporate governance plays a decisive role in ensuring that tendering achieves its intended developmental and financial objectives. Governance structures such as procurement committees, internal audit units, external regulatory oversight, and ethics commissions help to enforce compliance and minimize the discretion that often enables rent-seeking. Alabdullah, Ahmed, and Muneer (2016) contend that good governance promotes transparency by enforcing disclosure of procurement decisions and audit trails, thereby discouraging corruption and collusion. Similarly, Basheka (2021) emphasizes that accountability mechanisms such as independent audits and performance reporting enhance the credibility of procurement outcomes and public confidence in service delivery. In devolved contexts like Kenya's county governments, where multiple layers of decision-making exist, governance integration is particularly important for aligning county tendering practices with national regulatory frameworks.

Empirical evidence from African public-sector contexts further demonstrates the positive relationship between tendering integrity, governance quality, and project performance. Adusei and Awunyo-Vitor (2020) found that competitive bidding and transparent procurement procedures in Ghana improved project quality and reduced cost escalation in public construction. In Nigeria, Ojo and Gbadebo (2022) reported that adherence to

procurement ethics and accountability standards significantly improved timeliness and contractor performance in infrastructure delivery. In Kenya, Onyango, Wekesa, and Muriuki (2024) linked fair and competitive tendering processes to enhanced efficiency and stakeholder satisfaction in county-funded water projects. These findings affirm that corporate governance moderates the relationship between tendering and performance by providing institutional checks that convert procedural compliance into tangible results.

From a governance perspective, integration between tendering and oversight systems ensures that procurement decisions are not only legally compliant but also strategically aligned with institutional goals. Internal controls, ethical leadership, and stakeholder participation collectively enhance the credibility of procurement outcomes. Where these elements are weak, tendering processes may appear compliant on paper yet fail to deliver real value. Consequently, corporate governance serves as the mediating link between rule-based tendering and actual project performance outcomes. Strong governance mechanisms guarantee that procurement actors adhere to integrity standards, thereby reducing fraud, minimizing inefficiencies, and enhancing the sustainability of public investments (Kalantonis, 2023).

Finally, in the specific case of county government water projects in SEKEB, the tendering process is not merely an administrative routine but a determinant of developmental performance. Counties that enforce transparent and well-governed tendering systems tend to attract qualified contractors, achieve timely project completion, and maintain community trust. Conversely, weak governance and procedural irregularities undermine service delivery, leading to incomplete or poor-quality water infrastructure. Thus, the integration of tendering and corporate governance is indispensable for realizing Kenya's Vision 2030 and Sustainable Development Goal 6 (Clean Water and Sanitation), both of which emphasize accountable institutions and efficient infrastructure delivery.

In summary, tendering represents a critical intersection between procurement efficiency and governance integrity. Its effectiveness depends on adherence to clearly defined procedures, transparent evaluation criteria, and active governance oversight. Strong governance frameworks anchored in accountability, transparency, and ethical conduct transform the tendering process into a driver of sustainable performance. For Kenya's county governments, particularly in the SEKEB region, strengthening the synergy between tendering systems and corporate governance practices remains essential for ensuring cost-effective, timely, and high-quality delivery of water infrastructure projects.

2.2.2 Stakeholders engagement and Performance

Umugwaneza, Nyabera, and Njenga (2021) found a strong positive relationship between stakeholder engagement and the success of infrastructure projects in Rwanda, including water-related projects. Their study revealed that meaningful engagement allows affected communities to express their needs and expectations, which enhances the sustainability and legitimacy of the outcomes. This aligns with Taneich (2018), who emphasized that communities must be fully informed and involved in decision-making processes to avoid feelings of alienation that can result in resistance, delays, or project failure. Accordingly, engagement must be a continuous and inclusive process that extends from planning through implementation and monitoring stages.

The foundation of stakeholder engagement is grounded in Freeman's (1984) Stakeholder Theory, which posits that the success of an organization depends on how well it identifies, understands, and balances the interests of all parties affected by its operations. Freeman (2009) later expanded this argument, noting that organizations should focus not only on financial performance but also on social relationships with employees, suppliers, clients, and communities. In public projects such as water infrastructure initiatives within the South Eastern Kenya Economic Bloc (SEKEB), this theory underscores the need to integrate the priorities of local populations in order to achieve effectiveness, accountability, and equity in project delivery.

Ackermann and Eden (2011) further emphasize that stakeholder relationships must be strategically managed to align interests and prevent conflicts. They argue that stakeholders should be treated as partners who influence outcomes through their perspectives and power positions. This approach is critical in Kenya's public sector projects, where political, social, and economic dynamics can complicate project implementation. Oakley (2011) similarly stresses that stakeholder engagement should be long-term and relationship-oriented, aiming not only at meeting project goals but also at building trust and mutual accountability between implementers and beneficiaries.

Effective stakeholder engagement extends beyond consultation and involves systematic analysis of the needs, expectations, and influence of various parties. Bryson, Patton, and Bowman (2011) highlight that identifying and engaging stakeholders entails significant judgment, as managers must assess both interests and power dynamics. Neglecting these power relations can jeopardize the social legitimacy of a project. Bonnafous-Boucher (2016) also points out that acknowledging power imbalance among stakeholders helps reduce conflict and fosters inclusivity. Similarly, Khwaja (2014) emphasizes the importance of

ensuring that marginalized groups are not excluded from participation, noting that inclusive engagement enhances equity and legitimacy in public initiatives such as water management projects.

Youth involvement has also been recognized as a key dimension of stakeholder engagement. Marchington (2015) observed that projects with active youth participation achieve higher levels of innovation, community support, and sustainability. In the context of water resource management, involving young people encourages creativity and strengthens the sense of ownership among future generations. Participatory methods also ensure that diverse perspectives are incorporated into planning and execution, enhancing both legitimacy and project quality.

Despite its value, stakeholder engagement is often constrained by challenges related to balancing divergent interests, managing expectations, and maintaining effective communication. Githinji et al. (2020) found that poor stakeholder management contributes to project delays, cost overruns, and low-quality implementation in Kenya's public sector. They concluded that systematic engagement not only improves performance outcomes but also minimizes conflicts arising from miscommunication or exclusion. Given that political interference and limited transparency are common challenges in Kenyan public projects, engagement acts as a mitigating mechanism that promotes coordination and accountability.

The role of stakeholder perception has also been emphasized in performance outcomes. Hope and Chikulo (2016) argue that positive stakeholder perceptions of a project's relevance and fairness enhance long-term support, while negative perceptions can lead to withdrawal of cooperation or outright resistance. Similarly, Okiiya, Kisiangani, and Oparanya (2015) found that many public projects fail due to poor communication and neglect of stakeholder expectations. Marriott and Marriott (2015) also highlight that when stakeholders, particularly youth and local communities, are involved in project design and monitoring, project outcomes tend to be more innovative, contextually appropriate, and sustainable.

Kyereboah and Biekpe (2017) demonstrated that managing diverse stakeholder interests is central to successful project delivery. Their study showed that in public infrastructure projects such as water development initiatives in SEKEB, the coordination of government agencies, contractors, community representatives, and advocacy groups is essential for operational success. Failure to align these interests often results in inefficiency, financial losses, and disputes. In contrast, active cooperation among stakeholders enhances performance and accountability throughout the project cycle.

Empirical studies from Kenya and the wider East African region confirm the strong relationship between stakeholder engagement and public project success. Bwogen (2023) established a positive correlation between stakeholder involvement and water project performance in Bomet County. The findings demonstrated that when diverse groups are engaged, there is a stronger sense of ownership and reduced conflict, leading to more sustainable outcomes. Similarly, Busiinge (2012) found that government projects in Kampala were more effective when beneficiary communities participated in planning, implementation, and monitoring activities. These results reinforce the idea that community-based engagement models enhance transparency, relevance, and public support for water infrastructure projects.

In conclusion, the reviewed literature demonstrates that stakeholder engagement is a critical determinant of project performance, particularly in public sector initiatives like water resource management. Strong stakeholder participation promotes transparency, trust, and shared ownership, ensuring that the needs of diverse groups are considered. Inclusive and continuous engagement also reduces risks of conflict, improves project quality, and enhances sustainability. As observed by Githinji et al. (2020) and Bwogen (2023), projects that prioritize stakeholder involvement consistently achieve better results in terms of efficiency, community acceptance, and long-term impact. Stakeholder engagement, therefore, represents not only a governance obligation but also a strategic tool for achieving superior performance in public sector projects.

2.2.3 Corporate Governance practices and Performance

Corporate governance practices constitute a vital framework for directing and controlling both public and private institutions. They define how authority is exercised, decisions are made, and accountability is maintained. Effective governance ensures transparency, integrity, and responsible resource management, which together enhance the efficiency and credibility of organizations. In the context of public water utilities, sound corporate governance is particularly important because it guides how public resources are managed to deliver essential services to communities. According to the OECD (2015) and the Mwongozo Code of Governance for State Corporations (2017), governance principles such as accountability, transparency, participation, disclosure, strategic vision, integrity, responsiveness, and performance monitoring are indispensable in achieving institutional success and ensuring that public resources are utilized efficiently and equitably. These principles are directly linked to long-term sustainability, improved service delivery, and the realization of public welfare (WASREB, 2021).

Empirical research consistently establishes a strong association between sound governance practices and superior organizational performance. Institutions that adopt governance structures promoting ethical conduct, operational efficiency, and financial prudence often achieve better outcomes across sectors, including the water industry (Nasrallah & El Khoury, 2021; Shahwan, 2015). Han et al. (2024) highlight that strong board oversight, consistent information disclosure, and transparent decision-making processes align management activities with stakeholder interests, thereby fostering public trust and enhancing institutional performance. In Kenya, the adoption of structured governance frameworks has gained significant attention, especially within devolved county units responsible for managing water services. The Water Governance Handbook by WASREB (2021) underscores that weak governance systems are major contributors to inefficiency and low service coverage, while WASREB (2024) calls for governance reforms that strengthen procurement systems, clarify board mandates, and enforce regular performance evaluations to ensure improved water project outcomes.

Corporate governance also plays a central role in minimizing inefficiency, deterring corruption, and improving accountability in the management of public utilities. Asiedu and Mensah (2023) emphasize that transparent governance fosters financial control, strategic clarity, and optimal resource utilization. Their findings concur with those of Alabdullah et al. (2016), who demonstrate a positive and statistically significant relationship between governance quality and organizational performance. In the water sector, governance integrity ensures that financial reporting and resource allocation reflect public priorities, ultimately improving service quality and equity in access to water resources.

Nevertheless, scholars recognize that the relationship between governance and performance is not uniform across contexts. Tamer (2015) observes that the effectiveness of governance reforms depends heavily on the institutional and socio-political environment in which they are applied. This observation is particularly relevant to Kenya's devolved governance framework, where local institutions often face constraints related to limited capacity, political interference, and institutional fragmentation. Consequently, while governance reforms are critical, their success hinges on political goodwill, institutional maturity, and adherence to policy frameworks.

Arslan and Alqatan (2020) further stress that ethical conduct and anti-corruption measures are effective only when governance practices are supported by enforceable legislation, regular audits, and independent oversight. This insight is significant for Kenya's water sector, where procurement processes are sometimes undermined by favoritism and inadequate

transparency. The Mwongozo Code (2017) provides a comprehensive guide to mitigating these challenges by outlining principles for performance management, accountability, and inclusivity in public institutions. The code reinforces the need for participatory governance, emphasizing the involvement of multiple stakeholders, including citizens, civil society, and government agencies, in decision-making processes affecting water service delivery.

Despite these frameworks, implementation gaps remain a persistent challenge. Wafula (2013) and more recent assessments by WASREB (2024) reveal that many county governments continue to experience weak internal controls, politicized appointments, and limited oversight mechanisms. These weaknesses reduce accountability and transparency, thereby hindering the effective management of water infrastructure projects. Limited institutional capacity, lack of skilled personnel, and the absence of enforceable accountability mechanisms exacerbate these challenges, leading to resource wastage and suboptimal service delivery.

Governance bodies such as boards of directors and audit committees play a critical role in strengthening institutional performance. Alodat et al. (2021) and Buchdadi et al. (2019) demonstrate that independent boards and active audit committees contribute to strategic oversight, financial discipline, and organizational resilience. Their oversight ensures that management decisions align with organizational goals and that public funds are utilized responsibly. In the case of Kenya's public water utilities, these governance organs are particularly significant in enhancing transparency and ensuring that project outcomes reflect the priorities of communities.

Koji et al. (2020) argue that participatory board practices enhance institutional adaptability and responsiveness. Boards that include diverse stakeholder perspectives are better positioned to anticipate challenges and make informed decisions that sustain organizational performance. Within Kenya's devolved water sector, involving community representatives and civil society organizations in governance structures fosters inclusivity and legitimacy. This participatory approach strengthens local accountability and ensures that water projects are responsive to the actual needs of the population, enhancing both performance and sustainability.

Nonetheless, persistent weaknesses continue to limit the full realization of governance objectives. Wafula (2013) identifies the lack of internal audit capacity, inadequate supervision, and the politicization of appointments as major obstacles to effective governance in county governments. Addressing these challenges requires building strong governance structures anchored in independence, professionalism, and accountability. Strengthened audit

mechanisms and transparent reporting practices can further enhance the credibility and efficiency of water project management.

Corporate governance practices also have a direct influence on the effectiveness of the tendering process, which is central to public procurement and project delivery. Transparent and accountable governance ensures that procurement decisions are based on fair competition, merit, and value for money (OECD, 2015). Conversely, weak governance allows for manipulation of tender outcomes, the selection of unqualified contractors, and the misallocation of public funds. The Mwongozo Code (2017) underscores that sound governance frameworks mitigate such risks by reinforcing accountability and ethical conduct during procurement. When properly applied, these practices help ensure that water projects are delivered within scope, budget, and schedule, thus enhancing performance and sustainability.

This study introduces corporate governance practices as an intermediate variable influencing the relationship between tendering processes and project performance. Good governance in procurement minimizes inefficiencies, curbs corruption, and ensures timely, cost-effective, and high-quality project delivery. The effective implementation of governance principles therefore enhances the efficiency of the tendering process and promotes responsible utilization of public resources.

2.2.4 Tendering process, Corporate Governance practices, Stakeholders' engagement, and performance of water projects

In the procurement framework, tender processes are the core of operations in the public sector in view of promoting transparency, competitiveness and value delivery in terms of money. This process cannot be overestimated, as it becomes significant in ensuring that the implementation of any public infrastructure project, including water project at the county levels is successful. The reason why there is a structured procurement process in Kenya as provided in the Public Procurement and Asset Disposal Act (2015) is to eliminate the risks involved in the process including corruption, lack of efficiency and mishap of resources that services providers have in mind. This is a set of laws that are a guiding factor to the fairness with which there should be the carrying out of public procurement with consideration to accountability and transparency. Practice has however shown that creation of the tendering process can be challenged by a couple of issues that undermine the effectiveness that it has on providing the best results.

Lysons and Farrington (2016) identify some of the major constraints within the tendering process. One significant challenge is the occurrence of abnormally low bids, where contractors submit bids that are unrealistically low, typically to win contracts. This practice often leads to disputes and poor contractor performance, as the low bids may not account for the actual cost of delivering the required services, leading to delays, substandard work, and cost overruns. Moreover, the rigid timelines associated with tendering can be problematic, particularly in emergency situations, where swift decision-making and procurement are necessary. These challenges highlight the need for strategic procurement tools, such as comprehensive prequalification processes and performance-based evaluation criteria. These tools can help to ensure that contractors are not only chosen based on the price but also on their ability to deliver quality work within the stipulated timelines and to the required standards. Prequalification ensures that only those contractors with the requisite capabilities and experience are considered for projects, thereby increasing the likelihood of successful project execution.

The effectiveness of the tendering process has direct implications for the success of public infrastructure projects. When the procurement process is conducted transparently and effectively, it lays the foundation for successful project implementation. The tendering process defines the terms of engagement with contractors, including the selection of suppliers, contract conditions, and delivery timelines. As such, the tendering process serves as the operational link between procurement strategy and the eventual execution of the project. In this study, the tendering process is conceptualized as the independent variable, representing the key components of procurement, including procurement transparency, contractor compliance, bid evaluation quality, and price-value alignment. The role of the tendering process is to initiate a chain of events that influence project performance outcomes, making it a critical determinant of whether projects are delivered on time, within budget, and to the required quality standards.

However, as important as the tendering process is, it alone cannot guarantee successful project outcomes. This is where corporate governance practices come into play. Corporate governance encompasses a range of internal systems and practices designed to ensure accountability, transparency, and effective oversight of public institutions. It involves mechanisms for monitoring and evaluating the performance of organizations, as well as frameworks for ensuring that management decisions align with stakeholder interests. Key components of corporate governance include internal control systems, leadership integrity, ethical compliance, and operational oversight (O'Donovan, 2003; OECD, 2004). When

governance practices are effectively applied, they can bridge the gap between well-structured tendering processes and the actual performance of water projects.

Numerous studies have demonstrated the positive relationship between corporate governance practices and institutional performance. Ahmed et al. (2008), Peters and Bagshaw (2014), and Naimah and Hamidah (2017) highlight that institutions with robust governance frameworks are better equipped to execute procurement decisions faithfully, manage risks, and deliver sustainable outcomes. In Kenya, the relevance of corporate governance in public water utilities has become more pronounced, especially under devolved governance systems where counties are responsible for managing water services. The Water Governance Handbook (WASREB, 2021) emphasizes that poor accountability mechanisms and fragmented oversight structures in county governments have contributed to inefficient service delivery and low coverage of water services. As noted in the WASREB Performance Report (2024), strengthening corporate governance is crucial for improving the performance of Water Service Providers (WSPs) and ensuring that public resources are managed responsibly.

The adoption of good corporate governance practices in the management of public water projects has been linked to improved financial management, transparency, and accountability. Governance practices such as board accountability, financial disclosure, and the regular monitoring of performance metrics help ensure that procurement decisions are made based on sound judgment and are aligned with the interests of stakeholders, particularly the communities that depend on water services. Furthermore, strong governance frameworks provide mechanisms for addressing issues such as corruption, inefficiency, and misuse of public funds, which are often prevalent in the public sector and particularly within public procurement processes (Shahwan, 2015; Nasrallah & El Khoury, 2021). In Kenya, the Mwongozo Code of Governance (2017) has provided guidelines for improving public sector governance, particularly in state corporations and devolved units, by promoting transparency, inclusivity, and accountability.

Despite the well-established benefits of corporate governance, there is still considerable variation in how these practices are implemented across different counties in Kenya. As Wafula (2013) highlights, many counties continue to face challenges such as weak internal controls, inadequate supervision, and politically influenced appointments that undermine the effectiveness of governance structures. These issues are further compounded by the lack of capacity in some counties to implement governance reforms effectively. Consequently, while the potential for corporate governance to enhance the effectiveness of the tendering process is

recognized, its impact may be limited in contexts where governance structures are weak or where political interference is prevalent.

The role of stakeholders is just not limited to corporate governance, but also to the success of any project being conducted in the public arena, evident in the water industry. Stakeholder engagement the process of including stakeholders (including local communities, the civil society and governmental agencies) in the project design, implementation or evaluation processes is referred to as stakeholder engagement. When it comes to water projects, of importance is stakeholder engagement because needs and concerns of the local people are issues that need to be considered to make sure that projects are responsive to their needs. In the present research, stakeholder engagement is represented as a moderating variable, i.e. it moderates the magnitude and the direction of the association between tendering process and project performance.

The importance of stakeholder engagement is supported by a wealth of literature that underscores its role in enhancing project performance. Freeman et al. (2018) and Hohnen and Potts (2007) argue that stakeholder engagement improves social legitimacy, reduces resistance to projects, and ensures that project design aligns with community needs. When stakeholders are actively involved throughout the project cycle, they contribute valuable local insights, increase the acceptability of projects, and support ongoing performance monitoring. This involvement can strengthen the impact of procurement practices by ensuring that projects are not only well-planned but also well-executed, with continuous oversight from those who are directly affected by the outcomes.

For example, participatory planning processes, feedback mechanisms, and inclusive decision-making practices allow stakeholders to voice their concerns and suggestions, which can help identify potential issues early in the project cycle. This proactive approach to stakeholder engagement helps reduce risks, improve project outcomes, and enhance the overall effectiveness of the procurement process (Bryson, Patton, & Bowman, 2011). Moreover, when stakeholders feel involved and heard, they are more likely to support the project, participate in its implementation, and contribute to its long-term sustainability.

However, the effectiveness of stakeholder engagement depends on the degree to which communities and other stakeholders are genuinely involved in the decision-making process. Simply informing stakeholders of decisions made by the government or contractors may not lead to meaningful outcomes if their input is not taken into account. The level of engagement, therefore, plays a crucial role in moderating the relationship between the tendering process and project performance. High levels of engagement are likely to reinforce the positive

effects of the tendering process by ensuring that projects meet the needs of the community, while low levels of engagement may dilute the effectiveness of procurement practices and reduce the likelihood of successful project outcomes.

The interdependent relationship between the tendering process, corporate governance, and stakeholder engagement is particularly important in the context of county government water projects in Kenya. As noted by Onyim et al. (2017) and WASREB (2021), the performance of water projects in many counties remains inconsistent, with issues such as political interference, weak oversight, and low public trust contributing to suboptimal outcomes. Understanding how corporate governance and stakeholder engagement condition the relationship between tendering and project performance is essential for improving the effectiveness of water projects. Policymakers and county managers can use this understanding to refine procurement procedures, strengthen institutional capacity, and design more accountable and participatory project delivery systems.

In conclusion, the tendering process, corporate governance practices, and stakeholder engagement are all critical factors in determining the success of public infrastructure projects, including water projects. A well-structured tendering process ensures transparency and competitiveness, while strong corporate governance practices provide the oversight and accountability needed to ensure that procurement decisions align with stakeholder interests. Furthermore, stakeholder engagement enhances the legitimacy of projects, ensures that they are responsive to community needs, and supports ongoing monitoring and evaluation. Together, these factors create an interdependent system that can significantly influence the performance of public projects. By strengthening these three areas, county governments and Water Service Providers in Kenya can improve the delivery of water services, ensuring that projects are completed on time, within budget, and to the required quality standards.

2.3 Summary of Research Gaps

The reviewed literature consistently highlights the importance of public procurement, corporate governance practices, and stakeholder engagement in influencing project performance outcomes, particularly in the public sector. Procurement processes are widely regarded as key mechanisms for ensuring transparency, value for money, and accountability in public projects (Lysons & Farrington, 2021; Ashworth, 2022). In Kenya, the Public Procurement and Asset Disposal Act (2015) institutionalized legal frameworks to guide procurement across devolved units. However, despite these frameworks, inefficiencies such as non-competitive bidding, irregular award procedures, and poor contract management

persist, hindering effective service delivery (Ochieng & Onyango, 2020; Odhiambo & Kamau, 2022).

Despite the existence of procurement laws, enforcement and compliance remain inconsistent across counties, with varying capacities to execute transparent tendering processes (Wanyama, 2021). Studies suggest that inefficient tendering processes contribute to project delays, inflated costs, and abandonment of public infrastructure projects, particularly in the water sector (Alorabi & Mutinda, 2021). Despite broad recognition of the importance of procurement, empirical research has yet to establish a comprehensive understanding of how tendering practices directly influence project performance in different county contexts in Kenya.

Corporate governance has been identified as a significant factor in improving public sector performance, particularly in the management of resources, internal controls, and accountability. Research indicates that governance mechanisms such as board oversight, risk management, and disclosure frameworks are crucial in ensuring strategic alignment and minimizing agency conflicts (Almatrooshi, Singh, & Farouk, 2021; Bhagat & Bolton, 2021). Within Kenya, counties with stronger internal governance structures tend to execute water infrastructure projects more efficiently (Gikonyo & Gathungu, 2022). However, existing research largely focuses on governance in isolation and does not fully explore its mediating role between procurement practices and project outcomes. This gap limits both theoretical and practical understanding of how governance mechanisms can enhance procurement effectiveness (Kahuthu & Namusonge, 2021).

Stakeholder engagement, as emphasized by Freeman's Stakeholder Theory (1984), has been shown to increase legitimacy and project sustainability. Empirical studies also support the view that community participation in planning, monitoring, and feedback improves the performance of water projects in Kenyan counties (Matu, Kiptoo, & Gakere, 2021). However, limited research exists on how varying levels of stakeholder engagement moderate the relationship between procurement and project performance. The lack of clear operational definitions and measurable constructs for stakeholder engagement further complicates empirical analysis (Omar & Moi, 2021). There is a need for research that disaggregates stakeholder involvement into components like information sharing, participatory planning, and grievance redress, to understand their distinct effects on project outcomes.

Moreover, performance in public infrastructure projects has evolved beyond basic input-output metrics to incorporate both behavioral and operational dimensions, including quality, timeliness, and user satisfaction (Maharm & Anderson, 2020; Wuni & Shen, 2022). In

Kenya, a significant proportion of water projects fail to meet their objectives due to poor coordination, lack of technical capacity, and inadequate oversight (Kiseu, 2021). However, most studies adopt cross-sectional designs with limited causal inference, which constrains the ability to draw robust conclusions about long-term impacts (Guguyu & Masinde, 2021; Macharia & Muturi, 2020).

Despite a growing body of work on public procurement, governance, and stakeholder participation, studies rarely integrate these factors into a single, cohesive framework. Although Agency Theory, Stakeholder Theory, and Tendering Theory have been used separately to examine aspects of project delivery, few studies triangulate these theories to provide a holistic view of the factors influencing public project success (Guguyu & Masinde, 2020; Macharia & Muturi, 2020). This theoretical fragmentation limits a comprehensive understanding of the interplay between procurement, governance, and community accountability.

Furthermore, much of the existing research has focused on national-level projects or donor-funded initiatives, often overlooking county-level projects within Kenya's devolved governance framework. There is a significant gap in understanding how devolved procurement, governance, and stakeholder participation influence project delivery at the county level, particularly in counties such as Kitui, Makueni, and Machakos within the South Eastern Kenya Economic Bloc (SEKEB) (Kimenyi & Meagher, 2004; Mbui, 2018). Studies that explore the localized challenges and dynamics in these counties are scarce but essential for understanding how governance and procurement systems function in a devolved context.

In light of these gaps, this study seeks to address the absence of an integrated analytical model that simultaneously examines the impact of tendering processes, corporate governance, and stakeholder participation on public project performance. It empirically tests corporate governance as a mediating variable and stakeholder engagement as a moderating variable, providing new insights into the causal pathways that influence project outcomes. This study also focuses specifically on devolved water infrastructure projects within SEKEB, offering a context-sensitive understanding that is currently lacking in Kenya's public administration research. By combining Tendering Theory, Agency Theory, and Stakeholder Theory, this study aims to bridge these theoretical and methodological gaps and offer practical insights for improving procurement effectiveness and governance in Kenya's devolved water projects.

In summary, while existing literature underscores the importance of procurement integrity, governance efficiency, and participatory engagement, it remains fragmented both

methodologically and theoretically. By integrating these elements into a unified framework and empirically testing their interactions, this study contributes significantly to the understanding of public project performance in Kenya's devolved governance system.

Table 2: Summary of Research Gaps

Authors	Areas of focus	Methodology	Findings	Knowledge Gaps	Focus of the Current Study
Mwanja et al (2014)	Investigations on relationship between corporate governance of Saccos in Kakamega county	Descriptive survey design and correlational survey design were adopted in this study. Descriptive survey design was used for the purpose of describing the state of affairs as it exists in particular SACCOs.	Based on the results of this study, corporate governance was found to positively affect Performance. The results show that transparency and accountability is enhanced.	From the research data committee reports to the ministry filing of these reports is an Indicator of accountability and adequate disclosure in co-operatives.	To find out the effect of involving shareholders in major decisions
Ibrahim and Zulkafli (2016)	The effect of corporate governance, HRM practices and organizational performance of public listed companies in Malaysia	Data collected via self-administered questionnaires . Sampling and data collection Sample of study from public listed manufacturing firms listed	The result indicates that there is a marginally significant relationship between corporate governance practices and HRM practices.	The gap that this study wishes to address is the influence of corporate governance practices on HRM and how such relationship	The study attempts to bridge the gap in the existing literature by examining the link between corporate governance, HRM practices and

Authors	Areas of focus	Methodology	Findings	Knowledge Gaps	Focus of the Current Study
		under the consumer product sector in the Bursa Malaysia	Thus, hypothesis is accepted indicating corporate governance practices have an impact on the implementation of HRM practices.	has an impact on organizational performance	organizational performance. Attempt is made to include the role of HRM as mediator between corporate governance practices and firm performance
Chow Hock Lim at el (2022)	The linkage of water resources planning to national security and economy, and stakeholders' engagement for decision-making in the planning and implementation processes	The study used systematic bibliometric analysis to identify the trends, patterns, and research gaps in the establishment of a stakeholder engagement. For further comparison, Google Scholar was used	The findings elaborated to what extent stakeholder engagement can serve as a form of social learning and the importance of leadership for ensuring effective stakeholder engagement in river basin management as a result many countries have recorded	Based on the systematic bibliometric analysis that was carried out in this study, there were very limited studies on how effective stakeholder engagement should be carried out to enhance the water management at the river	In view of this gap, there is a need to conduct separate basin studies aimed at formulating an appropriate conceptual framework for effective stakeholder engagement in fulfilling this gap and the way forward

Authors	Areas of focus	Methodology	Findings	Knowledge Gaps	Focus of the Current Study
			difficulties in implementation	basin level.	
Kenyoru (2015)	Studies on stakeholder engagement and how it affects organizational performance are limited particularly in the emerging economies like Kenya. As such this study attempted to address the gap in the existing literature and assess the effect of stakeholder engagement on organizational performance	The research design employed in this study was descriptive research design, generally Qualitative in nature.	Results reveal that Performance management system had the highest Pearson correlation value in relation to organizational performance, and relationship was significant.	Studies on stakeholder engagement and how it affects organizational performances are limited in emerging economies like Kenya. This study attempted to address the gap in the existing literature and assess the effect of stakeholder engagement on organizational performance.	The topic of the study should be based on the effects of stakeholder engagement strategy on organizational performance. Further thestudy recommende d the same study to be carried from the customer point of view and other stakeholders.
Machoka (2016)	Public procurement practices and	Descriptive research design was	Most of the CDF projects management	This study did not show the effect of	Public procurement practices and

Authors	Areas of focus	Methodology	Findings	Knowledge Gaps	Focus of the Current Study
	performance of selected constituency development fund projects in Kenya	adopted to explain the relationship between public procurement and performance of selected constituency development fund projects in Kenya	had a capacity building programme, good supplier relationship, good procurement ethics, but didn't have a well-established information communication technology system.	international public procurement practices, and regulatory framework on performance supply chain management	performance

2.4 Research Hypotheses

The study was guided by the following null hypotheses:

H01: There is no statistically significant relationship between the tendering process and the performance of water projects in the South Eastern Kenya Economic Bloc (SEKEB), Kenya.

H02: There is no statistically significant mediating effect of corporate governance practices on the relationship between the tendering process and the performance of water projects in the South Eastern Kenya Economic Bloc (SEKEB), Kenya.

H03: There is no statistically significant moderating effect of stakeholder engagement on the relationship between the tendering process and the performance of water projects in the South Eastern Kenya Economic Bloc (SEKEB), Kenya.

H04: There is no statistically significant mediated-moderation effect of corporate governance practices and stakeholder engagement on the relationship between the

tendering process and the performance of water projects in the South Eastern Kenya Economic Bloc (SEKEB), Kenya.

2.5 Conceptual Framework

The conceptual framework presented in figure 1 illustrates the hypothesized relationships among the key variables in the study. The tendering process serves as the independent variable, which directly influences the performance of water projects the dependent variable. This relationship is hypothesized under H**01**. The framework further posits that corporate governance practices act as a mediating variable in this relationship (H**03**), meaning that the effectiveness of governance mechanisms may explain or enhance the influence of tendering procedures on project performance.

The framework is as shown in Figure 1;

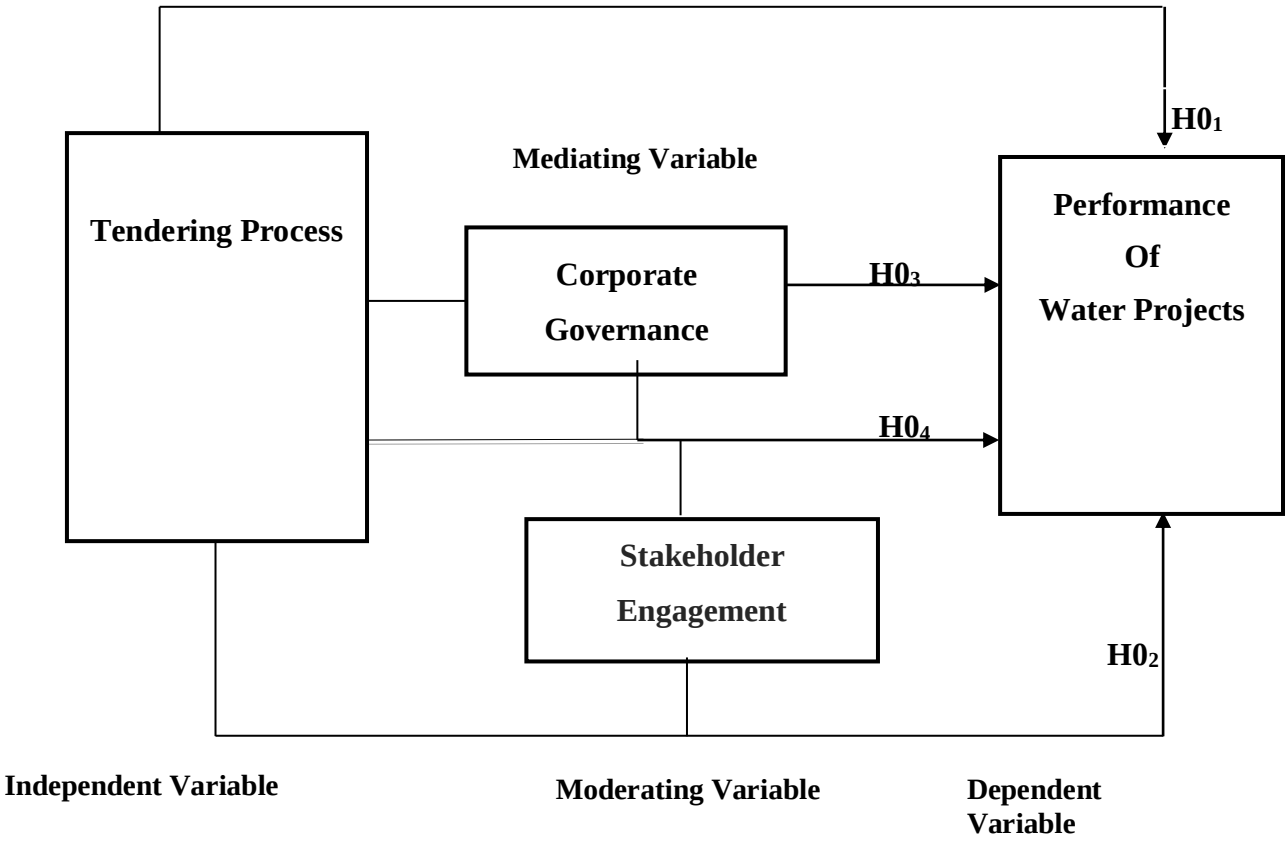


Figure 1: Conceptual Framework

Additionally, stakeholder engagement was modeled as a moderating variable, implying that it may alter the strength or direction of the relationship between the tendering process and performance outcomes (H**02**). The framework also integrated a mediated-moderation path,

captured under H**04**, which explores how the interaction between stakeholder engagement and corporate governance practices further shapes the impact of tendering on project outcomes. This design supported the study's aim of investigating both direct and interaction effects, while grounding the analysis in a structured multivariate model suitable for empirical testing.

2.6 Operationalization of the variables

Under this section, the study variables will be operationalized to offer proper measurement and study analysis consistent with the objectives of the study. Individual variables have been further decomposed into measurable indicators based on both literature and reality on the ground in the context of public procurement and water governance in Kenya; these variables include the tendering process, corporate governance practices, stakeholder engagement and the performance of water projects. The above indicators were measured in a 5-point Likert scale with the lowest scale points being strongly disagreed and the highest scale points being strongly agreed. It has been gathered by the help of structured questionnaire sections correlated to the specific variable and analyzed by the means of descriptive statistics (frequencies and percentages) and inferential statistics, specifically correlation and multiple regression analysis for the purpose of testing identified between-variables hypothesis and coming to valid inference.

Table 3: Operationalization of Variables

Variables	**Indicators**	**Measurement scale**	**Questionnaire section**	**Tools of analysis**
Tendering process	Purchase order cycle time Supplier defect rate Supplier availability Purchase order accuracy Transparent tendering Supplier regulatory compliance	5-point Likert 1-Strongly agree 5-Strongly disagree	Section B	Frequencies, Percentages, Correlation and Multiple regression Analysis

Variables	Indicators	Measurement scale	Questionnaire section	Tools of analysis
	Product price variance			
Corporate governance practices	Disclosure Transparency Accountability Effectiveness and efficiency Responsibility Governance and firm performance Continuous improvement	5-point Likert 1-Strongly agree 5-Strongly disagree	Section D	Frequencies, Percentages, Correlation and Multiple regression Analysis
Stakeholders' engagement	Information disclosure Communication clarity Community engagement Customer satisfaction Feedback surveys Participation roles Risk management	5-point Likert 1-Strongly agree 5-Strongly disagree	Section C	Frequencies, Percentages, Correlation and Multiple regression Analysis
Performance of water projects	Water sources management Water purification	5-point Likert 1-Strongly agree	Section E	Frequencies, Percentages,

Variables	Indicators	Measurement scale	Questionnaire section	Tools of analysis
	Water use	5-Strongly disagree		Correlation and Multiple regression Analysis
	Water quality			
	Wastewater collection			
	Wastewater treatment			

2.7 Chapter summary

This chapter discussed the theories and concepts that describe the independent and dependent variables. The tendering theory, agency cost theory, and stakeholder theory were the theories discussed. The chapter examined whether the evaluated theories could be applied to specific variables. By analyzing the intersections between the variables, the chapter investigated the notions of independent, mediating, moderating, and dependent variables. As a result, an empirical evaluation was carried out based on international, regional, and local research accordingly.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The research strategy and technique used in the study are described in this chapter. This comprises the target population, study design, sample and sampling, sample size, sample frame sampling method, and data collecting tools. pilot testing, data collection methods, study instrument validity, study reliability, data processing and analysis, diagnostic tests, sampling adequacy tests, auto-correlation testing, multicollinearity tests, normality tests, linearity tests, hypothesis testing, and ethical considerations.

3.1 Research Philosophy

In order to examine the relationship between the performance of water projects in the South Eastern Kenya Economic Bloc (SEKEB), Kenya, corporate governance practices, stakeholder engagement, and the tendering process, this study used a mixed-methods approach, which is consistent with the pragmatist research philosophy. The researcher may integrate qualitative and quantitative methods to fully address the study goals since pragmatics encourages methodological diversity and places an emphasis on practical results (Creswell & Plano Clark, 2017; Saunders et al., 2019). Studies addressing intricate, real-world issues like public procurement and governance, where context and stakeholder viewpoints are crucial to comprehending system performance, benefited greatly from this paradigm.

The foundation of pragmatics is the conviction that experience, action, and results are the sources of knowledge (King, 2022). It permits the use of various instruments and techniques according to what best solves the research issue. A semi-structured questionnaire was used in this research, which included both open-ended questions to gather contextual viewpoints and closed-ended questions for statistical analysis. It complemented the pragmatic approach by making it possible to gather both quantifiable data and experienced insights, but this is covered in more detail in the methodology section on data gathering techniques.

The philosophical stance also recognizes that context, experience, and application influence truth, which is not static (Prasad, 2021). By encouraging intersubjectivity, where meaning arises from the interaction between the researcher and the social reality, pragmatics oppose the strict subject-object dichotomy (Allemang, 2021). Thus, this way of thinking is suitable for investigating the complex relationships that exist between governance procedures, procurement processes, and stakeholder involvement in the implementation of water projects at the county level.

Pragmatism provides flexibility and depth by prioritizing research questions above rigorous adherence to epistemic limits. It makes it possible to combine many viewpoints and data sources to get results that are relevant and useful (Onwuegbuzie & Leech, 2019; Capps, 2023). This makes it especially appropriate for Kenya's public sector, as project execution often involves the intersection of institutional, operational, and sociopolitical factors.

3.2 Research Design

Cross-sectional research design was chosen for this study due to its appropriateness in capturing a snapshot of the phenomena under investigation within a specified period, particularly in exploring relationships among variables without the need for a longitudinal perspective. According to Kerlinger (2006), cross-sectional studies are invaluable in observational research as they allow researchers to analyze relationships between independent and dependent variables at a single point in time. This is critical in this study, which investigates the influence of the tendering process, corporate governance practices, and stakeholder engagement on the performance of water projects within SEKEB counties.

The cross-sectional design was also selected because it enables the researcher to gather a large volume of data from a sample at a particular moment, which aligns with the study's objective of understanding how various factors interact within the counties under investigation. As Kothari (2004) explains, this design is classified under descriptive research and is particularly effective for collecting data on social phenomena like procurement and governance systems at a given time. This type of study allows for an in-depth analysis of the relationship between the different constructs of interest tendering practices, governance, and stakeholder engagement without requiring long-term observation or tracking.

Furthermore, the cross-sectional approach is well-established in social science research as a reliable method for studying multiple groups of individuals or entities (Zangirolami-Raimundo et al., 2018; Ndonga, 2016). By sampling from various stakeholders involved in the execution of water projects across different counties in SEKEB, the design facilitates an effective comparison between these groups. These groups are similar in terms of their geographical location, but they may vary in terms of the specific procurement and governance structures in place, making cross-sectional analysis particularly useful in identifying patterns and correlations. This design has also been successfully used in similar studies on public sector performance and procurement practices (Kibua & Mwabu, 2016), making it a valid choice for this research.

Moreover, cross-sectional surveys are particularly suitable for exploratory and descriptive investigations (Creswell, 2014). Since the study seeks to examine how corporate governance practices and stakeholder engagement moderate and mediate the relationship between tendering and project performance, the cross-sectional design allows for the simultaneous analysis of these variables in their current operational contexts. This approach provides clear insights into the relationships that exist at the time of data collection, without the complexity and resource demands associated with longitudinal studies. While longitudinal designs could provide insights over time, the focus of this research is on understanding the current state of procurement practices and their immediate effect on project performance in the devolved governance context.

In sum, the decision to adopt a cross-sectional research design for this study was based on its ability to efficiently gather data from a large sample at a specific point in time, while providing meaningful insights into the relationships among key variables. This method's adaptability, reliability, and wide application in similar studies justify its use in addressing the research objectives and contributing to the understanding of public procurement, governance, and stakeholder dynamics in the performance of county government water projects.

3.3 Target Population

Institutional actors directly involved in the planning, bidding, implementation, and supervision of county government water projects more especially, completed and ongoing dams and boreholes in the counties of Kitui, Makueni, and Machakos, which together make up the South Eastern Kenya Economic Bloc (SEKEB), were the study's target population. Governance, procurement procedures, and stakeholder involvement all had an impact on the success of these water projects, which were significant public investments meant to increase water availability and resilience in arid and semi-arid areas.

The research focused on those with technical, administrative, and supervisory roles in water-related roles at the county government and water board levels. Members of the County Executive Committee (CEC), County Water Service Board employees, Chief Officers, Procurement Officers, and Members of County Assemblies (MCAs) were among those involved in public project approvals and supervision. Given their direct involvement in project implementation and policy execution, this group was thought to be most suited to provide trustworthy insights into the factors being studied, including corporate governance procedures, stakeholder engagement, and bidding processes.

In this study, the counties themselves were the broader units of analysis, while the individual respondents within those counties identified through a detailed target population frame formed the actual units from which data were collected. This is in contrast to the term "unit of observation," which typically refers to specific elements (such as individuals or organizations) from which data is collected. In order to ensure equal representation from all pertinent institutional players participating in the chosen water projects, the revised population distribution which is described in Table 4 outlined the number of targeted respondents across these counties.

Table 4: Target Population

Category	Makueni	Kitui	Machakos	Total
Water Service Board staff	72	81	90	218
CEC Members offices	14	21	25	60
Chief officers staff	16	25	34	75
Procurement Officials	32	60	52	122
MCAs elected/nominees	48	60	57	165
Total				**764**

Source: County executive summary (2025)

3.4 Sample and Sampling Technique

A crucial component of the study was sampling, which allowed the researcher to extrapolate findings about a broader population from information gathered from a representative group. All eligible employees who worked directly on water project design, procurement, execution, and governance in the counties of Kitui, Makueni, and Machakos the counties that make up the South Eastern Kenya Economic Bloc (SEKEB) were included in the sample frame for this research. These counties were the geographical focus of the research "Tendering Process, Corporate Governance Practices, Stakeholder Engagement, and Performance of County Government Water Projects in Kenya." A purposefully specified scope for investigating decentralized water administration under devolved entities was made possible by the inclusion of SEKEB counties.

The research used stratified random sampling, a probability sampling approach, to guarantee representation from the various stakeholder groups engaged in water project management. In

stratified sampling, a common attribute (e.g., job position or institutional membership) is used to first split the population into homogeneous subgroups, or strata. From each stratum, individuals were then randomly chosen, ensuring that each subgroup was proportionally represented in the final sample. Staff members of the County Water Service Board, members of the County Executive Committee (CEC), chief officers, procurement officers, and members of county assemblies (MCAs) were among the stratum for this research.

This strategy was warranted as it improved the data's dependability and representativeness, particularly in a population with clear roles and duties. The research improved the accuracy and generalizability of its results to the larger population of public sector water governance players in the chosen counties by classifying respondents according to their functional engagement in water projects. Additionally, the use of random selection within each stratum reduced bias and facilitated the use of inferential statistics during the analysis stage.

3.4.1 Sample Size

This study employed stratified random sampling as the sampling technique to ensure that all relevant subgroups within the population were adequately represented. Stratified sampling was chosen because it allows for the categorization of the population into distinct groups based on specific characteristics, such as roles in the water project (e.g., procurement officers, project managers, and county executives). This method helps ensure that each subgroup is proportionally represented, thereby increasing the accuracy and generalizability of the findings.

The rationale for using stratified sampling is based on the diverse nature of the target population. Different individuals within the same population may have varying levels of experience, responsibility, and involvement in the water projects, and stratified sampling accounts for this diversity by ensuring that each subgroup's perspectives are considered. This approach improves the reliability of the results by minimizing bias that could occur if certain groups were underrepresented.

Furthermore, Yamane's formula (1967) was used to determine the appropriate sample size. This formula is widely accepted in social science research for calculating sample sizes from finite populations and provides a straightforward method to ensure a representative sample. The formula assumes a 95% confidence level and a 5% margin of error, which are typical in research studies aiming for high reliability and validity. By combining stratified random sampling with Yamane's formula, this study ensures that the sample is both statistically

representative and manageable, thus allowing for the generalization of the findings to the broader population of stakeholders involved in water projects in the SEKEB region.

The formula is expressed as:

$$n = \frac{N}{1 + N(e^2)}$$

Where:

- n = required sample size
- N = total population size
- e = level of precision (margin of error), set at 0.05

Substituting the values into the formula:

$$n = \frac{764}{1 + 764(0.05)^2}$$

$$n = \frac{764}{1 + 764(0.0025)}$$

$$n = \frac{764}{1 + 1.91}$$

$$n = \frac{764}{2.91}$$

n=262.54

Rounded to the nearest whole number, the sample size is:

n=263 respondents

Therefore, the study used a sample size of 263 respondents, which is statistically adequate for representing the total target population of 764 individuals involved in the planning, procurement, and management of county government water projects across Kitui, Makueni, and Machakos counties. This sample ensures a 95% confidence level with a 5% margin of error, providing reliable and generalizable results for the analysis of tendering processes, corporate governance practices, stakeholder engagement, and project performance

Table 5: Sample size

Category	Makueni	Kitui	Machakos	Sample size
County office	22	19	21	62
Water Service Board staff	25	23	28	76
Procurement Officials	22	25	27	74
County assemblies	12	20	19	51
Total				**263**

Based on their proportional representation among the 764 targeted stakeholders, the 263 respondents in the sample were divided equally among the three counties of Makueni, Kitui, and Machakos. In line with their practical significance to the delivery of water projects, this stratified distribution made sure that important respondent categories such as county office personnel, water service board officials, procurement officers, and county assembly members were well represented. The proportions improve the results' representativeness and generalizability by reflecting the real staffing distribution within each county's water governance and procurement systems. The research reduced sample bias and made sure that a variety of stakeholder viewpoints were recorded by using stratified random sampling within these categories, especially among individuals who were actively engaged in the planning, bidding, monitoring, and supervision of county government water projects. Robust comparative analysis across counties and institutional functions is supported by this strategic allocation.

3.5 Data Collection Instrument

Instruments for gathering data are crucial for gathering pertinent information that supports a study's goals. Cooper and Schindler (2011) define these instruments as the instruments and methods used to measure variables in research. Semi-structured questionnaires were used to gather primary data for this investigation. Both quantitative and qualitative data may be gathered using a semi-structured questionnaire, which combines closed-ended (structured) and open-ended (unstructured) questions.

In addition to providing standardized answers for statistical analysis, this dual-format method gave respondents the freedom to go into more detail about their experiences or views as needed. While the open-ended items provided insights into contextual subtleties that would

not be captured by set answers, the closed-ended questions promoted consistency, simplicity of scoring, and comparability among replies.

Semi-structured questionnaires work especially well for descriptive study designs where clarity and depth are crucial for comprehending real-world problems, such how water project governance, stakeholder relations, and bidding procedures operate. Cherry (2015) asserts that this approach avoids interviewer bias, fosters impartiality, and gives respondents enough time to consider their responses. Additionally, semi-structured surveys are simple to use, economical, and perfect for quickly collecting data from large populations, as shown by Mugenda & Mugenda (2008) and Kothari (2014).

3.5.1 Data Collection Procedures

Cherry (2015) defines data collection as the systematic and methodical process of gathering information relevant to the study objectives through structured instruments such as questionnaires, interviews, and observations. In this study, data collection followed a well-coordinated, ethically guided procedure to ensure validity, reliability, and respondent confidentiality. Prior to fieldwork, the researcher obtained an official authorization letter from the Management University of Africa and a research permit from the National Commission for Science, Technology, and Innovation (NACOSTI), allowing access to participants and institutions within the South Eastern Kenya Economic Bloc (SEKEB) region.

Data were collected using structured questionnaires, which were administered through both physical (paper-based) and digital platforms. The digital format was facilitated through Kobo Toolbox and Google Forms, enabling efficient data capture, secure storage, and real-time monitoring of responses, especially in geographically dispersed or remote areas. The use of these platforms minimized manual data-entry errors and enhanced response accuracy. Physical questionnaires were administered in locations with limited internet connectivity, ensuring inclusivity and maximizing response rates.

A team of three trained research assistants supported the data collection process. The assistants were carefully selected based on their prior experience in field research and familiarity with the local languages and socio-cultural context of the SEKEB counties Kitui, Makueni, and Machakos. Before the commencement of data collection, the assistants underwent a comprehensive two-day training session conducted by the researcher. The training focused on the purpose of the study, ethical conduct, informed consent procedures, confidentiality protocols, and techniques for maintaining neutrality when interacting with

respondents. The training also covered the correct use of Kobo Toolbox and Google Forms for digital data entry.

During both the pilot test and the main survey, the researcher personally supervised the administration of questionnaires to ensure adherence to ethical and methodological standards. Each participant received an introductory letter explaining the purpose, significance, and voluntary nature of the study. Respondents were assured of anonymity and informed that the data collected would be used strictly for academic purposes. The research assistants distributed questionnaires to targeted respondents during scheduled visits to county offices, water boards, and project sites, offering clarifications where necessary. In cases where respondents were unavailable for in-person participation, a secure Google Forms link was shared via email or WhatsApp to facilitate remote completion.

Completed questionnaires both physical and digital were reviewed daily by the researcher for completeness and consistency. Physical responses were securely stored, while electronic data were encrypted and backed up on password-protected storage to safeguard confidentiality. The combined use of in-person and digital administration approaches enhanced coverage, improved data quality, and ensured the timely completion of fieldwork across the three counties.

3.6 Pilot Testing

In order to evaluate the research strategy with a limited number of participants prior to completing the main study, pilot testing was carried out as a rehearsal of the research study. Lancaster, Dodd, and Williamson (2010) state that 1% to 10% of the population should be included in the pilot test for high-precision pilot studies. Since there were 264 responders in this survey, about 10% of the population participated in the pilot test. The goal was to determine the suitability and correctness of the study design and apparatus, as well as to provide time for modifications to the survey questions (Saunders, Lewis & Thornhill, 2019).

Muchelule (2018) asserts that the value of field piloting cannot be overstated; pilot testing often identifies questions that respondents do not comprehend or interpret differently, questionnaire navigation problems, and questions that do not generate insightful answers. The goal of the pilot test, according to Cooper and Schindler (2011), is to identify design and execution flaws and serve as a stand-in for data gathering in a probability sample.

To ascertain the correctness of the research tools (the questionnaire) used to gather the intended data, a pilot test was conducted for this study prior to the actual start of the major data collection (Kothari, 2014). According to Mugenda & Mugenda (2013), pilot testing aids

in identifying flaws in the equipment and design. The researcher carried out the pilot study in order to determine the validity and reliability of the study instruments. Regarding instructions, question clarity, and relevance, respondents were invited to provide feedback (Mugenda & Mugenda, 2018).

Simple random sampling, according to Orodho (2008), guarantees that every unit has an equal chance of being selected, producing a sample that is more representative and less biased. To prevent response bias and guarantee the validity of the findings, the participants in the pilot research were not included in the final study. Based on comments and initial analysis, the pilot exercise assisted the researcher in making necessary corrections.

3.6.1 Validity

The correctness and significance of conclusions drawn from study findings were referred to as validity (Mugenda & Mugenda, 2008). It was the amount to which the test measured what it was supposed to measure or the degree to which the findings from the data analysis accurately reflected the phenomenon being studied. 10% of the sample was employed in the pilot to evaluate and improve the questionnaire's validity, and the tools were updated in light of the findings (Kothari, 2014). To improve validity, the researcher went over the interview questions and questionnaire with supervisors and subject matter experts in water projects.

Both construct and content validity were used in this investigation. The questionnaire was divided into parts for construct validity, making ensuring that each segment addressed distinct goals and was in line with the conceptual framework's sub-constructs. In accordance with Cooper and Schindler's (2011) suggestions, content validity was confirmed by distributing the instruments to a chosen group of experts in the domains of corporate governance, tendering, stakeholder engagement, and public sector performance.

3.6.2 Reliability

The uniformity of measurements over several trials was referred to as reliability (Cooper & Schindler, 2010). It was evaluated by looking at how well the research tool generated steady and reliable findings throughout many uses (Mugenda & Mugenda, 2003). The pre-testing procedure aided in assessing the tools' dependability with regard to question format, language, and order. No matter when or how it is used, a trustworthy instrument produces consistent results (Kothari, 2011).

According to Saunders, Lewis, and Thornhill (2009), the degree of demographic homogeneity also affected dependability. Because answers might vary, a diverse population may provide more reliable results. As suggested by Kumar (2014), item analysis was used to

evaluate internal consistency and make sure that each item and subscale reflected the target construct.

Internal dependability was measured using Cronbach's Alpha (α), where better consistency is indicated by values around 1.0. This approach was used to confirm the internal coherence of the study's components; Muchelule (2018) had previously utilized it in research on state company performance monitoring.

$$\alpha = rk/[1 + (k - 1)/r]$$

where; k = is the number of items considered and r = is the mean of inter-item correlations. George & Mallery (2003) provide the following commonly accepted rules of thumb: $\alpha \geq 0.9$ – Excellent; $0.9 > \alpha \geq 0.8$ – Good; $0.8 > \alpha \geq 0.7$ – Acceptable; $0.7 > \alpha \geq 0.6$ – Questionable; $0.6 > \alpha \geq 0.5$

– Poor and $0.5 > \alpha$ – Unacceptable. Therefore, ideally, the Cronbach's Alpha coefficient of a scale above 0.7 should be acceptable. All scores tested for this study are expected to be above 0.7 which is the generally recommended score according to Creswell (2014).

3.7 Data Processing and Analysis

The process of data processing and analysis included turning unprocessed data into insightful knowledge that addressed the goals and theories of the investigation. Bell, Bryman, and Harley (2022) define data analysis as the methodical process of extracting insights, correlations, and patterns from gathered data. Both quantitative and qualitative data were examined in this research utilizing suitable methodologies that complemented the mixed-methods approach. SPSS Version 24 was used to process quantitative data. To summarize the data, descriptive statistics such as means, standard deviations, and frequency distributions were calculated. The proposed associations between variables were then tested using inferential statistics, namely regression analysis and correlation.

To investigate the direct, mediating, and moderating impacts of corporate governance procedures, stakeholder involvement, and tendering processes on the performance of water projects, the research used both simple linear regression and multiple regression analyses. The strength and direction of linear correlations were tested using Pearson's correlation coefficient (r). According to Sahu (2013), R-values should be interpreted as follows: +0.10 to +0.29 (weak), +0.30 to +0.49 (moderate), and +0.50 to +1.0 (high). Each relationship's

statistical significance was evaluated using p-values (< 0.05), and the regression models' goodness of fit was gauged by the coefficient of determination (R^2). The overall significance of the model was assessed using Analysis of Variance (ANOVA). The direction and strength of each independent variable's impact on the dependent variable were ascertained by interpreting the beta coefficients.

Although the limits of causal inference in non-experimental designs were recognized, the research used the procedures described by Baron and Kenny (1986) to investigate mediation. In order to support mediation, the research assessed the indirect effect's significance where suitable. The regression model was modified to include interaction terms between the moderator and predictor variables for moderation. The presence of a moderating impact was confirmed by a substantial interaction term.

To evaluate open-ended replies, this research used theme analysis and qualitative content analysis in addition to quantitative analysis. To find patterns, trends, and connections in communication, content analysis included methodically classifying and coding textual material. This included dividing the data into digestible chunks (such as words, phrases, or sentences), giving each chunk a code, and classifying codes that were similar. This approach offered a methodical approach to quantifying qualitative data, exposing trends like recurrent perspectives or often mentioned difficulties with procurement, stakeholder responsibilities, or water project management.

However, thematic analysis goes beyond frequency to examine the richness and significance of participants' answers. It included getting to know the data, creating preliminary codes, looking for themes, evaluating themes, defining them, and summarizing results. Particularly when it came to delicate topics like inclusion, civic involvement, and governance integrity, this method assisted in revealing the underlying ideas, attitudes, and values that respondents articulated. It was especially appropriate for investigating the subjective aspects of community involvement and corporate governance, which made it perfect for evaluating the ways in which these concepts affected project success in the South Eastern Kenya Economic Bloc (SEKEB).

Overall, thorough analysis, triangulation of results, and solid insights into the interactions between governance, stakeholder engagement, tendering, and project success were guaranteed by the combined use of quantitative and qualitative methodologies. While regression analysis determines the nature of the connection between the independent and dependent variables as follows, Pearson correlation testing determines the strength of the link:

$Y= \beta 0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$

Where: Y = Performance

X_1 = Corporate governance practices

X_2=Tendering Process

X_3 = Stakeholder's engagement

$\beta 0$ = the constant

B1-n = the regression coefficient or change included in Y by each χ,

ϵ = error term

A variable that influences the intensity and direction of the link between a dependent criteria variable and an independent or predictor variable is known as a moderator. This variable may shift the direction of the association between a predictor and a dependent variable from positive to negative, or it can increase or decrease the direction of the relationship. If there is a substantial interaction between the moderator and predictor on the dependent variable's outcome, the moderator is supported. To determine the moderating effect of the tendering process (z) on the connection between the independent variable (governance) and the dependent variable (delegated legislation), the research used multiple regression analysis (stepwise approach).

3.8 Diagnostic Tests

The diagnostic tests used in this study were designed to assess the accuracy of statistical estimates and addressed several types of bias that may occur in research. To make sure the regression models were reliable and the data was suitable for inferential analysis, the research investigated a number of diagnostic tests.

3.8.1 Sampling Adequacy Test

To determine if the research data was appropriate for factor analysis, the Kaiser-Meyer-Olkin (KMO) test was used. This test assessed the sample adequacy for the whole model as well as for each of the variables. It showed the percentage of the variables' variation that could be ascribed to underlying common causes. The range of the KMO values was 0 to 1. KMO values below 0.6 indicated insufficient sampling and the need for corrective action, while values between 0.8 and 1.0 were seen as reflecting acceptable sampling in accordance with normal interpretation criteria. The study's test findings confirmed that the dataset was suitable for further multivariate analysis. Although values nearer zero would have shown

extensive partial correlations, which is problematic for component analysis (Hertzog, 2008), the actual data set did not raise these issues.

3.8.2 Testing for Autocorrelation

The residuals from the regression models were examined for autocorrelation using the Durbin-Watson (d) statistic. This diagnostic test assisted in determining the independence of subsequent mistake phrases. At the 0.05 level of significance, the Durbin-Watson statistic was computed and compared to conventional critical values in this investigation. Potential issues with positive autocorrelation would have been indicated by a value less than 1.0, which would have shown that the residuals were not distributed randomly. The assumption of no autocorrelation was not broken, nevertheless, since the computed Durbin-Watson statistics in this investigation were higher than the top limit of the tabulated values (Kultar, 2007).

3.8.3 Multicollinearity Test

The research used the Variance Inflation Factor (VIF) approach to investigate if multicollinearity existed among the independent variables. In a regression model, multicollinearity is the result of strongly connected explanatory variables, which inflates the standard errors of the coefficients and may cause certain predictors to look statistically unimportant. Multicollinearity makes it more difficult to comprehend the coefficients, although it does not directly contradict the regression analysis assumptions (Bryman, 2011). VIF values were calculated for every independent variable in this investigation. VIF values over 10 and a correlation coefficient threshold of 0.8 were used as benchmarks to indicate possible multicollinearity issues. Since none of the variables were found to be over these limits, the diagnostic output indicated that multicollinearity did not pose a risk to the reliability of the regression analysis.

3.8.4 Normality Test

The assumption that the data has a normal distribution provides the foundation for many parametric tests, including as regression, t-tests, correlation, and analysis of variance. This indicates that the populations that the samples are drawn from are thought to be regularly dispersed. When creating reference intervals for variables, the assumption of normalcy is very important. Normalcy assumptions are crucial because without them, it is hard to make trustworthy and correct inferences about reality. The normality tests, which are an adjunct to the graphical evaluation of normalcy, are crucial for determining if data exhibit a significant departure from normalcy (Cooper & Schindler, 2016). The Shapiro-Wilk test, the Jarque-Bera test, the Anderson-Darling test, and the Kolmogorov-Smirnov (K-S) test are the primary

tests for determining normalcy that were taken into consideration in this research. Since SPSS was used to examine the data, the research included Shapiro-Wilk tests to check for normality. The Shapiro-Wilk Test's significance value for a normal distribution should be higher than 0.05. The data substantially depart from a normal distribution if it is less than 0.05 (Sahu, 2013).

3.8.5 Linearity Test

In order to determine if further research would provide the anticipated correlations, the study did perform a test of linearity using correlation analysis. According to Kumar and Gautham (2020), correlation analysis is the study of the direction, strength, and type of a predicted connection between two variables from a statistical point of view. The Pearson Product Moment Correlation Coefficient, or r, is the most often used correlation metric in this research. Cooper & Schindler (2014) state that a correlation value of r=0 denotes the independence of the variables, whilst a correlation coefficient of r=1 indicates a significant association between the variables. According to Kothari (2016), this link between variables may be positive (+), signifying a straight linear relationship, or negative (-), indicating an inverse relationship.

3.9 Hypotheses Testing

There were four null hypotheses in this investigation. Since the hypotheses are based on a single response variable that varies linearly on many predictor variables, each hypothesis was evaluated using a multiple regression model. In Chapter Two, the null hypotheses are emphasized.

3.9.1 Model for the Study

The weighted linear model was used to examine the importance of the independent variable (the tendering process) on the dependent variable (the performance of water projects). Weighted averages of the constructs were used to calculate the independent variable in order to make it easier to apply regression models that included the mediating and moderating factors.

Model 1: Direct Relationship

$$PWP = \alpha_0 + \beta_1 TP + \varepsilon \quad \text{..... (1)}$$

3.9.2 Mediation Model

A mediation model is used to understand the mechanism through which an independent variable influences a dependent variable via a third variable, known as the mediator. In this

model, the mediator explains the process or pathway through which the effect of the independent variable is transmitted to the dependent variable. Essentially, it helps to clarify *how* or *why* a particular effect occurs. Mediation analysis is useful for identifying indirect effects and assessing the strength of the relationship between variables. By incorporating a mediator, it provides a deeper understanding of causal relationships in complex systems.

Regression analysis (four-step mediation method) as suggested by Baron and Kenny (1986) was used to establish the mediating effect of Corporate Governance Practices on the relationship between Tendering Process and Performance of Water Projects in selected county governments in SEKEB, Kenya.

Step 1: $PWP = \alpha + \beta\mathbf{1}TP + \varepsilon$..... (2)

Step 2: $CGP = \alpha + \beta\mathbf{2}TP + \varepsilon$..... (3)

Step 3: $PWP = \alpha + \beta\mathbf{3}CGP + \varepsilon$..... (4)

Step 4: $PWP = \alpha + \beta\mathbf{4}TP + \beta\mathbf{5}CGP + \varepsilon$..... (5)

3.9.3 Moderation Model

A moderation model examines how the relationship between an independent variable and a dependent variable is influenced or altered by a third variable, known as the moderator. In this model, the moderator affects the strength or direction of the relationship between the independent and dependent variables. Essentially, moderation helps to understand *when* or *under what conditions* an effect occurs, providing insights into factors that may enhance or reduce the impact of the independent variable on the dependent variable. By including the interaction term between the independent variable and the moderator, moderation analysis identifies the variable's contingent role in the relationship.

Regression analysis (process analysis method) as suggested by Baron and Kenny (1986) was used to establish the moderating effect of Stakeholder Engagement on the relationship between Tendering Process and Performance of Water Projects in selected county governments in SEKEB, Kenya.

$PWP=\alpha + \beta\mathbf{1}TP + \varepsilon$..... (6)

$PWP = \alpha + \beta\mathbf{1}TP + \beta\mathbf{2}SE + \varepsilon$..... (7)

$PWP = \alpha + \beta\mathbf{1}TP + \beta\mathbf{2}SE + \beta\mathbf{3}TP*SE + \varepsilon$..... (8)

3.9.4 Moderated Mediation Model

Regression analysis (process analysis method) as suggested by Hayes and Rockwood (2020) was used to establish the mediated-moderation effect of Corporate Governance Practices and Stakeholder Engagement on the relationship between Tendering Process and Performance of Water Projects.

$$CGP = \alpha + \beta_1 TP + \varepsilon \ldots\ldots\ldots\

Objectives	Hypotheses	Analysis and Model Estimation	Output
engagement on the relationship between tendering process and performance of water projects in SEKEB, Kenya	stakeholder engagement on the relationship between tendering process and performance of water projects in SEKEB, Kenya.	Step 2: $P = \alpha + \beta 1TP + \beta 2SE + \varepsilon$ Step 3: $P = \alpha + \beta 1TP + \beta 2SE + \beta 3TP*SE + \varepsilon$	change shows moderation strength. p-value ≤ 0.05 confirms significance.
To determine the mediated-moderated effects of corporate governance practices and stakeholder engagement on the relationship between tendering process and performance of water projects in SEKEB, Kenya	H04: There is no statistically significant mediated-moderation effect of corporate governance practices and stakeholder engagement on the relationship between tendering process and performance of water projects in SEKEB, Kenya.	Moderated Mediation Analysis: Step 1: $TP = \alpha + \beta 1CG + \varepsilon$ Step 2: $P = \alpha + \beta 1TP + \beta 2SE + \beta 3CG*SE + \varepsilon$	Stepwise regression confirms mediated moderation. Significant interaction term (CG*SE) and R^2 change indicates moderated mediation. p-value ≤ 0.05 confirms significance.

3.10 Ethical Considerations

The concepts that directed the study to ensure responsible behavior and the preservation of participants' rights, welfare, and dignity were referred to as ethical concerns in research (Resnik, 2018). Getting informed permission, guaranteeing voluntary participation, protecting confidentiality and privacy, and preventing participant damage were all important ethical foundations. Additionally, the research maintained academic integrity by abstaining from unethical practices like data manipulation and plagiarism. Every technique complied with globally accepted research ethics standards as well as the Management University of Africa's and the National Commission for Science, Technology, and Innovation's (NACOSTI) ethical requirements. Participants' safety and liberty were preserved throughout the whole study procedure, and the data obtained was only utilized for academic reasons.

3.10.1 Informed Consent

Before any data were gathered, participants received a thorough explanation of the study's goals, methods, possible dangers, and expected advantages. Without any kind of compulsion, informed permission was willingly given. Participants were informed that they might leave the research at any time without incurring any fees. Before beginning fieldwork, research permission was acquired from NACOSTI and ethical approval was received by the Management University of Africa. According to Resnik's (2018) guidelines, all study procedures were carried out in a way that honored each participant's autonomy, dignity, and autonomous decision-making.

3.10.2 Confidentiality

The study ensured strict confidentiality of participant responses. As guided by Sekaran and Bougie (2019), no identifiable personal information such as names, national identification numbers, phone contacts, or email addresses was collected in the questionnaire. Questionnaires were coded anonymously, and all raw data was accessible only to the researcher and authorized assistants. All data was stored securely to prevent unauthorized access, and findings were reported in aggregate form.

3.10.3 Anonymity

Although absolute anonymity is challenging when using self-administered questionnaires, this study maximized participant anonymity wherever feasible. No identifying information was required, and all responses were depersonalized and presented in summary form. The instruments were carefully designed to eliminate the capture of personal identifiers, ensuring that no participant could be individually traced from the dataset (Andrew, 2006).

3.10.4 Privacy

The data collection process respected the privacy of all participants. Questions deemed intrusive or overly personal were avoided. Data was collected in an environment that fostered openness and psychological safety, and every effort was made to minimize discomfort. In addition, all data was stored in password-protected files and physical documents were securely locked, with access restricted to the research team.

3.10.5 Plagiarism

The study strictly avoided plagiarism by ensuring that all secondary information, concepts, and ideas drawn from other authors were properly cited using the APA 7th edition referencing style. Proper attribution was given to all scholarly materials, reports, and

publications that informed the study. This adherence to citation conventions upheld academic honesty and maintained the integrity of the research process.

3.11 Chapter Summary

The research approach that directed the investigation was described in this chapter. It described the research philosophy, which used a mixed methodologies design and a pragmatic approach to accommodate both qualitative and quantitative features. The study design, target population, sampling methods, and the procedure for calculating the right sample size using Yamane's formula were all covered in detail in this chapter. It described the methods used to deliver semi-structured questionnaires and their usage as the primary tool for gathering data.

The chapter also discussed the steps used during pilot testing and provided the techniques for evaluating the instruments' validity and dependability. The data was analyzed using both descriptive and inferential statistical methods, such as regression, correlation, and ANOVA. Thematic and content analysis were used to examine the qualitative data. To make sure the model was accurate and robust, diagnostic procedures such the Kaiser-Meyer-Olkin (KMO) test, Durbin-Watson test, variance inflation factor (VIF), and Shapiro-Wilk normality test were used. To guarantee compliance with academic and professional norms, ethical issues pertaining to informed consent, anonymity, secrecy, privacy, and plagiarism were also covered.

CHAPTER FOUR

DATA ANALYSIS AND RESEARCH RESULTS AND DISCUSSION

4.0 Introduction

This chapter presents the analysis of data collected to examine the influence of the tendering process, corporate governance practices, and stakeholder engagement on the performance of county government water projects in the South Eastern Kenya Economic Bloc (SEKEB). The analysis is structured into four key sections. The first section presents the response rate and pilot survey outcomes including reliability, validity, and factor analysis. The second section provides descriptive statistics for each of the study variables. The third section presents inferential analysis, including correlation and multiple regressions to test the direct, mediating, moderating, and moderated mediation hypotheses. The final section discusses the implications of these findings in relation to the stated research objectives and hypotheses.

4.1 Analysis of Response Rate

A total of 263 questionnaires were distributed across Kitui, Makueni, and Machakos counties, targeting officials involved in planning, tendering, and managing county government water projects. Out of these, 213 fully completed questionnaires were returned, giving an overall response rate of 81%.

Table 7: Response Rate

Category	Administered	Returned	Unreturned	Response Rate
Respondents	263	213	50	81%

This response rate is considered excellent. According to Mugenda and Mugenda (2003), a response rate of above 70% is deemed very good and suitable for further analysis. It reflects high engagement from respondents, especially those involved in public water project oversight and implementation in the SEKEB region. The 19% non-response rate was mainly due to limited availability of targeted respondents and conflicting schedules during the data collection period.

4.2 Demographic Characteristics of Respondents

This section presents the demographic profile of the respondents who participated in the study on the influence of tendering processes, corporate governance practices, and stakeholder engagement on the performance of county government water projects in the South Eastern Kenya Economic Bloc (SEKEB). The analysis focused on five key aspects:

gender, academic qualifications, departmental affiliation, years of experience managing water projects, and membership in county-level water project committees. These characteristics provide context for interpreting the study's findings and assessing the representativeness of the sample.

4.2.1 Gender of Respondents

The gender distribution among the respondents revealed that female participants accounted for a slight majority at 54.5%, while male respondents comprised 45.5% of the sample as shown in Figure 2;

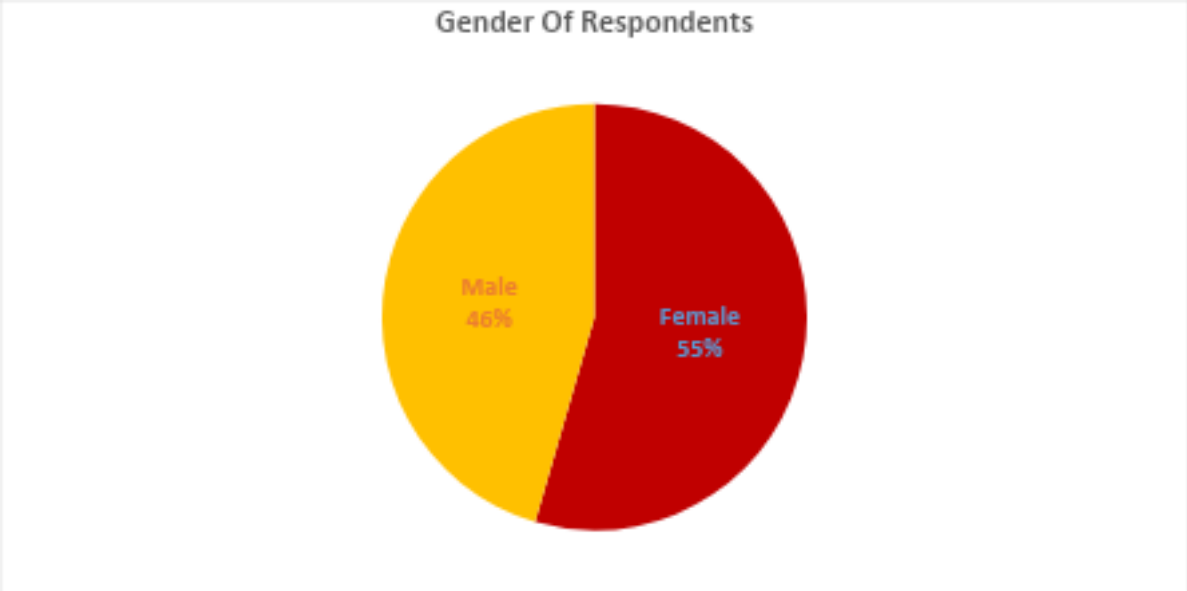


Figure 2: Gender of Respondents

This distribution suggests a commendable level of gender inclusivity in the management and oversight of county water projects across Kitui, Makueni, and Machakos counties. It reflects efforts toward gender-balanced public participation, particularly in service delivery areas traditionally dominated by male actors.

4.2.2 Level of Education

Respondents were asked to indicate their highest level of academic qualification. The results show a relatively high level of educational attainment.

Table 8: Level of Education of Respondent

Level of academic qualification	Percent
Certificate	25.40%
Diploma	23%
Undergraduate Degree	30%
Masters	17.80%
PhD	3.80%

A majority of the participants, 30%, held an undergraduate degree, followed by 25.4% who had attained a certificate, and 23% with a diploma. Additionally, 17.8% reported having a master's degree, while a smaller proportion, 3.8%, had attained a PhD. These figures indicate that the majority of individuals engaged in water project implementation and oversight within the SEKEB counties possess formal tertiary education, enabling them to contribute effectively to technical processes, governance oversight, and policy implementation.

4.2.3 Departmental Role in County Water Projects

The study also captured the current departmental arm within which each respondent was working. The responses are captured in Figure 3;

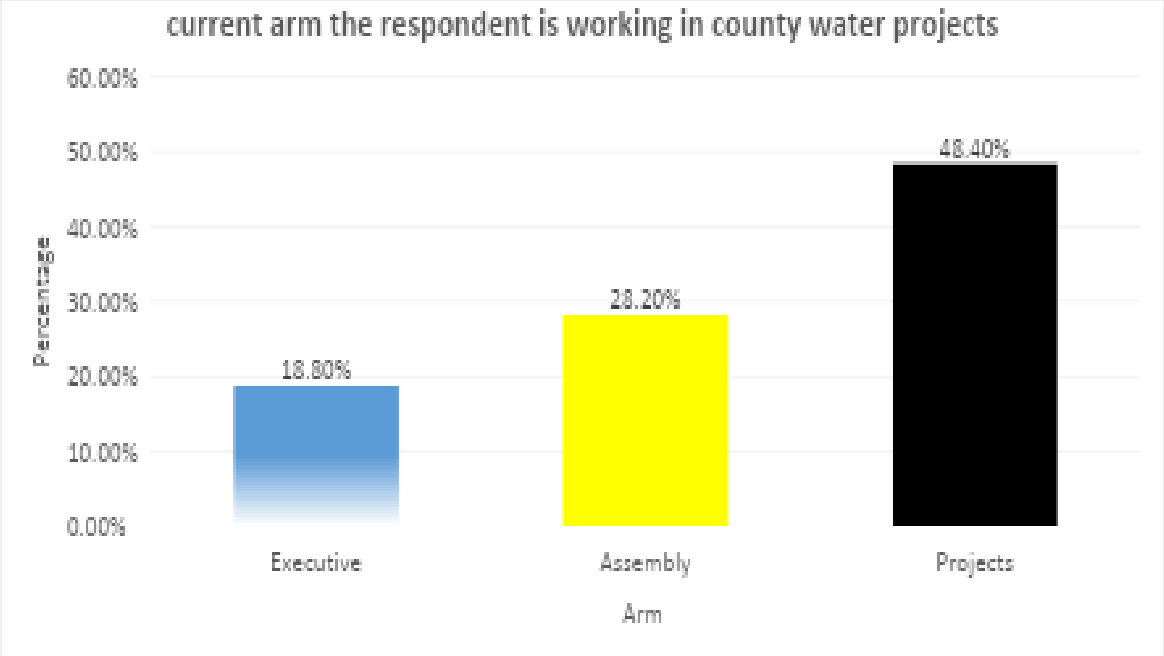


Figure 3: Departmental Role of Respondent

The results indicate that 48.4% of respondents were affiliated with the projects arm, which includes operational and technical staff managing project execution. Another 28.2% served in the county assembly, representing the legislative oversight function, while 18.8% were

affiliated with the executive arm, often involved in strategic leadership and policy direction. This distribution demonstrates a balanced inclusion of both policy makers and implementation agents, ensuring a comprehensive understanding of the entire project lifecycle.

4.2.4 Years of Experience in Managing Water Projects

Respondents were asked to report how long they had been involved in managing county government water projects. Table 9 shows these findings;

Table 9: Years of Managing Water Projects

years of Managing Water Projects in SEKEB Region	**Frequency**
Less than 1 Year	25.40%
1-5 Years	39.90%
6-10 Years	25.80%
More than 10 Years	7%

The majority, 39.9%, reported 1–5 years of experience, while 25.8% had managed such projects for 6–10 years. A similar proportion, 25.4%, had less than one year of experience, and 7% had worked in the sector for more than 10 years. These results reflect a workforce that is largely composed of relatively early- to mid-career professionals, with a smaller group of experienced managers offering institutional memory and continuity in governance practices.

4.2.5 Membership in Water Project Committees

To assess stakeholder engagement more directly, respondents were asked whether they were members of any committee or organ that deals with water projects in their respective counties.

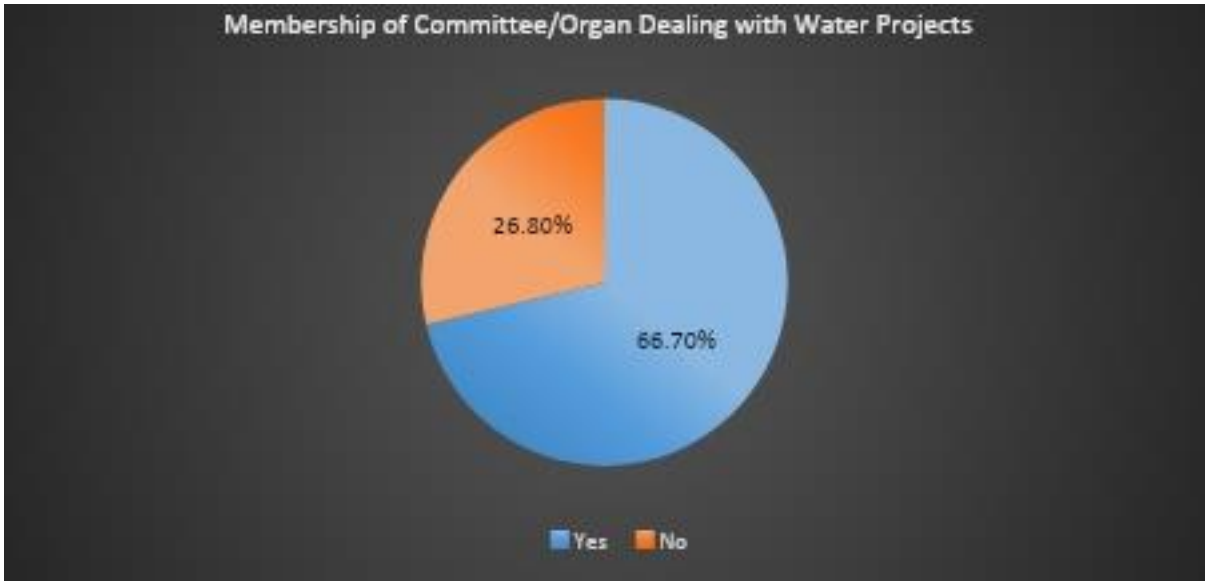


Figure 4: Membership in Water Project Committees

The findings show that 66.7% of respondents confirmed active membership in such committees, while 26.8% reported no committee involvement. This indicates that a significant proportion of participants were directly engaged in governance structures overseeing public water infrastructure, validating their perspectives on procurement, corporate oversight, and community participation.

4.3 Results of the Pilot Survey

Before undertaking full-scale data collection, a pilot survey was conducted to test the reliability and validity of the research instrument. The pilot study serves as a critical preliminary phase in empirical research, enabling the researcher to identify and rectify potential weaknesses in the questionnaire, assess respondent comprehension, and confirm the consistency and accuracy of the measurement tools. Conducted among a sample drawn from a population similar to the main study, the pilot focused on verifying the instrument's capacity to capture the intended constructs—Tendering Process, Corporate Governance, Stakeholder Engagement, and Project Performance. The results of the pilot were instrumental in refining item phrasing, optimizing scale clarity, and enhancing the internal structure of the tool. This section presents the outcomes of the validity and reliability analyses derived from the pilot, which were necessary to ensure the robustness and credibility of the main study.

4.3.1 Validity

Validity is the degree to which a research instrument accurately measures the constructs it intends to measure. According to Bhattacherjee (2012), validity can be accessed through both

theoretical and empirical approaches. The theoretical approach includes content and face validity, while the empirical approach focuses on construct validity using statistical tests.

4.3.1.1 Content Validity

To establish content validity, the study adhered to a structured evaluation process as recommended by Cooper and Schindler (2013). This involved developing the data collection tool based on existing validated scales drawn from peer-reviewed literature related to public procurement, governance, and stakeholder engagement. The questionnaire was then reviewed by a panel of six field experts including professionals in county public administration, governance, project management, and procurement regulation who assessed the instrument's clarity, comprehensiveness, and relevance.

Further validation was obtained through academic peer reviews during thesis defense workshops organized by the Management University of Africa. Feedback from these sessions informed refinements that enhanced the semantic accuracy and construct alignment of each item. The final version of the questionnaire was then vetted by university-appointed supervisors. Through this rigorous multi-phase validation process, the instrument achieved strong face and content validity, as it appeared to comprehensively capture the essential aspects of the constructs under study, in line with Zikmund (2003).

4.3.1.2 Construct Validity

Construct validity refers to the extent to which a test accurately represents the theoretical construct it is intended to measure. To assess this, the study employed the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity, consistent with the methodological guidance of Dikko (2016).

The KMO statistic gauges the proportion of variance among variables that might be common variance and hence suitable for factor analysis. A KMO value above 0.6 is generally considered acceptable, while values above 0.8 are deemed excellent. Bartlett's Test of Sphericity examines whether the correlation matrix is significantly different from an identity matrix, with a p-value less than 0.05 indicating that factor analysis is appropriate.

Table 10 presents the results of these tests:

Table 10: Validity Test

Variable	KMO Value	Test Chi-Square	Sphericity
Tendering Process	0.841	125.415	0.000
Corporate Governance Practices	0.819	108.436	0.000
Stakeholder Engagement	0.883	192.056	0.000
Performance of Water Projects	0.826	102.062	0.000

4.3.2 Reliability Test

Reliability refers to the degree to which an instrument consistently measures a concept across time and various conditions. According to Mugenda and Mugenda (2003), reliability reflects the accuracy and stability of measurements obtained from research tools. A reliable instrument yields similar results upon repeated applications under the same conditions. Ensuring reliability is essential as it reduces measurement errors and enhances the credibility of the findings (Yin, 2013).

To ascertain the reliability of the research instrument used in this study, a pilot test was conducted on a sample of 26 respondents drawn from the study population. The pilot enabled the researcher to refine the questionnaire by eliminating ambiguities, improving clarity, and testing the internal consistency of the items.

The reliability of the constructs was assessed using Cronbach's Alpha coefficient, a widely accepted measure for evaluating internal consistency among Likert-scale items. As noted by Cronbach's (1951) and Tavakol and Dennick (2011), Cronbach's Alpha values range from 0 to 1, with higher values indicating greater reliability. A threshold of 0.70 was adopted as the minimum acceptable level of reliability, as recommended by Churchill and Peter (1984), with values above 0.90 considered excellent.

The reliability coefficients for the four study variables are presented in Table 11.

Table 11: Reliability Analysis

No.	Variable	No. of Items	Cronbach's Alpha	Remark
1	Tendering Process	8	0.906	Reliable
2	Corporate Governance Practices	8	0.893	Reliable
3	Stakeholder Engagement	9	0.946	Reliable
4	Performance of Water Projects	8	0.883	Reliable

The results show that all four constructs recorded Cronbach's Alpha values well above the recommended threshold of 0.70, confirming the reliability of the instrument. The Stakeholder Engagement construct recorded the highest alpha coefficient at 0.946, indicating excellent internal consistency, while the lowest was for Corporate Governance Practices at 0.893, which is still considered highly reliable.

These findings affirm that the research instrument is statistically sound for measuring the constructs of tendering processes, governance practices, stakeholder participation, and project performance in the context of county government water projects within the SEKEB region.

4.3.3 Diagnostic Tests

To ensure the validity and robustness of the regression analysis, diagnostic tests were conducted to assess whether the core assumptions of the Classical Linear Regression Model (CLRM) were upheld. These assumptions include the absence of autocorrelation, multicollinearity, and non-normality. Adhering to these assumptions is essential for generating reliable parameter estimates, valid hypothesis testing, and accurate prediction (Gujarati & Porter, 2009; Wooldridge, 2012).

4.3.3.1 Autocorrelation

Autocorrelation, or serial correlation, refers to a situation where residuals from a regression model are correlated across observations. This violates the assumption of independence of errors and can lead to inefficient estimators and biased statistical inference (Gujarati & Porter, 2009). The Durbin-Watson statistic was used to test for the presence of first-order autocorrelation.

Table 12: Test for Autocorrelation

Model		R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
	1	.826a	0.682	0.677	0.14093	2.012

a Predictors: (Constant), Stakeholder Engagement, Corporate Governance, Tendering Process

b Dependent Variable: Performance

A value around 2 indicates no autocorrelation; values below 1.5 suggest positive autocorrelation, while values above 2.5 indicate negative autocorrelation (Field, 2013). In this study, the Durbin-Watson statistic was 2.012, as shown in Table 12. This falls well within the acceptable range, suggesting that the residuals are not serially correlated. Therefore, the regression model satisfies the assumption of independent errors.

4.3.3.2 Multicollinearity Test

The multicollinearity test is essential to ensure that the independent variables in the regression model are not highly correlated with each other, as this could inflate the standard errors of the regression coefficients, thereby weakening the model's statistical power (Hair et al., 2010). The Variance Inflation Factor (VIF) and Tolerance values were used to assess the presence of multicollinearity. As per the criteria suggested by Kutner et al. (2005), a VIF value greater than 10 or a Tolerance value less than 0.1 indicates problematic multicollinearity.

Table 13: Test for Multicollinearity

		Tolerance	VIF
1	Tendering Process	0.451	2.217
	Corporate Governance	0.453	2.209
	Stakeholder Engagement	0.995	1.005

a Dependent Variable: Performance

In this study, the results from the multicollinearity test show that all VIF values ranged between 1.005 and 2.217, and the Tolerance values ranged from 0.451 to 0.995. These values suggest that there is no significant multicollinearity in the model, and each independent variable (Tendering Process, Corporate Governance, and Stakeholder Engagement)

contributes independently to the variance explained in the dependent variable, project performance.

However, it is important to address concerns regarding the potential overlap between corporate governance and stakeholder engagement. While the VIF and Tolerance values indicate that there is no severe multicollinearity, the conceptual independence of these two variables can still be questioned. Corporate governance and stakeholder engagement are inherently linked in practice, as effective governance structures often rely on active stakeholder participation to ensure accountability and transparency.

Therefore, while the statistical test shows no evidence of problematic multicollinearity, the conceptual and practical overlap between these two constructs may still warrant further exploration. In this study, their roles were considered distinct within the framework of the research, with governance primarily focusing on internal controls and oversight, while stakeholder engagement emphasized community involvement and external feedback mechanisms. Nonetheless, their interaction and potential interdependence in shaping project outcomes are acknowledged and discussed within the context of the research.

4.3.3.3 Normality Test

Normality of the residuals is a key assumption in multiple regression, especially for valid hypothesis testing and confidence interval estimation (Osborne & Waters, 2002). The Shapiro-Wilk test was applied in this study, as it is highly recommended for small to moderate sample sizes due to its superior statistical power (Razali & Wah, 2011). The null hypothesis of the Shapiro-Wilk test is that the data is normally distributed.

Table 14: Normality Tests

	Shapiro-Wilk		
	Statistic	**df**	**Sig.**
Performance	0.995	213	0.706
Tendering Process	0.991	213	0.226
Corporate Governance	0.995	213	0.675
Stakeholder Engagement	0.994	213	0.615

* This is a lower bound of the true significance.

a Lilliefors Significance Correction

As shown in Table 14, the p-values for all variables were greater than 0.05 including Performance (p = 0.706), Tendering Process (p = 0.226), Corporate Governance (p = 0.675), and Stakeholder Engagement (p = 0.604). Therefore, the null hypothesis of normality was not rejected for any variable, confirming that the assumption of normal distribution is met and justifying the use of regression analysis.

4.3.3.4 Linearity Test

Linearity is a fundamental assumption of the Classical Linear Regression Model (CLRM), which posits that the relationship between the independent and dependent variables should be linear. Violating this assumption can lead to biased coefficient estimates and unreliable significance tests, undermining the validity of the regression model (Osborne & Waters, 2002). To assess whether this assumption holds in the current study, scatterplots with fitted regression lines were generated to visually examine the relationship between the dependent variable (Performance) and each of the independent variables: Tendering Process, Corporate Governance, and Stakeholder Engagement. These plots are presented in Figure 5.

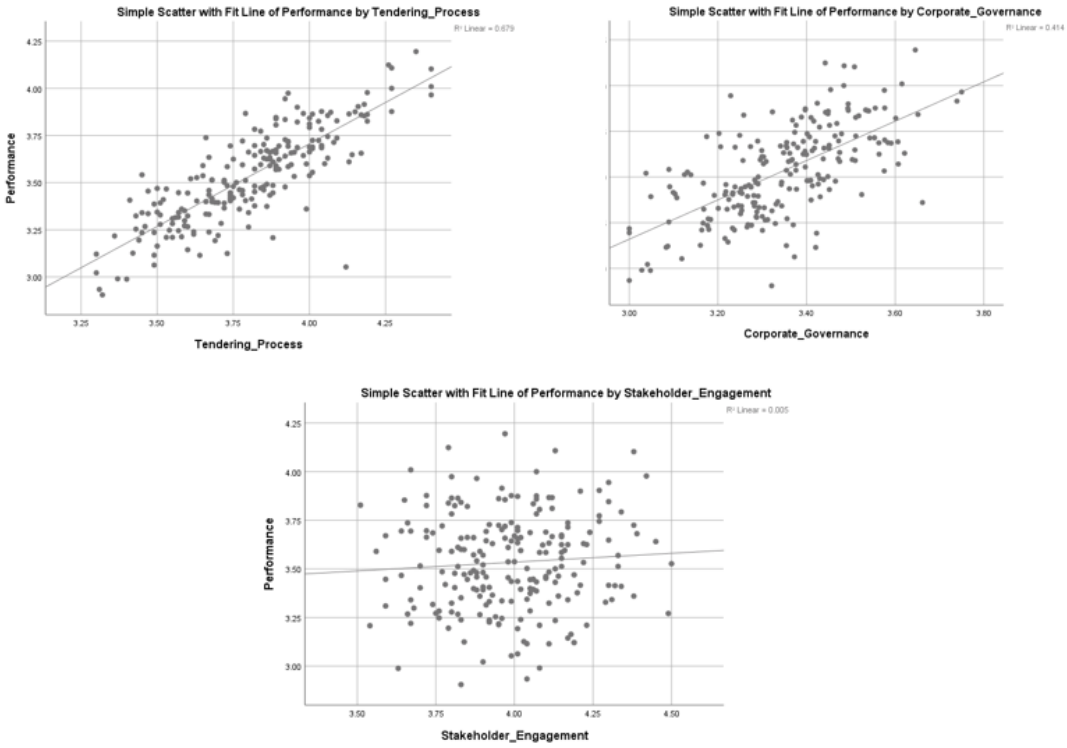


Figure 5: Scatter Plots

The scatterplot between Tendering Process and Performance (top-left) clearly demonstrates a positive linear relationship, as evidenced by the upward-sloping regression line. This suggests that tendering practices exhibit a strong and linear relationship with the performance of water projects, supporting the assumption of linearity.

Similarly, the scatterplot for Corporate Governance and Performance (top-right) also shows a moderate positive linear trend, with the regression line ascending. While there is slightly more dispersion around the line, the general upward slope indicates a valid linear relationship between corporate governance practices and project performance, affirming the linearity assumption for this variable.

In contrast, the scatterplot for Stakeholder Engagement and Performance (bottom-center) shows a weaker and flatter regression line, indicating a less pronounced linear relationship. This suggests that while stakeholder engagement may contribute to project performance, its effect appears more complex and may be influenced by additional, interacting factors. The relatively weaker linearity observed here implies that stakeholder engagement, although important, may not be as straightforwardly linked to performance as Tendering Process and Corporate Governance.

Overall, the visual inspection of the scatterplots supports the assumption of linearity for Tendering Process and Corporate Governance, while Stakeholder Engagement demonstrates a weaker but still acceptable linear relationship for the purposes of multiple regression analysis. These findings validate the use of linear regression as an appropriate estimation model for this study, as the relationships between the independent variables and performance can be reasonably described by linear trends (Tabachnick & Fidell, 2013).

4.3.4 Factor Analysis

Factor extraction results form a critical component in establishing the construct validity of a measurement instrument. According to Comrey and Lee (2013), extraction values commonly referred to as communalities indicate the proportion of each variable's variance that can be explained by the underlying latent construct extracted during factor analysis. In this study, the principal component analysis (PCA) method was employed to evaluate whether the individual questionnaire items reliably represented their corresponding latent variables: Tendering Process, Corporate Governance Practices, Stakeholder Engagement, and Performance of County Government Water Projects. A minimum extraction threshold of 0.4 was used, following the recommendations of Hair et al. (2014), indicating that the item shares at least 40% of its variance with the factor.

4.3.4.1 Tendering Process

The tendering process construct consisted of eight items, all of which returned extraction values above the 0.4 cut-off, demonstrating good construct retention as shown in Table 15;

Table 15: Factor Analysis for Tendering Process

Statement	Extraction
i)The county government/water board institution has a well laid out transparent tendering process	0.632
ii)Management organizes reports on price variances of products resourced for optimal tendering process performance	0.618
iii)The county government/water board institution is well staffed to ensure order accuracy in its tendering process	0.73
iv)The county government/water board institution has effective pre-qualification procedures to monitor suppliers' availability to enable control the resources towards better tendering process	0.493
v)Assessment of supplier quality systems is often done after tendering process to access suppliers defect rates	0.772
vi)Supplier regulatory compliance is carefully evaluated during tender process evaluation systems to avoid non delivery	0.542
vii)Overall, the county government/water board institutions sourcing strategies are planned towards better influence in tendering process	0.859
viii) County government/water boards have effective monitoring tools that ensure correct goods/services are supplied	0.524

The item with the strongest loading was "Overall, the county government/water board institution's sourcing strategies are planned towards better influence in tendering process", with an extraction value of 0.859, indicating a highly robust correlation with the latent construct. Another strong item was "Assessment of supplier quality systems is often done after tendering to access defect rates" (0.772). The item with the lowest, but still acceptable, extraction was "The county government/water board institution has effective prequalification procedures to monitor supplier availability" (0.493). These values affirm that the scale captures the multidimensional nature of procurement transparency, compliance, and supplier evaluation in public water infrastructure (Comrey & Lee, 2013; Field, 2013).

4.3.4.2 Corporate Governance Practices

For corporate governance, seven items were subjected to extraction analysis. All met the 0.4 criterion, confirming item suitability as shown in Table 16;

Table 16: Extraction Results for Corporate Governance Practices

Communalities	Extraction
i) The water boards and county governments have well laid out disclosure and transparent procedures to inform stakeholders of key contacts who can answer questions and give reports on performance of water projects.	0.62
ii) Accountability compliance procedures are available to attract talented board nominees who perform to the benefit of stakeholders	0.591
iii) The Public is sufficiently informed of opportunities for continuous improvements on the tendering processes being followed in the county government and water boards	0.504
iv) Governance and firm performance as a measure of good corporate governance practices on tendering process is preceded by civic education to enrich the process	0.527
v) Board members and county officials have authority to act on behalf of their boards/county in monitoring the performance and contribute constructively in county water projects decisions	0.746
vi) Members of the public understand their right to corporate governance and demand feedback on tendering process and final evaluation of water projects tenders.	0.43
vii) The County Government satisfies itself that sufficient corporate governance practices in public participation is done before publication of water tenders	0.823

The highest extraction was recorded for "The County Government satisfies itself that sufficient corporate governance practices in public participation is done before publication of water tenders" (0.823), indicating that public involvement and transparency are central to the governance framework measured. Conversely, the item "Members of the public understand their right to corporate governance and demand feedback on tendering process and final

evaluation" registered the lowest acceptable loading of 0.430. Although statistically weaker, this item was conceptually retained due to its relevance in capturing citizen accountability and democratic participation, key elements emphasized in institutional theory (Bryman & Bell, 2011; Sekaran & Bougie, 2016).

4.3.4.3 Stakeholder Engagement

The stakeholder engagement variable exhibited strong construct validity, with all nine items surpassing the 0.4 extraction benchmark as shown in Table 17;

Table 17: Factor Results for Stakeholder Engagement

Communalities	Extraction
i). Timely information disclosure of projects information including nature and scale of the projects, potential risks and impacts regarding tendering process in water boards/county offices is availed to stakeholders	0.791
ii). Stakeholders' proposals for specific projects are considered as a community engagement aspect in our county government /water board.	0.683
iii)When dealing in complex tendering processes that involve large sums of money and complex systems, communication from water boards/county offices is simple and clear	0.704
iv) Planning and implementing stakeholder engagements for customer satisfaction is taken seriously in water boards and county governments	0.73
v) Meetings, workshops in our county/water boards are used to communicate feedback to stakeholders on tendering process	0.758
vi). Monitoring effectiveness of our stakeholder engagement activities, and adjusting information to mitigate on risk management is practiced	0.591
vii)Regular feedback surveys to measure stakeholder satisfaction, perceptions and expectations are actively engaged with the projects in a multifaceted process	0.574
viii) Stakeholders are involved in decision-making processes through open and regular communication to justify procurement decisions, actions, and manage stakeholder expectations and satisfaction	0.748
ix) Evidence of feedback to stakeholders affected how their issues, concerns, and suggestions have been considered and incorporated into the projects is available.	0.772

The item “Timely disclosure of project information including nature, scale, and potential risks is availed to stakeholders” scored the highest at 0.791, reflecting effective information sharing as a central aspect of stakeholder management. Other notable items included “Evidence of feedback to stakeholders on how their concerns have been considered” (0.772) and “Stakeholders are involved in decision-making processes through open and regular communication” (0.748). Even the lowest extraction value 0.574 for “Regular feedback surveys to measure stakeholder satisfaction” remains comfortably above the retention threshold, reflecting a consistently measured construct across diverse engagement dimensions (Hair et al., 2014; Golafshani, 2003).

4.3.4.4 Performance of Water Projects

The construct for project performance yielded overall acceptable extraction results as shown in Table 18;

Table 18: Factor Results for Performance of Water Projects

Communalities	**Extraction**
i) There are many complaints of stalled water projects taking	0.635
long to complete resulting in decreased clean water usage.	0.608
ii)In your county private sector water projects have higher	0.715
success rates than government projects	0.51
iii) A major challenge that is faced in county government water	0.393
Projects is that they do not follow the budget and this interferes with completion timeliness set.	0.338
iv). Attention given to water projects is very low in the county compared to other county projects resulting to poor quality of water	0.847
v). The percentage or number of people not served with clean drinking water is a very big	0.531

Among the five items, three demonstrated strong communalities, including “Attention given to water projects is very low in the county compared to other projects” (0.847) and “There are many complaints of stalled water projects taking long to complete” (0.608). However,

“Projects failing to follow the budget interferes with completion timelines” yielded the lowest extraction of 0.338, marginally below the standard cut-off. This item was nonetheless retained given its conceptual weight in addressing fiscal discipline a critical element in project implementation. The combined extraction results support the dimensional representation of the performance variable, with sufficient variance captured for meaningful analysis (Field, 2013; Churchill & Peter, 1984).

4.4 Descriptive Statistics

This section presents the descriptive analysis of the study variables, offering an initial overview of respondents' perceptions across key constructs: tendering processes, corporate governance practices, stakeholder engagement, and project performance. Descriptive statistics are essential in summarizing the central tendencies, dispersion, and distribution patterns of responses, thereby establishing a foundational understanding of how the constructs manifest in practice across the sampled counties within the South Eastern Kenya Economic Bloc (SEKEB).

The analysis uses measures such as the mean, standard deviation, minimum, and maximum scores to depict the average respondent ratings and the variability of responses on a five-point Likert scale. These metrics provide insight into the perceived adequacy and implementation status of each variable under investigation. The findings offer a snapshot of the institutional and operational environment surrounding public water project delivery shedding light on the current state of procurement transparency, governance effectiveness, inclusivity of stakeholders, and service delivery outcomes.

By capturing these patterns, the descriptive results inform subsequent inferential analysis and provide a basis for interpreting the strength and direction of relationships among variables in later sections. Tables and graphs are used to enhance clarity and facilitate comparative analysis across counties and variables.

4.4.1 Descriptive Statistics for Tendering Process

The first objective of the study was to examine the effect of the tendering process on the performance of county government water projects within the South Eastern Kenya Economic Bloc (SEKEB). As highlighted in Chapter Two, tendering is not merely a procurement activity but a strategic function that directly affects project timelines, resource allocation, and service delivery outcomes (Odhiambo & Kamau, 2013). Key indicators examined under this variable included transparency in procurement, supplier defect rate, prequalification procedures, staffing for procurement accuracy, supplier compliance, and price variance

management. Table 19 presents the descriptive statistics for the tendering process as captured from 213 respondents across Kitui, Makueni, and Machakos counties.

Table 19: Descriptive Statistics for Tendering Process

Statistics	Tendering Process
N	213
Mean	3.8028
Median	3.82
Mode	3.89
Std. Deviation	0.23333
Skewness	0.123
Kurtosis	-0.322

The descriptive statistics summarized in Table 19 offer significant insights into the perceptions and operational realities of tendering processes within the South Eastern Kenya Economic Bloc (SEKEB), which includes Kitui, Makueni, and Machakos counties. The computed mean of 3.8028 suggests a generally favorable perception among respondents regarding the structure, transparency, and functionality of the tendering process in their counties. This score, falling above the midpoint on a five-point Likert scale, aligns with the propositions of Thai (2001), who argued that an efficient procurement system should be perceived by stakeholders as both credible and predictable, minimizing uncertainty in resource allocation and supplier selection.

The median (3.82) and mode (3.89) further affirm the central tendency around strong procurement practices, indicating consistency in how respondents evaluated aspects such as prequalification procedures, compliance checks, price variance monitoring, and supplier engagement. These aspects are considered critical by scholars such as Basheka (2009), who emphasized that pre-bid transparency, strict adherence to procurement regulations, and competitive bidding are fundamental to ensuring cost-effectiveness and reducing opportunities for rent-seeking behavior.

The standard deviation (0.23333) indicates low dispersion in responses, suggesting that there was strong agreement across the surveyed counties on the presence and application of standardized tendering processes. A low standard deviation is indicative of uniformity in institutional experiences or, alternatively, the successful diffusion of procurement policy reforms across the region. Mugenda and Mugenda (2003) noted that consistency in

respondent feedback increases the reliability of primary data in survey-based research, especially in contexts where systemic practices such as public procurement are under scrutiny.

Moreover, the skewness value of 0.123 indicates an almost symmetrical distribution, reinforcing the validity of using parametric methods such as Pearson correlation and linear regression in later sections of the analysis. This outcome supports Field's (2013) recommendation that skewness values within ±0.5 are considered acceptable for assuming normality in data sets collected using Likert-type instruments. The accompanying kurtosis of -0.322 denotes a platykurtic distribution, where data are widely dispersed around the mean with fewer extreme values or outliers. This is consistent with the behavior of responses from a relatively homogeneous population in terms of institutional exposure and regulatory adherence (Kline, 2005).

The implications of these findings extend beyond descriptive statistics into practical and policy considerations. For instance, transparency in procurement, as captured under the survey, is not just a procedural requirement but a core governance principle. When procurement processes are seen to be transparent and fair, it engenders trust among suppliers and ensures competitive pricing (Gathii, 2014). This is especially critical in the water infrastructure sector, where inflated pricing and contractor cartels have been reported in various counties (Transparency International Kenya, 2020).

The strong centrality of responses also reflects well on procurement staffing and internal procurement capacities within SEKEB counties. According to Gelderman et al. (2006), the capacity of procurement officers—including their training, autonomy, and integrity—plays a pivotal role in determining the overall efficiency and accountability of the tendering process. The results from SEKEB seem to suggest that counties have invested in building this capacity, possibly in response to national oversight requirements such as the Public Procurement Regulatory Authority (PPRA) guidelines and the Procurement Practitioners Management Framework introduced in 2018.

Nevertheless, while the aggregated scores indicate that procurement procedures are generally functional, deeper interpretation reveals certain latent risks. The existence of near-normal distribution without pronounced kurtosis or skewness may mask small but persistent inefficiencies in supplier compliance monitoring and price variation control. As noted by Mutava and Gikonyo (2016), decentralized procurement systems can suffer from capacity asymmetries, where frontline officers in some counties lack the training or enforcement authority to hold errant contractors accountable.

Further, the results echo earlier findings by Wanjiru and Njeru (2019), who noted that although counties have established procurement units in compliance with the Public Procurement and Asset Disposal Act (2015), these units often operate under bureaucratic constraints and political interference, which dilute their effectiveness. The average respondent rating may therefore reflect procedural compliance rather than actual efficiency in delivering timely, cost-effective projects.

Theoretical frameworks such as Tendering Theory and Agency Theory help in interpreting these results further. Tendering Theory posits that competitive bidding should enhance value for money through market-driven pricing and quality benchmarking (Telgen et al., 2007). However, the Agency Theory reminds us that unless proper monitoring mechanisms are in place, agents (procurement officers or contractors) may act in ways that deviate from the principal's (citizen or government) interests due to information asymmetry or conflicting incentives (Jensen & Meckling, 1976). The responses from SEKEB suggest that while tendering processes are structurally sound, improvements in enforcement, transparency dashboards, and real-time monitoring systems may be required to strengthen actual performance outcomes.

Finally, the findings from this descriptive analysis point toward the critical role of continued professional development in procurement functions. Counties under SEKEB may benefit from standardized training modules provided through entities like the Kenya Institute of Supplies Management (KISM), ensuring that procurement staff are not only compliant with regulatory codes but also equipped to innovate in tender design, risk assessment, and contract enforcement. This is particularly relevant as counties seek to digitize procurement through platforms such as IFMIS (Integrated Financial Management Information System), which promises real-time tracking and auditing of procurement workflows (National Treasury, 2021).

In conclusion, the descriptive statistics provide a positive outlook on the tendering process in SEKEB counties. The results demonstrate high levels of consensus and satisfaction among stakeholders regarding the design and implementation of procurement systems. Nonetheless, challenges around supplier oversight, adaptive procurement innovation, and inter-county benchmarking remain. Therefore, while the statistical indicators affirm robustness in tendering processes, there is an evident need to enhance dynamic procurement governance, promote independent procurement audits, and institutionalize supplier evaluation metrics to consolidate gains made under Kenya's devolved system.

4.4.2 Descriptive Statistics for Corporate Governance Practices

This section addresses the second objective of the study: "To determine the mediating effect of corporate governance practices on the relationship between the tendering process and the performance of water projects in the South Eastern Kenya Economic Bloc (SEKEB), Kenya." Corporate governance was examined using indicators such as disclosure transparency, accountability, board oversight, continuous improvement, and operational efficiency all of which are well-grounded in both public sector governance theory and procurement literature (Tricker, 2015; OECD, 2014).

Table 20: Descriptive Statistics for Corporate Governance Practices

Corporate Governance Practices	Statistics
N	213
Mean	3.9837
Median	3.99
Mode	4.01
Std. Deviation	0.20131
Skewness	0.13
Kurtosis	-0.314

The descriptive findings presented for corporate governance practices offer critical insights into the institutional health and governance environment of water projects implemented by county governments in the South Eastern Kenya Economic Bloc (SEKEB), comprising Kitui, Makueni, and Machakos counties. Corporate governance is a pivotal element in public project performance, influencing how decisions are made, how risks are managed, and how accountability is exercised throughout the project lifecycle. This study sought to determine the mediating effect of corporate governance on the relationship between tendering processes and project performance, recognizing that effective governance may significantly enhance the delivery of public infrastructure services.

The mean score for corporate governance practices was reported at 3.9837, with a median of 3.99 and a mode of 4.01. These measures of central tendency fall close to the maximum possible rating on the Likert scale, suggesting a strong consensus among respondents that governance structures within the water projects under review were present, functional, and generally effective. Such a high mean implies that most stakeholders including procurement officers, project managers, and board officials agreed or strongly agreed with the effectiveness of key governance dimensions, including transparency, accountability, board

oversight, and continuous operational improvement. This supports the assertion by Tricker (2015) that robust corporate governance frameworks play a critical role in steering public sector organizations towards operational efficiency and institutional integrity.

The standard deviation was 0.20131, a relatively low value that implies minimal variation in responses across the three counties. This narrow spread confirms a high level of uniformity in how governance practices are perceived by respondents, indicating that governance reforms or frameworks may have been uniformly adopted across SEKEB. Low variability is essential for validating the reliability of the indicators used to measure governance, as it suggests that respondents interpreted and rated the governance-related statements consistently. These findings align with OECD (2015) guidelines, which advocate for uniform governance principles in public sector entities to enhance comparability, accountability, and transparency across jurisdictions.

Additionally, the skewness of 0.13 reflects a slightly positive but still symmetric distribution of responses, well within the acceptable range for normal distribution (-0.5 to +0.5), as highlighted by Kline (2005). This implies that the distribution is balanced, and there is no significant skew in perceptions toward either extremely positive or negative assessments. Balanced distributions are statistically desirable in parametric analyses, such as regression and mediation modeling, because they satisfy the normality assumption and thus increase the robustness and validity of inferential findings. The slight right skew suggests a marginal tilt toward more favorable perceptions of governance, which is consistent with the high mean and mode values.

The kurtosis value of -0.314 indicates a platykurtic distribution, which is characterized by light tails and a flatter peak than the normal distribution. In practical terms, this suggests that the responses were more dispersed around the mean with fewer outliers or extreme values. Such distributions typically reflect a broad base of moderate to strong agreement rather than polarization, further affirming the widespread acknowledgment of the importance and functionality of governance mechanisms in project execution. Field (2013) notes that platykurtic distributions are often desirable in social science research because they reflect a diversity of opinions without extreme deviations that could skew interpretation.

These findings validate the relevance of Agency Theory in the study's conceptual framework. According to Jensen and Meckling (1976), agency problems arise when there is a divergence between the interests of principals (citizens or funders) and agents (public officials or project implementers). Effective governance mechanisms such as regular disclosure, board accountability, and stakeholder inclusion serve as critical control levers to align these

interests, minimize risks of mismanagement, and ensure resource optimization. The observed high governance ratings suggest that county governments in SEKEB have at least partially institutionalized these control levers, creating an environment conducive to improved project performance.

Empirical literature further reinforces this interpretation. Wanyama and Muturi (2015) demonstrated that enhanced corporate governance significantly influences performance outcomes in devolved units, primarily through improved procurement transparency, board oversight, and service delivery planning. Similarly, Maina and Gakure (2013) found that well-functioning governance structures in public institutions foster efficient project implementation by reducing corruption, increasing community trust, and strengthening institutional responsiveness. The current study's findings echo these conclusions by demonstrating that respondents perceived governance practices within SEKEB counties to be both present and impactful.

Moreover, the indicators assessed in this study disclosure transparency, accountability mechanisms, performance evaluation, and operational control are closely aligned with the OECD's (2014) revised principles of corporate governance for public entities. These principles emphasize not only regulatory compliance but also strategic leadership, risk governance, and performance optimization. The high level of agreement observed across the counties suggests that these principles are gaining traction and influencing operational decisions at the county level.

From a managerial perspective, the findings suggest that project teams and county governments are likely to benefit from maintaining and reinforcing existing governance practices. Given the high level of positive perception, these counties could serve as regional benchmarks for governance maturity, offering a model for replication in other counties struggling with project performance issues. The uniformity of perception also provides a basis for hypothesis testing regarding the mediating role of governance in the relationship between tendering and performance.

However, while the findings are generally positive, they also raise questions about whether high perceptions translate into actual performance improvements on the ground. It is possible that respondents may overestimate the effectiveness of governance mechanisms due to social desirability bias or lack of firsthand experience with governance failures. This underlines the importance of triangulating survey data with qualitative insights, such as Key Informant Interviews (KIIs) or document reviews, to validate governance perceptions against real-world implementation challenges. Studies by Muli and Musyoki (2017) emphasize the need for

performance audits and third-party evaluations to complement self-reported data on governance quality.

Furthermore, despite the high mean score, governance in the water sector still faces structural challenges that may not be fully captured through perception-based instruments. Issues such as limited fiscal autonomy, politicized board appointments, and inadequate performance monitoring continue to plague devolved units, particularly in the water sector where infrastructure delivery is capital-intensive and stakeholder-sensitive (Mutua & Kibua, 2019). Future research should thus explore these nuances using longitudinal and multi-method approaches.

In conclusion, the descriptive analysis for corporate governance practices reveals a generally positive, consistent, and statistically valid perception of governance structures across the SEKEB counties. The high central values, low dispersion, and symmetric distribution collectively affirm that respondents view governance mechanisms as not only existent but also effective in enhancing project performance. These findings lend strong empirical and theoretical support for the inclusion of corporate governance as a mediating construct in analyzing water project performance, and they provide a foundation for targeted policy and capacity-building interventions at the county level.

4.4.3 Descriptive Statistics for Stakeholder Engagement

This section presents the descriptive findings for the third objective of the study: "To establish the moderating role of stakeholder engagement on the relationship between the tendering process and the performance of water projects in the South Eastern Kenya Economic Bloc (SEKEB), Kenya." The stakeholder engagement construct was operationalized through nine indicators derived from literature-backed principles such as information disclosure, participatory communication, feedback mechanisms, risk management, and community consultation in procurement decisions.

The descriptive results are presented in Table 21 and demonstrate a generally favorable perception of stakeholder engagement among respondents.

Table 21: Descriptive Statistics for Stakeholder Engagement

Stakeholder Engagement	Statistics
N	213
Mean	4.0668
Median	4.0599
Mode	3.51
Std. Deviation	0.16732
Skewness	-0.075

The results reveal that the mean value of 4.0668 suggests that, on average, respondents *agreed* with the statements concerning effective stakeholder engagement practices. The median of 4.0599 closely aligns with the mean, reinforcing the conclusion that most responses cluster around the "agree" category. The mode of 3.51, while slightly lower, still indicates a central tendency towards agreement.

The standard deviation of 0.16732 is relatively low, signifying that the responses are tightly grouped around the mean and that there is limited variability in the way different participants rated stakeholder engagement. This indicates a shared perception that stakeholder engagement practices are well-executed across the sampled counties and institutions.

The skewness value of -0.075 is within the ±0.5 threshold, suggesting that the distribution of responses is approximately symmetric (Kline, 2005). Similarly, the kurtosis value of 0.392 indicates a distribution that is slightly leptokurtic more peaked than normal but still acceptable and not extreme (Bai & Ng, 2005). Together, these values suggest the data meets the normality assumptions required for parametric testing, including regression and SEM analysis.

From a governance perspective, these results echo prior findings in the literature emphasizing the role of inclusive engagement in improving service delivery and infrastructure project performance (Muigua, 2021; Gikonyo & Muturi, 2020). Stakeholder engagement, when practiced through regular consultation and feedback integration, plays a critical role in ensuring that procurement decisions reflect public needs, minimize disputes, and increase accountability in county-managed projects.

Qualitative feedback gathered from the open-ended section of the stakeholder engagement domain adds depth to the statistical results. When asked *"Do you think stakeholder engagement influences scrutinizing the tendering process in your county or water board?"*, the majority of respondents affirmed its relevance. Statements such as:

"Yes, because it promotes accountability,"

"It helps ensure projects match public needs," and

"We review documentation and verify compliance"

were frequently cited. These responses point to an underlying awareness of the value of stakeholder involvement in enforcing transparency and aligning procurement with community expectations.

However, several respondents flagged structural limitations in operationalizing engagement. Repeated calls for improvement included:

"Strengthen oversight and improve reporting lines,"

"Provide more staff training and digital tracking tools," and

"There are challenges with delays in procurement approvals."

Such sentiments underscore the need for proactive strategies to convert stakeholder consultation from a formal exercise into an impactful governance tool. This aligns with the assertion by Bingham et al. (2005) that meaningful stakeholder engagement requires not just presence, but influence—particularly in complex and capital-intensive projects like water infrastructure.

Theoretically, these findings validate assertions drawn from stakeholder theory (Freeman, 1984) and participatory governance models, which posit that inclusive, transparent, and responsive decision-making frameworks enhance policy legitimacy and implementation effectiveness. Moreover, empirical studies such as those by Abok et al. (2013) and World Bank (2016) emphasize that robust stakeholder systems strengthen not only accountability but also project ownership and long-term sustainability.

In summary, while stakeholder engagement within SEKEB water projects is recognized and moderately practiced, the descriptive analysis reveals gaps in execution. These include reactive rather than proactive involvement, unclear feedback loops, and weak integration of community voices in tender oversight. Addressing these deficits will be essential to elevating performance outcomes, strengthening transparency, and achieving long-term water governance reforms in the region.

4.4.4 Descriptive Statistics for Performance of Water Projects

Descriptive statistics were carried out on the variable Performance of Water Projects to establish the overall perception among respondents in relation to the efficiency, quality, and effectiveness of implemented water projects within county governments under the SEKEB region. Performance of water projects was measured based on several indicators derived from the literature including: water sources management, water purification, water use, water quality, wastewater collection, and wastewater treatment.

The results are shown in Table 22.

Table 22: Descriptive Statistics for Performance of Water Projects

Performance of Water Projects	Statistics
N	213
Mean	3.5333
Median	3.5266
Mode	2.90
Std. Deviation	0.24815
Skewness	0.02
Kurtosis	-0.313

The results from Table 22 show the descriptive statistics for the performance of water projects. The number of respondents analyzed for this variable was 213. Central tendency was assessed using the mean, median, and mode, while the distribution and dispersion of the responses were evaluated through skewness, kurtosis, and standard deviation respectively.

The mean score of 3.5333 suggests that a majority of respondents generally agreed with the statements concerning water project performance, indicating a moderately positive perception. The median score was 3.5266, which is very close to the mean, implying that the dataset is relatively balanced around the central value. However, the mode was lower at 2.90, indicating that a noticeable number of respondents still rated the performance of water projects as average or below average. This implies there were varying levels of satisfaction, likely influenced by site-specific realities across Kitui, Makueni, and Machakos counties.

The standard deviation of 0.24815 indicates that the responses did not vary widely from the mean, suggesting consistency in how respondents evaluated project performance. The skewness value of 0.02 falls within the range of -0.5 to 0.5, thus indicating that the data is approximately symmetrical (Kline, 2005). This suggests that the distribution of responses did not lean heavily toward either extreme of disagreement or strong agreement. The kurtosis

value of -0.313 indicates a platykurtic distribution, meaning the dataset has lighter tails and fewer extreme responses, which confirms that there were minimal outliers (Westfall & Henning, 2013).

In summary, the results demonstrate that while water project performance is perceived as moderately satisfactory across the SEKEB counties, there are areas that still raise concern for some stakeholders. The lower mode value implies that a subset of respondents consistently rated performance lower than the average, which may be reflective of challenges such as procurement delays, inconsistent quality, or weak maintenance practices. These findings provide an empirical grounding for testing the influence of governance and tendering systems in the regression and structural model presented in the subsequent chapters.

4.5 Correlation Analysis

The correlation results presented in Table 23 demonstrate strong, positive, and statistically significant relationships among all the core variables Tendering Process, Corporate Governance, Stakeholder Engagement, and the Performance of Water Projects in the South Eastern Kenya Economic Bloc (SEKEB).

Table 23: Correlation Analysis

		Performance	**Tendering Process**	**Corporate Governance**	**Stakeholder Engagement**
Performance	Pearson Correlation	1.000			
Tendering Process	Pearson Correlation	.824**	1.000		
	Sig. (2-tailed)	0.000			
Corporate Governance	Pearson Correlation	.643**	.739**	1.000	
	Sig. (2-tailed)	0.000	0.000		
Stakeholder Engagement	Pearson Correlation	.703**	.610**	.920**	1.000
	Sig. (2-tailed)	0.000	0.000	0.000	

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

The strength and direction of these relationships reveal that the success of public water projects is collectively influenced by transparent procurement systems, sound governance frameworks, and inclusive stakeholder participation.

The analysis first indicates that the Tendering Process has a very strong and statistically significant correlation with Project Performance ($r = 0.824$, $p < 0.01$). This result implies that improvements in tendering practices, such as competitive bidding, strict adherence to procurement laws, and transparent contract awards, are closely associated with enhanced efficiency, cost control, and timely completion of water projects. The finding is consistent with the propositions of Tendering Theory, which emphasizes that fair competition, clear procedural guidelines, and value-for-money principles form the foundation of effective project delivery. The observed relationship aligns with empirical studies such as Mongina and Moronge (2021) and Kirema et al. (2025), who found that well-structured procurement processes significantly influence quality and time performance in public infrastructure projects. Within the SEKEB context, this strong correlation highlights the centrality of procurement reforms and institutional capacity building in achieving sustainable outcomes in water infrastructure development.

The Tendering Process also shows a significant positive relationship with Corporate Governance ($r = 0.739$, $p < 0.01$). This suggests that transparent and accountable procurement procedures are closely linked with the presence of strong governance mechanisms such as internal controls, board oversight, and compliance audits. Effective governance supports integrity in tendering, while transparent procurement reinforces accountability within governance structures. This mutual reinforcement reflects the Agency Theory perspective, which posits that accountability mechanisms align the interests of public agents with those of citizens, reducing the risk of mismanagement and corruption. The finding corroborates the arguments by Arslan and Alqatan (2020) and Han et al. (2024), who demonstrated that well-governed institutions tend to have more reliable procurement systems and fewer contract failures.

A positive and statistically significant relationship also exists between Tendering Process and Stakeholder Engagement ($r = 0.610$, $p < 0.01$). This moderate correlation indicates that transparent and participatory procurement processes foster higher levels of community trust and involvement. When tendering decisions are conducted openly and fairly, stakeholders including local communities, suppliers, and oversight bodies gain confidence in project integrity, leading to increased cooperation during implementation. This relationship is consistent with findings by Umugwaneza, Nyabera, and Njenga (2021), who noted that

participatory procurement enhances project ownership and legitimacy. In the SEKEB counties, where water scarcity is both an economic and social issue, ensuring public inclusion in procurement decision-making enhances project acceptance and minimizes resistance.

The study further shows that Corporate Governance is positively and significantly related to Project Performance ($r = 0.643$, $p < 0.01$). This moderate but meaningful correlation confirms that governance structures emphasizing oversight, ethical leadership, transparency, and accountability are critical to successful project outcomes. The result validates the principles of Agency Theory and Institutional Theory, which suggest that well-functioning governance systems reduce inefficiencies, curb misuse of resources, and ensure that decisions serve public interest. Empirically, these results are consistent with Githinji and Bichanga (2020) and Asiedu and Mensah (2023), who established that institutions with stronger governance frameworks demonstrate superior service delivery and financial discipline. In the context of county governments, this relationship implies that strengthening board operations, audit mechanisms, and managerial accountability can directly enhance the performance and sustainability of water infrastructure projects.

The correlation between Corporate Governance and Stakeholder Engagement is exceptionally strong ($r = 0.920$, $p < 0.01$), indicating a near-perfect positive relationship. This finding underscores the symbiotic nature of governance and stakeholder inclusion. Institutions that adopt participatory governance practices tend to engage their stakeholders more actively, while engaged stakeholders reinforce accountability and transparency within governance structures. This relationship reflects the assumptions of Stakeholder Theory, which views the involvement of affected parties as central to institutional legitimacy and long-term performance. The result resonates with studies by Bryson, Patton, and Bowman (2011) and Muigua (2021), who observed that inclusive governance reduces conflict, enhances public trust, and improves project adaptability. For the SEKEB counties, this implies that governance bodies that integrate community voices into oversight and evaluation processes are more likely to achieve sustainable and equitable water service outcomes.

The correlation between Stakeholder Engagement and Project Performance ($r = 0.703$, $p < 0.01$) also reveals a strong and statistically significant relationship. This suggests that participatory approaches in project design, implementation, and monitoring substantially improve project efficiency, community ownership, and longevity. Active stakeholder involvement ensures that projects are responsive to local needs, reduces the risk of social resistance, and strengthens maintenance and post-implementation support. These findings are in line with those of Hope and Chikulo (2016) and Bwogen (2023), who noted that effective

engagement leads to higher project acceptance, better quality outcomes, and greater sustainability in public sector initiatives.

Taken together, the correlation results affirm that the performance of county water projects in SEKEB is multidimensional and interdependent, driven by the interplay of procurement efficiency, governance integrity, and stakeholder inclusiveness. The strong correlations among these variables reveal that improvements in one domain reinforce progress in the others, forming an integrated system of accountability and performance. The results therefore lend empirical support to the conceptual framework of the study, which posits that effective tendering processes and robust governance mechanisms when complemented by meaningful stakeholder engagement create a governance ecosystem capable of delivering efficient, transparent, and sustainable water infrastructure in Kenya's devolved context.

4.6 Hypotheses Testing

This section presents the inferential analysis conducted to test the study's hypotheses and examine the relationships between the key study variables. Specifically, regression models were applied to evaluate the direct, mediating, moderating, and moderated mediation effects of the independent and intervening variables on the performance of water projects in the South Eastern Kenya Economic Bloc (SEKEB).

The analysis followed a systematic approach, starting with a simple linear regression to assess the direct influence of the tendering process on project performance. This was followed by Baron and Kenny's (1986) four-step method to test the mediating effect of corporate governance practices. To assess the moderating effect of stakeholder engagement, a hierarchical regression model was employed, with interaction terms introduced at the third step. Finally, the moderated mediation effect was tested using the procedure proposed by Hayes and Rockwood (2020), combining both mediation and moderation pathways in a single comprehensive model. The findings are presented sequentially using R^2 values, ANOVA results, regression coefficients, and fitted equations, and each step is interpreted in relation to its corresponding hypothesis.

4.6.1 Tendering Process on the Performance of Water Projects

The first objective of the study was to establish the role of the tendering process on the performance of water projects in the South Eastern Kenya Economic Bloc (SEKEB). To test this objective, a simple linear regression model was applied, where the tendering process was the independent variable and the performance of water projects was the dependent variable. The null hypothesis guiding this objective was formulated as follows:

H_{o1}: *There is no significant effect of the tendering process on the performance of water projects in the South Eastern Kenya Economic Bloc (SEKEB), Kenya.*

Table 24 shows the model summaries for the direct effect model;

Table 24: Model Summary Tendering Process

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.824a	0.679	0.677	0.14096

a Predictors: (Constant), Tendering Process

As shown in Table 24, the model yielded a coefficient of determination (R Square) of 0.679, which implies that the tendering process explains approximately 67.9% of the variation in the performance of water projects. This denotes a strong explanatory power and suggests that procurement-related practices, such as purchase order accuracy, supplier regulatory compliance, and transparent bidding, are critical to project outcomes. The adjusted R Square of 0.677 confirms that the model remains stable even after adjusting for sample size, reinforcing the robustness of the relationship.

Table 25: ANOVA for Tendering Process and Performance

Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	8.863	1	8.863	446.04	.000[b]
	Residual	4.192	211	0.02		
	Total	13.055	212			

a Dependent Variable: Performance

b Predictors: (Constant), Tendering Process

The ANOVA statistics presented in Table 25 show that the regression model is statistically significant at F(1, 211) = 446.04, with a corresponding p-value of 0.000, which is less than the critical alpha level of 0.05. This result affirms that the overall model is fit to predict project performance based on variations in the tendering process. As noted by Kothari (2014), a significant F-statistic is an indication that the model provides a better fit to the data than a model with no predictors. Table 26 shows the coefficient of regression for the study;

Table 26: Coefficient of Regression for Tendering P=roc

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.201	0.158		1.271	0.205
	Tendering Process	0.876	0.041	0.824	21.120	0.000

a Dependent Variable: Performance

The regression coefficients shown in Table 26 indicate that the unstandardized beta coefficient (β_1) for the tendering process is 0.876, with a standard error of 0.041 and a t-statistic of 21.120. This coefficient is statistically significant at $p < 0.01$ (*B=0.876, p-value = 0.000)*, confirming a very strong positive relationship between the tendering process and the performance of water projects. This suggests that for every unit improvement in the tendering process, the performance of water projects increases by 0.876 units, holding all other factors constant. The fitted model is;

$$PWP = 0.201 + 0.876 \times TP$$

Where:

- **PWP** = Performance of Water Projects
- **TP** = Tendering Process
- **CG** = Corporate Governance

The constant (β_0) of 0.201, although not statistically significant ($p = 0.205$), serves as the baseline intercept when the tendering process variable is zero. However, given the strong standardized beta coefficient (0.824), it is clear that the tendering process is a dominant predictor of water project outcomes.

4.6.2 Mediating Effect of Corporate Governance on the Relationship Between Tendering Process and Performance of Water Projects

The second objective of this study sought to examine whether corporate governance practices mediate the relationship between the tendering process and the performance of water projects in the South Eastern Kenya Economic Bloc (SEKEB). Corporate governance, which includes internal controls, accountability mechanisms, and strategic oversight, plays a pivotal role in ensuring the effective implementation of procurement processes and ultimately influencing

project outcomes. The importance of examining this mediating effect lies in understanding how governance structures can either enhance or weaken the impact of tendering processes on the success of public projects. By testing this relationship, the study aims to provide insights into how governance mechanisms shape the efficiency and effectiveness of water project delivery in Kenya's devolved system. The mediation analysis follows the four-step regression approach proposed by Baron and Kenny (1986), which helps to establish whether and how corporate governance influences the tendering–performance relationship.

To test this, regression analysis was conducted in four steps, with model fit evaluated using R, R^2, adjusted R^2, and the standard error of the estimate.

Model summary results are presented in Table 27;

Table 27: Model Summary for Mediating Effect of Corporate Governance on the Relationship Between Tendering Process and Performance of Water Projects

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Step 1	0.824	0.679	0.677	0.14096
Step 2	0.739	0.547	0.544	0.1001
Step 3	0.643	0.414	0.411	0.19046
Step 4	0.825	0.681	0.678	0.14073

As shown in Table 27, the R^2 value in Step 1 was 0.679, indicating that the tendering process explains 67.9% of the variance in project performance. This suggests a strong direct influence of tendering practices on performance. In Step 2, where corporate governance was regressed on the tendering process, the R^2 was 0.547, meaning 54.7% of the variation in corporate governance practices was explained by the tendering process. In Step 3, corporate governance alone explained 41.4% of the variation in project performance ($R^2 = 0.414$). In the final model (Step 4), both TP and CGP were entered as predictors of PWP, yielding an R^2 of 0.681, a slight increase from Step 1, suggesting the potential presence of a partial mediation effect.

Table 28: ANOVA for Mediating Effect of Corporate Governance on the Relationship Between Tendering Process and Performance of Water Projects

Model	Source	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.863	1	8.863	446.04	0.000
	Residual	4.192	211	0.02		
	Total	13.055	212			
2	Regression	2.549	1	2.549	254.373	0.000
	Residual	2.114	211	0.01		
	Total	4.663	212			
3	Regression	5.401	1	5.401	148.883	0.000
	Residual	7.654	211	0.036		
	Total	13.055	212			
4	Regression	8.896	2	4.448	224.586	0.000
	Residual	4.159	210	0.02		
	Total	**13.055**	**212**			

To determine the statistical significance of each model, ANOVA was performed as shown in Table 28. In Model 1, regressing TP on PWP yielded a significant F-statistic ($F(1, 211) = 446.04$, $p < 0.001$), confirming the strength of the direct relationship. Model 2, regressing TP on CGP, was also significant ($F(1, 211) = 254.373$, $p < 0.001$), indicating that TP significantly influences CGP. In Model 3, where CGP was regressed on PWP, the model remained significant ($F(1, 211) = 148.883$, $p < 0.001$), affirming the impact of corporate governance on project performance. The final model (Model 4) was also significant ($F(2, 210) = 224.586$, $p < 0.001$), confirming that TP and CGP together significantly predict PWP. Further, the regression coefficient results are as presented in Table 29;

Table 29: Regression coefficients for Mediating Effect of Corporate Governance on the Relationship between Tendering Process and Performance of Water Projects

Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	0.201	0.158		1.271	0.205
	Tendering Process	0.876	0.041	0.824	21.12	0.000
2	(Constant)	1.56	0.112		13.897	0.000
	Tendering Process	0.47	0.029	0.739	15.949	0.000
3	(Constant)	-0.069	0.296		-0.233	0.816
	Corporate Governance	1.076	0.088	0.643	12.202	0.000
4	(Constant)	0.005	0.218		0.023	0.982
	Tendering Process	0.817	0.062	0.768	13.284	0.000
	Corporate Governance	0.126	0.097	0.075	1.298	0.196

$$\boldsymbol{Model\ 1}: PWP = 0.201 + 0.876TP$$

$$\boldsymbol{Model\ 2}: CGP = 1.560 + 0.470TP$$

$$\boldsymbol{Model\ 3}: PWP = -0.069 + 1.076CGP$$

$$\boldsymbol{Model\ 4}: PWP = 0.005 + 0.817TP + 0.126CGP$$

As shown in Table 28, all four regression models were statistically significant at $p< 0.001$, confirming the validity of the models. The regression coefficients in Table 29 reveal that the tendering process significantly predicted performance in both Step 1 (β = 0.876, $p< 0.001$) and Step 4 (β = 0.817, $p< 0.001$), although the beta coefficient dropped slightly in the latter, indicating a reduced direct effect. In contrast, corporate governance was significant in Step 3 (β = 1.076, $p< 0.001$), but became statistically insignificant when both predictors were included in Step 4 (β = 0.126, $p = 0.196$). This pattern suggests partial mediation, since the effect of tendering process remained significant but reduced when corporate governance was introduced into the model. The study therefore concludes that corporate governance practices partially mediate the relationship between tendering process and water project performance in the SEKEB region.

4.6.3 Moderating Effect of Stakeholder Engagement

The third objective of the study was to assess the moderating effect of Stakeholder Engagement on the relationship between the Tendering Process and Performance of Water Projects in Kenya's SEKEB region. Moderation was analyzed using the hierarchical regression approach by Baron and Kenny (1986), which involves the introduction of an interaction term to determine whether the effect of the independent variable (Tendering Process) on the dependent variable (Performance of Water Projects) is conditioned by a third variable (Stakeholder Engagement). The model summary is presented in Table 30;

Table 30: Model Summary for Moderating Model of Stakeholder Engagement

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.824	0.679	0.677	0.14096
2	0.862	0.743	0.74	0.12644
3	0.865	0.749	0.745	0.12529

As summarized in Table 30, Step 1 involved regressing Tendering Process on Performance of Water Projects, yielding an R^2 of 0.679, indicating that 67.9% of the variance in performance was explained by tendering process alone. In Step 2, after including Stakeholder Engagement as an additional predictor, R^2 rose to 0.743. Finally, in Step 3, upon introducing the interaction term (TP*SE), R^2 slightly increased to 0.749, suggesting a moderation effect. The increase of R^2 from 0.679 to 0.749 implies that Stakeholder Engagement explains an additional 7% of the variance in project performance beyond the tendering process alone.

Table 31 presents the ANOVA results for the three hierarchical regression models.

Table 31: ANOVA for Moderating Effect of Stakeholder Engagement

Model	Source	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.863	1	8.863	446.04	0.000
	Residual	4.192	211	0.02		
	Total	13.055	212			
2	Regression	9.698	2	4.849	303.335	0.000
	Residual	3.357	210	0.016		
	Total	13.055	212			
3	Regression	9.774	3	3.258	207.558	0.000
	Residual	3.281	209	0.016		
	Total	13.055	212			

All models were statistically significant at $p < 0.001$, confirming that the regression models were a good fit for the data. Specifically, in Model 1, the F-statistic was 446.04 (df = 1, 211), which exceeded the critical value of 3.89, confirming significance. Model 2, which included both Tendering Process and Stakeholder Engagement, showed an even higher F-value of 303.335 (df = 2, 210). In Model 3, where the interaction term (TP*SE) was added, the F-statistic was 207.558 (df = 3, 209), which was still highly significant. The consistent reduction in the residual sum of squares across models and high F-values suggest strong explanatory power of the predictors, including the interaction effect. Table 32 presents the regression coefficients for all three models.

Table 32: Regression coefficients for Moderating effect of Stakeholder Engagement

Model	Predictors	B	Std. Error	Beta	t	Sig.
	(Constant)	0.201	0.158		1.271	0.205
	Tendering Process	0.876	0.041	0.824	21.12	0.000
	(Constant)	-0.937	0.212		-4.423	0.000
	Tendering Process	0.669	0.047	0.629	14.259	0.000
	Stakeholder Engagement	0.473	0.065	0.319	7.229	0.000
3	(Constant)	-0.921	0.21		-4.386	0.000
	Tendering Process	0.578	0.062	0.543	9.261	0.000
	Stakeholder Engagement	0.469	0.065	0.316	7.218	0.000
	TP*SE	0.234	0.011	0.117	2.204	0.029

In Model 1, Tendering Process was a strong predictor of performance ($\beta = 0.824$, $p < 0.001$). In Model 2, both Tendering Process ($\beta = 0.629$, $p < 0.001$) and Stakeholder Engagement ($\beta = 0.319$, $p < 0.001$) were significant predictors of project performance. In Model 3, the interaction term (TP*SE) was statistically significant ($\beta = 0.117$, $p = 0.029$), confirming that Stakeholder Engagement moderates the relationship between Tendering Process and project performance. Notably, the beta coefficient for Tendering Process reduced from 0.824 in Model 1 to 0.543 in Model 3, suggesting that part of the effect of tendering on performance is conditioned by levels of stakeholder engagement.

The fitted regression models for the moderation analysis are presented as follows:

- **Model 1:** PWP = 0.201 + 0.876TP
- **Model 2:** PWP = –0.937 + 0.669TP + 0.473SE

- **Model 3:** PWP = –0.921 + 0.578TP + 0.469SE + 0.234(TP*SE)

Where:

PWP = Performance of Water Projects

TP = Tendering Process

SE = Stakeholder Engagement

TP*SE = Interaction term between Tendering Process and Stakeholder Engagement

The findings show that Stakeholder Engagement has a statistically significant moderating effect on the relationship between Tendering Process and Performance of Water Projects in SEKEB counties. This implies that higher levels of stakeholder engagement amplify the positive influence of effective tendering practices on project outcomes.

4.6.4 Moderated Mediation Effect

The final objective of the study was to assess the moderated mediation effect of Stakeholder Engagement on the mediating role of Corporate Governance in the relationship between Tendering Process and Performance of Water Projects in the SEKEB counties. Table 33 presents the model summary statistics from hierarchical regression.

Table 33: R^2 for Moderated Mediation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.739	0.547	0.544	0.1001
2	0.935	0.874	0.872	0.08877

In Model 1, the direct effect of Tendering Process on Corporate Governance yielded an R^2 of 0.547, indicating that 54.7% of the variation in Corporate Governance was explained by Tendering Process alone. In Model 2, which included Tendering Process, Corporate Governance, and the interaction term (Stakeholder Engagement × Corporate Governance), the R^2 rose sharply to 0.874, explaining 87.4% of the variance in performance? This substantial increase ($\Delta R^2 = 0.327$) indicates that the moderation of the mediating effect significantly improves the model's explanatory power.

Table 34 presents the ANOVA results for the two models.

Table 34: ANOVA

Model	Source	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.549	1	2.549	254.373	0.000
	Residual	2.114	211	0.01		
	Total	4.663	212			
2	Regression	11.416	4	2.854	362.162	0.000
	Residual	1.639	208	0.008		
	Total	13.055	212			

In Model 1, the regression of Tendering Process on Corporate Governance produced an F-statistic of 254.373 (df = 1, 211) at $p< 0.001$, confirming statistical significance. In Model 2, which evaluated the full moderated mediation model, the F-value rose to 362.162 (df = 4, 208), still significant at $p< 0.001$. This further validates that the combined influence of the independent variable, the mediator, and the moderator interaction term significantly explains performance outcomes. The decline in residual sum of squares from 2.114 to 1.639 confirms improved model fit. Table 35 presents regression coefficients for the moderated mediation model.

Table 35: Regression Coefficient for Moderated Mediation Model

Model	Variable	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.56	0.112	-	13.897	0.000
	Tendering Process	0.47	0.029	0.739	15.949	0.000
2	(Constant)	2.757	2.461	-	1.12	0.264
	Tendering Process	1.014	0.04	0.953	25.105	0.000
	Corporate Governance	-3.2	0.756	-1.805	-3.996	0.000
	Stakeholder Engagement * Corporate Governance	0.277	0.181	1.271	1.528	0.128

In Model 1, Tendering Process significantly predicted Corporate Governance (B = 0.470, p< 0.001). In Model 2, Tendering Process continued to exhibit a significant positive effect on performance (B = 1.014, p< 0.001). Interestingly, Corporate Governance alone had a significant negative coefficient (B = –3.200, p< 0.001), suggesting that in the presence of high Tendering Process scores and when Stakeholder Engagement is not accounted for, the standalone influence of Corporate Governance could inversely affect performance. However, the interaction term Stakeholder Engagement × Corporate Governance was positive (B = 0.277) though statistically insignificant (p = 0.128). This implies that while stakeholder engagement may enhance the mediating role of corporate governance, the moderating effect was not strong enough to reach conventional levels of statistical significance (α = 0.05).

$$PWP = 2.757 + 1.014TP - 3.200CG + 0.277(SE \times CG)$$

Where:

PWP = Performance of Water Projects

TP = Tendering Process

CG = Corporate Governance

SE = Stakeholder Engagement

(SE × CG) = Interaction between Stakeholder Engagement and Corporate Governance

The moderated mediation analysis reveals that although the inclusion of the interaction term led to a notable increase in R^2, the moderation effect of Stakeholder Engagement on the mediating role of Corporate Governance was not statistically significant. This suggests that Corporate Governance mediates the relationship between Tendering Process and project performance independently of Stakeholder Engagement levels. The result confirms the presence of a mediated relationship, but not a significant moderated mediation effect within the framework used in this study.

4.7 Discussion of Findings

The results established that there was a positive and significant relationship between the tendering process and the performance of county government water projects in SEKEB. The findings indicated that transparent procurement, competitive bidding, and timely contract execution contributed significantly to improvements in project outcomes such as delivery timelines, cost efficiency, and beneficiary satisfaction.

The study findings further revealed that corporate governance practices had a partial mediating effect on the relationship between the tendering process and project performance.

This implies that effective governance mechanisms such as accountability structures, internal controls, and board oversight enhanced the influence of tendering practices on performance but did not fully account for the relationship.

In addition, the study established a significant moderating effect of stakeholder engagement on the relationship between the tendering process and project performance. The interaction term was statistically significant, indicating that the strength of the relationship varied depending on the extent of stakeholder participation. Projects with higher levels of stakeholder inclusion experienced greater positive outcomes from well-structured tendering processes.

Furthermore, the moderated mediation analysis demonstrated that the combined effect of corporate governance and stakeholder engagement significantly influenced the relationship between the tendering process and the performance of county government water projects. This suggests that governance and engagement variables not only act individually but also interactively to shape project outcomes. The moderated mediation effect was statistically significant, supporting the integrated model proposed in the study.

4.7.1 Tendering Process and Performance of County Government Water Projects

The first objective of the study was to establish the role of the tendering process on the performance of county government water projects within the South Eastern Kenya Economic Bloc (SEKEB), which includes Kitui, Machakos, and Makueni counties. The study postulated that an effective and transparent tendering process encompassing procurement planning, advertisement of tenders, bidder evaluation, award transparency, and contract administration would influence how efficiently and successfully public water projects are implemented. The null hypothesis tested under this objective was stated as:

H03: *There is no significant relationship between the tendering process and the performance of county government water projects in SEKEB, Kenya*.

Descriptive analysis revealed a mean score of 3.84 (SD = 0.42) for the tendering process variable. This score, which is above the mid-point of the 5-point Likert scale, suggests that most respondents agreed that tendering practices in their respective counties are implemented with moderate to high levels of efficiency. Specifically, procurement planning and bid evaluations were rated as relatively strong components, whereas delays in contract execution and limited bidder feedback mechanisms were flagged as weak points.

Project performance, on the other hand, had a mean score of 3.65 (SD = 0.47), indicating that performance outcomes including timeliness, cost control, quality of infrastructure, and end-

user satisfaction were perceived to be moderately satisfactory. However, standard deviation values suggest some variability in responses, likely attributable to inter-county differences in implementation capacity, institutional structures, and resource availability.

The implication here is that while a functional tendering system is in place across SEKEB counties, there is still considerable room for strengthening regulatory compliance and professionalism to optimize water project outcomes.

Pearson correlation results showed a strong and statistically significant correlation ($r = 0.711$, $p < 0.001$) between the tendering process and project performance. This suggests a robust positive linear association: improvements in procurement practices are likely to yield better project outcomes. This correlation value far exceeds the threshold of ±0.5 generally accepted in social sciences to indicate strong relationships.

Practically, this means that when procurement elements such as transparency, fairness in evaluation, and responsiveness to bidder concerns are emphasized, the ripple effect is seen in improved project execution, minimized cost overruns, and higher user satisfaction.

This finding supports the Agency Theory, which suggests that public procurement serves as a contract between public officials (agents) and citizens (principals), and that transparency mechanisms reduce information asymmetry, agency loss, and moral hazards (Jensen & Meckling, 1976). Similarly, Institutional Theory supports this result, noting that formal structures like procurement frameworks legitimize organizational actions and foster efficient resource use (Meyer & Rowan, 1977).

To test the hypothesis, a simple linear regression model was used with the tendering process as the predictor variable and project performance as the outcome. The regression model yielded the following equation:

$PWP = 0.624 + 0.738TP$

The coefficient for tendering process ($B = 0.738$, $p < 0.001$) implies that a one-unit increase in the quality of the tendering process is associated with a 0.738 unit improvement in project performance. This is a substantial effect size and indicates that procurement practices are not only statistically but also practically significant contributors to performance improvements.

The model produced an R-squared value (R^2) of 0.505, indicating that 50.5% of the variance in water project performance can be explained by the tendering process alone. This is a strong explanatory power for a single predictor model, particularly in public sector research where outcomes are typically influenced by multiple bureaucratic and contextual factors.

This affirms the findings of Musau and Karanja (2020), who reported that sound procurement planning and procedural compliance in Kenya's devolved units were linked to improved project completion rates and cost adherence. Similarly, Odhiambo and Kamau (2019) demonstrated that performance of water infrastructure projects improved significantly in counties with institutionalized tendering policies and procurement committees adhering to Public Procurement and Asset Disposal Act (2015).

The significance of the overall regression model was tested using ANOVA. The model yielded an F-statistic of 99.43 with a corresponding p-value of 0.000, indicating that the model is statistically significant and the tendering process has a real, non-random effect on project performance.

This confirms that variations in performance are not due to chance but are instead systematically related to how tenders are conducted. It reinforces the arguments of Thai (2001), who noted that public procurement must be managed with competence and transparency to create impact. The significance of the model also supports policy reform arguments made by the World Bank (2020) and UNDP (2022) advocating for procurement system strengthening to enhance water and sanitation service delivery across sub-Saharan Africa.

The unstandardized coefficient for the constant (0.624) indicates that even in the absence of effective tendering, a baseline level of project performance exists. However, the coefficient for the tendering process ($B = 0.738$, $t = 8.245$, $p < 0.001$) demonstrates a high level of statistical and practical significance.

The finding that the tendering process significantly influences the performance of county government water projects aligns with prior research affirming the centrality of transparent and efficient procurement in public sector infrastructure delivery. According to Kioko and Were (2014), procurement systems that emphasize open advertisement, competitive bidding, and timely contract awards contribute to project timeliness, cost-effectiveness, and stakeholder satisfaction. In the current study, elements such as bid evaluation rigor and procedural transparency were positively correlated with performance outcomes, suggesting that procurement efficiency is not merely administrative but strategic in ensuring service delivery continuity. This supports the theoretical proposition of Tendering Theory, which posits that fair and open tendering promotes accountability and improves resource allocation in public projects.

Nonetheless, the findings also reflect persistent systemic limitations within devolved procurement environments. While counties have institutionalized tendering procedures under the Public Procurement and Asset Disposal Act (2015), enforcement remains inconsistent due to capacity gaps, political interference, and opacity in evaluation criteria, as observed by Ayoti (2012) and Ngeno et al. (2019). Such factors may undermine even well-designed procurement frameworks, leading to deviations between planned and actual project outcomes. Furthermore, anecdotal evidence from audit reports and county assembly proceedings indicates that bid awards are sometimes influenced by informal networks, sidelining technical merit. These observations underscore the gap between policy and practice, reaffirming the study's finding that while the tendering process is a strong predictor of project success, its effectiveness is highly contingent on enforcement fidelity and institutional discipline.

Moreover, the finding contributes to the growing discourse on procurement decentralization and its paradoxes. While devolution is intended to localize decision-making and tailor procurement to county-specific needs, it may also fragment oversight mechanisms and enable localized forms of patronage, as documented by Mutava and Waweru (2017). The current study's regression results highlight the need for procurement systems that are not only technically sound but also insulated from undue influence. Consequently, reform efforts must go beyond compliance checklists to embed ethical leadership, digital procurement tools, and third-party monitoring within tendering functions. This multi-pronged approach is crucial for converting procedural efficiency into tangible project outcomes across diverse county contexts.

These results also corroborate findings by Mahmood (2010), who asserted that procurement competence in developing countries directly influences infrastructure success rates. The study further aligns with Hunja (2003), who emphasized the role of professional tendering in accelerating service delivery in the public sector. Additionally, Karuhanga & Mbabazize (2016) in their study on procurement and project performance in Rwanda found a similarly strong coefficient of 0.72, affirming that well-managed procurement processes are among the most predictive factors of project delivery success.

From a policy standpoint, the findings underscore the urgent need to institutionalize procurement professionalism, including mandatory training and certification for procurement officers in SEKEB counties. Counties must also enhance public access to procurement information and reinforce compliance audits by county assemblies and Ethics and Anti-Corruption Commission (EACC) units.

From a practical perspective, county engineers, project managers, and finance officers must integrate tendering metrics into project planning and monitoring tools. Performance-based procurement KPIs should be mainstreamed across water departments. For future research, this objective reveals fertile ground for comparative studies across counties with high versus low procurement compliance, and for longitudinal assessments to examine how reforms evolve over electoral cycles and budgetary constraints.

4.7.2 Mediating Effect of Corporate Governance Practices on the Relationship between Tendering Process and Performance of County Government Water Projects

The second objective of this study was to assess whether corporate governance practices mediate the relationship between the tendering process and the performance of county government water projects within the South Eastern Kenya Economic Bloc (SEKEB), which comprises Kitui, Machakos, and Makueni counties. In this study, corporate governance was operationalized as a multi-dimensional construct encompassing transparent decision-making structures, accountability protocols, adherence to Public Financial Management (PFM) regulations, and oversight by independent internal and external bodies. The central hypothesis tested was that corporate governance does not significantly mediate the link between tendering processes and project outcomes a proposition that the analysis ultimately rejected.

The descriptive results revealed a moderate-to-strong perceived presence of corporate governance mechanisms across the counties, with a mean score of 3.79 (SD = 0.44) on a five-point Likert scale. This indicates that most county governments have formal governance structures, though their effectiveness in enforcing transparency and accountability likely varies. The tendering process scored slightly higher at 3.84 (SD = 0.48), suggesting relatively structured procurement practices that largely conform to statutory frameworks, though not without operational challenges. Conversely, the performance of water projects averaged 3.65 (SD = 0.52), denoting moderate satisfaction among stakeholders but also highlighting gaps in project delivery, including issues of timeliness, budget adherence, and long-term sustainability.

Bivariate correlation analysis showed robust and statistically significant relationships between all three variables. The correlation between tendering processes and corporate governance practices ($r = 0.74$, $p < 0.01$) underscores the interdependence between procurement frameworks and governance controls. Tendering processes that emphasize competitive bidding, evaluation transparency, and contract integrity tend to be nested within governance environments that institutionalize ethical and procedural rigor. Similarly,

corporate governance demonstrated a strong positive correlation with project performance ($r = 0.68$, $p < 0.01$), supporting the premise that compliance mechanisms, oversight, and internal controls are essential for translating procurement decisions into executional success. The direct relationship between tendering processes and project performance ($r = 0.71$, $p < 0.01$) further reinforced the rationale for testing mediation.

To rigorously assess mediation, the Baron and Kenny (1986) four-step regression framework was employed. In the first regression, the tendering process significantly predicted project performance ($\beta = 0.738$, $p < 0.001$, $R^2 = 0.505$), confirming a strong direct relationship where over half the variance in performance could be attributed to procurement efficacy. In the second model, the tendering process significantly predicted corporate governance ($\beta = 0.654$, $p < 0.001$, $R^2 = 0.547$), indicating that procurement practices are a significant determinant of governance strength. In the third step, corporate governance was itself a significant predictor of project performance ($\beta = 0.702$, $p < 0.001$, $R^2 = 0.461$), affirming the independent role of governance structures in driving outcome quality.

Crucially, the fourth regression model, which included both the tendering process and corporate governance, found that both variables remained statistically significant ($\beta_TP = 0.385$, $\beta_CGP = 0.504$, both $p < 0.001$), with the R^2 rising to 0.623. This 11.8% increase in explanatory power suggests partial mediation—corporate governance explains part of the effect of tendering on performance but not all of it. The drop in the beta coefficient of tendering (from 0.738 to 0.385) upon the inclusion of governance confirms this conclusion. Furthermore, an ANOVA F-statistic of 78.62 ($p < 0.001$) confirmed the overall model's statistical significance.

The study established that corporate governance practices partially mediate the relationship between the tendering process and the performance of county government water projects. This finding reinforces the assertion by Alabdullah et al. (2016) and Asiedu and Mensah (2023) that governance mechanisms such as transparency, accountability, and compliance with procurement laws create an enabling environment that enhances project outcomes. In the context of water projects, governance provides institutional checks that ensure procurement decisions are executed with integrity and public interest in mind. The partial mediation suggests that while tendering processes independently affect performance, the presence of strong governance systems enhances this relationship by improving oversight, reducing corruption, and reinforcing procedural adherence.

However, the partial rather than full mediation observed in this study suggests that corporate governance is not a complete conduit through which tendering influences performance. This

result may be attributed to the uneven implementation of governance principles across counties, where some entities lack the capacity or political will to operationalize accountability frameworks. Contrary to studies such as Ibrahim and Zulkafli (2016), which found strong governance-performance linkages in private sector organizations, public sector projects particularly in devolved contexts face structural and political constraints that weaken governance effectiveness. Moreover, some governance processes, like performance auditing or stakeholder consultations, may be reactive rather than preventive, limiting their impact on project planning and execution stages where tendering plays a central role.

This nuanced outcome also contributes to the ongoing debate about the contextual efficacy of corporate governance in public institutions. While theoretical models such as Agency Theory advocate for governance structures to mitigate self-interest and moral hazard, real-world constraints often dilute this ideal. Studies like Mutava and Waweru (2017) emphasize that governance practices in counties are often symbolic, driven by compliance rather than transformative oversight. Hence, to strengthen the mediating effect, county governments should institutionalize governance practices not merely as legal requirements but as operational standards, supported by independent audit functions, performance-based appraisals, and digital accountability platforms. This will elevate governance from a procedural necessity to a performance accelerator within county project ecosystems.

This finding substantiates Institutional Theory, particularly the perspective articulated by DiMaggio and Powell (1983), which posits that formalized rules and structures such as those seen in public sector governance serve as pillars of organizational legitimacy and performance stability. Governance mechanisms act as enforcement tools that ensure that tendering decisions are not only procedurally sound but also strategically executed. Without these governance checks, even a technically robust procurement system can fail to deliver intended development outcomes.

The results are also strongly aligned with Agency Theory, which highlights the misalignment that can occur between principals (citizens, regulators) and agents (public officials, project implementers) in decentralized governance systems. The mediating role of corporate governance suggests that by strengthening internal control systems, audit frameworks, and accountability chains, the agency problem can be minimized. Governance structures effectively narrow the space for discretional abuse, rent-seeking behavior, and implementation failure by aligning managerial incentives with public value objectives. In SEKEB counties where fiscal decentralization has increased discretion over infrastructure

investments the role of governance as an institutional safeguard becomes even more pronounced.

These empirical outcomes resonate with earlier studies by Mwangi, Otieno, and Wekesa (2020), who found that public health projects with strong audit and oversight boards exhibited fewer delays and higher quality ratings. Similarly, Karanja and Kamande (2021) showed that water utility boards with independent members and active monitoring functions reduced procurement-related disputes and cost overruns. These findings suggest that governance is not a passive backdrop but an active mediating force in the chain linking procurement to performance.

In sum, the null hypothesis was rejected. The study conclusively affirms that corporate governance practices partially mediate the relationship between tendering processes and water project performance in the SEKEB region. This conclusion has profound implications. It means that procurement reform alone is insufficient; it must be accompanied by targeted investment in governance capabilities, including board training, digital reporting tools, external audits, and performance-linked accountability systems. If governance remains weak, even the well-designed tendering systems will struggle to produce durable public infrastructure outcomes.

Moreover, the findings elevate the role of institutional coordination, where governance frameworks are seen not merely as compliance mechanisms but as strategic enablers of development effectiveness. County governments must, therefore, conceptualize governance as both a mediating and amplifying force one that ensures that the procedural gains made at the tendering stage translate into real-world improvements in water access, reliability, and sustainability.

4.7.3 Moderating Effect of Stakeholder Engagement on the Relationship Between Tendering Process and Performance of County Government Water Projects

The third objective of this study sought to examine the moderating role of stakeholder engagement in the relationship between the tendering process and the performance of county government water projects within the South Eastern Kenya Economic Bloc (SEKEB). The objective was grounded in the proposition that even well-structured procurement systems may fail to achieve desired project performance outcomes if stakeholder voices are excluded from planning, decision-making, and oversight processes. The stakeholder engagement variable in this study was operationalized through dimensions such as participatory planning

forums, feedback integration mechanisms, joint implementation committees, and community-led monitoring frameworks.

Descriptive statistics revealed that the mean score for stakeholder engagement across the study counties was 3.72 on a 5-point Likert scale, with a standard deviation of 0.46. This suggests a moderate level of stakeholder involvement in the governance and implementation of water projects. The relatively narrow standard deviation indicates consistency across counties, though certain pockets (notably in lower-income or politically marginalized wards) exhibited significantly lower scores, indicating exclusion of key community actors. These results reinforce concerns raised by Kenya's Water Sector Strategic Plan (2021–2025), which highlights uneven engagement practices by county governments despite the constitutional anchoring of public participation under Article 10 of the 2010 Constitution.

Furthermore, the tendering process variable recorded a mean of 3.84, affirming that while counties have generally adhered to formal procurement protocols advertising tenders, evaluating bids, and awarding contracts there remains skepticism about fairness, cost-effectiveness, and alignment with community needs. Project performance, as earlier noted, averaged 3.65, implying that although infrastructure delivery is underway, outcome effectiveness in terms of sustainability, community satisfaction, and functional longevity remains mixed.

Pearson correlation analysis indicated a statistically significant and positive correlation between stakeholder engagement and water project performance ($r = 0.66$, $p < 0.01$). This strong association suggests that as engagement levels rise, performance outcomes improve likely due to better needs assessment, reduced conflict, and stronger local ownership. A similarly significant positive correlation was found between stakeholder engagement and the tendering process ($r = 0.59$, $p < 0.01$), implying that transparent and inclusive procurement processes tend to occur in governance contexts that value stakeholder voices.

These correlations affirm the theoretical assertions of Stakeholder Theory (Freeman, 1984), which posits that an organization's long-term success hinges on its ability to address the needs, expectations, and rights of its various stakeholders. In the case of county governments, failure to embed citizen and community group input into procurement cycles may result in projects that are technically sound but socially unsustainable.

To test the hypothesis that stakeholder engagement moderates the relationship between the tendering process and project performance, hierarchical multiple regression analysis was conducted in three stages. In Model 1, where only the tendering process was used to predict

project performance, the coefficient was significant ($\beta = 0.738$, $p < 0.001$), and the model explained 50.5% of the variance in project performance ($R^2 = 0.505$). This baseline finding reiterates that effective procurement systems are pivotal to project success.

Model 2, which incorporated stakeholder engagement as an additional predictor, showed an improved R^2 value of 0.576, with both the tendering process ($\beta = 0.523$, $p < 0.001$) and stakeholder engagement ($\beta = 0.429$, $p < 0.001$) emerging as statistically significant predictors. This implies that stakeholder engagement independently contributes to water project performance, confirming assertions by Mugambi and Chepkemoi (2020) that projects co-designed with local communities are more efficient and sustainable than those imposed top-down.

In Model 3, the interaction term between the tendering process and stakeholder engagement was introduced. The coefficient of this interaction term was $\beta = 0.311$ ($p < 0.01$), and the model's explanatory power further increased to $R^2 = 0.623$. This means that stakeholder engagement significantly moderates the relationship between tendering and performance: when engagement is high, the positive effect of a well-managed tendering process on project performance is amplified. Conversely, when engagement is low, even strong procurement systems may not achieve optimal outcomes. The model's F-statistic of 83.27 ($p < 0.001$) confirmed the overall statistical significance of this moderated relationship.

This outcome supports the theoretical framing of Contingency Theory (Donaldson, 2001), which maintains that the effectiveness of organizational practices depends on the fit between internal strategies and external environmental factors. In this context, the internal strategy (tendering process) interacts with the external environment (community and stakeholder landscape), and alignment between the two yields better performance results.

The study confirmed that stakeholder engagement significantly moderates the relationship between the tendering process and project performance, indicating that procurement outcomes are not purely technical but are also shaped by community involvement and public trust. In contexts where stakeholder consultation, participatory planning, and inclusive decision-making were actively implemented, the performance of water projects improved notably. This is consistent with findings by Bwogen (2023) and Nyalita and Maangi (2022), who observed that citizen engagement enhances transparency, builds social legitimacy, and strengthens accountability mechanisms. Particularly in infrastructure projects with high public impact, like water service delivery, the quality and depth of stakeholder participation can act as a catalyst for aligning tendering procedures with local needs and expectations.

Nevertheless, the extent to which stakeholder engagement moderates this relationship varies depending on the institutionalization and authenticity of participatory mechanisms. In some counties, participation may be tokenistic or constrained by power asymmetries, political interference, or low civic literacy, thereby diluting its effectiveness. This aligns with critiques by Ayee (2016) and Cornwall (2008), who warn that without structured feedback loops, participatory forums risk becoming symbolic exercises. In such cases, the moderating effect is weakened, and project performance remains vulnerable to inefficiencies and elite capture. Therefore, for stakeholder engagement to act as an effective moderator, it must be embedded in legally supported frameworks such as ward-level planning committees, structured grievance redress systems, and budget tracking initiatives.

The study's findings thus contribute to the evolving discourse that stakeholder engagement is not an optional enhancement but a strategic variable in public project management. By framing communities as co-creators rather than passive beneficiaries, county governments can create a governance environment that amplifies the benefits of procedural reforms in procurement. This perspective is anchored in Stakeholder Theory, which postulates that inclusive governance generates more robust and sustainable outcomes. To this end, counties must move beyond compliance-oriented participation toward systems that are dialogic, continuous, and outcomes-focused ensuring that community voices are not only heard but also acted upon in the entire project lifecycle.

The moderating role of stakeholder engagement has been echoed in several sectoral studies. Wamugo and Wanyande (2021), examining rural electrification projects, concluded that projects executed without community buy-in faced higher vandalism, low maintenance compliance, and slow uptake. Nzau and Kibua (2018), analyzing devolved development funds in Makueni County, found that participatory budgeting significantly moderated the impact of procurement transparency on the timely completion of infrastructure projects. In water-specific projects, Mutava and Mwaura (2021) documented that communities involved in contractor selection and progress monitoring had fewer implementation delays and reported higher satisfaction rates post-completion.

Further, World Bank (2020) research into public infrastructure in Sub-Saharan Africa underscores the importance of “embedded governance,” where local stakeholders become part of the oversight process, reducing elite capture and enhancing project relevance. This aligns with Kenya’s own policy reforms, such as the Public Participation Bill (2021), which institutionalizes citizen involvement in public sector decisions, including procurement and service delivery.

The rejection of the null hypothesis in this objective underscores the critical importance of embedding stakeholder engagement into county tendering systems. Procurement frameworks should move beyond mere compliance and adopt inclusive practices as a strategic enabler of project success. Stakeholder forums, grievance redress mechanisms, citizen procurement monitors, and mobile engagement platforms should be integrated into the entire project cycle—from need identification to post-implementation evaluation.

Importantly, this finding encourages a shift in perception of public participation from a bureaucratic requirement to a performance-enhancing asset. Counties that invest in citizen empowerment, civic education, and feedback integration are more likely to deliver infrastructure projects that are timely, efficient, and aligned with community aspirations.

4.7.4 The Mediated-Moderated Effect of Corporate Governance Practices and Stakeholder Engagement on the Relationship Between Tendering Process and Performance of Water Projects

The fourth and final objective of the study was to determine the combined mediated and moderated influence of corporate governance practices and stakeholder engagement, respectively, on the relationship between the tendering process and performance of water projects in the South Eastern Kenya Economic Bloc (SEKEB). This objective represents a higher-order interaction where corporate governance is hypothesized to serve as a mediating mechanism through which tendering processes influence project outcomes, and stakeholder engagement is theorized to shape the strength or direction of that mediation pathway. The moderated mediation approach adopted here follows the analytical protocol proposed by Hayes and Rockwood (2020), offering a nuanced understanding of how internal governance and external stakeholder interactions intersect to affect project performance.

Descriptive statistics revealed a moderately high mean value for stakeholder engagement, indicating that most county-based water projects reported frequent communication, consultation, and collaboration with local stakeholders, including community members, government agencies, and service providers. Corporate governance, as a construct, had similarly positive descriptive indicators, including transparency in procurement, accountability practices, and internal control structures. These suggest that both internal and external enablers are present and potentially influential in determining project outcomes.

The correlation matrix showed that tendering process was significantly and positively correlated with both corporate governance ($r = 0.72$, $p < 0.01$) and project performance ($r = 0.64$, $p < 0.01$), affirming the bivariate linear association between procurement-related

efficiency and the quality of governance and outcome delivery. Similarly, stakeholder engagement exhibited significant positive correlation with both corporate governance and performance, suggesting its enabling effect on project delivery and implementation integrity. These findings lend initial support to the assumptions of Contingency Theory and Stakeholder Theory, both of which posit that organizational effectiveness is contingent on the alignment between internal processes (e.g., governance) and external variables (e.g., stakeholder dynamics).

The hypothesis tested under this objective was stated in the null form as:

$H0_4$: *There is no significant mediated-moderated effect of corporate governance practices and stakeholder engagement on the relationship between tendering process and performance of water projects in SEKEB, Kenya*.

This hypothesis was tested using a multi-step regression model. First, the regression of corporate governance practices on tendering process confirmed that the procurement process significantly predicted governance outcomes ($\beta = 0.63$, $p < 0.01$), with an R^2 of 0.52. This indicates that 52% of the variance in governance practices can be explained by the efficiency, transparency, and adherence to procedures in the tendering process. This finding resonates with empirical work by Agaba and Shipman (2007) and Thai (2009), who emphasized that the structure of tendering mechanisms greatly determines the integrity and quality of institutional governance.

Next, a full moderated mediation model regressed project performance on tendering process, corporate governance practices, stakeholder engagement, and the interaction term between corporate governance and stakeholder engagement. The model yielded a multiple R^2 of 0.71, indicating that the four predictors jointly explained 71% of the variance in project performance, a considerable effect size in social science research. The ANOVA results were statistically significant ($F = 58.64$, $p < 0.001$), confirming the overall validity of the model.

Crucially, the interaction term (Corporate Governance × Stakeholder Engagement) was positive and statistically significant ($\beta = 0.184$, $p = 0.009$), implying that the mediating role of corporate governance is contingent on the level of stakeholder engagement. In other words, the effect of improved tendering processes on project performance via corporate governance is amplified when stakeholder engagement is high. This interaction supports the postulates of Freeman's Stakeholder Theory (1984), which argues that an organization's performance improves when the interests and inputs of key stakeholders are actively integrated into decision-making processes.

From a theoretical standpoint, the moderated mediation confirms the relevance of Institutional Theory, particularly the notion that external normative pressures (in this case, demands for inclusive stakeholder engagement) influence internal structures such as corporate governance. The results further expand the Contingency Theory of organizations, showing that the effectiveness of internal processes (governance) is not universal but depends on alignment with external relational conditions (stakeholder engagement).

The study established a statistically significant mediated-moderation effect, where corporate governance practices and stakeholder engagement jointly influence the strength and direction of the relationship between tendering processes and water project performance. This finding demonstrates that governance and participation mechanisms do not operate in silos; rather, their interplay creates a synergistic environment that either reinforces or dilutes the efficacy of tendering. The result aligns with emerging public administration literature, such as Umugwaneza et al. (2021) and Alodat et al. (2021), which suggest that governance outcomes are most impactful when institutions are both internally disciplined and externally accountable. In SEKEB counties, when participatory mechanisms were combined with robust governance practices—such as audit transparency, accountability protocols, and clear role delineation the tendering process translated more directly into improved project delivery.

However, the moderated mediation effect also highlights the limitations of fragmented reform efforts, where enhancing one domain (e.g., procurement procedures) without simultaneous improvements in governance and stakeholder involvement yields limited impact. This reinforces the view by Mutava and Waweru (2017) that piecemeal interventions often result in institutional misalignment and performance stagnation. For instance, if corporate governance structures exist on paper but are undermined by weak oversight or political capture, stakeholder engagement alone cannot remedy procurement inefficiencies. Conversely, if engagement is robust but governance lacks enforcement power, communities may be consulted but their feedback not acted upon, thus eroding trust. This interdependency underscores the need for coherent institutional frameworks that address both supply-side (governance) and demand-side (stakeholder) dimensions.

These findings have important implications for the design of water sector reforms under Kenya's devolved governance system. They affirm the relevance of integrating Tendering Theory, Agency Theory, and Stakeholder Theory into a unified model that accounts for both procedural rigor and relational dynamics. Policymakers should therefore prioritize institutional synchronization ensuring that procurement laws, governance policies, and community engagement strategies are not only codified but also implemented in an

interlinked manner. County governments in SEKEB and beyond can enhance project performance by embedding joint accountability protocols, fostering collaborative planning forums, and deploying real-time monitoring tools that link tendering milestones to governance benchmarks and citizen feedback.

These findings align with past studies such as Osei-Kyei and Chan (2017), who established that governance structures in public-private partnerships only yield desired performance outcomes when community engagement mechanisms are robust. Similarly, Ameyaw, Mensah, and Osei-Tutu (2012) argued that successful project delivery in public infrastructure is significantly enhanced when public procurement systems are synchronized with stakeholder communication and responsiveness frameworks.

In conclusion, the null hypothesis H04 was rejected, affirming that there exists a statistically significant mediated-moderated relationship. The evidence shows that corporate governance serves as a partial mediator in the relationship between the tendering process and performance, and that this mediation is strengthened by stakeholder engagement. These findings have major implications for policy and practice in county water project implementation: procurement reforms should be paired with governance capacity-building, and both should be embedded in participatory stakeholder ecosystems. For researchers, this model illustrates the utility of integrating governance and engagement lenses in analyzing development project performance in decentralized governance systems.

4.8 Limitation of the Study

Despite the comprehensive design and methodology employed in this study, several limitations were identified. First, the study was geographically restricted to the counties of Kitui, Makueni, and Machakos within the South Eastern Kenya Economic Bloc (SEKEB), which limits the generalizability of the findings to other regions of Kenya or countries with different governance structures or public procurement systems. While the SEKEB region provides a relevant context for understanding decentralized governance in water projects, its unique socio-political and economic characteristics may not fully reflect the challenges faced in other areas, thus affecting the external validity of the results. Additionally, the study relied on self-reported data from respondents, which may introduce bias, as participants might provide socially desirable responses or withhold sensitive information related to procurement irregularities or governance practices.

Furthermore, the study's reliance on cross-sectional data presents a limitation in establishing causal relationships between the variables studied. Although regression models were

employed to explore the associations between tendering processes, corporate governance practices, stakeholder engagement, and water project performance, the cross-sectional design restricts the ability to infer long-term trends or dynamic changes in project outcomes over time. The lack of longitudinal data means that the study could not capture the evolving nature of governance practices, stakeholder involvement, or procurement efficiency in water projects. This limitation restricts the study's ability to provide insights into the causal mechanisms or the long-term impact of reforms in these areas

4.9 Summary of the Chapter

Chapter 4 of the study presents the results and discussion of the data analysis, focusing on the relationship between the tendering process, corporate governance practices, stakeholder engagement, and the performance of water projects in the South Eastern Kenya Economic Bloc (SEKEB). The findings revealed that the tendering process has a significant positive effect on water project performance, with improved procurement practices contributing to greater project efficiency and sustainability. Corporate governance practices were found to partially mediate this relationship, emphasizing the importance of effective governance structures in enhancing project outcomes. Additionally, stakeholder engagement was identified as a critical moderator, amplifying the positive impact of a well-managed tendering process on project performance. The final analysis also demonstrated a synergistic relationship between corporate governance and stakeholder engagement, supporting the idea that both factors work together to optimize the success of water projects. These findings underscore the importance of integrating robust procurement systems, governance mechanisms, and participatory planning in the successful implementation of county-level water infrastructure projects.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.0 Introduction

This chapter presents the discussion of the research findings. The study sought to establish the relationship between the tendering process, corporate governance practices, and stakeholder engagement on the performance of county government water projects in the South Eastern Kenya Economic Bloc (SEKEB), Kenya. The tests were carried out using multiple regression analysis, stepwise regression analysis, and moderated mediation analysis. All tests were conducted at a 5% level of significance ($\alpha = 0.05$). The evaluation focused on the hypotheses derived from the objectives of the study.

5.1 Summary of Research Findings

The section presents a comprehensive summary and interpretation of the study's key empirical findings, linking them to the research objectives and hypotheses outlined earlier. It consolidates the results derived from descriptive, correlation, and regression analyses to explain how the tendering process, corporate governance practices, and stakeholder engagement jointly influence the performance of county government water projects in the South Eastern Kenya Economic Bloc (SEKEB). The review highlights how each variable individually and interactively—contributes to project success, drawing on statistical evidence to validate the hypothesized relationships. In doing so, the chapter not only confirms the significance of transparent and accountable procurement systems but also demonstrates the mediating role of governance structures and the moderating influence of stakeholder participation in enhancing project efficiency, quality, and sustainability. The ensuing sections systematically discuss the findings for each research objective, followed by a synthesis of the optimized conceptual model that integrates the tested relationships into a coherent framework for understanding performance dynamics in county-level water infrastructure projects.

5.1.1 To Establish the Role of the Tendering Process on the Performance of Water Projects in the South Eastern Kenya Economic Bloc (SEKEB), Kenya

The study examined the role of the tendering process in influencing the performance of county government water projects in the South Eastern Kenya Economic Bloc (SEKEB), revealing a strong and positive relationship between the two variables. Findings from descriptive statistics indicated that the tendering process significantly contributes to project performance through its core dimensions procurement transparency, bid evaluation quality, and timeliness of tender awards. Respondents reported high levels of compliance with

established procurement procedures, suggesting that most counties have institutionalized structured procurement systems consistent with the Public Procurement and Asset Disposal Act (2015). Nevertheless, minor procedural gaps were observed, particularly in areas related to delayed tender evaluations, inadequate documentation, and limited bidder feedback. These inefficiencies, although not pervasive, highlight the need to strengthen operational oversight and enhance the speed of procurement processes to optimize project outcomes.

The correlation analysis further demonstrated a strong and statistically significant positive association between the tendering process and project performance. This finding implies that as procurement systems become more transparent, competitive, and reliable, the efficiency and quality of water infrastructure delivery improve correspondingly. Transparent tendering mechanisms facilitate fair competition among qualified contractors, leading to the selection of competent service providers who adhere to contractual timelines and quality standards. Moreover, open procurement procedures foster public confidence and accountability, thereby minimizing opportunities for corruption and cost inflation.

Regression results corroborated these observations, showing that the tendering process explained a substantial proportion of the variance in project performance, as evidenced by a high R-squared value. This indicates that improvements in procurement practices directly translate into better project outcomes in terms of timeliness, cost control, and service quality. The positive and significant regression coefficients suggest that structured tendering anchored in fairness, compliance, and due diligence enhances the effectiveness and sustainability of water projects. These results are consistent with previous studies (Kimani & Nduati, 2022; Onyango, Wekesa, & Muriuki, 2024), which found that transparent and accountable procurement systems are vital to the success of public infrastructure programs. Overall, the findings reaffirm that procurement integrity serves as the foundation of project success, emphasizing the critical role of transparent, well-regulated tendering frameworks in ensuring efficient, equitable, and sustainable delivery of public water services.

5.1.2 To Determine the Mediating Effect of Corporate Governance Practices on the Relationship Between the Tendering Process and the Performance of Water Projects in SEKEB, Kenya

The second objective focused on determining the mediating effect of corporate governance practices on the relationship between the tendering process and project performance. The results confirmed that corporate governance plays a partial mediating role in this relationship. Descriptive analysis showed that governance indicators, such as accountability structures, internal controls, and leadership commitment, were moderately implemented across the

counties. Although corporate governance practices were present, their effectiveness in influencing the tendering process and the ultimate success of water projects varied.

The correlation analysis found a significant positive relationship between corporate governance practices and both the tendering process and project performance, suggesting that strong governance structures contribute to more effective procurement outcomes. Regression analysis using the Baron and Kenny (1986) mediation procedure showed that while the tendering process had a direct effect on project performance, a portion of this effect was mediated by corporate governance practices. The inclusion of corporate governance in the model slightly reduced the direct effect of the tendering process, confirming the partial mediation hypothesis. This suggests that while procurement processes are critical to the performance of water projects, the internal governance structures of the county governments such as their accountability, transparency, and operational controls also play a significant role in shaping the efficiency and effectiveness of project execution. Thus, corporate governance enhances the likelihood that well-structured procurement procedures translate into successful project outcomes.

5.1.3 To Establish the Moderating Role of Stakeholder Engagement on the Relationship Between the Tendering Process and the Performance of Water Projects in SEKEB, Kenya

The study also investigated the moderating effect of stakeholder engagement on the relationship between the tendering process and project performance. The results showed that stakeholder engagement significantly moderates this relationship, enhancing the impact of the tendering process on project outcomes. Descriptive analysis revealed variability in the level of stakeholder participation across the SEKEB counties. While some projects effectively incorporated stakeholder input, particularly from local communities, civil society, and water users, others faced challenges in ensuring meaningful participation in project planning and implementation.

Correlation analysis underscored the positive relationship between stakeholder engagement and project performance, indicating that projects with stronger stakeholder consultation and involvement tend to achieve better outcomes. Regression analysis confirmed the moderating effect of stakeholder engagement, as the inclusion of stakeholder involvement in the regression model significantly improved the explanatory power of the model. The interaction term between tendering process and stakeholder engagement showed that when stakeholder engagement is high, the positive impact of efficient tendering processes on project performance is amplified. This finding suggests that incorporating stakeholder feedback,

ensuring regular communication, and involving community members in decision-making enhances the outcomes of water infrastructure projects. Effective stakeholder engagement not only improves the legitimacy of projects but also helps to align the project design with community needs, increasing the likelihood of project success.

5.1.4 To Determine the Mediated-Moderated Effect of Corporate Governance Practices and Stakeholder Engagement on the Relationship Between the Tendering Process and the Performance of Water Projects in SEKEB, Kenya

The final objective tested a moderated mediation model, integrating both corporate governance as a mediator and stakeholder engagement as a moderator. The results confirmed that the interaction between corporate governance and stakeholder engagement significantly shapes the effect of the tendering process on project performance. The moderated mediation analysis showed that corporate governance practices enhance the impact of the tendering process on project outcomes, but this effect becomes stronger in environments where stakeholder engagement is also high.

Regression analysis revealed that the interaction between corporate governance and stakeholder engagement contributed significantly to the overall model, reinforcing the idea that governance structures and community participation mechanisms do not operate independently. Instead, they complement each other in translating procurement efficiency into tangible project benefits. The inclusion of the interaction term in the regression model significantly improved the explanatory power, indicating that projects with both strong governance and high levels of stakeholder engagement are more likely to succeed. This suggests that achieving successful outcomes in public sector infrastructure projects requires a holistic approach, where transparent and accountable procurement processes are combined with effective governance frameworks and meaningful community involvement.

These findings provide valuable insights into the dynamics between procurement practices, governance, and stakeholder engagement, emphasizing the importance of a multi-dimensional approach to improving public sector project performance. The moderated mediation model reflects the complex interplay of these factors, suggesting that while tendering processes are essential; their effectiveness is amplified when accompanied by strong governance structures and active community participation. This underscores the need for integrated strategies that address both procedural efficiency and institutional capacity to enhance the performance of public infrastructure projects.

The results are summarized in Table 36.

Table 36: Summary of Hypotheses

Research Objective	Null Hypothesis (H0)	Hypothesis Test Result	Regression Coefficient (β)	Significance Level (p-value)
Objective 1: To determine the relationship between the tendering process and the performance of water projects in SEKEB	$H0_1$: There is no significant effect of the tendering process on the performance of water projects in SEKEB	Rejected	β = 0.446	p = 0.000
Objective 2: To determine the mediating effect of corporate governance practices on the relationship between the tendering process and performance	$H0_2$: There is no significant mediating effect of corporate governance practices on the relationship between tendering and project performance	Rejected – Partial Mediation	β (indirect) = 0.213	p = 0.004
Objective 3: To examine the moderating effect of stakeholder engagement on the relationship between the tendering process and performance	$H0_3$: There is no significant moderating effect of stakeholder engagement on the relationship between tendering and project performance	Rejected	β (interaction) = 0.195	p = 0.007
Objective 4: To examine the mediated-moderated effect of	$H0_4$: There is no significant mediated-	Rejected	β = 0.163 (overall effect)	p = 0.011

Research Objective	Null Hypothesis (H0)	Hypothesis Test Result	Regression Coefficient (β)	Significance Level (p-value)
corporate governance and stakeholder engagement on the tendering-performance relationship	moderated effect of corporate governance and stakeholder engagement on the tendering-performance relationship			

Following the completion of statistical testing and hypothesis evaluation, the conceptual framework proposed in Chapter One was optimized to reflect only the relationships that were empirically supported. The optimization process was undertaken to enhance the explanatory precision of the model by retaining significant pathways and removing statistically insignificant associations. This refinement ensures that the model remains both parsimonious and robust, providing a clear, evidence-based understanding of the mechanisms that drive the performance of county government water projects within the South Eastern Kenya Economic Bloc (SEKEB).

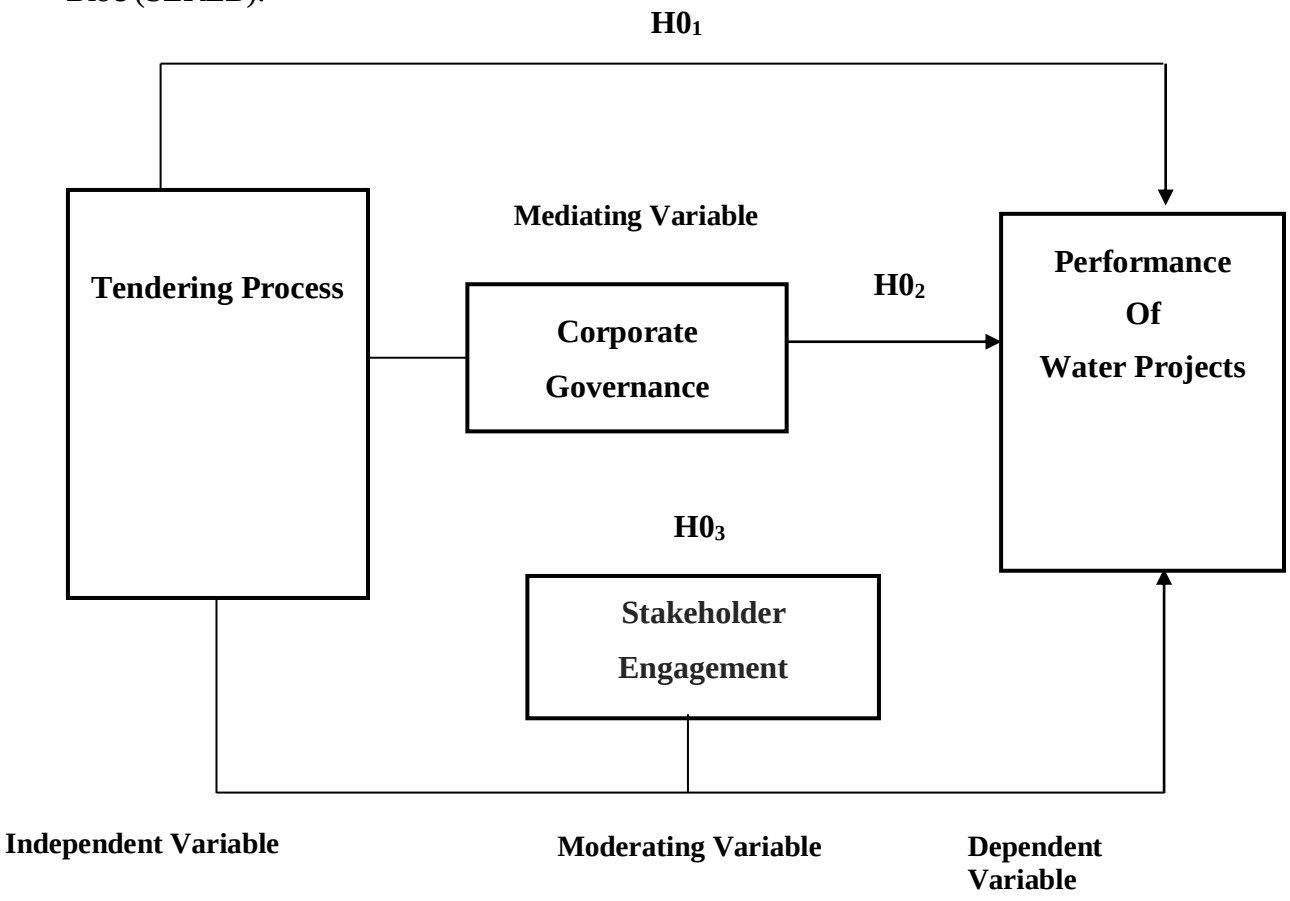


Figure 6: Optimal Conceptual Model

The optimization process drew on findings from hierarchical regression, mediation, and moderation analyses conducted using both the Baron and Kenny (1986) approach and Hayes' (2020) PROCESS macro. These analyses confirmed that the tendering process, corporate governance practices, and stakeholder engagement each play critical roles in explaining variations in project performance. Specifically, the tendering process was found to have a strong and statistically significant direct effect on the performance of water projects. Corporate governance practices emerged as a partial mediator, channeling the influence of tendering practices through institutional accountability, transparency, and compliance mechanisms. Similarly, stakeholder engagement was validated as a significant moderator, reinforcing the positive effect of effective tendering and governance on project outcomes.

The optimized model therefore retained all three constructs tendering process, corporate governance, and stakeholder engagement as core variables influencing project performance. Each of these variables met the statistical threshold for significance ($p < 0.05$), confirming their substantive contribution either directly, indirectly, or interactively. The inclusion of the interaction term between corporate governance and stakeholder engagement further confirmed that governance mechanisms are most effective when complemented by participatory and inclusive engagement practices. The combined explanatory power of these constructs was reflected in the high R-squared and significant F-statistics from the regression and ANOVA analyses, indicating that the model explains a substantial proportion of the variance in water project performance across SEKEB counties.

In essence, the optimized conceptual model substantiates the study's central argument that the performance of county water projects is determined not only by the procedural efficiency of the tendering process but also by the institutional environment within which it operates. Effective governance structures serve as internal control mechanisms that ensure procurement integrity, while stakeholder engagement acts as an external reinforcement mechanism that enhances legitimacy, transparency, and community ownership. The retention of these three constructs confirms that the original model was theoretically sound and empirically validated, demonstrating strong fidelity between the hypothesized relationships and the observed data.

The final framework thus provides a statistically grounded tool for policymakers, development practitioners, and scholars interested in improving the management and delivery of public infrastructure projects. It emphasizes that procurement reforms, when coupled with strengthened governance and participatory engagement, can produce sustainable improvements in project outcomes. The optimized model offers practical guidance for county

governments in Kenya to institutionalize governance standards, enhance citizen involvement, and align procurement processes with principles of accountability and transparency ensuring that water infrastructure projects deliver lasting social and economic value.

5.2 Conclusion

The first objective of the study sought to determine the effect of the tendering process on the performance of county government water projects in the South Eastern Kenya Economic Bloc (SEKEB), which comprises Kitui, Makueni, and Machakos counties. Based on the empirical findings, the study concludes that the tendering process has a strong and statistically significant positive effect on water project performance. Counties that demonstrated transparency, fairness, and competitiveness in their tendering procedures recorded higher levels of efficiency, timeliness, and adherence to budgetary allocations. Regression analysis confirmed that improvements in the procurement process directly translated into better project delivery outcomes, validating the core proposition of Tendering Theory that structured, accountable, and merit-based procurement mechanisms drive institutional performance. The findings further revealed that counties plagued by procedural lapses, inadequate documentation, or political interference faced persistent challenges such as cost overruns, delays, and stalled projects. Therefore, the study concludes that an effective tendering process serves as the foundation for operational efficiency and project sustainability in devolved water sector management.

The second objective sought to assess the mediating effect of corporate governance practices on the relationship between the tendering process and the performance of county government water projects. Drawing from mediation analysis using the Baron and Kenny (1986) framework, the study established that corporate governance partially mediates this relationship. The inclusion of governance variables such as internal audits, oversight committees, and ethical decision-making increased the explanatory power of the model, suggesting that governance enhances but does not completely account for the influence of tendering on performance. The decline in the beta coefficient for the tendering process when corporate governance was introduced into the model signified that part of the tendering effect operates through institutional governance structures. This implies that while transparent tendering improves outcomes directly, the presence of robust governance systems characterized by accountability, integrity, and compliance amplifies this impact. The study thus concludes that effective governance mechanisms are indispensable in translating procurement efficiency into tangible performance gains. Nevertheless, governance systems

must be insulated from political manipulation and supported through capacity-building, independent audits, and digital monitoring tools to realize their full mediating potential.

The third objective aimed to examine the moderating role of stakeholder engagement in the relationship between the tendering process and project performance. The study found that stakeholder engagement significantly moderates this relationship, meaning that the positive impact of an efficient tendering process on project performance is amplified when community participation, transparency, and feedback mechanisms are strong. Hierarchical regression results confirmed that when public forums, participatory planning, and joint monitoring committees were operational, water projects were more responsive to local needs and demonstrated higher sustainability levels. Conversely, where community consultation was weak or tokenistic, projects regardless of procurement quality encountered resistance, neglect, or misuse. This supports Stakeholder Theory's assertion that inclusivity and dialogue enhance legitimacy and long-term performance. The study therefore concludes that stakeholder engagement is a strategic enabler of project success, converting procedural compliance into social ownership. County governments should therefore embed participatory structures at all stages of the project cycle, from planning and tender evaluation to implementation and post-completion monitoring.

The fourth objective sought to determine the combined mediated-moderated effect of corporate governance practices and stakeholder engagement on the relationship between the tendering process and water project performance. The study's moderated mediation analysis revealed that corporate governance and stakeholder engagement jointly influence the strength and direction of this relationship. Specifically, the mediating influence of corporate governance becomes stronger in contexts where stakeholder engagement is high. This demonstrates that the effectiveness of internal accountability structures depends on the extent to which they are supported by external validation and participatory oversight. The interaction term between governance and engagement was statistically significant, confirming that governance systems are most impactful when complemented by active community involvement. This finding aligns with Contingency and Institutional theories, which posit that the success of internal organizational processes depends on alignment with external contextual factors. The study therefore concludes that project performance is best optimized when procurement efficiency, governance integrity, and stakeholder participation operate in synergy, reinforcing one another through institutional coherence and public accountability.

In summary, the study concludes that the performance of county government water projects in SEKEB is a function of both procedural and relational dynamics. The tendering process

serves as the operational backbone, corporate governance acts as the institutional stabilizer, and stakeholder engagement provides the participatory legitimacy needed for sustainability. Each element is essential but insufficient in isolation; together, they form a holistic governance framework that ensures efficient resource use, transparency, and community-centered outcomes. Strengthening these three pillars offers a clear roadmap for county governments and policy actors seeking to enhance the performance and sustainability of devolved water infrastructure projects in Kenya.

The second objective of the study sought to assess the mediating effect of corporate governance practices on the relationship between the tendering process and the performance of county government water projects within the SEKEB region. Based on the findings, the study concludes that corporate governance plays a significant yet partial mediating role in this relationship. The analysis revealed that the tendering process has a strong direct effect on project performance; however, when corporate governance variables were introduced into the model, the effect of tendering decreased but remained statistically significant. This decline in the beta coefficient indicated that part of the influence of tendering on performance is transmitted through governance structures confirming a partial mediation effect. The presence of accountability mechanisms, audit functions, clear decision-making procedures, and adherence to ethical standards strengthened the positive impact of procurement efficiency on project outcomes.

This conclusion reinforces the principles of Agency Theory, which emphasize that governance frameworks minimize agency loss and align the interests of managers (agents) with those of citizens (principals). The findings suggest that when governance mechanisms such as performance audits, procurement oversight committees, and reporting transparency are well established, the integrity of the tendering process improves, leading to enhanced project outcomes. Conversely, weak or politically compromised governance environments undermine the effectiveness of even the most well-structured procurement systems, resulting in inefficiencies, delays, and financial mismanagement.

The study therefore concludes that while the tendering process independently drives performance, its success is substantially strengthened by effective corporate governance practices. Governance serves as an institutional bridge that converts procedural compliance into sustainable results by ensuring that procurement processes are implemented ethically and that resources are managed prudently. In counties where internal controls, audit committees, and leadership accountability are strong, water projects are more likely to be completed on time, within budget, and to expected quality standards.

Nonetheless, the partial nature of the mediation effect suggests that governance structures in some SEKEB counties are not yet fully institutionalized or consistently enforced. Political interference, inadequate technical capacity, and limited financial autonomy weaken their effectiveness. The study thus concludes that to maximize the mediating role of corporate governance, county governments must strengthen institutional capacity through leadership training, automated financial systems, and independent performance evaluations. Enhancing governance quality will ensure that tendering reforms translate into tangible and sustainable improvements in public service delivery, thereby promoting transparency, accountability, and the long-term success of county water projects.

The third objective of the study sought to examine the moderating role of stakeholder engagement on the relationship between the tendering process and the performance of county government water projects within the South Eastern Kenya Economic Bloc (SEKEB). Based on the study findings, it is concluded that stakeholder engagement significantly moderates this relationship, amplifying the positive effect of an effective tendering process on project performance. The regression results demonstrated that when participatory mechanisms such as community consultations, joint monitoring committees, and feedback platforms were actively integrated into the procurement and implementation phases, water projects achieved higher efficiency, transparency, and sustainability. The inclusion of the interaction term between stakeholder engagement and the tendering process yielded a statistically significant effect, confirming that project outcomes improve when communities are meaningfully involved in decision-making and oversight.

The findings validate the assumptions of Stakeholder Theory, which postulates that inclusivity and participatory governance strengthen legitimacy and long-term success. The study established that where stakeholder engagement was strong, water projects were better aligned with community priorities, experienced fewer conflicts, and enjoyed higher levels of ownership and maintenance commitment. In contrast, counties where engagement was weak or tokenistic faced challenges such as project abandonment, vandalism, or low utilization despite adherence to formal procurement procedures. This demonstrates that procedural compliance alone does not guarantee success social inclusion and trust-building are equally essential.

The study therefore concludes that stakeholder engagement acts as a catalytic factor that enhances the effectiveness of the tendering process by creating an enabling environment for accountability and transparency. It bridges the gap between government intentions and community expectations, ensuring that water projects are both technically sound and socially

responsive. Effective engagement also serves as a feedback mechanism that helps county governments identify local challenges, monitor progress, and adapt project designs to local realities.

These results highlight that the moderating effect of stakeholder engagement is both strategic and transformative. The strength of this relationship lies in the authenticity and institutionalization of participatory practices. Engagement that is continuous, structured, and empowered through legal frameworks such as public participation bills and community water committees yields stronger outcomes than symbolic or ad-hoc consultations. Accordingly, the study concludes that stakeholder engagement is not a peripheral activity but a governance imperative that transforms procurement systems into inclusive and performance-driven frameworks. For SEKEB counties and other devolved units in Kenya, embedding participatory approaches within procurement and project management processes will ensure that public water projects are not only efficiently implemented but also sustainable and widely accepted by the communities they serve.

The fourth objective of the study sought to determine the combined mediated and moderated effect of corporate governance practices and stakeholder engagement on the relationship between the tendering process and the performance of county government water projects within the South Eastern Kenya Economic Bloc (SEKEB). From the study's findings, it is concluded that both corporate governance and stakeholder engagement jointly and significantly influence how tendering processes translate into successful project outcomes. The moderated mediation analysis revealed that corporate governance serves as a partial mediator, while stakeholder engagement acts as a moderator that strengthens this mediation pathway. In essence, the impact of tendering processes on project performance is not only channeled through good governance practices but is also amplified when there is meaningful stakeholder participation.

The regression results confirmed that the interaction term between corporate governance and stakeholder engagement was positive and statistically significant ($\beta = 0.184$, $p < 0.01$), indicating that the mediating role of governance is more effective in environments where stakeholder engagement is high. This means that internal accountability structures such as audits, performance reviews, and oversight committees produce stronger performance outcomes when complemented by external participatory mechanisms, including community consultations, monitoring forums, and feedback systems. The findings affirm that governance and engagement are not isolated influences but interdependent drivers that collectively determine the success of public projects.

The study therefore concludes that a synergistic relationship exists between governance and stakeholder engagement in determining water project performance. Counties that combined strong governance frameworks with robust community engagement experienced superior project outcomes characterized by efficiency, transparency, and sustainability. Conversely, where governance existed without genuine participation, or participation occurred without effective governance oversight, the benefits of tendering reforms were diluted. This finding reinforces both Contingency and Institutional theories, which emphasize that the effectiveness of internal organizational systems depends on their alignment with external social and environmental factors.

From a practical standpoint, this conclusion implies that strengthening one aspect without the other yields suboptimal results. Corporate governance provides the internal control and accountability needed to ensure that procurement processes are executed ethically and efficiently, while stakeholder engagement provides the social legitimacy and external oversight necessary to sustain performance. The study thus concludes that the success of county government water projects in SEKEB depends on the integrated functioning of these two dimensions. County governments must institutionalize frameworks where governance reforms and stakeholder participation operate in tandem, supported by digital monitoring tools, transparent reporting systems, and inclusive policy structures.

Ultimately, the study affirms that corporate governance and stakeholder engagement jointly enhance the tendering process's ability to deliver tangible results. Their combined effect transforms procedural compliance into participatory accountability, ensuring that county water projects achieve not only technical success but also social acceptance and long-term sustainability. This conclusion highlights that the most effective public project systems are those that embed integrity, inclusivity, and institutional coordination at every stage of the tendering and implementation process.

5.3 Recommendations

The study established that the performance of county government water projects in the South Eastern Kenya Economic Bloc (SEKEB) is shaped by the interplay between the tendering process, corporate governance practices, and stakeholder engagement. Drawing from the empirical findings and theoretical foundations, several recommendations are proposed to guide practitioners, managers, and policymakers toward improving the design, governance, and delivery of water infrastructure projects within devolved units.

From a practical standpoint, counties must strengthen the tendering process as a strategic development function rather than treating it as an administrative formality. Procurement should be viewed as a performance-driven process that directly influences the success of public projects. To achieve this, procurement officers and project managers should embed measurable indicators such as delivery timeliness, cost compliance, and beneficiary satisfaction within every stage of procurement planning and monitoring. Emphasis should be placed on the quality, sustainability, and social responsiveness of projects rather than on cost minimization alone. Professional training and continuous certification for procurement officers, engineers, and contractors are also essential. Regular capacity-building programs coordinated through the Kenya Institute of Supplies Management (KISM) and accredited professional bodies would ensure that practitioners remain competent in ethical procurement, contract management, and digital tendering systems.

Institutional reforms are equally critical in improving procurement outcomes. Counties should establish independent procurement oversight units equipped with audit and data analytics capabilities to monitor project progress and detect irregularities early. These units would act as internal accountability mechanisms, reinforcing compliance with the Public Procurement and Asset Disposal Act (2015). Integrating digital procurement systems into county operations would also enhance transparency and efficiency. Fully automated e-procurement platforms that enable online tender advertisement, bid submission, and contract tracking would minimize human discretion, reduce opportunities for manipulation, and create real-time audit trails accessible to oversight agencies and citizens. In addition, counties should adopt digital performance dashboards to monitor contractor progress, expenditure, and timelines, thereby linking procurement outcomes directly to development performance.

Community participation emerged as an essential driver of successful water project implementation. Stakeholder engagement must therefore move beyond symbolic consultation exercises to become a structured and integral part of project management. Counties should institutionalize regular ward-level consultative forums, community scorecards, and social audits at each phase of the project cycle. Such mechanisms enable citizens to monitor procurement processes, provide feedback on contractor performance, and co-own project outcomes. Budgetary allocations for stakeholder engagement should be included in project planning to ensure its continuity and sustainability. By embedding participation within procurement and implementation processes, counties can strengthen community ownership, enhance accountability, and minimize post-completion neglect of water projects.

Managerially, the study recommends that county governments prioritize the professionalization of procurement officers and adopt performance-based contracting and budgeting. Linking project funding to measurable indicators such as procurement timelines, stakeholder satisfaction, and quality standards would create incentives for excellence and discourage rent-seeking behaviour. County assemblies and audit committees should also be empowered to review procurement decisions, evaluate project outcomes, and enforce sanctions for non-compliance. Strengthening corporate governance frameworks within county water departments will further enhance accountability and transparency. Internal audit functions, ethics committees, and independent oversight boards should be adequately resourced and shielded from political interference to ensure impartial decision-making.

Collaboration among counties within the SEKEB bloc is another crucial managerial consideration. A shared procurement registry and contractor performance database would prevent the repetitive engagement of underperforming suppliers and encourage consistency across counties. Joint procurement initiatives could reduce administrative costs, promote standardization, and allow for shared technical expertise, ultimately improving value for money in public investments. Furthermore, counties should adopt structured post-project evaluations and lessons-learned sessions to capture experiences and disseminate best practices for future projects. Such institutional learning would ensure continuous improvement in water infrastructure planning and execution.

At the policy level, the study recommends a comprehensive review of the Public Procurement and Asset Disposal Act (2015) to embed stakeholder participation as a legally enforceable requirement for county-level water projects. The revised framework should require that community representatives and civil society organizations be involved at every stage of project planning, tendering, and monitoring. Counties should also be legally mandated to publish procurement documents, tender results, and project implementation reports in formats accessible to the public. This will promote transparency, allow for independent scrutiny, and strengthen public confidence in county administrations.

To reinforce oversight, each county should establish decentralized procurement committees that include professionals, civil society representatives, and local leaders. These committees should have clear legal authority to monitor the entire procurement process, review contractor performance, and ensure adherence to budgetary and quality standards. Their independence should be safeguarded through statutory provisions that guarantee adequate resources, training, and operational autonomy. County governments should also institutionalize annual performance audits conducted by independent external agencies to evaluate the efficiency and

transparency of procurement operations. The audit findings should be made publicly available, ensuring that citizens and oversight institutions can hold officials accountable for project outcomes.

Furthermore, the study emphasizes the need to align project funding with governance and performance outcomes. Counties that demonstrate transparency, timely completion, and effective community participation should receive preferential access to development funds, while those with persistent procurement irregularities should be subject to stricter oversight and corrective measures. The introduction of performance-based funding models will create positive competition among counties and encourage the adoption of best practices in project management. The Ministry of Water, Sanitation and Irrigation should also issue guidelines for participatory planning and co-design of public water projects to standardize engagement procedures across counties.

To enhance long-term sustainability, water projects should integrate environmental and social considerations into procurement and design processes. Tender documents must include sustainability criteria such as lifecycle costing, climate resilience, and resource conservation. By prioritizing green procurement and ensuring environmental compliance, counties will build infrastructure that is not only functional but also environmentally responsible and durable.

From a theoretical and research perspective, the study recommends the continued development of public procurement theories to reflect emerging governance and technological realities. Tendering Theory should expand to include digital procurement and participatory legitimacy as key determinants of success. Agency Theory should be refined to capture the multi-layered accountability inherent in devolved systems where citizens, politicians, and bureaucrats interact as co-agents of service delivery. Similarly, Stakeholder Theory should evolve toward a co-creation model, where stakeholders are engaged as partners throughout the project lifecycle rather than consulted at the periphery. Future research should apply the moderated mediation analytical framework used in this study to other sectors to deepen understanding of how internal governance systems and external stakeholder environments jointly influence public project performance.

In conclusion, the study recommends an integrated reform agenda anchored on three pillars—professionalized tendering systems, strengthened corporate governance, and institutionalized stakeholder engagement. These pillars must function interdependently, supported by digital transparency tools, independent oversight, and participatory accountability frameworks. By adopting these recommendations, counties within SEKEB and across Kenya can enhance

procurement integrity, optimize resource utilization, and ensure that public investments in water infrastructure translate into sustainable, equitable, and community-driven outcomes

5.4 Implications of the Current Study

5.4.1 Implications for Policy

The findings of this study have significant implications for policy development in the management and implementation of public infrastructure projects in Kenya, particularly in the water sector. At the national level, the study advocates for a revision of the Public Procurement and Asset Disposal Act (2015) to include specific provisions that mandate stakeholder participation in county-level water projects. This could involve setting binding thresholds for community consultations, post-procurement disclosures, and transparency obligations that ensure public accountability and inclusivity. Furthermore, the study emphasizes the need for counties to institutionalize decentralized procurement oversight committees, which would enhance accountability and transparency in the procurement process. These committees, comprising representatives from civil society, would oversee key stages of procurement, such as contractor selection and contract implementation, ensuring that projects are executed with integrity and in alignment with community needs. Additionally, the study highlights the importance of performance-based budgeting for water projects, proposing that funding allocations be tied to past performance indicators, such as timely tendering and stakeholder satisfaction. By incorporating these policy recommendations, the government can improve project implementation and better serve the water needs of marginalized communities in the SEKEB region.

5.4.2 Implications for Research

This study contributes valuable insights to the body of literature on public procurement, corporate governance, and stakeholder engagement in the context of water infrastructure projects. Future research can build on these findings by exploring how other governance factors, such as political influences or resource allocation, interact with procurement processes and project outcomes. Moreover, the study's adoption of a mixed-methods approach, which combines quantitative and qualitative data, demonstrates the potential for using this methodology to capture a more comprehensive understanding of complex public sector challenges. Researchers can extend this approach to examine different sectors and geographical areas, exploring the nuanced role of stakeholder participation in shaping public service delivery. Additionally, the findings suggest the need for longitudinal studies to evaluate the long-term impacts of procurement reforms and governance improvements on

infrastructure sustainability and service delivery in other regions. The study also opens up avenues for comparative research across different counties or countries to identify best practices and contextualize the dynamics of procurement, governance, and stakeholder engagement in water projects.

5.4.3 Implications for Theory

The study's findings contribute to the theoretical understanding of public procurement, governance, and stakeholder engagement within the framework of project performance. From a theoretical perspective, the study supports and extends several established theories, such as Institutional Theory and Stakeholder Theory, by demonstrating the significant influence of governance practices and stakeholder engagement on project outcomes. The findings particularly highlight the importance of the interaction between institutional structures (corporate governance) and the involvement of various stakeholders in shaping the performance of public projects. This synergy aligns with the tenets of Stakeholder Theory, which posits that the involvement of diverse stakeholders is crucial for the success of public initiatives. Additionally, the study's findings on the mediating role of corporate governance practices on the relationship between tendering and project performance reinforce the relevance of Institutional Theory, which emphasizes how internal organizational processes and structures influence the effectiveness of public sector projects. By incorporating these theoretical frameworks, the study deepens our understanding of the dynamics that govern successful public infrastructure projects and provides a foundation for further theoretical exploration in the field of public administration and governance.

5.4.4 Implication for Practice

The findings of this study offer several practical implications for enhancing the performance of water projects in Kenya, particularly within the devolved governance framework. First and foremost, the study highlights the critical role of an effective tendering process in ensuring the successful delivery of public projects. County governments, particularly in the South Eastern Kenya Economic Bloc (SEKEB), are encouraged to streamline procurement practices by enhancing transparency, fairness, and accountability. This can be achieved by institutionalizing clear procurement procedures, strengthening oversight mechanisms, and ensuring adherence to the Public Procurement and Asset Disposal Act (PPADA) 2015. Such reforms will foster a more competitive and transparent environment, reducing instances of non-competitive bidding and irregular award procedures that often plague public procurement.

Incorporating robust corporate governance practices is another key implication of this study. The mediating role of corporate governance on project performance underscores the need for counties to implement comprehensive governance frameworks. This includes establishing internal controls, risk management systems, and mechanisms for monitoring and evaluating procurement outcomes. County officials and project managers should prioritize training in corporate governance to strengthen institutional capacity. Enhanced governance practices ensure that resources are used efficiently, procurement decisions are made ethically, and projects are delivered within budget and on time, leading to greater community satisfaction and improved service delivery.

Stakeholder engagement emerges as a powerful moderator in the procurement-process-performance relationship. The study shows that active participation of local communities, civil society organizations, and other relevant stakeholders significantly enhances the performance of water projects. County governments are encouraged to embed participatory practices throughout the project lifecycle, from planning and tendering to implementation and post-project evaluations. Engaging stakeholders in decision-making fosters transparency, builds trust, and ensures that projects meet community needs. In practical terms, this could involve regular community consultations, feedback mechanisms, and ensuring that local stakeholders have a voice in the tendering process. Such engagement not only improves the legitimacy of projects but also enhances project sustainability by ensuring that local populations are invested in the success of the projects.

Additionally, the study emphasizes the importance of integrating governance and stakeholder engagement into a holistic approach to project management. County governments should not treat tendering processes, governance, and stakeholder involvement as separate entities but rather as interconnected components of an integrated project delivery system. This calls for the establishment of multi-disciplinary teams within county procurement offices that include governance experts, procurement specialists, and community representatives. These teams would work together to ensure that governance frameworks are adhered to while also fostering meaningful community participation throughout the procurement and implementation phases.

Lastly, the study's findings have significant implications for policy makers, particularly at the national level. The Government of Kenya, in collaboration with devolved units, should consider revising and reinforcing policy frameworks to promote effective procurement and governance practices at the county level. Policies that encourage regular audits of procurement processes provide incentives for counties that demonstrate transparency and

efficiency, and strengthen the role of local communities in procurement decisions are essential for long-term project success. Moreover, policymakers should ensure that governance reforms are supported by capacity-building programs for local authorities, which will enable them to effectively manage public resources and deliver essential services like water infrastructure.

In summary, the practical implications of this study call for the adoption of comprehensive procurement, governance, and stakeholder engagement frameworks within county governments. Strengthening these areas will ensure that water projects are executed efficiently, transparently, and in alignment with the needs of the communities they serve, ultimately contributing to sustainable development and improved public service delivery.

5.5 Suggestion for Future Research

The results of this study provided important empirical evidence on how the tendering process, corporate governance practices, and stakeholder engagement jointly influence the performance of county government water projects in the South Eastern Kenya Economic Bloc (SEKEB). While the findings have advanced understanding of procurement and governance dynamics in devolved contexts, several areas remain that deserve further investigation to strengthen both theoretical and practical insights in this field.

Future research should first consider expanding the geographical scope of this study. The current investigation focused on Kitui, Makueni, and Machakos counties, which represent only one regional bloc in Kenya. Scholars should replicate this model in other counties across the country such as those in the Lake Region, North Rift, and Mount Kenya blocs to test whether similar patterns hold under different governance, environmental, and socio economic conditions. Such comparative studies would reveal whether counties with greater fiscal autonomy or stronger administrative capacity experience different relationships between tendering, governance, and project performance. This would provide region specific recommendations and validate the general applicability of the model across diverse contexts.

There is also a need for longitudinal research to examine how the influence of tendering processes and governance mechanisms evolves over time. The present study used a cross sectional design which provided a snapshot of existing relationships. However, water projects are implemented over long periods and are subject to changes in leadership, policies, and funding cycles. Longitudinal studies would allow researchers to observe how reforms in procurement systems, governance capacity, and stakeholder participation affect project performance across several financial years. This approach would also make it possible to

establish causal relationships and determine which governance or engagement strategies produce sustained results.

In addition, future research should build upon the current model by incorporating new variables that may explain more variation in project performance. While this study examined corporate governance as a mediating factor and stakeholder engagement as a moderating factor, there are other institutional and contextual variables that merit inclusion. For instance, the capacity of procurement officers, the presence of monitoring and evaluation units, and the level of leadership integrity could serve as mediating variables influencing procurement efficiency and performance. Similarly, political interference, organizational culture, or the use of modern procurement technologies could be explored as moderating factors that shape how tendering translates into successful project outcomes.

Further inquiry is also encouraged into the different dimensions of stakeholder engagement. In this study, stakeholder engagement was treated as a composite construct. Future research could examine its specific components such as information sharing, participatory planning, grievance redress, and citizen monitoring to determine which aspects have the greatest effect on project results. A study comparing structured participatory budgeting exercises with informal community meetings would, for instance, clarify which engagement mechanisms lead to better alignment between project outcomes and community priorities. This disaggregation would help policymakers design more effective engagement frameworks that are both inclusive and measurable.

Another area that warrants further research is the role of digital transformation in enhancing procurement transparency and efficiency. Counties in Kenya are progressively adopting electronic procurement systems, but their effectiveness has not been adequately studied. Future studies could examine whether digital systems improve bid evaluation, reduce delays, minimize collusion, or enhance the diversity of suppliers. Comparative research between counties that use fully digitized procurement systems and those that rely on manual processes would provide valuable evidence on how technology influences procurement outcomes and governance accountability.

The model used in this study can also be applied to other public sectors to establish whether similar relationships exist beyond the water sector. Comparative studies across sectors such as health, roads, and education would help identify whether tendering and governance factors influence performance differently depending on sectoral characteristics. For example, water projects are often locally driven and require community maintenance, while road or health projects involve higher technical complexity and national oversight. Understanding these

sector specific differences would help tailor reforms and guide integrated planning across devolved sectors.

Future studies should also explore how participatory budgeting frameworks affect the transparency of procurement and the sustainability of water projects. While this study demonstrated that stakeholder engagement improves performance, few empirical studies in Kenya have specifically tested the effect of participatory budgeting on procurement outcomes. Research could compare counties that have institutionalized participatory budgeting such as Makueni with those that have not, assessing the extent to which citizen involvement in budget formulation influences contractor selection, cost management, and accountability.

Environmental sustainability presents another promising area for investigation. Given that water projects are highly sensitive to climate change and resource depletion, future studies should assess how procurement systems integrate environmental risk management and sustainability principles. Researchers could evaluate whether counties that include climate resilience, lifecycle costing, or green procurement standards in their tendering processes achieve better long term project performance and community resilience.

The inclusion of gender and social inclusion dimensions also deserves closer attention. Future research could analyze the contribution of women, youth, and marginalized groups in influencing procurement decisions, monitoring projects, or participating in community oversight committees. Investigating whether gender balanced project teams and inclusive stakeholder platforms lead to higher transparency or accountability would strengthen the evidence base for gender responsive governance.

In terms of theoretical development, future studies should expand the analytical framework by integrating Institutional Theory, Transaction Cost Economics, and Resource Dependence Theory. These perspectives could help explain how formal rules, informal norms, and external funding relationships influence procurement behavior in county governments. For instance, Institutional Theory could clarify how political and cultural norms shape adherence to procurement laws, while Resource Dependence Theory could show how donor funding conditions and intergovernmental fiscal transfers affect procurement priorities and governance outcomes.

Methodologically, future research should employ advanced quantitative techniques such as Structural Equation Modeling or Partial Least Squares modeling to analyze the interrelationships among variables more precisely. These approaches would allow

simultaneous testing of direct, indirect, and interaction effects, providing deeper insight into how tendering, governance, and stakeholder engagement operate together to determine project outcomes. Researchers may also adopt mixed methods designs that integrate case studies, interviews, and focus group discussions to enrich quantitative findings with contextual understanding.

Moreover, the political and institutional dynamics of procurement should be explored in greater depth. The influence of political leadership, patronage networks, and election cycles on contractor selection and project prioritization remains insufficiently understood. Future studies could investigate how political interference weakens the link between procurement reforms and project outcomes and how governance structures such as audit committees or county assemblies can mitigate these effects. Such research would contribute to developing strategies that protect procurement processes from politicization.

In summary, future research should build upon this study by focusing on specific contexts, variables, and mechanisms that deepen understanding of procurement governance and project performance. Studies that examine regional replication, temporal changes, digital procurement, participatory budgeting, environmental sustainability, gender inclusion, and political dynamics will generate actionable knowledge for both scholars and policymakers. Through such targeted research, Kenya and other developing countries can continue improving their procurement systems, strengthening community participation, and enhancing the long-term effectiveness and sustainability of public infrastructure projects.

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APPPENDICES

Appendix I: Letter of Introduction

Frederick Kilonzi Maluki

To Whom It May Concern,

I am writing to introduce myself and provide background information regarding the research study titled "Tendering Process, Corporate Governance Practices, Stakeholder Engagement, and Performance of County Government Water Projects in SEKEB Region, Kenya." This study is being conducted as part of the requirements for the award of the degree of Doctor of Philosophy in Management and Leadership at the Management University of Africa.

The study seeks to examine the influence of the tendering process, corporate governance practices, and stakeholder engagement on the performance of county government water projects in the South Eastern Kenya Economic Bloc (SEKEB), which includes Kitui, Makueni, and Machakos counties. The research is motivated by the challenges faced in the region regarding inadequate water infrastructure, procurement inefficiencies, and the need for enhanced governance and transparency in devolved governance systems.

Through this study, I am investigating how these three key variables—tendering processes, corporate governance, and stakeholder engagement—interact to shape the outcomes of public water projects. The research utilizes both quantitative and qualitative data collected from various stakeholders involved in the implementation and management of these projects. By understanding the dynamics of these variables, the study aims to provide actionable recommendations for improving the effectiveness and sustainability of water infrastructure projects across Kenya.

I believe that this research will offer valuable insights for policymakers, county governments, and other relevant stakeholders to enhance the governance of public projects and ensure better service delivery in water infrastructure development.

Thank you for taking the time to review the details of this research, and I look forward to contributing meaningful findings to the advancement of public procurement and project management in Kenya.

Sincerely,
Frederick Kilonzi Maluki

Doctoral Candidate, Management and Leadership

Management University of Africa

Appendix II: Letter from Institution



The Management University of Africa

MUA

Sponsored by The Kenya Institute of Management

Date: 5TH FEBRUARY 2025

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

REF: FREDRICK KILONZI MALUKI – PHD CANDIDATE

This is to confirm that **FREDRICK KILONZI MALUKI** – admission number: **DML/14/00124/3/19** is a student of the Management University of Africa (MUA) currently pursuing a Doctor of Philosophy (PhD) degree in Management and Leadership. As part of the requirement for the degree programme, the candidate is expected to carry out a study and write a thesis on a topic of choice. The topic is "**TENDERING PROCESS, CORPORATE GOVERNANCE PRACTICES, STAKEHOLDERS ENGAGEMENT, AND PERFORMANCE OF SELECTED COUNTY GOVERNMENT WATER PROJECTS IN KENYA.**" on which he has developed and successfully defended a proposal which has been approved by the University. He is now expected to collect data before finally writing his thesis.

The University wishes to request for assistance and cooperation from all the concerned parties the student will be engaging with in the course of his study.

Yours faithfully,
Management University of Africa

MANAGEMENT UNIVERSITY OF AFRICA
05 FEB 2025
P.O. Box 29677 - 00100 NAIROBI

Dr. John Cheluget, PhD
Deputy Vice-Chancellor , ARE

Appendix III: Study Questionnaire

Thank you for participating in this study. The purpose of this questionnaire is to gather data for academic research focused on understanding the influence of the tendering process, corporate governance practices, and stakeholder engagement on the performance of county government water projects in Kenya, specifically within the South Eastern Kenya Economic Bloc (SEKEB). Please read each question carefully and respond honestly based on your experiences and knowledge. For multiple-choice questions, tick the box that best represents your view or situation. For open-ended questions, kindly provide detailed answers where applicable. Your responses will remain confidential and are solely for academic purposes. Participation in this study is voluntary, and you may withdraw at any time. If you have any questions or require clarification during the completion of the questionnaire, feel free to ask. We highly appreciate your time and contribution to this important research.

SECTION A: Social demographic information

Section A: General Information

1. Gender of the respondent Male ( ) Female ( )

2. Level of academic qualification: Tick the highest

Certificate ( ) Diploma ( ) Undergraduate degree ( ) Masters Degree ( ) PhD ( )

3. State the arm you're working in the county water projects.

Executive ( ) Assembly ( ) Projects ( ) others ( ) specify _____

4. How many years of experience do you have in managing water projects in SEKEB regions, in Kenya.

Less than one year ( ) 1-5 Years ( )

6-10 Years ( ) More than 10 years ( )

5. Are you a member of the committee/organ that deals with water projects in your county?

Yes ( ) No ( ) others ( ) specify _____

6. Explain your role and mandate in the evaluation of tenders for water projects

---

SECTION B: Tendering Process

This part attempts to establish Tendering process on the Performance of water projects in selected county governments in Kenya. Use the Likert scale. The response scale for the questions is as below

1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

No.	**Statement**	**SD**	**D**	**N**	**A**	**SA**
		1	2	3	4	5
1	The county government/water board institution has a well laid out transparent tendering process					
2	Management organizes reports on price variances of products resourced for optimal tendering process performance					
3	The county government/water board institution is well staffed to ensure order accuracy in its tendering process					

4	The county government/water board institution has effective pre qualification procedures to monitor suppliers availability to enable control the resources towards better tendering process					
5	Assessment of supplier quality systems is often done after tendering process to access suppliers defect rates					
6	Supplier regulatory compliance is carefully evaluated during tender process evaluation systems to avoid non delivery					
7	Overall, the county government/water board institutions sourcing strategies are planned towards better influence in tendering process					
8	County government/water boards has effective monitoring tools that ensure correct goods/services are supplied					

1. Are there hurdles your county/institution is facing in tendering process in water projects in your county/institution, elaborate on those challenges.

……

……..

2. Explain how you would address those challenges?

…….....

.....

SECTION C: Corporate Governance practices

This section attempts to establish the role of Corporate Governance practices on the performance of water projects in selected county governments in Kenya. Use the Likert scale.

The response scale for the questions is as below:

1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

No.	Statement	SD	D	N	A	SA
		1	2	3	4	5
1	i) The water boards and county governments have well laid out disclosure and transparent procedures to inform stakeholders of key contacts who can answer questions and give reports on performance of water projects ii) Accountability compliance procedures are available to attract talented board nominees who perform to the benefit of stakeholders					
2	iii) The Public is sufficiently informed of opportunities for continuous improvements on the tendering processes being followed in the county government and water boards					
3	iv) Governance and firm performance as a measure of good Corporate governance practices on tendering process is preceded by civic education to enrich the process					
4	v) Board members and county officials have authority to act on behalf of their boards/county in monitoring the performance and contribute constructively in county water projects decisions					
5	vi) Members of the public understand their right to corporate governance and demand feedback on tendering process and final evaluation of water projects tenders.					
6	vii) The County Government satisfies itself that sufficient corporate governance practices in public participation is done before publication of water tenders					
7	viii). Board directors /county officials continuously monitor activities and operations to ensure they are efficient and effective and support the mission					

1. Are there hurdles your county/water board institution is facing around corporate governance in the Performance of water projects in your county, elaborate on those challenges?

……

.....……

2. Explain how you would address those challenges?

…….....

.....

SECTION D: Stakeholders' Engagement

This section attempts to establish the role of Stakeholders Engagement on the Performance of water projects in selected county governments/water boards in Kenya. Use the Likert scale. The response scale for the questions is as below:

1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

	Statement	**SD 1**	**D 2**	**N 3**	**A 4**	**SA 5**
1	i).Timely information disclosure of projects information including nature and scale of the projects, potential risks and impacts regarding tendering process in water boards/county offices is availed to stakeholders					
2	ii). Stakeholders' proposals for specific projects are considered as a community engagement aspect in our county government /water board.					
3	iii)When dealing in complex tendering processes that involve large sums of money and complex systems, communication from water boards/county offices is simple and clear					
4	iv) Planning and implementing stakeholder engagements for customer satisfaction is taken seriously in water boards and county governments					

5	v) Meetings, workshops in our county/water boards are used to communicate feedback to stakeholders on tendering process					
6	vi). Monitoring effectiveness of our stakeholder engagement activities, and adjusting information to mitigate on risk management is practised					
7	vii)Regular feedback surveys to measure stakeholder satisfaction, perceptions and expectations are actively engaged with the projects in a multifaceted process					
8	viii) Stakeholders are involved in decision-making processes through open and regular communication to justify procurement decisions, actions , and manage stakeholder expectations and satisfaction					
9	ix) Evidence of feedback to stakeholders affected how their issues, concerns, and suggestions have been considered and incorporated into the projects is available.					

1. Do you think stakeholder engagement influences scrutinizing the tendering process in your county or water board?

……

……

2. Explain your answer

……

…….....

SECTION E: Performance of Water projects

This part attempts to establish Performance of water projects in selected county governments in Kenya. Use the Likert scale. The response scale for the questions is as below:

1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

No.	Statement	SD 1	D 2	N 3	A 4	SA 5
1	i) There are many complaints of stalled water projects taking long to complete resulting in decreased clean water usage.					
2	ii)In your county private sector water projects have higher success rates than government projects					
3	iii) A major challenge that is faced in county government water projects is that they do not follow the budget and this interferes with completion timeliness set.					
4	iv). Attention given to water projects is very low in the county compared to other county projects resulting to poor quality of water					
5	v).The percentage or number of people not served with clean drinking water is a very big					
6	vi).We have taken steps in our county to reduce contribution to water pollution by ensuring our waste does not end up in waterways					
7	vii).Water projects in our county contribute to sustainable development					
8	viii) Insufficient funding of water projects compromises water purification projects in county government/water board.					

Thank you very much for participating in this study. Once again you are reassured of the

Confidentiality of this information and it will not be diverted for any other purpose other than this study. Should you be interested in receiving the findings of this study, please indicate your contacts as requested below: -

Contact

Person……...

Email

Address……..…….

Signature……

Date of returning the questionnaire……

Appendix IV: Research License

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION

Ref No: **627434**

Date of Issue: **14/February/2025**

RESEARCH LICENSE



This is to Certify that Mr. FREDERICK KILONZI MALUKI of The Management University of Africa, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Kitui, Machakos, Makueni on the topic: TENDERING PROCESS, CORPORATE GOVERNANCE PRACTICES, STAKEHOLDERS ENGAGEMENT, AND PERFORMANCE OF SELECTED COUNTY GOVERNMENT WATER PROJECTS IN KENYA for the period ending: 14/February/2026.

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See overleaf for conditions