

RELATIONSHIP BETWEEN ORGANIZATION CULTURE AND SUSTAINABILITY OF DONOR FUNDED PROJECT AGRICULTURAL PROJECTS IN HOMA BAY COUNTY, KENYA

¹Tonui Chepkorir Beatrice, ²Hellen Wothaya Sang, ³Joseph Kirui

Department of Marketing, Management Science, Hospitality and Tourism

University of Kabianga

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Abstract: For many years, various donor-funded projects have been initiated to improve community livelihoods in Homa Bay County. Despite these efforts, the region continues to experience persistent challenges, including HIV prevalence rate significantly higher than the national average. This has led to an influx of donor and government-funded initiatives, particularly in agriculture, aimed at addressing food security and economic stability. However, many of these projects struggle with long-term sustainability, often due to gaps in strategic management and policy support. This study examines the moderating effect of organization culture and project sustainability. A descriptive survey research design was utilized, targeting a population of 2,432 participants, including accountants, project auditors, fund evaluation team managers, fund team managers, and farmers involved in agricultural projects. Data was collected using structured questionnaires with closed-ended questions on a five-point Likert scale, along with interview guides. A sample of 344 respondents was selected through multistage random sampling. The study highlights the importance of culture in enhancing the sustainability of donor-funded projects. The study's findings are expected to provide insights for policymakers, project managers, and stakeholders on the impact of strategic management practices and government policy on project sustainability.

Keywords: Government Policy, Culture, Strategic Management Practices, Sustainability of Agricultural Projects, Sustainability of Donor-Funded Project.

1. INTRODUCTION

The goal of every policy maker either at the international, regional, national, or county level is to make the development projects sustainable (Meyers, 2014). In essence, donor assistance involves transfer of capital, goods, or services from donor country to recipient country (Hendrickse, 2018). This type of assistance encompasses grants and low-interest loans that contain a grant component exceeding 25%. There are four types of development aid which are extended to support development projects in recipient countries namely; Public (ODA) or private (Non-Government Organizations), Bilateral or multilateral, Balance of Payments (BoP) support which may take the form of monetary transfers or technical assistance, training and tied or untied funding which may be linked to or not linked to the purchase of goods and services from the donor country, or in kind specific economic or political conditions (Martinez, 2018).

Culture plays a significant role in shaping agricultural practices, community engagement, and the success of agricultural projects. The sustainability of agricultural projects is influenced by how well they align with the cultural norms, values, and practices of the communities involved. Palmer, Cooper, and van der Vorst (2017) note that sustainability may be focused on specific aspects of human systems, such as cultural practices, in addition to ecological and economic considerations. Understanding and respecting the cultural context is crucial for the acceptance and adoption of sustainable agricultural practices. Research has shown that culturally sensitive approaches lead to more sustainable agricultural interventions and better outcomes in terms of community acceptance and long-term impact (FAO, 2015).

Strategic management practices are fundamental to organizational success and involve a systematic approach to defining objectives, analyzing the competitive landscape, formulating strategies, and implementing actions to achieve desired outcomes. These practices encompass a range of activities aimed at aligning organizational capabilities with external opportunities and threats, as well as internal strengths and weaknesses (Garcia et al., 2024).

Sustainability is the continuation of benefits after major assistance from a donor has been completed / withdrawn (Okun, 2016). Donors typically aim to enhance the well-being of local communities by directly participating in projects or providing financial support to complement government funding in various sectors. Unfortunately, the funds provided by most of these donors are project-driven short-term funds, which do not factor into the whole funding mechanism policy which will ensure that such projects become sustainable after donor funds have been withdrawn (Heeks & Baark, 2018).

USAID argues that a development program is sustainable when it is able to deliver an appropriate level of benefits for an extended period of time after major financial, managerial and technical assistance from an external donor is terminated (USAID, 2018). Furthermore, a project is considered sustainable if it continues to deliver a high level of benefits after the donor ends major financial, managerial, and technical support (Liebersson, 2017).

In managing projects, organizations and their environment are affected by increasing complexity, uncertainty, and ambiguity factors (Pich, Loch, & Meyer, 2018). Project management communities recognize that environmental factors can significantly impact project performance. However, research on the relationship between environments and projects remains limited (Pinto & Winch, 2016). In regulated industries, government policies often drive project initiation. For instance, power market deregulation has created opportunities for private sector investment in power generation (Haveman & Tolbert, 2015), while climate change policies have spurred renewable energy projects (Corfee-morlot, 2018). Existing research on government policy's impact on projects tends to focus on economic perspectives, assuming businesses will capitalize on policy-driven opportunities.

1.1 Statement of the problem

Ideally projects are expected to sustain themselves after completion with the hope that the gained competencies, skills, and related resources have the potential to sustain the running of such projects. However, the situation in Homa Bay County depicts a different scenario since most of the agricultural projects cannot sustain themselves after completion of funding. Agricultural projects have struggled with long-term sustainability, often yielding limited lasting impact even after a decade or more of implementation. Trend analysis reveals fluctuations and patterns in the execution and outcomes of these projects, prompting a closer examination of their efficacy in achieving sustainable outcomes. However, alongside this surge in project implementation, there has been a concerning disparity in their success rates regarding sustainability metrics. Consequently, the research aimed to address this disparity by delving into the factors influencing project success and failure, with the overarching goal of proposing strategies to enhance the sustainability outcomes of agricultural projects within the defined context. Several donor projects institutions ranging from the US Agency for International Development (USAID), World Vision, GIZ, World Bank and many others have been implementing projects that are aimed at strengthening community livelihoods in Homa-bay County, and this has been seen to be increasing from inception of devolution to date. Despite these organization efforts in changing the livelihoods in different communities in Homa Bay County, these projects have not been sustainable thereafter. The study observes that additional quantitative data is necessary to gain a clearer and more precise understanding of how organization culture practices affect the sustainability of agricultural projects in Homa Bay County. Therefore, this study aimed to investigate the moderating effect of government policy on the relationship between organization culture and sustainability of donor funded projects in Homabay County.

2. LITERATURE REVIEW ON ORGANIZATION CULTURE AND PROJECT SUSTAINABILITY

Organizational culture, comprising beliefs, norms, values, and assumptions, plays a crucial role in shaping a company's behavior. According to Nelson and Quick (2011), culture provides a sense of identity, enhances staff commitment, protects company values, and defines organizational behavior. A study by Rajasekar (2014) on strategy implementation in Oman's power firms found that organizational culture significantly influences strategy implementation. The study emphasized that culture cannot be considered in isolation, as it is shaped by norms, values, and experiences. Key determinants of organizational culture include openness, customer satisfaction, and perceptions. The study concluded that aligning organizational culture with strategies is essential for achieving desired results.

Rana, Ayesha and Shabbir (2012) conducted a study on culture and service delivery in Ghanaian NGOs. A descriptive research design was employed, utilizing questionnaires to collect data. The results highlighted the diversity of individuals' origins and cultures, which influences their interactions. A positive correlation was found between organizational development and cultural commonality. The study recommends building a strong organizational culture to facilitate staff integration and gain a competitive advantage. Ultimately, the findings suggest that culture significantly impacts organizational processes and performance.

Maina's (2016) study in Tanzania found that organizational culture significantly influences NGO performance, particularly in staff relationships, with key drivers including shared values, consistency, adaptability, and effective communication. The study also found that NGO staff in Tanzania valued individual habits and characteristics aligned with the organization's vision, mission, and goals. Ultimately, the study concluded that culture plays a crucial role in strategy implementation among NGOs in Tanzania.

Kamaamia's (2017) study at the Kenya School of Management Studies examined the relationship between culture and strategy implementation. Using explanatory research design, questionnaires, and interviews, the study found a positive correlation between culture and performance. However, since the study focused on a different sector, it leaves a gap for further research in the donor sector, particularly in agricultural projects, to explore strategy implementation.

3. RESEARCH DESIGN

The study used a descriptive survey research design. In the context of project sustainability, a descriptive research design would aim to provide a detailed account or snapshot of the current state of a project's sustainability, without introducing any interventions or changes to the project. In the realm of project sustainability, a descriptive research design can be implemented to holistically examine various dimensions critical to long-term project success. As Sen (2018) cautions in the context of cultural analysis, rapid generalizations can undermine a deeper understanding.

The study was undertaken in Homa Bay County, one of Kenya's 47 counties, formerly part of Nyanza Province. The county borders Lake Victoria to the west and north, Kisumu and Kericho to the northeast, Nyamira to the east, and Migori to the south, covering an area of 3,183.3 km². Homa Bay County was selected for this study due to its significant socio-economic and environmental challenges, making it a relevant area for examining sustainability and economic development.

The study targeted 2,432 participants, comprising 1100 farmers, 840 project auditors, 470 fund evaluation team managers and 22 fund team managers from Homa Bay town, Mbita, Ndiwa, Kasipul and Karachuonyo. A sample size of 344 respondent was selected using a multi-stage sampling procedure. This technique ensured each respondent had an equal chance of being selected, increasing the likelihood of a representative sample size (Kothari, 2004).

The data collected was analyzed using both quantitative and qualitative techniques. Quantitative analysis utilized descriptive and inferential statistics, facilitated by SPSS version 23. Descriptive statistics included frequencies, percentages, means, and standard deviations. Data analysis involved editing, coding, classification, tabulation, and graphical presentation (Hall, 2010). To ensure consistency and accuracy, the data was edited for clarity. The analysis process involved reducing large datasets to manageable sizes, identifying patterns, and applying statistical techniques (Cooper & Schindler, 2011). Simple linear regression analysis was conducted to investigate the impact of independent variable on the dependent variable. Qualitative data was analyzed thematically, aligned with study objectives. The findings were presented in statistical tables.

4. FINDINGS

A Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) was used where the midpoint of the scale was 3, indicating "neither agree nor disagree." Scores below 2.5 indicated low agreement, while scores above 2.5 indicated high agreement on the influence of organizational culture on project sustainability. The descriptive statistics for these indicators are presented in Table 1.

Table 1: Organizational culture

	N	Min	Max	Mean	Std. Dev
There are values and norms treasured among staff	340	1.00	4.00	2.573	1.196
Every new staff learns the culture upon recruitment into the NGO	340	1.00	5.00	2.567	1.514
There are shared symbols, colours, and emblems	340	2.00	5.00	3.026	1.111
Individual goals are aligned to the NGO goal	340	2.00	5.00	2.979	1.283
Visions and missions influence the way of working	340	1.00	4.00	2.200	1.092
Employees are reminded about the standards they need to maintain while doing their work	340	2.00	5.00	2.508	1.026
Aggregate Score				2.642	1.204

The study found that organizational culture plays a significant role in the sustainability of donor-funded agricultural projects. Respondents agreed that values and norms are treasured among staff ($\mu=2.573$, $\delta=1.196$), new staff learn the culture upon recruitment ($\mu=2.567$, $\delta=1.514$), and shared symbols, colours, and emblems are present ($\mu=2.979$, $\delta=1.283$; $\mu=3.026$, $\delta=1.111$). However, they disagreed that visions and missions influence the way of working ($\mu=2.200$, $\delta=1.092$). The aggregate results indicate that organizational culture significantly influences project sustainability ($\mu=2.642$, $\delta=1.204$).

These findings are consistent with existing research, such as a study by Schein (2010) which highlights the importance of organizational culture in shaping employee behavior and influencing project outcomes. Similarly, Denison and Mishra (1995) found that organizational culture has a significant impact on organizational effectiveness and sustainability. Other studies have also shown that a strong organizational culture can enhance employee commitment, productivity, and overall project success (Cameron & Quinn, 2011; Kotter & Heskett, 1992).

According to recent studies, organizational culture continues to be a critical factor in project sustainability (Hartnell et al., 2021; Alvesson & Sveningsson, 2019). A strong organizational culture can foster a sense of community and shared purpose among employees, leading to increased commitment and productivity (Hartnell et al., 2021).

5. CONCLUSION AND RECOMMENDATION

The study concluded that there was a positive and significant relationship between organizational culture and sustainability of the donor-funded agricultural projects in Homa Bay County. Specifically, investing in organizational culture as a strategic management practice led to a slight improvement in sustainability, underscoring the importance of this factor in achieving sustainability goals.

The study recommended that donor funded agricultural projects should invest their resources on organizational culture to ensure that there was enhanced sustainable performance arising from the benefits of having the organization culture incorporated.

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