

PROJECT GOVERNANCE AND COMMUNITY CHARACTERISTICS IN THE STAKEHOLDER ENGAGEMENT–SUSTAINABILITY RELATIONSHIP: EVIDENCE FROM HUMANITARIAN NGO'S IN NAIROBI CITY COUNTY, KENYA

Kwamboka Mercyline.

MBA Project Management, Bed. Arts, Department of Management Science School of Business, Economics and Tourism, Kenyatta University, Kenya.

Dr. Franklin Kinoti.

Senior Lecturer, Department of Management Science, School of Business, Economics and Tourism, Kenyatta University, Kenya.

Dr. Josphat Kyalo.

Lecturer, Department of Management Science, School of Business, Economics and Tourism, Kenyatta University, Kenya.

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ABSTRACT

The sustainability of humanitarian NGO-funded projects remains a persistent concern because project continuation depends not only on the delivery of planned outputs but also on the quality of stakeholder relationships, institutional arrangements and community conditions within which interventions are implemented. Although stakeholder engagement is widely recognized as important to project sustainability, existing explanations provide limited understanding of the mechanisms through which engagement is translated into sustainable project outcomes and the contextual conditions under which such effects may vary. This article therefore examines project governance as a mediating mechanism and community characteristics as a moderating condition in the relationship between stakeholder engagement and sustainability of humanitarian NGO-funded projects in Nairobi City County, Kenya. Stakeholder engagement is conceptualised as a composite construct incorporating stakeholder identification, stakeholder analysis, stakeholder communication and stakeholder monitoring. Project governance is conceptualised through accountability systems, conflict-resolution processes and

governance frameworks, while community characteristics capture cultural norms, values, practices, cultural sensitivity, community support and engagement. The article is theoretically anchored in Stakeholder Theory, complemented by Resource Dependence Theory and Governance Theory, while the Triple Bottom Line provides the sustainability perspective. The conceptual model proposes that stakeholder engagement influences project sustainability both directly and indirectly through project governance, while community characteristics condition the strength of the stakeholder engagement–sustainability relationship. The article addresses a theoretical and empirical gap by moving from a direct-effect explanation of stakeholder engagement towards an integrated mechanism-and-context model of humanitarian project sustainability.

Keywords: Stakeholder engagement, Project governance, Community characteristics, Project sustainability, Humanitarian NGOs, Mediation, Moderation, Kenya

INTRODUCTION

Background to the Study

The sustainability of humanitarian NGO-funded projects has become an important concern within contemporary project management because successful completion of project activities does not necessarily guarantee the continuation of intended benefits. Humanitarian projects are commonly implemented within environments characterised by resource constraints, multiple stakeholder interests, institutional uncertainty, changing community needs and dependence on external financing. Sustainability therefore extends beyond achieving immediate project outputs to encompass the capacity of interventions to retain social, economic and environmental value over time. Turner and Haynes (2021) associate sustainability with diversified financing and strategic stakeholder partnerships, while Banks and Brockington (2020) emphasise financial sustainability and local capacity development within NGO practice. Elkington (2017) similarly conceptualises sustainability through interconnected social, economic and environmental considerations, indicating that sustainable project management requires attention to both immediate performance and longer-term value creation.

Within this context, stakeholder engagement constitutes an important project-management process through which diverse interests, expectations, resources and responsibilities can be coordinated. The Project Management Institute (PMI, 2021) presents stakeholder management as a systematic process involving identification, assessment, communication and continued engagement throughout the project life cycle. These activities are conceptually interdependent rather than isolated: identification establishes the relevant actors, analysis clarifies their interests and influence, communication facilitates exchange and participation, while monitoring enables project teams to respond to changes in stakeholder expectations and involvement. Freeman (1984) and Freeman et al. (2019) similarly emphasise the importance of recognising and creating value for stakeholders whose interests affect or are affected by organisational activities. In humanitarian settings, therefore, stakeholder engagement can be understood as a composite project-management capability for aligning project actions with stakeholder interests and maintaining relationships necessary for project continuity.

The significance of stakeholder engagement becomes greater where humanitarian projects involve multiple actors with unequal resources, interests and influence. Donors may prioritise accountability and measurable results, implementing organisations may focus on operational delivery, government institutions may emphasise regulatory and policy requirements, while beneficiaries and community representatives may prioritise relevance, accessibility and continuity of services. Fuchs and Öhler (2021) observe that international aid can reflect political and economic interests, while Cuel (2022) highlights the importance of understanding how participation is structured within donor-supported interventions. Johnson et al. (2021) further emphasise the role of meaningful participation in aligning humanitarian interventions with their

social, political and cultural environments. These perspectives suggest that stakeholder engagement is not merely a communication activity but a relational process through which competing interests can be recognised, negotiated and incorporated into project decision-making. The relationship between stakeholder engagement and sustainability is consequently likely to involve more than a simple direct association. Stakeholder engagement can provide projects with information, legitimacy, local knowledge, resources, trust and support, but these resources do not automatically become sustainable outcomes. They require institutional structures capable of translating stakeholder inputs into accountable decisions, coordinated implementation and responsible resource utilisation. Governance therefore becomes important because stakeholder participation is likely to have greater sustainability implications when project institutions possess mechanisms for accountability, transparency, conflict management and decision-making. Abiddin et al. (2022), Juma and Kabiru (2023) and Chepkemai and Kisimbii (2021) collectively emphasise the importance of institutional accountability, participation and governance in strengthening project and organisational sustainability.

The governance perspective introduces an important mechanism into the stakeholder engagement–sustainability relationship. Effective stakeholder engagement can generate diverse information and expectations, but governance structures determine how such inputs are considered, prioritised and acted upon. Governance can therefore transform stakeholder engagement from consultation into institutionalised participation. Baidhar et al. (2024) emphasise the role of strong local governance in enabling projects to adapt to changing circumstances, while Abiddin *et al.* (2022) links governance frameworks with improved humanitarian outcomes and the management of social tensions. The implication is that stakeholder engagement may contribute to sustainability partly because it strengthens governance processes through which accountability, coordination and responsiveness are institutionalised.

The relationship may also vary according to the characteristics of the communities in which humanitarian projects operate. Community characteristics encompass the social and cultural norms, values, practices and expectations that influence how project activities are interpreted and how stakeholders participate. Nguyen *et al.* (2021) emphasise cultural competence in project design, while Wright et al. (2022) argue that collaborative and culturally informed approaches contribute to sustainable development. Johnson et al. (2023) similarly draw attention to the convergence of stakeholder involvement, governance and cultural competency in complex project environments. These perspectives indicate that stakeholder engagement may not produce identical sustainability outcomes across all communities because the meaning, legitimacy and effectiveness of participation can be shaped by the characteristics of the local social environment.

The Nairobi humanitarian context provides an important setting for examining this relationship because humanitarian NGOs operate within a highly diverse urban environment involving multiple social groups, institutional actors, donors, implementing partners and beneficiaries. Stakeholders

may differ in their interests, expectations, influence, cultural orientations and access to project resources. A uniform approach to engagement may therefore be insufficient where communities differ in their values, communication practices, decision-making structures and expectations concerning participation. Kamau et al. (2022), Juma and Kabiru (2023) and Kamau and Mohamed (2020) emphasise the relevance of culturally responsive, transparent and accountable engagement for strengthening community ownership and project commitment in Kenyan development contexts.

The sustainability challenge is further complicated by donor dependency and changing external financing. Jackson (2023) and Lishoni (2023) identify declining or uncertain donor support as a challenge to the continuity of NGO interventions, while Ayinkamiye (2021) demonstrates how dependence on inconsistent external financing can result in interruptions or termination of programmes. Chanase (2023) further identifies the possibility of mission drift when organisations adjust activities to accommodate donor priorities. These conditions suggest that sustainability depends not only on financial resources but also on the capacity of projects to establish stakeholder relationships, governance systems and community ownership that can withstand changes in external support.

The central analytical issue addressed in this article therefore concerns the mechanism and context of the stakeholder engagement–sustainability relationship. Existing project-management reasoning establishes the importance of stakeholder engagement, but stakeholder engagement alone does not explain how participation is converted into sustainable outcomes. Similarly, community participation does not operate in a social vacuum; its effectiveness depends partly on whether engagement practices correspond with local characteristics and whether project governance structures can institutionalise stakeholder contributions. The present article consequently conceptualises stakeholder engagement as a composite construct comprising identification, analysis, communication and monitoring and examines its relationship with sustainability through two theoretically distinct pathways: project governance as a mediating mechanism and community characteristics as a moderating condition.

The article thus moves beyond a direct-effect model in which stakeholder engagement is simply treated as a predictor of sustainability. The proposed model asks two deeper questions. First, *how does stakeholder engagement translate into project sustainability?* This question is addressed through project governance. Second, *under what contextual conditions may the relationship between stakeholder engagement and sustainability vary?* This question is addressed through community characteristics. The distinction between mediation and moderation provides the conceptual foundation for a more comprehensive explanation of sustainability within humanitarian NGO-funded projects in Nairobi City County.

LITERATURE REVIEW AND THEORETICAL FOUNDATION

Conceptualisation of Stakeholder Engagement as a Composite Construct

Stakeholder engagement is conceptualised in this article as a multidimensional but composite project-management construct through which project organisations identify relevant stakeholders, understand their interests and influence, communicate with them, and continuously monitor their participation and changing expectations. The construct comprises four interrelated dimensions: stakeholder identification, stakeholder analysis, stakeholder communication and stakeholder monitoring. These dimensions are not treated as independent predictors; rather, they collectively represent an integrated stakeholder engagement capability. PMI (2021) presents stakeholder management as a continuing project process, while Freeman (1984) and Freeman et al. (2019) emphasise systematic recognition and management of relationships with actors who affect or are affected by organisational activities. Mitchell et al. (1997) further demonstrate that stakeholder relevance is shaped by power, legitimacy and urgency, underscoring the importance of systematically identifying and assessing stakeholders.

Stakeholder identification establishes who is relevant to the project, while stakeholder analysis determines the interests, expectations, influence and relationships that should guide subsequent engagement. Communication then provides the relational channel through which information, expectations, concerns and feedback are exchanged, while monitoring allows project organisations to recognise changes in stakeholder interests and participation throughout implementation. The four dimensions are consequently sequentially connected but mutually reinforcing rather than discrete activities. Freeman et al. (2019), Mitchell et al. (1997) and PMI (2021) support the view that meaningful stakeholder management requires continuous recognition, assessment and interaction rather than one-off consultation. In humanitarian NGO-funded projects, this integrated process is particularly relevant because projects involve donors, implementing organisations, government institutions, beneficiaries, communities and other actors whose expectations and influence may change during implementation.

The relational nature of stakeholder engagement is particularly important in humanitarian contexts where projects must respond to changing needs, resource dependencies and diverse stakeholder expectations. Fuchs and Öhler (2021) demonstrate the potential tensions between donor interests and local priorities, while Johnson et al. (2021) and Cuel (2022) emphasise participation and communication as means of aligning interventions with social and local contexts. Otaru et al. (2021) and Orieno et al. (2024) further associate stakeholder engagement with resource mobilisation, participation and continuing support. Thus, the present article conceptualises stakeholder engagement as a single composite independent variable in which identification establishes who matters, analysis determines how stakeholders matter, communication facilitates interaction, and monitoring enables continuous adaptation.

Table 1 Integrated Conceptualisation of Study Constructs

Construct	Role in model	Core dimensions	Theoretical foundation
Stakeholder engagement	Composite independent variable	Identification; analysis; communication; monitoring	Stakeholder Theory; Resource Dependence Theory
Project governance structures	Mediator	Accountability; conflict resolution; governance frameworks	Governance Theory
Community characteristics	Moderator	Cultural norms/values/practices; cultural sensitivity; community support/engagement	Stakeholder Theory; Governance Theory
Project sustainability	Dependent variable	Social; economic; environmental sustainability	Triple Bottom Line

Source: Author's conceptualisation based on Freeman (1984), Mitchell et al. (1997), Pfeffer and Salancik (2003), Elkington (2017), and PMI (2021).

Stakeholder Engagement and Project Sustainability

Stakeholder engagement provides a theoretical basis for understanding project sustainability because the continuation of project benefits depends partly on relationships with actors who provide resources, legitimacy, knowledge, participation and local support. Systematic identification, analysis, communication and monitoring enable project organisations to align activities with stakeholder interests, anticipate emerging concerns, mobilise support and maintain accountability. Freeman et al. (2019) emphasise sustained value creation through stakeholder relationships, while PMI (2021) positions stakeholder management as a continuing project process. Turner and Haynes (2021) and Banks and Brockington (2020) similarly emphasise stakeholder partnerships, local capacity and resource sustainability as important considerations for organisational and project continuity.

In humanitarian NGO-funded projects, engagement may strengthen sustainability by improving community ownership, project relevance and stakeholder commitment. Meaningful participation can reduce the distance between externally supported interventions and locally perceived priorities, thereby strengthening legitimacy and acceptance. Johnson et al. (2021), Cuel (2022) and Otaru et al. (2021) emphasise participation, alignment and continuing stakeholder support in development and humanitarian interventions. However, stakeholder engagement does not necessarily translate automatically into sustainable outcomes. Engagement may generate diverse interests and expectations that require institutional mechanisms for coordination, accountability and decision-making. Abiddin et al. (2022), Chepkemai and Kisimbii (2021) and Juma and Kabiru (2023) consequently highlight the importance of governance and accountability in transforming participation into coordinated and sustainable project action.

The central conceptual issue is therefore not simply whether stakeholder engagement is associated with project sustainability, but how and under what conditions the relationship operates. In this article, stakeholder engagement represents the relational input, project governance represents the institutional mechanism through which stakeholder inputs may be translated into project decisions and practices, and community characteristics represent the contextual environment in which engagement takes place. This moves the analysis beyond a simple direct-effect explanation and provides the basis for examining mediation and moderation within one integrated framework. Freeman et al. (2019), Pfeffer and Salancik (2003) and Abiddin et al. (2022) collectively support this movement from stakeholder relationships and resource dependencies towards institutional coordination and sustainable outcomes.

Project Governance Structures as the Mediating Mechanism

Project governance structures refer to the institutional arrangements through which authority, accountability, participation, decision-making, resource utilisation and stakeholder relationships are organised. Governance is particularly important in humanitarian NGO-funded projects because implementation commonly involves multiple organisations and stakeholder groups with different responsibilities, interests and resource capacities. Governance arrangements establish how decisions are made, how responsibilities are assigned, how resources are accounted for and how disagreements are addressed. Governance Theory therefore provides a logical explanation of how stakeholder engagement can be converted into coordinated and sustainable project action (Abiddin et al., 2022; Baidhar et al., 2024; Chepkemai & Kisimbii, 2021).

The first governance dimension, accountability systems, provides mechanisms through which responsibilities, decisions, resources and performance can be scrutinised. The second, conflict-resolution processes, provides structured mechanisms for addressing competing interests that may emerge among donors, implementing organisations, government agencies and communities. The third, governance frameworks, provides formal policies, roles, procedures and structures for coordinating decision-making and stakeholder interaction. Juma and Kabiru (2023), Saez et al. (2021) and Liu et al. (2022) associate accountability and structured conflict management with stakeholder cooperation and project coordination, while Odhiambo and Njuguna (2021), Noakes and Teets (2020) and Kaumbulu et al. (2020) emphasise the role of formal governance arrangements in uncertain project environments.

These dimensions explain why governance is positioned as a mediator rather than an additional independent variable. Stakeholder engagement creates information, participation, expectations and relationships, but governance determines how these inputs are institutionalised within project decisions and practices. Accountability systems provide transparency, conflict-resolution mechanisms coordinate competing interests, and governance frameworks establish formal structures for decision-making. The proposed mechanism can therefore be expressed as:

Stakeholder Engagement → Project Governance Structures → Project Sustainability.

The mediation argument is theoretically supported by the combined logic of Stakeholder Theory, Resource Dependence Theory and Governance Theory. Stakeholder relationships generate information and support; resource dependencies create the need to manage external relationships; and governance arrangements organise these relationships into accountable institutional processes. Freeman et al. (2019), Pfeffer and Salancik (2003) and Kaumbulu et al. (2020) consequently provide a coherent theoretical basis for viewing governance as the institutional pathway through which stakeholder engagement may contribute to sustainability.

Community Characteristics as a Moderating Condition

Community characteristics represent the social and cultural environment within which stakeholder engagement and project governance occur. They include cultural norms, values and practices; cultural sensitivity; and community support and engagement. These characteristics matter because humanitarian projects are implemented within socially structured communities rather than neutral environments. The interpretation of authority, participation, communication, responsibility and ownership may vary across communities, thereby influencing how project stakeholders respond to engagement practices. Nguyen et al. (2021), Wright et al. (2022) and Johnson et al. (2023) emphasise the importance of culturally informed and contextually responsive approaches in complex project environments.

The conceptual role of community characteristics differs from that of project governance. Governance explains how stakeholder engagement may be converted into sustainable project action, whereas community characteristics explain the conditions under which the stakeholder engagement–sustainability relationship may vary. Cultural norms, values and practices can influence how engagement is interpreted; cultural sensitivity determines whether project practices are responsive to local social structures and communication patterns; and community support and engagement reflect participation, ownership and local acceptance. Mouchabac et al. (2024), Olafsen et al. (2021) and Nyongesa and Mwaura (2021) provide conceptual support for the importance of cultural practices, sensitivity, participation and community ownership.

The moderation proposition therefore recognises that the same stakeholder engagement practices may not have identical implications across different community environments. Where engagement is compatible with local expectations and culturally responsive, participation may be more readily translated into trust, ownership and project support. Conversely, where engagement is poorly aligned with community structures, participation may remain formal or symbolic. Nguyen et al. (2021), Wright et al. (2022) and Mutua et al. (2022) support the importance of cultural responsiveness, participation and community ownership in shaping project interactions. Community characteristics are therefore positioned as a moderator, rather than as a fourth independent predictor, because the theoretical concern is whether they alter the strength of the stakeholder engagement–sustainability relationship.

Project Sustainability as the Outcome Construct

Project sustainability is conceptualised as the capacity of humanitarian NGO-funded projects to maintain intended benefits and continue generating value beyond the immediate implementation period. Sustainability extends beyond project completion to encompass the continued social, economic and environmental value generated by project interventions. The Triple Bottom Line perspective provides the principal conceptual basis for this multidimensional interpretation by emphasising social, economic and environmental dimensions of sustainable value creation (Elkington, 2017). Turner and Haynes (2021) and Banks and Brockington (2020) similarly emphasise financial resilience, local capacity and stakeholder partnerships as relevant to longer-term project continuity.

Sustainability is consequently positioned as the dependent construct within the integrated model. Stakeholder engagement provides relational capacity through which project organisations interact with relevant actors; governance provides institutional capacity for coordinating and formalising those relationships; and community characteristics provide the social and cultural context within which engagement takes place. These elements are therefore conceptually connected rather than independent explanations. A project may have extensive stakeholder engagement but limited sustainability if stakeholder inputs are not incorporated into accountable governance arrangements, while strong governance may produce limited community ownership where engagement is culturally inappropriate. Elkington (2017), Turner and Haynes (2021) and Banks and Brockington (2020) provide the basis for viewing sustainability as a multidimensional outcome rather than merely project completion or financial continuation.

Theoretical Foundation

The study is anchored primarily in Stakeholder Theory, complemented by Resource Dependence Theory and Governance Theory, while the Triple Bottom Line provides the sustainability perspective. This combination avoids theoretical overlap by assigning each perspective a distinct explanatory function. Stakeholder Theory explains why relationships with diverse project stakeholders matter; Resource Dependence Theory explains why organisations must manage relationships with actors controlling resources and legitimacy; Governance Theory explains how stakeholder relationships are institutionalised through structures and processes; and the Triple Bottom Line establishes the multidimensional nature of sustainability. Freeman (1984), Pfeffer and Salancik (2003), Elkington (2017) and Freeman et al. (2019) therefore provide complementary rather than competing theoretical foundations.

Stakeholder Theory provides the principal relational foundation for the article. Freeman (1984) conceptualises stakeholders as actors who affect or are affected by organisational activities, while Freeman et al. (2019) extend the perspective towards sustained value creation through stakeholder relationships. Mitchell et al. (1997) further explain stakeholder salience through power, legitimacy and urgency. Within humanitarian NGO-funded projects, these principles support the treatment of

stakeholder engagement as a composite process involving identification, analysis, communication and monitoring. PMI (2021), Johnson et al. (2021) and Otaru et al. (2021) further reinforce the relevance of systematic stakeholder relationships to project management and continuing stakeholder support.

Resource Dependence Theory complements Stakeholder Theory by explaining why stakeholder relationships are strategically important to organisational and project continuity. Pfeffer and Salancik (2003) argue that organisations depend on actors who control resources necessary for survival. Humanitarian NGOs may depend on donors, government agencies, communities, implementing partners and other stakeholders for financial resources, technical knowledge, legitimacy, information and operational support. Stakeholder identification and analysis therefore help organisations understand important dependencies, while communication and monitoring facilitate continued relationships with resource-controlling actors. Pfeffer and Salancik (2003), Muli et al. (2020) and Otaru et al. (2021) provide the conceptual basis for connecting resource dependencies with stakeholder relationships and project continuity.

Governance Theory provides the principal explanation for the mediating variable. Governance concerns the institutional arrangements through which authority, responsibility, participation, accountability and coordination are organised. In humanitarian projects, governance structures are important because implementation involves organisational boundaries and diverse interests. Accountability systems, conflict-resolution processes and governance frameworks therefore provide mechanisms through which stakeholder inputs can be coordinated and incorporated into project decisions. Abiddin et al. (2022), Baidhar et al. (2024) and Chepkemai and Kisimbii (2021) support the importance of institutional structures, accountability and coordination, while Kaumbulu et al. (2020) links governance arrangements with meaningful participation and sustainability.

The Triple Bottom Line provides the conceptual foundation for the dependent variable by defining sustainability through social, economic and environmental considerations. Elkington (2017) provides the core sustainability perspective, while Turner and Haynes (2021) and Banks and Brockington (2020) emphasise financial resilience, local capacity and stakeholder partnerships as important components of longer-term project continuity. The perspective therefore prevents project sustainability from being reduced to financial survival or short-term completion. Instead, sustainability reflects the capacity of humanitarian projects to maintain social value, responsible resource use and longer-term benefits within the communities they serve.

Integrated Theoretical Argument and Empirical Gap

The four perspectives combine to generate a coherent explanation of the proposed relationships. Stakeholder Theory establishes why stakeholder engagement matters; Resource Dependence Theory explains why stakeholder relationships are necessary for managing resources and legitimacy; Governance Theory explains how stakeholder inputs can be institutionalised; and the

Triple Bottom Line explains what constitutes sustainable project outcomes. The resulting theoretical logic is that stakeholder engagement generates relational and informational resources, governance structures organise these resources into accountable project processes, and these processes contribute to sustainability. At the same time, community characteristics provide the social and cultural context within which stakeholder engagement operates. Freeman (1984), Pfeffer and Salancik (2003), Elkington (2017) and Freeman et al. (2019) provide the principal theoretical foundations for this integrated argument.

The empirical literature provides support for the relevance of governance and community context but leaves an important explanatory gap concerning their distinct roles within one model. White et al. (2018), Taylor et al. (2019) and Smith et al. (2020) associate governance arrangements, accountability and stakeholder involvement with project sustainability, while Anderson et al. (2020) and Johnson et al. (2022) emphasise stakeholder representation, oversight and formal governance structures in donor-supported humanitarian initiatives. These studies indicate that governance may be important to sustainability; however, they do not sufficiently establish whether governance transmits the effect of a composite stakeholder engagement construct to sustainability. The present study consequently focuses on governance as a mediating mechanism rather than merely another explanatory variable.

A second gap concerns the contextual role of community characteristics. Kwamboka and Sang (2019), Lee et al. (2020) and Johnson et al. (2021) demonstrate the relevance of cultural integration, community trust and cultural sensitivity to stakeholder participation and project outcomes. However, the literature does not sufficiently establish whether these characteristics alter the strength of the stakeholder engagement–sustainability relationship. The distinction is important because demonstrating that culture or community participation is associated with sustainability is not equivalent to demonstrating a moderation effect. The present article therefore treats community characteristics as a contextual condition that may strengthen or weaken the relationship between composite stakeholder engagement and project sustainability.

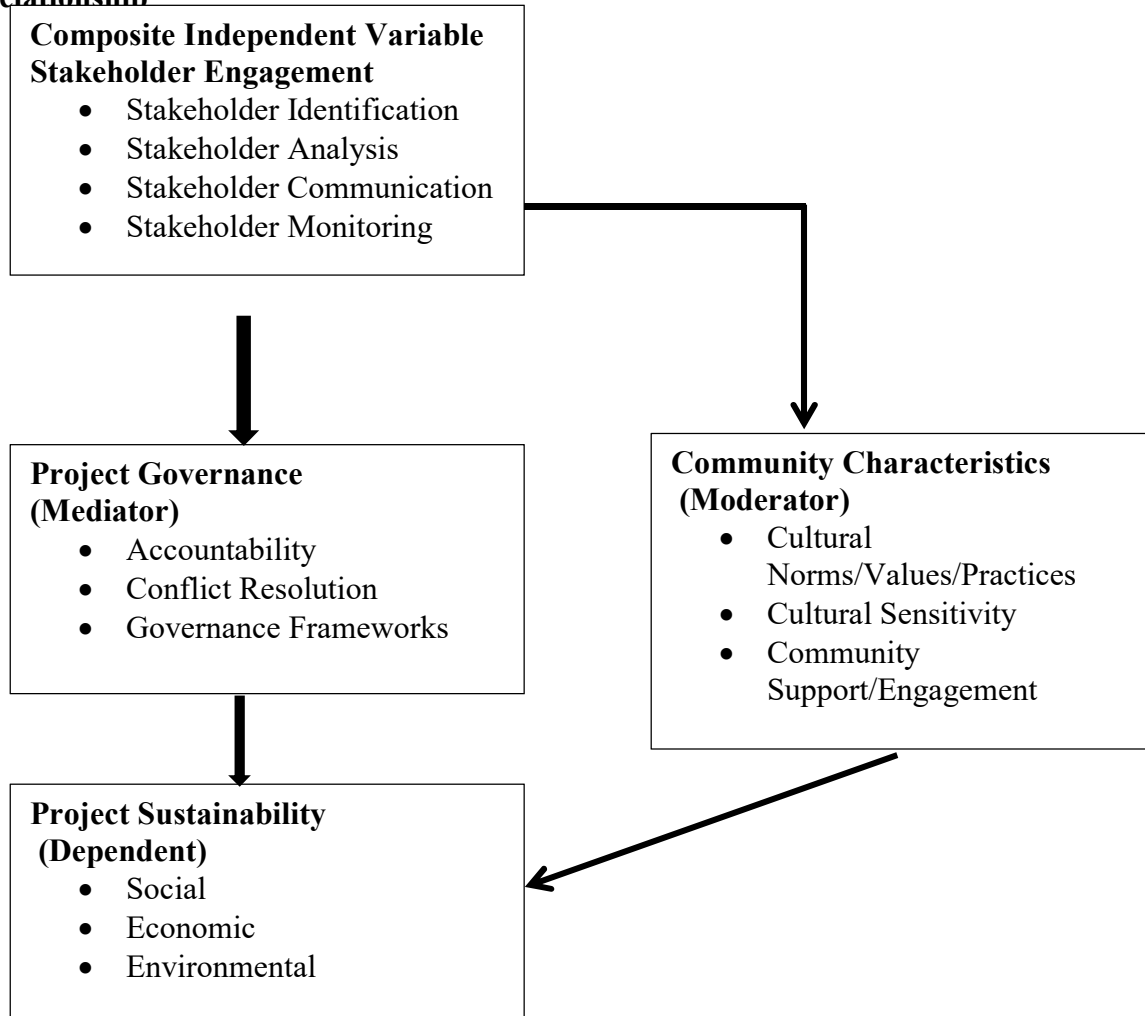
The central gap is consequently one of Existing literature provides evidence that stakeholder engagement, governance and community characteristics are individually relevant to project outcomes, but there remains a need for an integrated model that distinguishes the governance pathway from the community-context condition. This gap is particularly relevant to humanitarian NGO-funded projects, where stakeholder relationships are shaped by resource dependencies, institutional accountability and local community environments. Fuchs and Öhler (2021), Otaru et al. (2021) and Abiddin et al. (2022) support the importance of these interrelated dimensions. The present study therefore examines whether project governance structures mediate the relationship between composite stakeholder engagement and project sustainability and whether community characteristics moderate that relationship.

Conceptual Framework

The conceptual framework integrates the preceding theoretical and empirical arguments into one parsimonious model. Stakeholder engagement is the composite independent variable comprising stakeholder identification, analysis, communication and monitoring. Project governance structures constitute the mediator comprising accountability systems, conflict-resolution processes and governance frameworks. Community characteristics constitute the moderator comprising cultural norms, values and practices, cultural sensitivity, and community support and engagement. Project sustainability is the dependent variable comprising social, economic and environmental dimensions. Freeman (1984), Pfeffer and Salancik (2003), Elkington (2017) and PMI (2021) provide the principal theoretical foundations underlying these relationships.

Figure 1

Integrated Conceptual Framework for the Stakeholder Engagement–Sustainability Relationship



Source: Author's conceptualisation based on Freeman (1984), Pfeffer and Salancik (2003), Elkington (2017), Governance Theory and PMI (2021).

The framework contains two analytically distinct relationships. The first is the mediation pathway, represented by stakeholder engagement influencing project governance structures, which subsequently influence project sustainability. This pathway proposes that engagement becomes more consequential when stakeholder information, participation and expectations are incorporated into accountable institutional arrangements. The second is the moderation pathway, represented by community characteristics influencing the strength of the stakeholder engagement–sustainability relationship. Thus, governance explains the institutional mechanism, whereas community characteristics explain the contextual condition. Freeman et al. (2019), Kaumbulu et al. (2020) and Nguyen et al. (2021) support the conceptual distinction between stakeholder relationships, institutional arrangements and contextual responsiveness.

Hypothesis Development

Mediating Role of Project Governance Structures

The mediation proposition follows from the argument that stakeholder engagement creates stakeholder knowledge, participation and relationships, while governance structures provide the institutional channels through which these inputs can influence project decisions. Identification and analysis establish knowledge of relevant actors and their interests; communication facilitates information exchange and feedback; and monitoring provides continuing information on stakeholder expectations and project conditions. When these engagement processes are embedded within accountability systems, conflict-resolution mechanisms and governance frameworks, stakeholder inputs can be institutionalised within project decision-making. Freeman et al. (2019), Kaumbulu et al. (2020) and Abiddin et al. (2022) provide the theoretical basis for this mechanism. Resource Dependence Theory strengthens the mediation argument because humanitarian NGOs depend on external actors for resources, legitimacy, technical support, partnerships and community acceptance. Governance structures can help manage these dependencies by clarifying responsibilities, improving accountability, coordinating competing interests and creating institutional responses to stakeholder demands. Pfeffer and Salancik (2003), Otaru et al. (2021) and Fuchs and Öhler (2021) support the relevance of external resource relationships and stakeholder coordination to organisational and project continuity. Accordingly, the proposed mediation relationship is:

Stakeholder Engagement → Project Governance Structures → Project Sustainability

H₀₁: *Project governance structures have no mediating effect on the relationship between stakeholder engagement strategies and sustainability of projects funded by humanitarian NGOs in Nairobi City County, Kenya.*

Moderating Role of Community Characteristics

The moderation proposition is based on the premise that stakeholder engagement occurs within particular social and cultural environments. Cultural norms, values, practices, cultural sensitivity

and community participation can influence whether engagement is understood, accepted and translated into local ownership. Where engagement is culturally responsive and consistent with community expectations, participation may contribute more effectively to project legitimacy and continuity; where engagement is poorly aligned with local structures, participation may have weaker implications for sustainability. Chen et al. (2018), Lee et al. (2020) and Johnson et al. (2021) provide conceptual and empirical support for the relevance of cultural and community conditions to stakeholder engagement and project outcomes.

The moderation proposition is therefore distinct from the mediation proposition. Governance addresses how stakeholder engagement may influence sustainability, whereas community characteristics address under what conditions the relationship may vary. The proposed interaction can be expressed as:

Stakeholder Engagement × Community Characteristics → Project Sustainability

The proposition is also consistent with the Triple Bottom Line perspective because social sustainability requires attention to community participation, legitimacy, inclusion and ownership. Elkington (2017), Kamau et al. (2022) and Juma and Kabiru (2023) support the relevance of social and community dimensions to sustainable project outcomes. Accordingly:

H₀₂: *Community characteristics have no moderating effect on the relationship between stakeholder engagement strategies and sustainability of projects funded by humanitarian NGOs in Nairobi City County, Kenya.*

Summary of the Conceptual Argument

The literature and theoretical discussion establish a parsimonious model in which stakeholder engagement is treated as a composite project-management capability, rather than as four separate independent variables. Identification, analysis, communication and monitoring collectively describe the process through which humanitarian NGOs establish, manage and sustain relationships with relevant stakeholders. Stakeholder Theory explains the relational foundation, Resource Dependence Theory explains the importance of stakeholder-controlled resources and legitimacy, and PMI (2021), Freeman et al. (2019) and Otaru et al. (2021) reinforce the importance of systematic and continuing stakeholder management.

Project governance structures are positioned as the mediating mechanism because stakeholder engagement does not by itself specify how stakeholder information, participation and expectations become institutional project decisions. Accountability systems, conflict-resolution processes and governance frameworks provide the institutional pathway through which stakeholder relationships can be coordinated and translated into sustainable practices. Abiddin et al. (2022), Kaumbulu et al. (2020) and Chepkemai and Kisimbii (2021) provide support for the importance of accountability, governance and institutional coordination. Community characteristics, in contrast, are positioned as the moderating condition because engagement takes place within specific cultural

and social environments in which norms, values, cultural sensitivity and community support can influence the effectiveness of engagement. Nguyen et al. (2021), Wright et al. (2022) and Mutua et al. (2022) support this contextual argument.

The resulting framework therefore moves beyond a simple direct-effect model towards an integrated mechanism-and-context explanation of project sustainability. Stakeholder engagement represents the relational input; project governance represents the institutional pathway through which engagement may be translated into sustainable outcomes; community characteristics represent the contextual condition that may alter the strength of the stakeholder engagement–sustainability relationship; and project sustainability represents the ultimate outcome. This conceptual distinction provides the basis for the subsequent empirical examination of **H₀₁**, concerning governance mediation, and **H₀₂**, concerning community-characteristics moderation, without treating the mediator or moderator as additional independent predictors.

RESEARCH METHODOLOGY

Research Design

The study employed a mixed-methods approach combining quantitative and qualitative evidence. The quantitative component provided the basis for examining the relationships among composite stakeholder engagement, project governance structures, community characteristics, and project sustainability, while qualitative responses provided contextual explanations of stakeholder experiences and project practices. A mixed-methods approach is appropriate where a research problem involves both measurable relationships and contextual processes that cannot be fully captured through numerical data alone (Creswell & Creswell, 2018; Bryman, 2016; Mugenda & Mugenda, 2003).

The study adopted descriptive and explanatory orientations. Descriptive analysis was used to summarise respondent characteristics and perceptions of the study constructs, while explanatory analysis was used to test the hypothesised mediation and moderation relationships. The analytical emphasis of this article differs from the direct-effect analysis by treating stakeholder engagement as a composite construct and examining the explanatory roles of project governance structures and community characteristics.

Study Area, Population and Sample

The study was conducted among humanitarian non-governmental organisations implementing donor-funded projects in Nairobi City County, Kenya. Nairobi provides a heterogeneous project environment in which NGOs interact with donors, government agencies, beneficiaries, community representatives, implementing partners, and other institutional stakeholders. Such diversity provides an appropriate context for examining stakeholder engagement, governance arrangements, community characteristics, and sustainability within donor-supported humanitarian projects.

The broader study distributed 484 questionnaires, from which 335 usable responses were obtained, representing a response rate of 69.21%. Respondents included project directors, stakeholder engagement officers, monitoring and evaluation specialists, finance or operations officers, project coordinators, administrative staff, and field personnel. Qualitative information was obtained through open-ended responses and was used to complement interpretation of the quantitative evidence.

Measurement of Constructs

Stakeholder engagement was treated as a composite independent construct rather than four independent predictors. The composite incorporated stakeholder identification, stakeholder analysis, stakeholder communication, and stakeholder monitoring. This approach was appropriate for the present article because the research question concerns the overall stakeholder engagement process and its relationship with governance and sustainability rather than the separate explanatory contribution of each individual dimension.

Project governance structures were measured as the mediating construct, with emphasis on accountability mechanisms, formal governance structures, conflict-resolution mechanisms, decision-making frameworks, and stakeholder participation within governance processes. Community characteristics were measured as the moderating construct through cultural norms, values and practices, cultural sensitivity, community involvement, and inclusivity. Project sustainability was operationalised through social, economic, and environmental dimensions, reflecting the multidimensional conception of sustainability advanced by Elkington (2017).

Validity and Reliability

Validity was addressed through alignment of measurement items with the conceptual framework, study objectives, theoretical foundation, and literature. The measurement structure was designed to ensure that the items represented the substantive meaning of stakeholder engagement, governance structures, community characteristics, and project sustainability. Reliability was assessed using Cronbach's alpha, with a coefficient of at least .70 treated as evidence of acceptable internal consistency, consistent with the study's methodological framework.

Data Analysis

The analysis proceeded from descriptive statistics to correlation and regression analysis, followed by mediation and moderation testing. Means and standard deviations were used to summarise the constructs. Correlation analysis examined the direction and strength of bivariate associations. Regression analysis then examined the explanatory relationship between the composite stakeholder engagement construct and project sustainability.

For mediation, the analysis followed the sequential logic of examining the relationship between stakeholder engagement and sustainability, the relationship between stakeholder engagement and

governance structures, and the combined effect of stakeholder engagement and governance structures on sustainability. The interpretation of partial mediation was based on the reduction in the stakeholder engagement coefficient after introduction of the mediator while the mediator remained statistically significant (Baron & Kenny, 1986; MacKinnon et al., 2002).

Moderation was tested by examining the main effects of stakeholder engagement and community characteristics and subsequently introducing their interaction term. The critical evidence for moderation was the statistical significance of the interaction between stakeholder engagement and community characteristics. A non-significant interaction was interpreted as evidence that the proposed moderating effect was not established.

RESULTS AND STATISTICAL ANALYSIS

Response Rate and Respondent Characteristics

Of the 484 questionnaires distributed, 335 usable questionnaires were returned and analysed, producing a response rate of 69.21%. The analytical sample comprised 160 male respondents (47.8%) and 175 female respondents (52.2%). In terms of education, 172 respondents (51.3%) held bachelor's degrees, 76 (22.7%) held diplomas, 65 (19.4%) held master's degrees, and 15 (4.5%) held doctoral qualifications. The professional experience distribution was also diverse, with the largest group having seven to ten years of experience (30.1%).

The project portfolio represented in the sample was similarly heterogeneous. Education projects accounted for 39.7%, poverty-eradication projects 33.7%, child care/religion/relief projects 13.1%, health care/research/rehabilitation 9.9%, and development/environment/agriculture 3.6%. Donor funding accounted for 70.1% of project financing, compared with government grants at 17.0% and fundraising at 12.8%. These characteristics place the findings within a predominantly donor-supported humanitarian NGO environment.

Descriptive Statistics

The descriptive findings indicate generally favourable perceptions of governance structures, community characteristics, and project sustainability. Governance structures recorded an aggregate mean of 3.78 ($SD = 0.94$). The highest-rated governance indicator concerned stakeholder involvement in project discussions ($M = 3.85$, $SD = 0.95$), while the lowest concerned the use of various communication channels ($M = 3.68$, $SD = 1.01$). These results indicate that formal governance arrangements were present but varied in perceived effectiveness across projects.

Community characteristics recorded a higher aggregate mean of 4.06 ($SD = 0.82$). Feedback systems for collecting stakeholder opinions recorded the highest mean ($M = 4.20$, $SD = 0.75$), followed by the use of multiple communication channels ($M = 4.11$, $SD = 0.75$). The findings

suggest relatively strong recognition of community participation and cultural responsiveness within the sampled projects. Project sustainability recorded an aggregate mean of 4.02 ($SD = 0.71$), with partnerships with local organisations receiving the highest mean ($M = 4.22$, $SD = 0.66$).

Table 2 Summary of Key Descriptive Results

Construct	Mean	SD	Interpretation
Project governance structures	3.78	0.94	Moderate agreement
Community characteristics	4.06	0.82	High agreement
Project sustainability	4.02	0.71	High agreement

Source: Survey Data (2025)

The descriptive pattern is theoretically relevant because governance structures and community characteristics were positively perceived at the same time that sustainability recorded a relatively high aggregate score. However, descriptive association alone cannot establish mediation or moderation. The subsequent inferential analysis is therefore necessary to determine whether governance structures explain part of the stakeholder engagement–sustainability relationship and whether community characteristics statistically alter that relationship.

Correlation and Regression Evidence

The correlation analysis showed positive associations between the stakeholder engagement dimensions and project sustainability. Stakeholder identification correlated with sustainability at $r = .700$, stakeholder analysis at $r = .700$, stakeholder communication at $r = .747$, and stakeholder monitoring at $r = .593$. The positive correlations provided a basis for examining the composite stakeholder engagement construct against project sustainability.

The direct regression involving the composite stakeholder engagement measure produced $R = .621$, $R^2 = .386$, adjusted $R^2 = .384$, with $F(1, 333) = 209.194$, $p < .001$. The standardised coefficient for stakeholder engagement was $\beta = .621$, $p < .001$, indicating a statistically significant positive relationship with project sustainability. Thus, the composite stakeholder engagement construct accounted for 38.4% of the adjusted variation in project sustainability before the mediating and moderating mechanisms were introduced.

Table 3

Summary of Composite Stakeholder Engagement–Sustainability Regression

Statistic	R	R ²	Adjusted R ²	F	df	p	β	Durbin–Watson
Result	.621	.386	.384	209.194	1, 333	< .001	.621	1.944

Source: Survey Data (2025)

H01: Mediating Effect of Project Governance Structures

Step 1: Composite Stakeholder Engagement and Project Sustainability

The first mediation model established a statistically significant relationship between composite stakeholder engagement and project sustainability. The model explained 38.4% of the adjusted variance in sustainability, with $R^2 = .386$ and adjusted $R^2 = .384$. The stakeholder engagement

coefficient was statistically significant, indicating that greater stakeholder engagement was associated with higher project sustainability.

This result satisfies the initial condition for examining whether another variable transmits part of the relationship. The result is consistent with the stakeholder-management perspective that meaningful identification, analysis, communication, and monitoring provide a basis for aligning project interventions with stakeholder expectations (Freeman, 1984; Freeman et al., 2019; PMI, 2021). It also reflects the resource-dependence perspective that sustained relationships with external stakeholders can contribute to resource access, legitimacy, and continuity (Pfeffer & Salancik, 2003; Fuchs & Öhler, 2021; Otaru et al., 2021).

Step 2: Composite Stakeholder Engagement and Project Governance Structures

The second model examined whether composite stakeholder engagement significantly predicted project governance structures. The model produced $R = .352$, $R^2 = .124$, adjusted $R^2 = .121$, with $F(1, 333) = 47.042$, $p < .001$. Stakeholder engagement had a positive and statistically significant coefficient ($\beta = .352$, $t = 6.859$, $p < .001$). Thus, stakeholder engagement explained 12.1% of the adjusted variation in project governance structures.

The finding indicates that stakeholder engagement is associated with stronger governance arrangements. Conceptually, stakeholder participation can create pressure for clearer accountability, broader representation, improved communication, and more responsive decision-making (Freeman et al., 2019; Kaumbulu et al., 2020; Abiddin et al., 2022). The result also corresponds with Resource Dependence Theory because organisations may strengthen governance arrangements when managing relationships with actors controlling financial, institutional, social, or political resources (Pfeffer & Salancik, 2003; Otaru et al., 2021; Fuchs & Öhler, 2021).

Step 3: Composite Stakeholder Engagement, Governance Structures and Sustainability

When stakeholder engagement and project governance structures were entered simultaneously into the sustainability model, the model produced $R = .629$, $R^2 = .396$, adjusted $R^2 = .392$, with $F(2, 332) = 108.660$, $p < .001$. Stakeholder engagement remained statistically significant ($\beta = .575$, $p < .001$), while governance structures also demonstrated a statistically significant positive relationship with sustainability ($\beta = .109$, $p = .021$).

The adjusted R^2 increased from .384 in the direct model to .392 after governance structures were introduced. The stakeholder engagement coefficient also declined while remaining statistically significant. This pattern indicates that governance structures account for part of, but not all, the relationship between stakeholder engagement and sustainability.

Table 4 Summary of Mediation Analysis

Parameter	Step 1: SES → PS	Step 2: SES → PGS	Step 3: SES + PGS → PS
R^2	.386	.124	.396
Adjusted R^2	.384	.121	.392
SES β	.621	.352	.575

Parameter	Step 1: SES → PS	Step 2: SES → PGS	Step 3: SES + PGS → PS
PGS β	—	—	.109
p-value	< .001	< .001	.021
Interpretation	Significant	Significant	Partial mediation

Source: Survey Data (2025)

The evidence therefore supports partial mediation. Stakeholder engagement retains a significant relationship with sustainability after governance structures are introduced, while governance structures themselves make an additional statistically significant contribution. The result means that governance structures represent one pathway through which stakeholder engagement becomes associated with sustainability, but they do not exhaust the relationship. Stakeholder engagement therefore retains an independent component beyond the governance pathway.

Decision on H₀₅: The null hypothesis that project governance structures have no mediating effect on the relationship between stakeholder engagement and project sustainability is rejected. The findings support partial mediation.

H02: Moderating Effect of Community Characteristics

Step 1: Stakeholder Engagement, Community Characteristics and Sustainability

The first moderation model showed that stakeholder engagement and community characteristics jointly explained 40.7% of the variance in project sustainability ($R^2 = .407$; adjusted $R^2 = .404$). The overall model was statistically significant. In the preliminary model, stakeholder engagement had $\beta = .535$, $p < .001$, while community characteristics had $\beta = .170$, $p = .001$.

These results demonstrate that both variables were associated with sustainability when entered as main effects. However, a significant main effect of a moderator does not by itself establish moderation. The critical test is whether the interaction between stakeholder engagement and community characteristics significantly explains additional variation in project sustainability.

Step 2: Introduction of the Interaction Term

The model incorporating stakeholder engagement, community characteristics, and their interaction retained $R^2 = .409$ and adjusted $R^2 = .404$. The interaction term produced $\beta = .005$, $p = .262$. The interaction was therefore not statistically significant at the conventional .05 level.

Table 5
Summary of Moderation Analysis

Parameter	Main-Effects Model	Interaction Model
R ²	.407	.409
Adjusted R ²	.404	.404
SES β	.535	.180
CC β	.170	-.301
Interaction β	—	.005
Interaction p	—	.262
Change in R ²	—	.002
Moderation conclusion —	Not established	

Source: Survey Data (2025)

The increase in R² of only .002 and the non-significant interaction coefficient indicate that community characteristics did not statistically alter the relationship between stakeholder engagement and project sustainability in the sampled humanitarian NGO projects. This finding should be distinguished from the descriptive evidence, which showed high perceived importance of community characteristics. The results therefore indicate that community characteristics may be relevant to engagement practices without necessarily functioning as a statistically significant moderator of the composite engagement–sustainability relationship.

Decision on H₀₂: The null hypothesis that community characteristics have no moderating effect on the relationship between stakeholder engagement and project sustainability is not rejected because the interaction term was not statistically significant ($\beta = .005$, $p = .262$).

This interpretation also resolves an inconsistency in the source draft, where the H₀₆ summary describes the interaction as significant despite reporting $p = .262$. On the reported statistics, the decision is to retain/fail to reject **H₀₂**, not reject it.

Summary of Hypothesis Testing

Table 6 Summary of H₀₁ and H₀₂ Findings

Hypothesis	Key statistic	Finding	Decision
H ₀₁ : Governance structures have no mediating effect	PGS $\beta = .109$, $p = .021$; SES remains significant	Partial mediation established	Reject H ₀₅
H ₀₂ : Community characteristics have no moderating effect	Interaction $\beta = .005$, $p = .262$	Moderation established	not Fail to reject H ₀₆

Source: Survey Data (2025)

The two tests produce an important distinction for the article. Governance structures function as an explanatory mechanism in the stakeholder engagement–sustainability relationship, whereas community characteristics do not statistically change the strength of that relationship in the present sample. The results therefore support a mechanism-based explanation through governance but do not provide statistical evidence for a community-characteristics interaction effect.

RESEARCH DISCUSSION OF FINDINGS

Mediating Role of Project Governance Structures

The finding that project governance structures partially mediate the relationship between composite stakeholder engagement and project sustainability demonstrates that engagement acquires part of its sustainability effect through institutional arrangements. The significant relationship between stakeholder engagement and governance structures indicates that stronger engagement is associated with stronger accountability, decision-making, participation, and oversight mechanisms. The subsequent significance of governance structures in the sustainability model suggests that these institutional mechanisms contribute independently to sustaining project benefits. This interpretation is consistent with White et al. (2018), who identified governance structures as an important mechanism connecting stakeholder participation and long-term humanitarian project viability, and with Taylor et al. (2019), who emphasised transparency and structured communication within governance arrangements. It also corresponds with Smith et al. (2020), who associated accountability and transparency within governance structures with project sustainability.

The partial rather than full mediation is particularly important. It indicates that governance structures do not completely absorb the relationship between stakeholder engagement and sustainability. Stakeholder engagement continues to exert an independent relationship with sustainability after governance is introduced. This suggests that some benefits of engagement may arise directly from ownership, information exchange, relationship building, resource mobilisation, and stakeholder alignment, while another portion becomes effective through governance mechanisms. The finding therefore provides a more differentiated explanation than treating governance as either an independent predictor or a complete substitute for stakeholder engagement (Freeman, 1984; Freeman et al., 2019; Pfeffer & Salancik, 2003).

From a Governance Theory perspective, the result indicates that participation becomes more consequential when supported by institutional rules and accountability mechanisms. Stakeholder inputs require structures capable of incorporating those inputs into project decisions, resolving disagreements, assigning responsibility, and monitoring implementation. This interpretation is consistent with Kaumbulu et al. (2020), who linked governance arrangements with participation and sustainability, and with Abiddin et al. (2022), who emphasised accountability and coordination in sustainable project implementation. The finding therefore extends the stakeholder engagement argument by showing that sustainability is associated not simply with engaging stakeholders, but also with the organisational capacity to institutionalise what engagement produces.

Resource Dependence Theory provides a complementary interpretation. Humanitarian NGOs operate within environments where financial resources, legitimacy, technical knowledge,

community acceptance, and institutional support are distributed across multiple actors. Stakeholder engagement enables organisations to understand and manage these dependencies, while governance structures provide mechanisms for coordinating the resulting relationships. The significant path from stakeholder engagement to governance structures is therefore consistent with the expectation that organisations strengthen internal coordination and accountability mechanisms when managing relationships with resource-controlling stakeholders (Pfeffer & Salancik, 2003; Fuchs & Öhler, 2021; Otaru et al., 2021).

The finding also has implications for the sustainability perspective. The Triple Bottom Line conceptualisation requires sustainability to extend beyond immediate project completion toward social, economic, and environmental continuity. Governance structures can support this broader orientation by creating mechanisms for accountability, resource management, participation, monitoring, and institutional learning. The present result does not demonstrate that governance guarantees all dimensions of sustainability, but it indicates that governance structures form part of the pathway through which stakeholder engagement is associated with sustainable project outcomes (Elkington, 2017; Abiddin et al., 2022; Kaumbulu et al., 2020).

Moderating Role of Community Characteristics

The moderation analysis produced a different result. Although community characteristics were positively associated with sustainability in the preliminary model, their interaction with stakeholder engagement was not statistically significant. The interaction coefficient of $\beta = .005$ with $p = .262$ indicates that the evidence does not support the proposition that community characteristics significantly change the strength of the composite stakeholder engagement–sustainability relationship. This finding is analytically important because it distinguishes between a variable being associated with sustainability and a variable functioning as a moderator. Community characteristics may matter in humanitarian project management without statistically altering the effect of stakeholder engagement.

The finding does not imply that culture, community participation, or contextual responsiveness are irrelevant. The descriptive results showed a relatively high aggregate perception of community characteristics, and the empirical literature identifies cultural sensitivity, trust, and community participation as important aspects of humanitarian engagement (Chen et al., 2018; Lee et al., 2020; Johnson et al., 2021). Rather, the current finding suggests that these characteristics may operate through mechanisms other than statistical moderation. For example, cultural sensitivity may be incorporated directly into stakeholder identification, communication, analysis, and monitoring, thereby becoming part of the engagement process itself rather than independently changing the magnitude of its effect on sustainability.

This interpretation provides an important distinction from studies that emphasise cultural alignment as an important component of project sustainability. Chen et al. (2018) reported that

alignment with local cultural norms was associated with stronger engagement and sustainability, while Johnson et al. (2021) found that cultural sensitivity influenced stakeholder participation. The present findings do not contradict those observations at the descriptive or relational level. Instead, they indicate that the evidence from Nairobi does not establish a statistically significant interaction effect between composite stakeholder engagement and community characteristics. The difference is therefore primarily analytical: association with sustainability is not equivalent to moderation of another relationship.

The finding can also be interpreted through Stakeholder Theory. Community characteristics may influence how stakeholder relationships are managed, but the theory does not necessarily imply that community context must statistically interact with every stakeholder-management process. Stakeholder identification, analysis, communication, and monitoring may already incorporate contextual information, reducing the additional explanatory contribution of a separate interaction term. In this sense, cultural characteristics may be embedded within the quality of engagement itself rather than functioning as an external condition that changes its statistical effect (Freeman, 1984; Mitchell et al., 1997; Freeman et al., 2019).

The non-significant moderation result also suggests that governance may be more central than community characteristics as an explanatory mechanism in the present model. While community characteristics were positively perceived, the significant mediation pathway indicates that formal governance arrangements provide an identifiable institutional mechanism through which stakeholder engagement contributes to sustainability. Community characteristics may therefore influence the quality of participation and legitimacy without necessarily serving as a statistically detectable moderator. This interpretation is consistent with the broader governance literature emphasising the importance of formal accountability and decision-making structures in converting stakeholder relationships into organisational action (Abiddin et al., 2022; Kaumbulu et al., 2020; Pfeffer & Salancik, 2003).

Theoretical Contribution

The principal theoretical contribution of the study is the integration of Stakeholder Theory, Resource Dependence Theory, and Governance Theory to explain different dimensions of the stakeholder engagement–sustainability relationship. Stakeholder Theory explains why organisations must recognise and respond to stakeholders; Resource Dependence Theory explains why humanitarian NGOs must manage relationships with actors controlling resources and legitimacy; and Governance Theory explains how stakeholder relationships can be institutionalised through accountability, decision-making, and oversight arrangements (Freeman, 1984; Pfeffer & Salancik, 2003; Kaumbulu et al., 2020). The mediation result demonstrates the value of separating the relational process of engagement from the organisational mechanism of governance.

The study also contributes to sustainability scholarship by linking stakeholder management with a multidimensional understanding of project sustainability. Rather than conceptualising sustainability solely as continuation of funding or completion of project activities, the study recognises social, economic, and environmental dimensions consistent with the Triple Bottom Line (Elkington, 2017). Governance structures provide an institutional pathway through which stakeholder interests, accountability, resource management, and project decisions can be connected to these broader sustainability concerns. The findings consequently position project governance as an important bridge between stakeholder relationships and sustainability outcomes. The non-significant moderation finding contributes by demonstrating that contextual relevance does not automatically translate into statistical moderation. Community characteristics may remain substantively important to project practice while failing to significantly alter the stakeholder engagement–sustainability coefficient. This distinction contributes analytical precision by encouraging researchers to test rather than assume contextual interaction effects (Chen et al., 2018; Lee et al., 2020; Johnson et al., 2021).

Practical and Managerial Contribution

For humanitarian NGO managers, the mediation finding suggests that stakeholder engagement should be embedded within formal governance systems. Stakeholder identification and analysis should feed into decision-making structures, while communication and monitoring should be linked to accountability, feedback, conflict-resolution, and project review mechanisms. This approach allows stakeholder information to become organisational action rather than remaining a consultative activity. The implication is consistent with the evidence linking accountability, participation, and governance with sustainable project implementation (Smith et al., 2020; Anderson et al., 2020; Kaumbulu et al., 2020).

For project governance, NGOs should ensure that governance structures contain clear responsibilities for stakeholder feedback, decision-making, accountability, and conflict resolution. Steering committees, advisory structures, project review forums, and monitoring mechanisms should have clearly defined responsibilities and should demonstrate how stakeholder information is incorporated into project decisions. Such arrangements can strengthen the institutional pathway through which stakeholder engagement contributes to sustainability (Taylor et al., 2019; Johnson et al., 2022; Abiddin et al., 2022).

The moderation finding suggests that NGOs should continue incorporating community norms, cultural sensitivity, and community participation into stakeholder engagement, but should not assume that these characteristics alone will statistically strengthen the engagement–sustainability relationship. Instead, cultural information should be integrated into stakeholder analysis, communication, monitoring, and governance processes. This approach recognises the importance of contextual responsiveness while remaining consistent with the empirical finding that the

interaction effect was not statistically significant (Chen et al., 2018; Johnson et al., 2021; Juma & Kabiru, 2023).

Conclusion

The study examined whether project governance structures mediate and community characteristics moderate the relationship between composite stakeholder engagement and project sustainability among donor-funded humanitarian NGO projects in Nairobi City County. The results demonstrate that stakeholder engagement is positively associated with project sustainability and that governance structures provide a statistically significant mediating pathway. The mediation was partial because stakeholder engagement remained statistically significant after governance structures were introduced. This finding suggests that sustainability is associated both with stakeholder engagement itself and with the institutional governance mechanisms through which engagement is translated into project decisions and accountability.

The moderation analysis produced a different result. Although community characteristics were positively associated with sustainability in the main-effects model, the interaction between stakeholder engagement and community characteristics was not statistically significant. The reported interaction coefficient of $\beta = .005$ and $p = .262$ therefore does not support a moderating effect. The findings consequently distinguish governance as an explanatory mechanism from community characteristics as a contextual construct whose statistical moderating role was not established in this sample.

Taken together, the findings support an integrated explanation in which stakeholder engagement contributes to sustainability partly through governance institutionalisation, while community characteristics remain relevant to the project environment without demonstrating a statistically significant interaction effect. This distinction strengthens the analytical contribution of the study by moving beyond a simple direct relationship and examining both the mechanism and contextual condition surrounding stakeholder engagement and project sustainability (Freeman, 1984; Pfeffer & Salancik, 2003; Elkington, 2017).

Limitations and Areas for Future Research

The findings should be interpreted within the boundaries of the study design and setting. First, the study focused on donor-funded humanitarian NGO projects in Nairobi City County, limiting direct generalisation to NGOs operating in other counties or humanitarian environments. Second, the quantitative measures relied on respondents' assessments of stakeholder engagement, governance, community characteristics, and sustainability, which may reflect organisational and individual perceptions. Third, the cross-sectional nature of the data limits strong temporal or causal interpretation. The mediation finding should therefore be understood as statistical evidence of an indirect pathway rather than definitive proof of temporal causality.

Future research could examine the mediation pathway using longitudinal designs to establish whether changes in stakeholder engagement precede changes in governance structures and whether those governance changes subsequently precede improvements in project sustainability. Such designs would strengthen understanding of the temporal sequence implied by the mediation model. Future studies could also compare humanitarian NGOs across Nairobi and other Kenyan counties to determine whether the governance mechanism is consistent across different institutional and community environments.

Further research should also investigate alternative forms of community context. The non-significant aggregate moderation effect does not eliminate the possibility that specific characteristics—such as trust, community leadership, cultural distance, social cohesion, gender norms, or levels of community participation—may operate differently. Future studies could therefore disaggregate community characteristics and test theoretically distinct interaction effects rather than relying exclusively on a broad composite moderator. Such research would help determine whether the absence of moderation is attributable to the aggregate construct or reflects a more general absence of contextual interaction.

Finally, future studies could extend the model by examining other mechanisms through which stakeholder engagement contributes to sustainability, including organisational learning, trust, local ownership, resource mobilisation, institutional capacity, and adaptive project management. Such research would complement the present governance mediation model while preserving the distinction between mechanisms that explain how stakeholder engagement contributes to sustainability and contextual variables that explain when or under what conditions the relationship may vary.

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