Capacity Building and Performance of Donor-Funded Projects in Nairobi City County Kenya

John K. Kanyi1 & Rosemary James2

1 Postgraduate Student, Department of Management Science, Kenyatta University, Kenya
2 Senior Lecturer, Department of Management Science, Kenyatta University, Kenya

Correspondence: John K. Kanyi, Postgraduate Student, Department of Management Science, Kenyatta University, Kenya. E-mail: kanyitoday@gmail.com

Received: November 11, 2022      Accepted: December 28, 2023       Online Published: February 4, 2023

doi:10.5539/ijbm.v18n2p61        URL: https://doi.org/10.5539/ijbm.v18n2p61

Abstract

Donor-funded projects have been associated with unprecedented delays, cost overruns, irregular scope changes, and beneficiary dissatisfaction which has been attributed to weak institutional human resource capabilities, and weak monitoring mechanisms. The goal of the study was to assess how capacity building affected the success of projects funded by donors in Nairobi County. The study sought to find out how technical competence, managerial competence, and governance competence affected the performance of donor-funded projects in Nairobi County and was based on four theories: diffusion of innovation, transformational learning, resource dependency, and knowledge-based theories. A descriptive survey design was adopted. The target population was 55 donor-funded projects and the units of observation were 311 project personnel. The research employed a purposive random sampling approach to picking 30% resulting in a sample of 94 people. This study's primary data included both quantitative and qualitative information. Descriptive and inferential statistics were employed in data analysis. Besides, multiple regression was used to determine the association between the dependent variables and the independent variable. The study revealed that technical, management, and governance competence all exhibited a favorable and significant influence on the success of donor-funded projects in Nairobi County. The study determined that staff training was in place among the projects, but it was not consistent and there was no policy to govern it. It is recommended that the management of donor-funded projects in Nairobi County should spend more on contemporary technology, innovation, and capacity to improve project efficiency and effectiveness.

Keywords: capacity building, governance competence, management competence, project performance, technical competence

1. Introduction

The goal of donor-funded projects is to promote development through strengthening community-based organizations. Project performance has therefore remained a key concern among donor-funded projects' stakeholders. Project performance is one of the major issues that determine a project’s delivery globally. This is based on the fact that projects involve defined goals that must be attained and multiple resources that must be effectively utilized (Hanna, 2016).

Project performance has been described in varied ways based on the diverse contexts of the project's implementation. Leong, Zakuan, and Tan (2014) state that project performance is based on the effective management of project cost and quality. Leong et al. (2014) further provide that project performance measurement is associated with multiple indicators like the project’s time, quality, specifications, and stakeholders’ fulfillment. For desired project performance, the capacity of the stakeholders has been identified as a key driver (Gachohu, Nzulwa, & Kwena, 2018). This has therefore necessitated capacity-building efforts and strategies for the diverse project stakeholders.

Capacity building is generally acknowledged, both formally and informally, as including a variety of dimensions ranging from human knowledge and skill to organizational competence and complementing structures and norms that regulate their operations (Merino & Carmenado, 2012). The notion of organizational capacity development has gained increasing popularity over the years. The ideas are the result of a series of change management tactics
and lessons learned over time (Agbényiga, 2013). The notion, including its definition, application, new assumptions, and repercussions, is continually evolving. According to Rugumamu (2011), capacity building has thus become a common feature in donor development programs.

According to Ika and Donnelly (2017), capacity building includes analyzing training needs, involving the majority of stakeholders in capacity development, evaluating capacity needs and assets, designing a reliable development response, executing that response, and evaluating capacity development. This promotes technical, management, and governance competencies in an organization by improving the skill set and knowledge base of the project.

Technical competence is the set of skills required for the successful performance of tasks in a given job category and position. This also includes the knowledge needed to perform the job. Improvement of technical competence is mainly done through developing a competence framework (Ghattas et al., 2022). Management competencies relate to attributes required to enable the effective handling of managerial roles and whose development includes improving communication, strategic action, teamwork, and global awareness (Muhammad & Mustafa, 2019).

Governance competence, on the other hand, refers to the skills necessary to undertake oversight roles in organizations and projects. Governance competence development enables accountability in projects among stakeholders (Metri, 2009).

Data shows that Nairobi County receives the lion's share of donor funding in Kenya. The projects that have benefited from donor funding in Nairobi include Majivoice, which saw the implementation of a modern customer feedback system for the water sector that allows utility customers to submit feedback through cell phones. The Kenya Informal Settlements Improvement Project (KISIP) has also been implemented in Nairobi’s informal settlements in a bid to enhance the dignity of the beneficiaries. The Kenya Municipal Program (KMP), aimed at improving solid waste management, has also been implemented in Nairobi County (World Bank, 2014).

2. Statement of the Problem

According to Agbényiga (2013), donor-funded project management and staff are ineffective because they lack the skills required to support the project's important decisions. This is courtesy of the poor recruitment and selection criteria employed. Available evidence shows that a lot of initiatives in Kenya have thus failed to achieve their goals. According to Mathew (2011), about 30% of donor-funded projects in Kenya have experienced failure when implementing such projects. Stewart (2003) stated that only 25% of donor-funded projects succeed. Several studies have been done to look at the success of donor-funded projects and have generated different findings. Kuria and Wanyoike (2016) opined that the absence of active stakeholder involvement in the planning, monitoring, and evaluation of donor-funded projects contributed to the poor execution of such projects. Gachohu et al. (2018) conducted a study of 15 projects at Kenyatta National Hospital that were donor-funded to determine the success of those projects and concluded that scope and resource management affected the projects’ performance. In this study, it was also found that these projects were still not completed on time, and financial accountability in reporting was still not done. While these studies provide useful findings for donor-funded projects, there is scarce information on how the capacity building relates to donor-funded projects in Kenya, and in particular in Nairobi County, through technical competence, governance competence, and management competence. It is from this perspective that the study sought to determine the effect of capacity building on the performance of donor-funded projects in Nairobi County, Kenya. The study was guided by the following specific objectives:

- To determine the impact of technical competence on the progress of donor-funded projects in Nairobi County.
- To determine the impact of management competence on the completion of donor-funded projects in Nairobi County.
- To determine the impact of governance competence on the progress of donor-funded projects in Nairobi County.

3. Theoretical Review

The study was based on four theories, including the diffusion of innovation theory, transformative learning theory, resource dependency theory, and knowledge-based theory. According to the diffusion of innovation theory, as developed by Rogers E. M., creativity must be adopted to self-sustain projects. The rate at which an idea is adopted must reach critical mass (Dearing & Cox, 2018). This theory has some limitations, such as not accounting for an individual's resources or not supporting the social adoption of innovations; failing to highlight approaches to be used in its adoption, and working better with the prevention of behaviors than adoption. The
theory has been applied in many fields, which include project performance, social work, marketing, communication, and public health. This theory is used to increase or accelerate the importance of the adoption of new technology and innovation, which is critical to improving project performance (Shibeika & Harty, 2015).

The transformative learning theory as proposed by Jack Mezirow in 1978 can be used to learn the environment in which the project is working. The theory gives possibilities for critical thinking, connecting with people who are going through the same transformational process, and acting on fresh insights that are used to ensure that a given task runs well. This theory is appropriate because it exemplifies the need for capacity development as a means of developing critical thinking, skills, knowledge, and capacities among project employees so that projects funded by donors can be implemented (Kegan, 2018).

The resource dependence theory was developed in 1978 by Jeffrey Pfeffer and Gerald Salancik. It is based on the idea that the environment is a source of scarce resources and that the projects are reliant on these scarce resources to function (Wang, Chen, Fang & Tian, 2018). The knowledge-based theory emphasizes the importance of organizational capabilities for project performance and the need for a learning process for personal mastery. Personal mastery is defined by an individual's dedication to the learning process. A workforce in an organization that can learn more quickly gives a company a competitive edge (Han & Li, 2015). The emphasis on learning and improvement in donor-funded programs, such as sharing examples learned through proficient units, mentorship, and training best supports this thought and is aimed at continuous learning and upgraded administration conveyance across all levels of the workforce (Maskell, 2017).

4. Empirical Review

First, the study reviewed empirical studies that explored the link between technical competence and project performance. A qualitative study was done by Nove de Julho University, São Paulo, Brazil, to determine how the competencies of an information technology manager affected successful project performance. This study addressed a research question about the most relevant competencies that an information technology manager required to achieve that success. The qualitative study used an explanatory approach that involved interviewing sixteen IT professionals in Brazil drawn from different business sectors. Upon the analysis of the data, it was found that the most relevant competencies were in the management of project teams, knowledge in the business domain, communication, people management, and project management competencies. This study provided some insights into how technical competence affects project performance and how organizations can improve the material in their training plans for project management competence. This study confirmed the high failure rates in information technology projects and encouraged information technology project managers to broaden their knowledge and skills (Stevenson & Starkweather, 2010).

Kitivi (2014) studied how performance is enhanced by eradicating poverty in projects funded by donors. This study was conducted in Mwingi Sub County, Eastern Kenya. The study's main goal was to determine how sub-county project performance can be improved. This study was conducted to identify project-related problems and to target staff working on 15 donor-funded projects in Mwingi Sub County. The data was then recorded and multiple regressions were performed. The findings revealed that staff competence was temporarily impacted by the availability of technology, which impacted the performance of donor-funded projects. While these findings are useful, technology may not be the only factor that affects technical competence, and therefore there would be a need for a comprehensive investigation of technical competence.

Luo, Zheng, Fang, and Yin (2016) explored the connection between contract administration and the execution of development projects. The primary goal of the review was to make judgments about the impact of agreement administration on the execution of development projects. The review variables were legal administration and social administration. To adequately clarify legal administration, social administration, and the connection between them, the review designated authorized assembly and work in China. Information was gathered using the survey method for both quantitative and qualitative data. The findings showed that legal administration and social administration are significantly impacted by the accessibility of innovation, which thus influences the usefulness and consequently expanded execution of giver-subsidized tasks. This review was not explicit as to where it was directed.

Keinz and Marhold (2021) have conducted a study exploring how projects leverage technological competencies. Interviews with key staff at the European Organization for Nuclear Research were used to gather data. The study found that technological competencies were focal in project implementation and that capacity building enables organizations to leverage innovations.

Ghattas et al. (2022) researched how technical competence in human resource management affects project performance. This study involved the management of contractors who were professionals working in Egypt on
construction projects. In the research, ten domains within human resource management were considered, such as competence in defining job descriptions, onboarding staff and recruitment, training, communication, and performance management, among others. These competencies were assessed against how they influenced project performance in terms of time and cost. This involved a population sample of 105 respondents who were drawn from construction projects in Egypt. When the collected data was analyzed and a correlation test performed, it was found that eight of these human resource competencies out of the ten were significantly correlated with project performance. Although this had an impact and showed a correlation with project performance, it was not the only factor that would affect project performance.

However, these findings may not be generalizable to all projects, but they do contribute to other studies on the subject, thereby answering the first research question about how technical competence affects the performance of donor-funded projects in Nairobi County.

The study also reviewed empirical evidence relating to the link between managerial competence and project performance. Muhammad and Mustafa (2019) conducted research in Pakistan to test how project performance is affected by management competence in public-sector megaprojects within the engineering field. A quantitative research technique was applied for the study through the distribution of a total of 100 questionnaires to respondents. 82 questionnaires were responsive and were further analyzed. The study results showed that management competence in projects had both positive and negative effects on project performance. Competencies that had a strong impact included leadership and management skills, communication, technical competence, ethics, and honesty. While these findings indicate that management competence does affect project performance, they may not be generalizable to all projects because this study was conducted in a specific engineering sector.

Hefley and Bottion (2021) conducted a study to determine if the management competence of young graduates who worked in Brazilian organizations in the roles of project managers affected project performance. The study involved in-depth interviews with subsets of young graduate managers and addressed the precise skills in project management and competencies that are essential to realizing successful projects and how these are related to the performance of projects. The study found that the graduates were mostly not fully competent for project management roles and lacked competence in how to prepare for projects and manage project risks, which created challenges in project performance. While these results pointed out the lack of these competencies, this was not the sole reason for the project's failure. These study results may also not be viewed differently because while the focus is on management competence and its effect on project performance, young and new graduates may not have enough work experience, which is required as part of the soft skills required for management and better project performance.

Irfanet al. (2021) investigated the effect of planning and managerial competency on public projects’ success in Balochistan. A quantitative survey with a sample of 260 project engineers from public sector organizations was conducted. The study used partial least squares structural equation modeling to test the study hypotheses and the study found that planning had a greater role than managerial competence in the success of projects. The study noted the need for capacity building for project managers.

Abdelmasseh Bassioni and Gaid (2022) researched to find out if there was a relationship between the project manager's competence and the performance of construction projects in Egypt. This research further singled out several management competencies that were investigated. These were human resource management competencies, technical competencies, political competencies, and social competencies measured against project performance. Two dimensions of project performance were used: project time and cost. The research involved the collection of data among 104 skilled engineers that were considered to have a contextual understanding of the construction sector, and a questionnaire survey method was used. When the collected data was finally analyzed, it was concluded that certain management competencies, such as budgeting, risk management, and conceptualization, affected project performance. These conclusions may, however, not be generalized to other projects because only one sector was considered in the study, while projects cover a diverse range of sectors other than construction. Based on the contextual gaps in the available empirical studies that have explored the link, the study formulated the second research question about how management competence affects the performance of donor-funded projects in Nairobi County, Kenya.

The third component of capacity building that the study focused on about how it influences project performance was governance competence. The Project Management Institute defines governance in projects as an oversight role that is associated with a governance model that encompasses the project lifespan and delivers a steady process of monitoring the project and confirming its satisfactory completion by outlining, keeping records, and
communicating consistent, repeatable project processes. Metri (2009) notes that governance has become a hot topic in recent times because high-profile projects have collapsed and stakeholders are increasingly demanding better performance through better accountability and transparency. Further, Metri (2009) indicates that the increased rate of project failure is focused on governance competence because "successful projects don’t happen by themselves."

According to Muhammad and Su (2022), governance competence in projects has been well recognized by researchers as a critical part of the equation and also by project management practitioners about its effect on project performance in non-public sector projects. The governance competence was investigated in their study of public sector projects to determine how it affected project performance. The study examined this relationship through a quantitative deductive method. Data was gathered through a questionnaire that involved project managers, team members, and stakeholders, who were 346 in number. The study outcome exhibited that there was a noteworthy correlation between governance competence and the performance of the project.

These findings were similar to other research findings from other scholars that suggested the importance of governance competence in public sector projects because they affect decision-making, frameworks, and processes for successful implementation and project performance. The discovery of this study also indicated that governance competence increases project and program performance by minimizing project risks and improving transparency between project stakeholders. Even though this study adds to the wealth of knowledge in governance competence toward project performance, the study was limited to public sector projects, so the conclusions may not apply to all projects.

Khalid, et al. (2022) conducted a study on the influence of project governance and information technology on project delays in Pakistan. The study collected data from 220 employees drawn from software companies in Islamabad. The study used Structural Equation Modeling (SEM) to test the relationship among project governance, information technology, and project delays. The study found a significant negative influence of project governance on project delay implying strong governance was effective in reducing project delays.

Deep et al. (2022) study sought to find out how project governance constraints influenced the performance of these highway projects. The study adopted a quantitative method and applied a questionnaire as the tool to collect data from 435 respondents who were drawn from highway projects and had at least 1 year of experience in project management. After the data analysis, it was found that governance competence was one of the constraints on project performance. While this is an important finding, it was not the only constraint that affected project performance, and other constraints, such as stakeholder-induced constraints, were also contributors to the project. The contextual and methodological gaps in the empirical review provided a rationale for the third research question, which sought to understand how governance competence affects the performance of donor-funded projects in Nairobi County, Kenya.

5. Research Methodology

The research used a descriptive research approach to focus on projects funded by donors. The study's target population was 311 project management professionals who were involved in 55 donor-funded projects within Nairobi City County. A multistage sampling strategy was utilized, where 30% of the target population (94 respondents) were randomly selected. The sample was administered with questionnaires to collect primary data. The data was analyzed using descriptive statistics and regression analysis using the following model:

\[ Y = B_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \]  

Whereby:

- \( Y \) = Performance of projects funded by donors.
- \( B_0 \) = Constant.
- \( \beta_1, \beta_2, \beta_3 \) = Regression Coefficients.
- \( X_1 \) = Technical competence.
- \( X_2 \) = Governance competence.
- \( X_3 \) = Management competence.
- \( \varepsilon \) = Error term.

Frequency distribution tables, figures, pie charts, and mathematical bar diagrams were employed to display the results of the study analysis.
6. Research Findings

The study first presented the descriptive statistics on the three independent variables, namely technological competence, management competence, and governance competence, as well as the dependent variable, which was project performance.

6.1 Technological Competence

To assess the projects' technological competence, respondents were asked to identify whether major project operations were computerized. The findings are summarized in Table 1.

<table>
<thead>
<tr>
<th>Key Operations</th>
<th>Computerized</th>
<th>Not Computerized</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting</td>
<td>36</td>
<td>44</td>
<td>80</td>
</tr>
<tr>
<td>Recording</td>
<td>51</td>
<td>29</td>
<td>80</td>
</tr>
<tr>
<td>Communication</td>
<td>45</td>
<td>35</td>
<td>80</td>
</tr>
<tr>
<td>Management</td>
<td>25</td>
<td>55</td>
<td>80</td>
</tr>
<tr>
<td>Technical operations</td>
<td>53</td>
<td>27</td>
<td>80</td>
</tr>
</tbody>
</table>

The results show that technical operations and recording were the most computerized aspects of projects, as indicated by 53 and 51 percent of the respondents, respectively. The majority of project-implementing agencies had not computerized their accounting and management operations. Using a Likert scale ranging from no to very much, the study also sought perceptions on the extent to which management style influences project performance.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technological competence influence project performance</td>
<td>4.075</td>
<td>1.183</td>
</tr>
</tbody>
</table>

The results show a mean score of 4.075, suggesting that embracing technology has a notable effect on the performance of donor-funded projects. Miruri & Wanjohi (2017) found similar results in their study on the drivers of project performance, stating that the technology utilized has a substantial impact on project performance.

6.2 Management Competence

The second objective of the study was to find out how managerial competency affected the performance of projects that were funded by donor funds. Further, the study tried to find out the management tactics used by the projects. The following are the results of the study:

As per the results in Figure 1, 50% of the projects used a democratic management approach, 19% used a
dictatorial management style, 10% used an open-door policy, and 21% used laissez-faire. This indicates that most of the projects funded by donors have embraced a democratic management style, which allows staff members the freedom to give their best in project delivery. The respondents were also asked to comment on how the current staff training had influenced project performance.

Table 3. Management influence

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management competence influence on project performance</td>
<td>4.463</td>
<td>0.697</td>
</tr>
</tbody>
</table>

A mean score of 4.463 was posted, indicating that respondents were of the view that to improve the performance of the projects funded by donors, there is a need for improved management styles, employee coordination, stakeholder management, human resource management, and resource supply for capacity building and project monitoring and evaluation. Umugwaneza and Wareen (2016) reached similar conclusions in their study on the role of management capacity on project performance in Rwanda.

6.3 Governance Competence

The third study objective was to understand how governance competence affected the performance of donor-funded projects. On a scale of 1 to 5, respondents were asked to score the following statements on governance competence: strongly disagree (1), disagree (2), neutral (3), agree (4), and strongly agree (5). The following is a summary of the findings:

Table 4. Governance competence

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our project is managed by qualified technical staff</td>
<td>3.55</td>
<td>0.831</td>
</tr>
<tr>
<td>There is a structured procedure for appointing the management committee</td>
<td>3.69</td>
<td>0.901</td>
</tr>
<tr>
<td>The roles of the management committee members are clearly stated</td>
<td>3.01</td>
<td>0.771</td>
</tr>
<tr>
<td>All the management communication is done online</td>
<td>2.56</td>
<td>0.827</td>
</tr>
<tr>
<td>There are clear policies for employment</td>
<td>2.87</td>
<td>0.699</td>
</tr>
<tr>
<td>Our stakeholder’s decisions are incorporated into the overall organization’s decision</td>
<td>2.76</td>
<td>0.881</td>
</tr>
</tbody>
</table>

As presented in Table 4, the respondents significantly accepted that their projects were managed by qualified technical staff and that there is a structured procedure for appointing the management committee, as shown by mean scores of 3.55 and 3.69, respectively. Respondents were unconcerned about whether the roles of management committee members are clearly stated, if all management communication is done online, if there are clear employment policies, and if stakeholders' decisions are incorporated in the overall organization's decision, as shown by means scores of 3.01, 2.56, 2.87, and 2.76 in that order. The respondents suggested that projects need to hire competent staff transparently and fairly to ensure they deliver on the mandate and also prioritize experts and stakeholder incorporation. Mikanovic (2016) made similar conclusions on the role of governance capacity on project performance in Serbia, where they indicated that contractual governance and relational governance greatly influence project performance.

6.4 Performance of Projects Funded by Donors

The success of donor-funded projects was the study's dependent variable. On a 5-point Likert scale, respondents were asked to score the following statements on their performance: strongly disagree (1), disagree (2), neutral (3), agree (4), and strongly agree (5).
Table 5. Performance of projects funded by donors

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our project is on schedule</td>
<td>3.11</td>
<td>1.499</td>
</tr>
<tr>
<td>Our project is within the set scope</td>
<td>3.61</td>
<td>0.659</td>
</tr>
<tr>
<td>The project meets beneficiary expectations</td>
<td>3.57</td>
<td>0.766</td>
</tr>
<tr>
<td>The project is within budget</td>
<td>2.89</td>
<td>0.871</td>
</tr>
<tr>
<td>The project meets donor requirements</td>
<td>2.81</td>
<td>0.801</td>
</tr>
</tbody>
</table>

Results in Table 5 show the respondents agreed that the projects funded by donors were within the set scope and met beneficiary expectations, as indicated by a mean of 3.61 and 3.57. There were mixed reactions on whether the projects were on schedule, within budget, and met donor needs, as shown by mean scores of 3.11, 2.89, and 2.81 in that order.

6.5 Regression Analysis

The relationship between capacity building and the performance of projects funded by donors was determined using regression analysis. Table 6 below summarizes the verdict of the coefficient of determination and the coefficient of corrected determination.

Table 6: Model summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.875a</td>
<td>.853</td>
<td>.853</td>
<td>1.413612</td>
</tr>
</tbody>
</table>

The adjusted determination $R^2$ coefficient was 0.853, indicating that technological competence, managerial competence, and governance competence explain 85.3% of changes in the performance of donor-funded projects in Nairobi County. This implies that additional aspects outside the scope of the study can explain the remaining 14.7 percent.

An ANOVA was used in the investigation, with a 95% level of significance. Table 7 displays the outcomes of the F Critical tests.

Table 7. ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>851.242</td>
<td>15</td>
<td>56.7495</td>
<td>11.4859</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>321.153</td>
<td>65</td>
<td>4.9408</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1172.395</td>
<td>80</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The ANOVA results posted an F-value of 5.6441 with a p-value less than 0.05, indicating that the overall model is significant.

Regression analysis was used to determine the individual impact of factors on the success of donor-funded projects. Table 8 summarizes the findings.

Table 8. Coefficients of regression

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>6.987</td>
<td>0.685</td>
<td>5.641</td>
<td>.000</td>
</tr>
<tr>
<td>Technological Competence</td>
<td>0.897</td>
<td>0.113</td>
<td>9.532</td>
<td>.000</td>
</tr>
<tr>
<td>Management Competence</td>
<td>0.864</td>
<td>0.133</td>
<td>8.351</td>
<td>.000</td>
</tr>
<tr>
<td>Governance Competence</td>
<td>0.879</td>
<td>0.141</td>
<td>7.436</td>
<td>.000</td>
</tr>
</tbody>
</table>

The subsequent equation was, therefore,
Y = 6.987 + 0.897X1 + 0.864X2 + 0.879X3  

Where: Y = (Equals) Performance of Projects funded by donors in Nairobi County, Kenya  
X1 = Technological competence  
X2 = Management competence  
X3 = Governance competence  

The results show that technological competence has a significant influence on the performance of donor-funded projects ($\beta_1=0.897; p$ value<0.05). This implies that an increase in technological competence leads to an increase in the performance of donor-funded projects. The study is in agreement with Kitivi (2011), who ascertained a link between staff’s technical competencies and the performance of donor project implementation in Mwingi. The results are also in agreement with Ghattas et al.’s (2022) observations that human resources competencies are among several factors that affect project performance.  

Management competence was also found to have a significant influence on the dependent variable as well ($\beta_2=0.864; p$ value<0.05). This demonstrates that increasing management competence leads to better project performance. The results concur with those of several authors (including Muhammad & Mustafa, 2019; Hefley & Bottion, 2021) who found that managerial competencies contributed to better performance among projects.  

Governance competence also had a significant predictive power for the dependent variable ($\beta_3=0.879; p$ value<0.05). This shows that an increase in governance competence would lead to an improvement in performance. Muhammad and Su (2022) have also emphasized the importance of governance competence along the same lines.  

7. Conclusions  

The analysis found that technical competence had a favorable and important impact on donor-funded projects. The research determined the applicability of project information systems to be sufficient. This suggests that the majority of the projects' information systems were competent.  

Most of the project-implementing agencies had not significantly computerized their accounting and management operations. However, most of them had the computerized recording, communication, and technical operations, which involved the use of emails, computers, programs, and machinery.  

Respondents said that embracing technology had improved project performance to a large extent. This suggests that embracing technology has a large and favorable impact on the success of projects funded by donors in Nairobi County. Technology enhanced project performance by improving knowledge management and data storage, promoting efficiency and effectiveness in project implementation and the entire lifecycle, and improving project communication and stakeholder involvement and participation.  

Management competency had a favorable and substantial influence on the success of donor-financed projects in Nairobi County, according to the study. The majority of the donor-funded programs, according to the report, provided staff training. This shows that a significant number of organizations embraced staff training to introduce new working procedures, improve them, and remind them of their service delivery approaches. However, training was not held regularly. This shows that despite the projects having staff training, they were not as regular as they ought to be.  

Staff working on donor-funded projects in Nairobi County were found to be competent and had the relevant knowledge, abilities, and experience, according to the survey. Employee training had a considerable and positive impact on the project's success, according to the findings. This demonstrates that employee training had a significant impact on organizational performance by improving staff skills, knowledge, and experience in project implementation, improving customer care and public relations, and, most importantly, improving stakeholder engagement. The respondents indicated that to improve the performance of the projects funded by donors, there is a need for improved management styles, employee coordination, stakeholder management, human resource management, and resource supply for capacity building and project monitoring and evaluation.  

The study established that governance competence had a good and significant effect on the projects funded by donors. The respondents significantly agreed that their projects were managed by qualified technical staff and that there was a structured procedure for appointing the management committee. The respondents were indifferent on whether the roles of the management committee members are clearly stated, all the management communication is done online, there are clear policies for employment, and the stakeholders’ decisions are incorporated in the overall organization's decision.
8. Recommendations

The study recommends that donor-funded projects in Nairobi County invest more in advanced technology, innovation, and capacity to improve project efficiency and effectiveness.

To achieve optimal performance, project management and stakeholders need to review training programs regularly to ensure they incorporate best practices, lessons learned, and challenges related to the project's implementation.

Project implementing agencies should design a welcoming and relevant training programs that may help new, existing, and stakeholder personnel increase their abilities.

References


**Copyrights**

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license ([http://creativecommons.org/licenses/by/4.0/](http://creativecommons.org/licenses/by/4.0/)).