

**STAKEHOLDERS INVOLVEMENT AND PERFORMANCE OF
MARITIME SAFETY STRATEGY IN LAMU COUNTY, KENYA**

BY

JOSEPHINE MABUTI NTHIA

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DECLARATION

This research project report is my original work and has not been presented for any degree in any other university.

Signed.....

Date.....

Josephine Mabuti Nthia

Reg. No. D61/65005/2011

This research project report has been submitted for examination with my approval as the University Supervisor.

Signed.....

Date.....

Dr. Joseph Aranga

Lecturer, Department of Business Administration,

School of Business, University of Nairobi.

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DEDICATION

I dedicate this work to my dear children Nadia Wega and Derrick Macharia who have been a great inspiration during my study.

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ABBREVIATIONS AND ACRONYMS

ANOVA	Analysis of Variance
BMU	Beach Management Unit
DFID	Department for International Development
FM	Frequency Modulation
ISO	International Organization for Standardization
IMO	International Maritime Organization
KNBS	Kenya National Bureau of Statistics
KMA	Kenya Maritime Authority
KWS	Kenya Wildlife Services
LAPSSET	Lamu Port and South Sudan Ethiopia Transport Project
OECD	Organisation for Economic Co-operation and Development

ABSTRACT

This study sought to establish the effect of stakeholders' involvement on performance of KMA's maritime safety strategy in Lamu County, Kenya. Stakeholder involvement has become paramount for most organizations not only due to stakeholders importance in the implementation of far reaching policies, considerable resources they hold but also their extensive knowledge needed for the successful implementation of a strategy. Through a descriptive cross-sectional survey, data was collected through structured questionnaires and administered to key stakeholders including; Beach Management Units, Boat Users, Kenya Wildlife Services, Maritime Police Unit, Ministry of Transport-Lamu County and Kenya Maritime Authority. The study used descriptive statistical tools to analyse the effect of stakeholder involvement on the performance of the maritime safety strategy in Lamu County. A multiple regression model was used to determine the relationship between stakeholder involvement in maritime safety strategy and performance in Lamu County. The results of the study showed significant stakeholder involvement in Lamu County and hence improved awareness and performance of the maritime safety strategy in Lamu County. The regression analysis results showed insignificant effect of the stakeholders' involvement in the performance of the maritime safety strategy in Lamu County. This result could be attributed to the short time period after implementation of the Maritime safety strategy in Lamu County and the study. In conclusion, the successful implementation of strategy was found to be premised on the support of the entire stakeholder community as failure to secure such support may be self-defeating and counterproductive. To that extent, the need to involve stakeholders in strategy implementation becomes inevitable.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Stakeholders form part of the organization's external environment and therefore a key element in the implementation of the organization's strategy. Freeman (2010) defines stakeholders as those groups without whose support the organization would cease to exist. Therefore, decision making in organizations should be carefully assessed, taking into consideration the power and intentions of stakeholders whose activities may influence the organization's performance (Pearce, 2011; Freeman, 2010). All organizations exist to serve one or more interested parties or stakeholders and therefore have relationships with these parties (Cole, 1997).

The study was anchored on the stakeholder theory as advanced by Freeman (1984). The stakeholder theory urges organizations to manage their stakeholder relationships effectively to enable them survive in the competitive business environment and achieve higher performance. Stakeholder theory delineates the enterprise as an entity through which numerous and diverse participants accomplish multiple, but not always congruent purposes (Donaldson & Preston, 1995; Capon, 2008). Donald and Preston (1995) expound further that stakeholder theory posits a model of the enterprise in which "all persons or groups with legitimate interests and participating in an enterprise do so to obtain benefits". Furthermore, strategy is concerned with an organization recognizing where it sits in the external environment and utilizing its resources to the benefit of the organization and its stakeholders (Capon, 2008). Berle and Means (1932) suggest that stakeholder theory can at best, apply to large corporations whose ownership is public or involved in public trading. This proposition therefore supports application of stakeholder theory to public corporations like the Kenya Maritime Authority (KMA).

Lamu County is one of six counties in the coastal region of Kenya with the headquarter in Lamu Island. It covers a strip of the North Eastern coastal mainland and the Lamu archipelago with an area covering 6,474.7km² and over 65 islands. The population of Lamu County is estimated as 101,539 as per the Kenya National Bureau of Statistics (KNBS) (2009) Census report and an average of 2000 passengers cross the Lamu Channel per day. The economic bedrock of Lamu County is anchored on the maritime sector with the Lamu County largely depending on water transport for trade, fishing, tourism and provides a link between the islands and the mainland for economic and social activities (Lamu County, 2014; KNBS, 2014). This is more so important with the on-going construction of the Lamu Port and South Sudan Ethiopia Transport (LAPSSET) and its projected implementation which is expected to largely change the maritime operations due to increased marine traffic in the Lamu waters (Mokhele, 2015; Kasuku, 2012). This state of affairs necessitates urgent execution of maritime safety strategy to ensure sustainable and efficient maritime activities in Lamu waters. Performance indicators for this strategy include reduced water accidents, increased compliance levels of maritime safety regulations and increased Government levies in terms of licencing of safety compliant vessels (KMA Performance Contract, 2014 - 2015).

1.1.1 Stakeholder Involvement

Stakeholder involvement, also referred to as stakeholder engagement is not a new practice as successful organizations have always strived to understand and respond to the opportunities and risks posed by their stakeholders such as employees, customers, suppliers and host communities. The focus and importance of stakeholders has grown due to the increasing operational environment complexities such as difficult markets, public affairs, investor relations and management (Freeman, 1999; D'Aveni, 1994). Recognition of the value that stakeholders bring to an organization through knowledge gained from the diversity, provides

better relations and improved performance. However, to meet the differing needs of stakeholders' different engagement approaches have been developed to ensure inclusivity and drive organizational performance (Freeman, 1984; Harrison and Wicks, 2013).

For an organization to progress, it is imperative that sound decisions are made on issues brought forward by stakeholders by ensuring that the issues are at the heart of the organization's strategy making organ; top management (OECD, 2004). This can also be adopted by ensuring compliance to important instruments such as the Organisation for Economic Co-operation and Development (OECD) principles on Corporate Governance, AA1000 Stakeholder Engagement Standard, the Global Reporting Initiative G3 Guidelines or more recently ISO 26000 which emphasize the core principle of inclusivity, that is organizations to identify, listen to and account to stakeholders in taking decisions.

The Kenyan constitution has enshrined the concept of stakeholder involvement in terms of direct constitutional references to citizen participation in devolved Government; Article 174(c) says that an object of devolution is to "enhance the participation of people in the exercise of the powers of the State and in making decisions affecting them." Article 184(1) (c) further requires that mechanisms "for participation by residents" be included in national legislation to urban areas and cities governance and management (Government of Kenya, 2010). It further provides citizens with the right to participate in the decision-making process and other duties of the national and county legislative bodies. Specifically, Articles 118(1) (b) and 196(1) (b) directs the national and county legislatures respectively to "facilitate public participation" in its work.

Additionally, Article 119 (1) of the Constitution of Kenya (2010) states that citizens have the "right to petition Parliament to consider any matter within its authority," meaning that Kenyans can request Parliament to take up issues important to them. Article 10(2) (a) includes participation of the people as part of the national values and principles of governance. This has the effect that citizens have the right to have their opinion heard on matters of national importance.

1.1.2 Organizational Performance

The measurement of organizational performance has undergone changes in relation to its focus. Harrison and Wicks (2013) observe that performance has been largely looked at from a financial perspective but recommend consideration of non-financial aspects as well to inclusion of cause and effect relationship between the operational dimension and the strategic dimension of organizations. It is important for an organization to monitor implementation of its plans and determine when plans are unsuccessful and how to improve them. Atkinson, Waterhouse, and Wells (1997) identify monitoring organizational performance as an important element in ensuring stakeholders' objectives are met.

Organizations have over time chosen to collaborate more with key stakeholders, particularly customers, suppliers, and employees, to design more effective, efficient processes through involvement in the formulation and implementation of the strategies. This therefore requires that both the organizations management and the various stakeholders expectations and the value that will be derived are clearly understood. Atkinson, Waterhouse, and Wells (1997) observe the increased level of understanding of stakeholders and why their involvement is key in the success of a strategy. Organizational performance should therefore be geared towards ensuring stakeholders objectives are achieved.

According to Swanson (2000) organizational performance can be measured by the quality of goods or services it offers to its stakeholders. Harrison and Wicks (2013) indicate that four factors that show the perceived utility that stakeholders derive from an organization include goods and service, organizational justice that is fair treatment, affiliation through identifying with the firm and opportunity costs as they are closely associated with the motivation of stakeholders to cooperate in the value creating activities of the firm. To perform well it is imperative that organizations develop their employees and treat them well to enable them become productive.

1.1.3 Maritime Safety Strategy

Maritime Safety Strategy has recently been implemented by Governments with the objective of reducing fatalities, incidents and accidents in the maritime sector. The focus is on key factors contributing to fatalities and incidents arising from fishing vessels, passenger vessels and cargo ships within a stipulated timeframe (Irish Government, 2015).

In Kenya, maritime safety strategy is embedded in the KMA Strategic Plan, 2013 – 2018. The Key result areas for this strategy in Kenya include reduction of water transport accidents, increased use of life saving appliances and increased use of insurance by water transport operators by 2018 (KMA Strategic Plan, 2013). Kenyans expect service delivery in maritime safety, which translates to safe and efficient operations within the Kenyan waters. KMA is vested with the responsibility to implement and operationalize maritime safety strategy in Kenyan waters which encompasses the 47 counties including Lamu (KMA Strategic Plan, 2013-2018).

Lamu is a key area for the implementation of the maritime safety strategy in view of the fact that maritime transport is the primary means of transport in and out of Lamu County and therefore economic and social functions in Lamu are anchored on water transport (KNBS, 2014; Lamu County, 2014). The construction of the Lamu Port is underway therefore necessitating urgent paradigm shift by all stakeholders towards safe navigation and use of the waterway which will be open to international maritime traffic once the Lamu port begins its operations. Stakeholders in Lamu maritime safety strategy include boat owners, operators, boat users, maritime police unit, the County Government and other government institutions.

1.1.4 Kenya Maritime Authority

KMA is a state corporation established by the Government of Kenya under the KMA Act of 2006 to strengthen the Government's maritime administration in Kenyan waters. The Authority's mandate includes implementation of maritime safety, security and preservation of marine environment. This is in line with the KMA mission statement "to ensure sustainable safe, secure, clean and efficient water transport for the benefit of stakeholders through effective regulation, coordination and oversight of maritime affairs" (KMA Strategic Plan, 2013 – 2018). To this end, KMA has employed ship surveyors and inspectors to ensure safety compliance of the vessels, both structural and the availability of life saving appliances for users and operators. KMA works with other government agencies like the maritime police, Kenya Wildlife Services and the Fisheries department to ensure compliance.

National maritime legislation remains one of the primary tools for attaining international standards in safety and security and the preservation of the marine environment. KMA has an obligation on behalf of the Government of Kenya to enforce international maritime conventions, especially those emanating from the International Maritime Organization

(IMO). This role is achieved through various strategic objectives such as the maritime safety strategy, prevention of marine pollution and welfare of seafarers among others. The statutes that guide the operations of Kenya Maritime Authority are the KMA Act, 2006 and the Merchant Shipping Act, 2009 and the relevant maritime regulations.

1.2 Research Problem

Stakeholder involvement has become paramount for most organizations not only due to their ability to block a decision or the implementation of a certain policy but also due to the considerable resources they hold and knowledge needed for the successful implementation of a strategy. Early involvement of stakeholders reduces the risk of slow or failure of actualization of a strategy. It helps in avoiding conflict and generates the support needed for the success and effectiveness of the strategy set out. Stakeholder involvement techniques need to be employed to build genuine lasting relationships with the different partners. The engagements need to lead to improvement in the formulation, implementation and review of the strategy by making necessary changes informed by the stakeholders input at different stages (Freeman, 1999; D'Aveni, 1994; Harrison and Wicks, 2013).

Lamu County is the designated host for the Lamu Port and South Sudan Ethiopia Transport (LAPSSET) Corridor project whose construction commenced in 2012 (Kasuku, 2012). Operations at the Lamu Port are expected transform the status of maritime traffic in coastal waters of Lamu from the current population of 513 small water craft to a wide range of vessels including conventional cargo carriers, bulk carriers and specialized ships among other types of vessels (KMA, 2012). In view of the foregoing, KMA established a branch office in Lamu to implement maritime safety strategy and prepare the citizens for the changing maritime environment and mitigate incidents, near misses and accidents as vessel traffic

increases in Lamu waters (KMA Strategic Plan, 2013 – 2018). Nevertheless, implementation of maritime safety strategy in Lamu has faced a great deal of resistance from stakeholders including strikes as witnessed on 29th September, 2014 (The Star, 2014; Coast Week, 2014; Baraka FM, 2014) where boat operators paralysed transport activities in Lamu resisting levies and regulation by KMA. Whilst the stakeholders resist regulation and levies, in the event of a maritime accident, Kenyan citizens as well as the international community may query the performance of KMA as the Authority vested with the responsibility for maritime safety. Maritime accidents are costly in terms of life, loss of capital and pollution of marine environment and resources.

Various studies have been carried out in Kenya with respect to stakeholder involvement in organizations. These studies are different in terms of context and methodology. Oketch (2014) studied the stakeholders' involvement in strategy development in state corporations within the coast region of Kenya. The results revealed that state corporations involve their stakeholders in strategy development. Osano (2013) studied the extent of stakeholder involvement in strategic management process in health-based non-governmental organizations in Nairobi County. The findings of this study established that health-based non-governmental organizations in Nairobi County engage stakeholders to a great extent before any decisions and policies are made although, stakeholders are not involved in the assessment of the strategic process. Whereas Osano (2013) and Oketch (2014) studied different aspects of stakeholder involvement, their context differ and generalization of their findings to the maritime industry may not be accurate thus the knowledge gap that this study aimed to fill. This was guided by the following research questions; how has stakeholder involvement influenced performance of KMA's maritime safety strategy in Lamu County? and what is the

relationship between stakeholder's involvement in maritime safety strategy and performance in Lamu County Kenya?

1.3 Research Objectives

1. To establish the effect of stakeholder involvement on performance of KMA's maritime safety strategy in Lamu County, Kenya.
2. To determine the relationship between stakeholder's involvement in maritime safety strategy and performance in Lamu County, Kenya.

1.4 Value of the Study

The findings of this study may contribute to theory by providing empirical knowledge on the relationship between stakeholder involvement in implementation of strategy and performance of an organization with reference to the maritime sector. Researchers may benefit from this study as a motivation for replication and further research. The body of knowledge may benefit from data collected and findings from this study which would be used for further research.

Policy makers may benefit from this study as the data gathered and the findings may be used with reference to other counties in the maritime sector for implementation of maritime safety strategy. Policy makers may in addition benefit from maritime stakeholder mapping in Lamu County and therefore facilitate allocation of resources and infrastructure required for implementation of various strategies in other counties.

The findings of this study will provide information for practical application for the maritime sector which could aid implementation of maritime strategies and hence aid in the development of the nascent maritime sector in Kenya.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter reviews literature on theoretical foundation of the study, stakeholder involvement and performance, empirical literature and ends up with the chapter summary and research gap.

2.2 Theoretical Foundation of the Study

Stakeholder management refers to the processes and behaviours by which a firm influences its relationships with its multiple stakeholder constituents that affect and are affected by the achievement of its goals (Freeman, 1984). Managing organizations (firms) and stakeholder relationships is challenging due to the varied interests. Stakeholder management is a process that is tasked to bring congruence in the competing goals of the different parties and therefore a complex exercise. The purpose of the process is to ensure a disciplined and consistent approach to analysis and decision making. It should facilitate a logical thought process that is consistent with the objectives of the parties affected directly and indirectly.

According to Dodd (1932) managers of an institution need to consider the effect of their decisions, not just to their immediate owners but to a larger audience affected directly or indirectly. The challenge to managers is ensuring all the players' competitive interests are taken care of thus a need for careful balance through a deliberate process. Donald and Preston (1995) observe that stakeholder management requires simultaneous attention to the legitimate interests of all appropriate stakeholders, both in the establishment of organizational structures and general policies and in case-by-case decision making. This requirement is paramount to all who are not only in the decision chain but also those who are directly or indirectly affected.

In order to manage stakeholders effectively, Freeman (1984) advanced stakeholder theory which encourages organizations to manage their stakeholder relationships effectively in order to survive and perform better. Freeman (1984) recommended that organizations should develop certain stakeholder competencies which include making a commitment to monitoring stakeholder interests, developing strategies to effectively deal with stakeholders and their interests, dividing and categorizing interests into manageable segments and trying to ensure that organizational functions address the needs of stakeholders. Key (1999) observes that the phenomenon Freeman attempts to explain is the relationship of the firm to its external environment, and its behaviour within that environment.

A number of stakeholder theories have been advanced by different scholars to explain, or identify what the nature of the firm-stakeholder interaction should be. Each of these theories have solidified the extent to which management need to consider their level and nature of relationship with stakeholders when strategizing on achievement of their organizations goals. Donaldson and Preston (1995) identified three different stakeholder theory types: descriptive, instrumental and normative stakeholder theory.

Descriptive stakeholder theory described and sometimes explained the operations of companies while the Instrumental theory being the one used to identify the connections, or lack of connections, between stakeholder management and the achievement of traditional corporate objectives. The normative stakeholder theory was found to be used to interpret the function of the corporation and to identify moral or philosophical guidelines for corporate operations. Berman, Wicks et al. (1999) observed that the normative stakeholder theory has received more attention due to Donaldson and Preston's assertion of the theory being the

definitive aspect of the stakeholder theory. Freeman (1984) Stakeholder theory has not escaped criticism.

2.2.1 Stakeholder Theory

Key (1999) identified four major inadequacies of the theory. First, inadequate explanation of process, second, incomplete linkage of internal and external variables, third, insufficient attention to the system within which business operates and the levels of analysis within the system, and lastly, inadequate environmental assessment. Stakeholder theory provides an inadequate explanation of the firm's behaviour within its environment as there is no explanatory logic for the relationships under observation. Beyond the concept of "affect/affected by", Freeman's work does not sufficiently address the dynamics which link the firm to the stakeholders which are identified.

Rowley (1997) suggested stakeholder "networks" resembling a net or mesh suggesting even greater complexities. Perhaps stakeholder groups cannot be clearly identified but rather interests that groups represent (internal vs. external) can be identified. Key (1999) argues that placing the firm as the main player may help management in terms of strategy and technique but may not provide an adequate or realistic explanation of the firm's behaviour within society as this goes against the aim of bringing business within the social system.

Despite these criticisms, stakeholder theory has received great attention from business and society scholars in both organizations operations and research with focus as a research tool. The popularity, especially to scholars, is due to the representation of a robust alternative to the vague concepts of corporate social performance and corporate social responsibility (Key, 1999). Stakeholder theory appears to provide clarity as to whom the corporation is

responsible. It has brought greater credibility and acceptance to the tenet of corporate social performance that business is embedded in a system of social relationships that it affects and it is affected by.

2.2.2 Advancement of the Stakeholder Involvement

To manage the diverse views and expectations from the different stakeholders a framework needs to be in place to ensure unity in purpose and direction. At different points that an organization deems fit through consultation with its stakeholders, they will be called upon to participate. Stakeholder involvement is an important tenet of stakeholder theory. Stakeholder engagement (involvement) is the process used by an organisation to engage relevant stakeholders for a clear purpose to achieve accepted outcomes (Accountability, 2011). It entails identifying stakeholders, understanding and responding to their sustainability issues and concerns, and to report, explain and be answerable to stakeholders for decisions, actions and performance (Accountability, 2011).

Stakeholder involvement is of increasing importance for policy-making as regulations demand societal participation, but also because of the increasing complexity of policy issues in general, due to the many interested groups, the competing interests of stakeholders and the involvement of several policy levels (regional, national and international). Figuring out what the problem is and what solutions might work are actually part of the problem, and taking stakeholders into account is a crucial aspect of problem solving (Bryson and Crosby 1992; Bardach, 1998).

2.2.3 Stakeholder Analysis / Mapping

To be able to identify the stakeholders, a stakeholder analysis needs to be conducted. Lewis (1991) points out the importance of conducting any stakeholder identification and analysis with an inclusive definition. It is paramount to identify key stakeholders as they must be satisfied to alleviate failures of policies and strategies of organizations (Huntington, 1996).

Sequeira and Warner (2007) identifies the key concepts and principles of stakeholder engagement as Stakeholder identification and analysis. Information disclosure, stakeholder consultation, negotiation and partnerships, grievance management, stakeholder involvement in monitoring, reporting to stakeholders and management functions. Sequeira and Warner (2007) define Stakeholder analysis as “a methodology used to facilitate institutional and policy reform processes by accounting for and often incorporating the needs of those who have a ‘stake’ or an interest in the reforms under consideration.

With information on stakeholders, their interests, and their capacity to oppose reform, reform advocates can choose how to best accommodate them, thus assuring policies adopted are politically realistic and sustainable. Attention to stakeholders is important to satisfy those involved or affected that their requirements have been met (Eden & Ackermann, 1998; Suchman, 1995; Alexander, 2000).

It may not be possible to satisfy or involve all stakeholders but key stakeholders must be involved thus, a proper mechanism to identify key stakeholders needs to be in place (Stone, 1997). Bryson (2004) points out the value of stakeholder analysis as to their ability to making important contributions to creating value through their impact on the functions or activities of strategic management. Jepsen and Eskerod (2009) concluded that the result of stakeholders’

analysis should always be a strategy of the mechanisms for engaging stakeholders. Stakeholder analyses would therefore help identify key stakeholders and what would satisfy them which would in effect create value.

Information disclosure involves availing information to stakeholders in an understandable manner as this will aid in ensuring the principles of stakeholder involvement are adhered to (Sequeira & Warner, 2007). Disclosure aids transparency when information provided is timely, objective, supports consultation and easily accessible. It's also important to tailor the information to the different affected stakeholders, uncertainties laid bare and in case of further information a ready contact is provided.

Sequeira and Warner (2007) add that the stakeholder's contribution will influence decisions and is an avenue to promote sustainable decisions. This can be actualised by recognising and communicating the needs and interests of all participants, facilitate the involvement of those potentially affected by or interested in a decision. Furthermore, stakeholders input in designing how they participate should be incorporated to provide stakeholders with the information they need for meaningful participation.

There are various reasons why a stakeholder may be involved or not whether voluntarily or automatically emanating from their understanding of the benefits which will accrue thereof (Cleaver 1968). Different stakeholders have varying abilities to meaningfully participate. Trust has been touted to facilitate open discussions enhancing collaboration thus an important factor to be developed to enable effective stakeholder involvement (Pahl-Wostl, 2005). Hassan et al (2011) argue that trust can grow from low to high as interactions continue. They give the attributes of trust as openness, reliability and transparency. Other factors are given as

the technical capacity/capability of participants where capacity is defined as the competence, skills, knowledge and ability (Aref et al, 2010). In addition, the cultural settings or local conditions, adequate and timely feedback are considered important factors for participation (Peelle et al.1996). Culture is defined as the shared norms, practices and traditions of a group of people.

Ansell and Gash (2007) observe stakeholders capability in terms of capacity, organization, status or resources to participate in equal footing with other stakeholders as important to ensure effective involvement. Power and resource imbalances would be problematic where important stakeholders do not have organizational infrastructure to be represented. Ansell and Gash (2007) recognize incentives to participate as a critical factor due the ability of stakeholders to achieve their goals unilaterally or through other means. Brown (2002) found a direct positive relationship between participation and effective outcome. Futrell (2003) found the level of importance of a stakeholder's input to be a crucial factor in continued contribution.

Leadership is important in bringing stakeholders to the decision-making table (Ansell and Gash, 2007). Leadership is critical in establishing clear agenda and rules, facilitating dialogue and developing trust. Leadership is also shown through commitment to the process. Level of commitment especially was found to be critical in success or failure of a strategy especially where a public agency is involved (Yaffee & Wondolleck, 2003).

A number of techniques or instruments for enabling participation have been employed depending on the participation type, the requirements and aims. The effectiveness of the mechanism adopted is assessed either by the process or its outcome as cited by Rowe and

Frewer, 2005 and can be a factor to influence participation. Some of the participation mechanisms include but not limited to the following; public hearings, community forums, focus groups, citizen's advisory committees, facilitated workshops, surveys and review panels. Also included in the list is public opinion, consensus conference and citizen's jury (Rowe & Frewer 2005). Accountability (2011) recognize the forms of engagement, such as member engagement, citizen voting, investor road shows, employee dialogue and negotiation.

2.3 Stakeholder Involvement and Performance

Aregbeshola and Munano (2012) found that lack of involvement of stakeholders' leads to poor performance due to lack-lustre implementation of the plan set forth. Stakeholders buy-in is therefore very important in the success of a strategy. This is in part to do with the information, knowledge and experience that they have and contribute towards developing the plan (Edelenbos, and Klijn, 2006).

Dess et al (2012) suggest the involvement of stakeholders as early as the planning stage of the development of a strategy to ensure effectiveness of plans developed thereof. Edelenbos and Klijn (2006) point out that involvement of stakeholders provides quality input leads in terms of creativity thereby leading to quality decision-making. It also gives stakeholders greater satisfaction and the chances of successful implementation increases as more stakeholders feel committed to the plan, as what is implemented reflects their true aspirations.

Lynch (2012) advises organisations not to involve stakeholders just as a "public relations" activity but to have it ingrained in the stakeholders due to the value they add to the strategy formulation and implementation process. The complexity of the stakeholders web calls for a thorough understanding of the environment that the strategies will be implemented in and this

can only be understood in depth by the people who are affected or not affected directly by the strategies. Laine and Vaara (2007) observe that lack of participation may not always be a problem in an organization but it may create problems during the implementation stage. Paris (2003) intimates that the stakeholders' involvement in the strategic planning creates external advocacy for the organisation.

Karl (2000) identified three main aspects of involvement that need to be evaluated as, the extent and quality of participation, costs and benefits of involvement to the different stakeholders, and their impact on outcomes, performance and sustainability. DFID (1995) outlines the importance of considering the quantitative, qualitative and time dimensions of participation. The qualitative dimensions of involvement should also be evaluated as performance is dependent on empowering participants to take on greater responsibility and control.

2.4 Empirical Literature

Aregbeshola and Munano (2012) conducted a study on the relationship between stakeholders' involvement in strategic planning and organisation's performance at the University of Venda. Questionnaires were administered to a target population of 150 drawn from the academic, administrative and service staff, students and management staff with 130 being returned (75.3% response rate) but 113 being usable. Level of involvement was measured on a Likert's 5-point scale. More than 67% of the respondents indicated that the opportunity provided by the management for the stakeholders of the University to participate in the strategic planning process eventually influenced the implementation of the strategic plan.

While about 19% were unsure of the extent of that impact, about 14% believed that the implementation of the strategic plan has nothing to do with the opportunity given to stakeholders to participate in the planning process. 67% of respondents indicated that granting opportunities to the staff members (irrespective of the organisational cadre) does have a positive impact on the staff motivation to fully and dedicatedly implement the strategy in a way that ensures an improvement in the overall performance of the University. The study concluded that successful implementation of the strategic plan is premised on the opportunity granted to stakeholders to participate in the strategic planning process.

Mwikuyu (2009) did a study on the extent of stakeholder involvement in strategy formulation and implementation in the National Social Security Fund. The study used an interview guide to get responses from the respondents so as to get in-depth information from them. The study targeted departmental heads, all based at the headquarters in Nairobi Kenya. From the research findings, it was revealed that most of the departments practice strategic planning and carry out stakeholder analysis to determine the various stakeholder interests. The study established that most of the departments involve their stakeholders in strategy formulation and implementation and that various factors influence the extent to which these multi-stakeholders are involved.

Owuor (2011) looked at the stakeholder involvement in strategy formulation in Kenyan state corporations. The study used primary data which was collected using a semi-structured questionnaire with both open and closed ended questions. To a sample of 50 state corporations drawn randomly, senior and middle level managers were targeted by administering a semi-structured questionnaire with open and closed ended questions. From the research findings, it was revealed that most state corporations practice strategic planning

with a considerable proportion not involving their stakeholders considerably. Stakeholder analysis was carried out to determine the various key stakeholders which may affect the strategy formulation process. The differences in the state corporations' activities and stakeholder groups' characteristics were found to have much bearing on the factors that influence the extent of their involvement.

Obonyo (2013) sought to establish and identify the extent of stakeholder involvement in the strategic process at the Ministry of Land, Housing and Urban development and to establish the effect of external stakeholders' involvement in the performance of the Ministry. A case study approach that involved interviewing senior management team in the Ministry was employed. The research finding was that the stakeholder involvement in the Ministry had positive effects on the strategic process of the Ministry such as reduction in the process time for strategy implementation, reduced resistance from the public to implemented strategies, attributed to the reduced resistance by the stakeholders, improved cooperation influenced the legislation, service charters and requirements of the Ministry, customer care policies and information sharing.

Osano (2013) sought to establish the extent of stakeholder involvement in the strategic management process in health-based Non-Governmental Organizations in Nairobi County. The study set out two objectives: to determine the extent of stakeholder involvement in the strategic management process of the health-based NGOs in Nairobi County and to establish factors influencing the stakeholder's involvement in the strategic management process of NGOs in Nairobi County. A cross-sectional survey design was adopted for the study with data collected from 83 Non-Governmental Organizations in Nairobi through structured questionnaires. The health-based NGOs in Nairobi were found to engage stakeholders during

policies formulation but not in the assessment of the strategic management process. The study also found legal requirement, expert knowledge and the authority held by a stakeholder to the success of an activity to be the key factors that influence their involvement in the strategic management process.

Lomunan, (2014) sought to determine stakeholder involvement in the realization of strategic objectives at Tullow Oil, Kenya. The study sought to establish stakeholder involvement in the strategic process and realization of strategic objectives. A case study research design was used with collection of data through face to face interview with the researcher. An interview guide was used by interviewer on five (5) respondents out of the targeted six (6) who were mainly drawn from the top and middle level management of the company. The study found that proper stakeholder involvement led to increased efficiency and reduction of costs in their operations, as a result of greater cooperation and or reduced stakeholder conflicts. The study further revealed that success is easily achieved when a firm cultivates better stakeholder involvement practices which lead to increased outputs, greater cooperation and coordination with the local community which significantly led to successful strategy implementation process and thus achievement of the organizational goals.

Okech (2014) studied stakeholder involvement in strategy development among the State Corporations in the Coastal region in Kenya by seeking to determine the extent of stakeholder involvement in the strategy development process and to establish factors influencing the stakeholders' involvement in the strategy development process of State Corporations in the Coastal region. Descriptive survey design was used with the data collection tool being a questionnaire with closed and open-ended questions. Out of the thirteen (13) State Corporations based in the Coastal region of Kenya targeted, eleven (11) responded thus an

85% response rate. The study revealed that the State Corporations involve their stakeholders in the strategy development process. The study also established that the firms consider various factors in deciding the level of stakeholder involvement in the strategy development process. The study concluded that the State Corporations involve their key stakeholders in the strategy development process and consider numerous factors in deciding to what extent they should involve their stakeholders. The study recommends that the management of the State Corporations consider involving more stakeholders in future and that the government consider privatization in order to make firms more efficient.

2.5 Summary of Literature Reviewed and Research Gaps

The level of influence that stakeholders have in the performance of a strategy or policy has been largely discussed by various researchers. Aregbeshola and Munano (2012), Edelenbos and Klijn (2006) and Dess et al (2012) all point out the importance of involving stakeholders in organization strategy mainly due to their contribution towards the success of the strategies owing to their wealth of knowledge. Although these studies offer insight into the importance of stakeholder involvement, they were carried out in different jurisdictions which are not similar to the Kenyan context thus generalization of their findings would be limited.

Kenyan studies looked at sectors other than maritime transport thus difference in context. This research proposal therefore seeks to establish the effect of stakeholder involvement on performance of KMA's maritime safety strategy in Lamu County.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the methodology that was employed in gathering the data, analysing data and reporting of the results. The chapter details the research design, the population used in the study, the sample and sampling technique, the nature of data collected and finally data analysis.

3.2 Research Design

Descriptive cross-sectional survey was used in the study. In this type of research study, either the entire population or a subset thereof is selected, and from these individuals, data is collected to help answer research questions of interest. It is referred to as cross-sectional because the information about the subjects that is gathered represents what is going on at only one point in time (Olsen and George, 2004).

The aim of a descriptive cross sectional survey is to describe a population or a subgroup within the population with respect to an outcome and a set of factors. The purpose of the study is to find the prevalence of the outcome of interest, for the population or subgroups within the population at a given time. It is therefore concerned with describing, recording, analyzing and interpreting conditions that either exist or existed (Kothari, 2004). It enabled the determination of whether stakeholder involvement account for the performance of the maritime safety strategy in the area of enforcement that is, Lamu County.

3.3 Population of Study

The population of the study consisted of Boat owners, Boat operators, Boat users, Maritime Police Unit, Kenya Wildlife Services, Ministry of Transport-Lamu County and Kenya Maritime Authority staff.

3.4 Sample Size and Sampling Technique

Stratified random sampling is a technique used to improve the accuracy of survey results or to lower the cost of a survey without losing accuracy. This technique ensures that all parts of the population are represented in the sample in order to increase efficiency (Kothari, 2004). This study used the disproportionate random sampling which allows use of different fractions (percentages) for each subgroup.

Entire populations of the subgroups of the study were sampled except boat users due to the large population size of board users. To reach the population size for boat users 8% margin of error and 95% confidence level was used, resulting in a sample size of 140 boat users surveyed. The calculation was done using the sample size calculator (Creative Research Systems, 1982). According to Mugenda and Mugenda (2013), when the study population is less than 10,000, a sample size between 10 and 30% is a good representation. Therefore, a target population of 12% was considered adequate for the study as per table 3.1 below.

Table 3.1 Sample Size

STRATUM	POPULATION	SAMPLE	%AGE
Beach Management Units (BMU)	5	5	100
Boat users	1500	140	9.33
Maritime Police Unit	10	10	100
Kenya Wildlife Services	20	20	100

Ministry of Transport – Lamu County	5	5	100
Kenya Maritime Authority	6	6	100
TOTAL	1546	186	12%

Source: Author (2015)

3.5 Data Collection

Primary data was collected through a structured questionnaire with both closed and open ended questions (Bulmer, 2004). The questionnaire is popular because the researcher has control over data at the time of data gathering. The questionnaire contained descriptive statements about stakeholder involvement and performance in the maritime safety strategy process in a Likert scale, serving as an important tool for rating responses from respondents (Kothari, 2004). The questionnaires were administered through mail and “drop and pick” targeting the identified respondents.

3.6 Data Analysis

The nature of data collected was largely quantitative thus descriptive statistical tools of analysis through the use of frequency distribution and percentages were used (Mugenda, 2003). Percentages and frequencies show the proportion of respondents score against the extent of stakeholder involvement in maritime safety strategy performance were also employed. The findings were presented in charts and tabular form for further interpretation and reporting as they enable the reader to compare the trend of the distribution more vividly than simply looking at the numbers.

The data was analyzed using multiple linear regression to determine the relationship between independent variable (stakeholders' involvement in maritime safety strategy) and dependent variable (performance) in the general form below.

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \varepsilon$$

Where Y is the maritime safety strategy Performance measure

X_1 = Stakeholders Identification

X_2 = Stakeholders' roles definition

X_3 = Invitation of stakeholders to forums

X_4 = Development of action plans

X_5 = Communication of outputs and action plans

X_6 = Follow up on action plan, and

β_1, \dots, β_6 are the parameters of the model

ε = The error term

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the study data findings, analysis and presentations of results. The analysis is based on the data collected from 159 respondents. The questionnaires was designed in line with the objectives of the study.

4.2 Response Rate

To achieve the objectives of the study, a total of 186 respondents were randomly sampled and all of them served with questionnaires through ‘drop and pick’ and mail. A total of 159 questionnaires were successfully completed representing an overall 85% response rate which the study considered adequate for analysis. Table 4.1 presents a summary of the results.

Table 4.1: Response Rate

No.	STRATUM	SAMPLE	RESPONSES	%age
1	Beach Management Units	5	5	100%
2	Boat Users	140	116	83%
3	Maritime Police Unit	10	10	100%
4	Kenya Wildlife Service	20	18	90%
5	Ministry of Transport Lamu County	5	4	80%
6	Kenya Maritime Authority	6	6	100%
	TOTAL	186	159	85%

Source: Primary Data, 2015

The results in Table 4.1 shows 100% response from Beach Management Unit, Maritime Police Unit and Kenya Maritime Authority. Kenya Wildlife Service provided the second best

response rate at 90% followed by Boat users at 83% with Ministry of Transport Lamu County being the lowest respondents at 80%. The overall average of 85% response rate is impressive and considered to provide sufficient data to enable analysis.

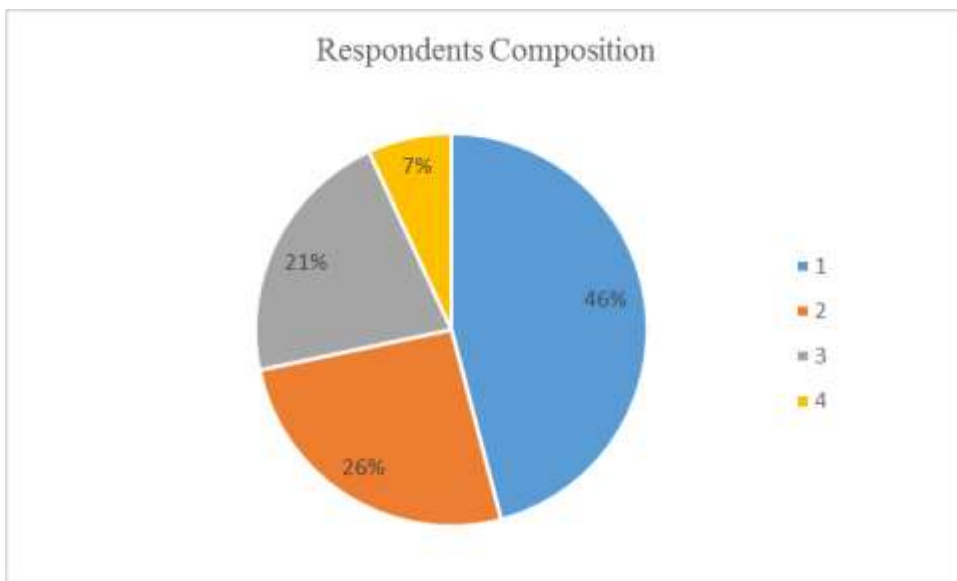
4.3 Respondents Profile

Part A of the questionnaire sought to get information on the respondents' profiles. This data was meant to assist the researcher to relate the facts on their profile with their interaction with the maritime safety strategy. Aspects such as the awareness of the existence of the maritime safety strategy, the medium through which they interacted with the strategy and whether they deem the strategy to fulfil their interest were considered.

4.3.1 Water Transport Respondents Composition

Chart 4.1 presents the composition of the respondents to the study's questionnaires. Of the 159 respondents 46% were users, 26% were operators, 21% were enforcement agents and 7% being others. The pertinent results are summarized in Figure 4.1.

Figure 4.1: Respondents Composition



Source:Primary Data, 2015

The variety in the composition of respondents is important in obtaining varied experiences and knowledge of different stakeholders. Representation of different stakeholders is important in making valid conclusion from the data collected on their involvement in the maritime safety strategy.

4.3.2 Period of use of Maritime Transport

The study sought to establish the length of time stakeholders have used maritime transport. As indicated in Table 4.2 Beach Management Units, Maritime Police, Ministry of Transport Lamu County and Kenya Maritime Authority had a majority of respondents who had used maritime transport for periods of 6 years and more. Individual boat users had varied periods of use with 34% having 6 and more years of use followed by less than 1 year users at 19%, 1 to 2 years at 18%, 3 to 4 years at 17% and the least being 5 to 6 years at 11%. KWS also had a spread out users experience with the majority being 6 and more years users at 33%.

Table 4.2: Period of use of Maritime Transport

Years	BMUs	Boat Users	Maritime Police Unit	KWS	MoT-Lamu County	KMA	Overall
Less than 1	0%	19%	0%	6%	0%	0%	14%
1 to 2	0%	18%	0%	28%	0%	17%	17%
3 to 4	20%	17%	20%	11%	0%	33%	17%
5 to 6	20%	11%	20%	22%	25%	0%	14%
6 and more	60%	34%	60%	33%	75%	50%	38%
Total	100%	100%	100%	100%	100%	100%	100%

Source: Primary Data, 2015

As indicated in Table 4.2 the overall experience of the respondents with maritime transport is varied with a majority at 38% having more than 6 years. 1 to 2 years and 3 to 4 years combined represent 34%. Proportion of respondents with more than 3 years use of maritime transport is 69% thus providing an indication on the level of experience of the respondents in maritime transport.

4.3.3 Stakeholders Maritime Safety Strategy Awareness

The study sought to establish stakeholders' maritime safety strategy awareness. Awareness of the maritime safety strategy was varied among the different groups of respondents. Ministry of Transport Lamu County came out with lowest awareness rate at 25%. Boat users and Maritime Police Unit with awareness levels of 72% and 80% respectively represent higher awareness. Beach management units, Kenya Wildlife Service and Kenya Maritime Authority at 100% awareness levels of the maritime safety strategy augers well with their role in the strategy implementation. The results reveal that the respondents are knowledgeable of the maritime safety strategy as summarized in Table 4.3.

Table 4.3: Maritime Safety Strategy Awareness Levels

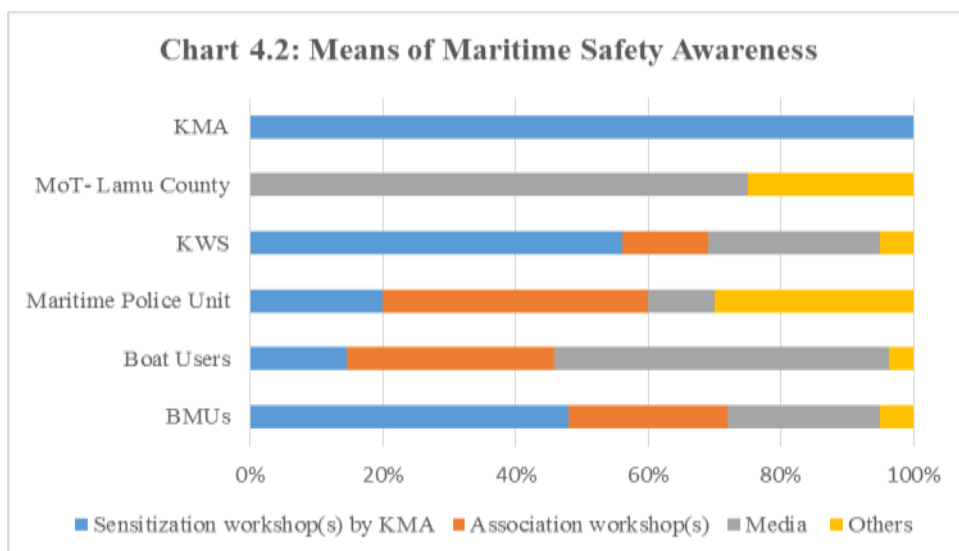
No.	STRATUM	%age AWARE	%age NOT AWARE
1	Beach Management Units	100	-
2	Boat Users	72	28
3	Maritime Police Unit	80	20
4	Kenya Wildlife Service	100	-
5	Ministry of Transport Lamu County	25	75
6	Kenya Maritime Authority	100	-

Source: Primary Data, 2015

4.3.4 Means of Maritime Safety Strategy Awareness

The study sought to establish the media through which stakeholders got information about the maritime safety strategy. 48% of Beach Management Units respondents became aware of the maritime safety strategy through sensitization workshops by KMA, 24% through association workshops, 23% through the media with the remaining 5% through other sources. Boat users primarily became aware of the maritime safety strategy through the media, 51%, followed by association workshops at 31% and sensitization workshops by Kenya Maritime Authority getting 14% with the remainder getting information through other sources. The Maritime police indicated the avenues of awareness of the maritime safety strategy as association workshops at 33%, other sources at 25% followed by KMA workshops at 17% and media at 8%. The Kenya Wildlife Service indicated the avenues of awareness of the maritime safety strategy as Association workshops at 13%, other sources at 5%, KMA workshops 56% and media at 26%. Out of the four Ministry of Transport Lamu County respondents, three (75%) became aware of the existence of the Maritime Safety strategy became aware through media with the remaining one (25%) through other sources as illustrated in Figure 4.2.

Figure 4.2: Means of Maritime Safety Awareness



Source: Primary Data, 2015

Tabulated results of the means of maritime safety awareness are summarised in Table 4.4. The results indicated that the most prevalent means of awareness was sensitization workshops by KMA at 40% followed by the media at 31%. Association workshops represent 18% of the respondents means of getting aware of the maritime safety strategy with other sources being cited by 11%. It is important that the maritime safety strategy is majorly disseminated through KMA workshops as this ensures the right information is provided to the stakeholders. Media being wide reaching is also an important means of disseminating awareness of the maritime safety strategy.

Table 4.4: Means of Maritime Safety Awareness

Means of Awareness	BMUs	Boat Users	Maritime Police Unit	KWS	MoT-Lamu County	KMA	Average
Sensitization workshop (s) by KMA	48%	14%	20%	56%	0%	100%	40%
Association workshop (s)	24%	31%	40%	13%	0%	0%	18%
Media	23%	51%	10%	26%	75%	0%	31%
Others	5%	4%	30%	5%	25%	0%	11%
TOTAL	100%	100%	100%	100%	100%	100%	100%

Source: Primary Data, 2015

4.3.5 Maritime Safety Strategy Stakeholder Interests

The study sought respondents to indicate whether the maritime safety strategy took care of their interest. The responses are summarized in the Table 4.5.

Table 4.5: Maritime Safety Strategy Stakeholder Interests

No.	STRATUM	%age YES
1	Beach Management Units	89
2	Boat Users	81
3	Maritime Police Unit	80
4	Kenya Wildlife Service	83
5	Ministry of Transport Lamu County	09
6	Kenya Maritime Authority	97

Source: Primary Data, 2015

The results in Table 4.5 indicate that stakeholders were satisfied with the strategy with all scoring higher than 80% approval except from the Ministry of Transport Lamu County.

4.4 Stakeholder Involvement in the Maritime Safety Strategy Formulation

The study sought to establish the extent of stakeholder involvement in maritime safety strategy in Lamu County. The respondents were therefore asked to indicate the extent to which they were involved in the implementation of the maritime safety strategy. The study used a five point rating scale ranging from “none” to very great extent” in ascending order. The results are presented in Table 4.6.

Table 4.6: Stakeholder Involvement in the Maritime Safety Strategy

Level/stage of involvement	BMUs	Boat Users	Maritime Police	KWS	MoT Lamu
Stakeholders are informed of the policies and decisions that have been	3	1	4	4	1

made					
Stakeholders are only heard before policies and decisions are made but their say may not be considered	2	2	1	3	1
Stakeholder have a controlled influence on the strategy and projects of the organization	3	3	4	3	1
Stakeholders have a chance to assess the strategic management process	3	3	4	4	2
Stakeholders assess and review the ideas during the strategic management process	4	4	4	4	1
Stakeholders are given a chance to contribute their own ideas during the strategic management process	4	3	5	5	1

Source: Primary Data, 2015

The results in Table 4.6 reveal that to a greater extent the respondents feel involved in the maritime safety strategy formulation. All the respondent groups indicated their concern in consideration of their contributions as they gave the lowest rating of 2 (small extent). Ministry of Transport Lamu came out as the group that felt the least involved in the strategy formulation with the rest of the groups expressing their satisfaction with the level of involvement and consideration.

4.4.1 Stakeholder Involvement Stages

The study sought to establish the extent to which stakeholders were involved during the different stages of the strategy management process. The study used a five point rating scale ranging from “none” to very great extent” in ascending order. The results are presented in Table 4.7.

Table 4.7: Stakeholder Involvement Stages

Stages of Stakeholder Involvement	BMUs	Boat Users	Martime Police	KWS	MoT Lamu
Identification of relevant stakeholders	3	1	3	2	1
Defining the stakeholders roles	2	3	2	2	2
Invitation of stakeholders to forums	3	3	3	4	2
Development of action plans	2	1	2	2	1
Communication of outputs and action plans	3	3	3	3	1
Follow up on action plan	3	5	4	4	2

Source: Primary Data, 2015

From the data presented in Table 4.7 Ministry of Transport Lamu County reported that they are not involved in the Maritime Safety Strategy. Boat users gave a low score to the identification of relevant stakeholders and development of action plans but felt very much involved in follow up on action plans. BMUs and Maritime Police came out as the most involved with a moderate and higher score in four out of the six parameters. KWS scored moderate and above in 3 out of the 6 parameters. It can be seen that all the stakeholder groups except Ministry of Transport Lamu feel involved in the Maritime safety Strategy thus owning and implementing it to ensure its success.

4.4.2 Gaps in Stakeholder Involvement

The study sought to establish if there were gaps in stakeholder involvement and if there was need for improvement to enhance the performance of the maritime safety strategy. The respondents scored greater than 50% indicating that there was need for improvement in the level of their involvement. The relevant results are summarized in Table 4.8.

Table 4.8: Gaps in Stakeholders Involvement

No.	STAKEHOLDERS	%age
1	BMUs	59
2	Boat Users	65
3	Maritime Police Unit	70
4	Kenya Wildlife Service	63
5	Ministry of Transport Lamu County	100
6	Kenya Maritime Authority	67

Source: Primary Data, 2015

4.5 Effect of Stakeholder Involvement in the Maritime Safety Strategy Performance

The study sought to determine the effect of stakeholder involvement in the maritime safety strategy and performance. The respondents were therefore asked to indicate the extent to which they agreed with the attributes associated with the achievements of the implementation of the maritime safety strategy. The study used a five point rating scale ranging from “none” to “very great extent” in ascending order. The results are presented in Table 4.9.

Table 4.9: Achievements of the Implementation of Maritime Safety Strategy

Achievement	Scale
Mobilization of resources e.g. search and rescue boats, oil spill equipment, funds	1
Reduction of accidents/incidents	3
Increased safety standards in compliance to regulations	3
Crew training	4
Suitable/adequately maintained safety equipment on board	3
Adequate crewing levels	5
Vessel seaworthy, stable and/or sufficiently loaded	1
Non-Impairment due to adequate rest (not fatigued) or free from the influence of alcohol and/or drugs	3
Adequate enforcement of regulations	3
Protective clothing being worn on board	5

Source: Primary Data, 2015

From the data presented in Table 4.9 mobilization of resources and vessel seaworthiness have not been achieved in the process of the implementation of the Maritime Safety strategy. Improved levels of adequate crewing and level of wearing life saving appliances (protective clothing) on board vessels have been attributed to the implementation of the strategy as indicated by the score of 5 to the performance attributes. Out of the ten attributes eight are observed to have improved due to the maritime safety strategy.

4.6 Important Factors in Maritime Safety

The respondents were asked to rank factors important to maritime safety with 6 being the most important factor and one being the least important factor. The relevant data is presented in Table 4.10.

Table 4.10: Important Factors in Maritime Safety Strategy

Rank	Factors
1	Safety Education of the users of maritime transport
2	Safety condition of the vessel
3	Skills of the vessels operators
4	Enforcement of the safety regulations
5	Availability of necessary safety appliances e.g. life jackets
6	Stringent safety regulations

Source: Primary Data, 2015

The respondents ranked safety education as the most important factor in the maritime safety strategy followed by the Safety conditions of the vessel, skills of the vessel operator being third and stringent safety regulations were ranked the least important.

4.7 The Relationship between Stakeholders' Involvement in Maritime Safety Strategy and Performance

To determine the relationship between stakeholders' involvement in maritime safety strategy and performance, the study adopted a multiple regression analysis to ascertain the significance of the statistical relationship between the stakeholder involvement variables and performance. This was to ascertain the objective of the study: to establish the relationship between stakeholder involvement and performance of the maritime safety strategy in Lamu County. The general model obtained was thus of the form;

$$Y = 19.5054 + 0.20X_1 - 0.48X_2 + 0.03X_3 - 0.30X_4 - 0.12X_5 + 0.32X_6$$

The output of the statistical data analysis is illustrated in Table 4.11.

Table 4.11: Model Coefficients Summary

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	19.5054	1.3857	14.0760	0.0000	16.7589	22.2518
X Variable 1	0.2011	0.3034	0.6630	0.5088	(0.4002)	0.8025
X Variable 2	(0.4817)	0.3271	(1.4724)	0.1438	(1.1301)	0.1667
X Variable 3	0.0334	0.2575	0.1295	0.8972	(0.4771)	0.5438
X Variable 4	(0.3004)	0.2905	(1.0340)	0.3034	(0.8761)	0.2754
X Variable 5	(0.1150)	0.3170	(0.3628)	0.7174	(0.7433)	0.5132
X Variable 6	0.3177	0.2331	1.3626	0.1758	(0.1444)	0.7798

Source: Computation from Primary Data, 2015

With the number of accidents / incidents in a year used as the parameter of performance of maritime safety strategy, the results of the regression presented in table 4.11 indicate that at least 19.5 (approximately 20) accidents will occur in a year with the performance worsening (higher accidents) due to the manner of stakeholder identification (factor of +0.20), invitation to forums (+0.03) and follow up on action plans (+0.32). The positive coefficients indicate that these variables will increase the dependent variable (accidents) value. Stakeholder's role (-0.48) was found to be most significant in the reduction of accidents (better performance). Development of action plans (-0.30) and communication of the action plans (-0.12) were also found to be significant the better performance of the maritime safety strategy. This points towards the importance of planning and involvement of key stakeholders in the process for realization of favorable results.

4.7.1 Regression Coefficients (Model Summary)

From Table 4.12 coefficient of determination (the percentage variation in the dependent variable being explained by the changes in the independent variables) was used to check the significance of the model. Coefficient of determination (R^2) of 0.0563 shows that 5.63% of the variation in the performance of maritime safety strategy is explained by the changes in Stakeholders Identification, Stakeholders' roles definition, Invitation of stakeholders to forums, Development of action plans, Communication of outputs and action plans and Follow up on action plan, and leaving 94.37% unexplained. The regression model obtained for this study cannot therefore be used to forecast maritime safety performance. The adjusted R square of 0.43% also shows that the model is not a good estimate of the relationship between the variables.

Table 4.12: Regression Coefficients (Model Summary)

Regression Statistics	
Multiple R	0.2372
R Square	0.0563
Adjusted R Square	0.0043
Standard Error	3.3501
Observations	116.0000

Source: Computation from Primary Data, 2015

4.7.2 Analysis of Variance (ANOVA)

ANOVA was used to analyse the effect of the independent variables (stakeholder identification, stakeholder roles definition, invitation of stakeholders to forums, development of action plans, communication of outputs and action plan implementation) on the dependent variable (accidents) as summarized in Table 4.13. The calculated

significance (F) of 1.0834 is greater than the critical significance (F) of 0.3769. This indicates that the independent variables have a statistically significant effect on the dependent variable. This analysis shows a positive effect in stakeholder involvement in the implementation of the maritime safety strategy in Lamu County, Kenya.

Table 4.13: Analysis of Variance

	df	SS	MS	F	Significance F
Regression	6.0000	72.9569	12.1595	1.0834	0.3769
Residual	109.0000	1,223.3449	11.2233		
Total	115.0000	1,296.3017			

Source: Computation from Primary Data, 2015

4.8 Discussion

This section discusses the results in line with the objectives of the study. As Lewis (1991) observes, identifying the stakeholders and conducting a stakeholder analysis will determine the value of the stakeholder involvement. Furthermore (Huntington, 1996) emphasizes the importance of identifying key stakeholders as they must be satisfied to alleviate failures of policies and strategies of organizations.

The first objective was to establish the effect of stakeholder involvement on performance of KMA's maritime safety strategy in Lamu County, Kenya. The analysis indicates diverse levels of the perception of stakeholder involvement. The County Government of Lamu have a considerable role in the enforcement of the maritime safety strategy in the county but scored very low in stakeholder involvement. Other respondents expressed significant involvement and awareness of the maritime safety strategy, evidenced by increased use of life

saving appliances and reduced incidents / accidents levels. This observation was supported by the results of the analysis of variance (ANOVA) summarized in Table 4.13. The results agree with the theoretical and empirical literature in this study which supports involvement of stakeholders' in strategy.

The second objective was to determine the relationship between stakeholders' involvement in maritime safety strategy and performance in Lamu County, Kenya. The study adopted a multiple regression analysis to ascertain the significance of the statistical relationship between the stakeholder involvement variables which included the independent variables (Stakeholder Identification, Stakeholders' roles definition, Invitation of stakeholders to forums, Development of action plans, Communication of outputs and action plans, and, Follow up on action plan) and the dependent variable (Performance).

The correlation coefficient of 0.2372 from the model summary in Table 4.12 indicates a weak positive correlation between the dependent and independent variables taken together. When the analysis of the relationship between the individual independent variables representing stakeholder involvement and maritime strategy performance was carried out, varied relationships were observed. This brings out an observation that other factors like short time frame since commencement of the implementation of the maritime safety strategy and the study may have effect on the performance of a strategy.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of findings from chapter four, conclusions from the findings and provides recommendations and suggestions for further studies.

5.2 Summary of Findings

This study was conducted with the aim of establishing the effect of stakeholder involvement on performance of KMA's maritime safety strategy in Lamu County, Kenya. In addition, the study attempted to determine the relationship between stakeholders' involvement in maritime safety strategy and performance in Lamu County, Kenya.

Questionnaires were administered to maritime stakeholders in Lamu County including the Beach Management Units, Boat users, Kenya Wildlife Services, Maritime Police Unit, Ministry of Transport Lamu County and Kenya Maritime Authority staff. The primary data collected was analysed using descriptive statistical tools and multiple regression analysis. The number of accidents/incidents, use of life saving appliances (compliance) and adequate qualified crew among other factors represented the strategy's performance which show improvement from the findings. The independent variable used was Stakeholders Identification, Stakeholders' roles definition, Invitation of stakeholders to forums, Development of action plans, Communication of outputs and action plans and Follow up on action plan.

The results of the study in chapter four show that stakeholders were involved in strategy implementation with 100% of the BMU responding that they are aware of the maritime safety

strategy and 72% of boat users. The enforcement agencies recorded a high response rate with 80% of the Maritime Police Unit and 100% Kenya Wildlife Services staff and the KMA staff. These results show that both the public (customers) who are the primary stakeholders and enforcement agencies are very aware and are involved in the maritime safety strategy. The indicator for improved performance in effect, was reduced incidents and accidents and use of life saving appliances (protective clothing). However, the Ministry of Transport Lamu County record 25% of awareness of the maritime strategy. This may be an indication of administrative complexities between roles of the county government and the national government which may require clear definition to enable effective implementation of the maritime safety strategy.

The multiple regression analysis suggests a weak relationship between the independent variables (Stakeholders Identification, Stakeholders' roles definition, Invitation of stakeholders to forums, Development of action plans, Communication of outputs and action plans, and, Follow up on action plan) used in the model and the dependent variable (Performance). The correlation coefficient of 0.2372 from the model summary in chapter four (Table 4.12) indicates a weak positive correlation between the dependent and independent variables taken together. When the analysis of the relationship between the individual independent variables representing stakeholder involvement and maritime strategy performance was carried out, varied relationships were observed. The relationships were however found not to be significant as indicated by their probability of coefficients (p) levels which were more than 0.05.

5.3 Conclusion

From the above findings, stakeholder involvement is important for effective implementation of maritime safety strategy. Stakeholder involvement should cover all stakeholders including those involved in service delivery, the public (customers) and the enforcement agencies. From the analysis, Ministry of Transport Lamu County generally expressed lack of awareness and involvement in the maritime safety strategy. This gap needs to be urgently addressed as the current state of affairs could hinder future implementation of the maritime safety strategy as the Lamu County Government has a great influence on operations in the county. Continuous communication of the strategy and follow up is equally important to ensure continued support of the strategy by the stakeholders.

The results of the regression analysis depict that stakeholder involvement has not had a significant effect on the performance of the maritime safety strategy in Lamu. This could largely be due to the time period the strategy has been in effect and the county system being new with its own fair share of challenges. The challenges may include the definition of the roles of the County Government of Lamu in terms of the implementation of maritime safety strategy.

5.4 Limitations of the study

The study was conducted just two years on the effecting of the maritime safety strategy. The time period may not have been sufficient for collection of data to enable a proper analysis and arrival at a valid conclusion. For better results the time period could be extended to 10 years to capture the effect of the variables more comprehensively. Lamu is undergoing development to become a port town thus the implementation of the maritime safety strategy

and involvement of stakeholders is still at the primary stage to enable a proper analysis on their effect on performance.

5.5 Recommendations

The study corroborates some of the previous studies by establishing a strong link between stakeholders' participation in the strategic planning and the ultimate successful implementation of the maritime safety strategy. From the ongoing, the conclusion could then be drawn that the successful implementation of strategy is premised on the support of the entire stakeholder community; failure to secure such a support may be self-defeating and counterproductive. To that extent, the need to involve all stakeholders in strategic planning becomes inevitable. Stakeholder involvement is key to performance of the maritime safety strategy and as such their identification and involvement at the key stages is very important.

5.6 Suggestions for further research

The study was conducted in Lamu County which is a port under development. The same study can be conducted in Mombasa which has been a port of call for decades to determine whether stakeholder involvement affects the performance of the maritime safety strategy.

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APPENDIX 1

QUESTIONNAIRE

PART A: Background Review

Name:.....

1. Individual Organization

2. Are you a water Transport user, operator or enforcement agent?

- User
- Operator
- Enforcement agent please specify
- Other please specify

3. Number of years used: Indicate by ticking (✓) as appropriate

- Less than 1
- 1-2
- 3-4
- 5-6
- 6 and more

4. Are you aware of a Maritime Safety Strategy?

- Yes
- No

5. How did you get to know about the Maritime safety strategy?

- Sensitization workshop(s) by KMA

- Association workshop(s) []
- Media i.e Newspaper, KMA website, TV Advertisement etc. []
- Others [] please specify
.....

6. Does the maritime safety strategy take care of your interest(s)?

- Yes []
- No []

PART B: Stakeholder Involvement

7. The following are the levels of stakeholder involvement during a strategy management process. In a scale of 1-5 (5-Very great extent, 4-Great extent, 3-Moderate extent, 2-Small extent, 1-None) indicate (by ticking as appropriate) the extent to which you have been involved or your organization involves the stakeholders

Level/stage of involvement	1	2	3	4	5
i) Stakeholders are informed of the policies and decisions that have been made					
ii) Stakeholders are only heard before policies and decisions are made but their say may not be considered					
iii) Stakeholder have a controlled influence on the strategy and projects of the organization					
iv) Stakeholders have a chance to assess the strategic management process					
v) Stakeholders assess and review the ideas during the strategic management process					

vi) Stakeholders are given a chance to contribute their own ideas during the strategic management process					
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8. The following are the stages of stakeholder involvement during a strategy management process. In a scale of 1-5 (5-Very great extent, 4-Great extent, 3-Moderate extent, 2-Small extent, 1-None) indicate (by ticking as appropriate) the extent to which you have been involved or your organization involves the stakeholders

Stages of Stakeholder Involvement	1	2	3	4	5
i) Identification of relevant stakeholders					
ii) Defining the stakeholders roles					
iii) Invitation of stakeholders to forums					
iv) Development of action plans					
v) Communication of outputs and action plans					
vi) Follow up on action plan					

9. Are there gap(s) that exist in the stakeholders involvement required to enhance the Maritime Safety strategy performance?

- Yes []
- No []

If “Yes”, please indicate the gaps below;

- i.
- ii.
- iii.
- iv.

V.

PART C: Effect of Stakeholder Involvement in the Maritime Safety Strategy

Performance

10. In a scale of 1-5 (5-Very great extent, 4-Great extent, 3-Moderate extent, 2-Small extent, 1-None), to what extent has the implementation of the Maritime safety Strategy enabled the achievement of the following attributes? Tick as appropriate.

Achievements	1	2	3	4	5
i) Mobilization of resources e.g search and rescue boats, oil spill equipment, funds					
ii) Reduction of accidents/incidents					
iii) Increased safety standards in compliance to regulations					
iv) Crew training					
v) Suitable/adequately maintained safety equipment on board					
vi) Adequate crewing levels/solo operation					
vii) Vessel seaworthy, stable and/or sufficiently loaded					
viii) Non-Impairment due to adequate rest (not fatigued) or free from the influence of alcohol and/or drugs					
ix) Adequate enforcement of regulations					
x) Protective clothing being worn on board					

11. In your view which is the most important factor in maritime safety? Rank the factors by ticking appropriately with 6(Six) being the most important and 1(One) the least important.

Factors	1	2	3	4	5	6
i) Skills of the vessels operators						

ii)	Safety Education of the users of maritime transport						
iii)	Availability of necessary safety appliances e.g. life jackets						
iv)	Stringent safety regulations						
v)	Safety condition of the vessel						
vi)	Enforcement of the safety regulations						

To be filled by Kenya Maritime Authority

12. Kindly indicate the figures for the respective years

Performance Measures	20xx	20xx	20xx	20xx	20xx
i) Mobilized resources:					
ii) Search and rescue boats,					
iii) Emergency Funds for Oil spill, Search & Rescue					
iv) Number of accidents/incidents					
v) Compliance levels to regulations (Percentage)					
vi) Number of crews trained					
vii) Crewing levels					
viii) Vessel seaworthy, stable and/or sufficiently loaded					
ix) Accidents/incidents caused by Impairment due to inadequate rest (fatigue), influence of alcohol and/or drugs					

x) Level of regulations enforcement					
xi) Income from vessel compliance as at 30 th June, 2015					