



Social Principles within The Environmental, Social, and Governance (ESG) Framework and Their Effect on The Performance of NGOs in Kenya: A Case Study of Pursue Kenya

Constantine Sunday Otieno, Mary Mugo & Florence Kamau
Multimedia University of Kenya
Email: consatiz8@gmail.com

Abstract: Over recent decades, Environmental, Social, and Governance (ESG) principles have become increasingly important for mission-driven organizations such as non-governmental organizations (NGOs). This study examined the integration of social dimensions of ESG, specifically community engagement, labor practices, and stakeholder inclusivity—and their influence on the performance of NGOs in Kenya, with a focus on Pursue Kenya. A descriptive cross-sectional design was adopted, with sample size determined using Yamane's formula. Purposive sampling identified the study area, while stratified and simple random sampling were applied to select participants across organizational subgroups. Data were collected using structured questionnaires and analyzed with SPSS version 26. Descriptive statistics were reported through frequencies and percentages, while chi-square tests and regression analyses were employed for inferential purposes. Results revealed significant positive associations between community engagement ($B=0.209$, $p=0.006$), stakeholder inclusivity ($B=0.374$, $p<0.001$), and organizational performance. Labor practices, however, showed no significant direct effect ($B=-0.025$, $p=0.828$). Combined regression indicated that community engagement ($B=0.351$, $p=0.022$) and stakeholder inclusivity ($B=0.374$, $p=0.027$) enhanced performance, whereas labor practices exerted a significant negative effect ($B=-0.676$, $p<0.001$). The study recommends strengthening staff compensation, investing in community program monitoring tools, expanding inclusive stakeholder engagement, and embedding social principles into long-term strategic planning to maximize impact.

Keywords: Stakeholder inclusivity, performance, Environmental, Governance, Community engagement

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1. Introduction

Internationally, NGOs act as pivotal actors as they manage large amounts of money in funding that is crucial in enabling the work around the globe and shaping the policies and standards. However, one major factor that

affects the performance of NGOs is their accountability, which therefore has an impact on their ability to deliver on their goals (Kaba, 2021). Cordery et al. (2023) stipulate that NGOs encounter various challenges linked to the diversity of the stakeholders, which in turn impacts their overall performance and ability to deliver their objectives.

Social principles under Environmental Social Governance address how organizations and businesses interact with stakeholders, employees, and communities. This involves fostering diversity and inclusion, ensuring fair labor practices, and promoting health and safety standards. Companies that uphold social principles prioritize ethical conduct, respect human rights, and support community development initiatives. They may engage in philanthropy, volunteerism, and transparent communication to enhance trust and strengthen relationships. Ultimately, these efforts aim to create a positive social impact, improve workforce satisfaction, and enhance the firm's reputation as a sustainable corporate citizen (Sonko & Sonko, 2023).

The performance of NGOs in Kenya has an influence on the country's socio-economic development, especially in underserved regions. Despite their crucial role, many NGOs face challenges such as limited funding, dependency on donors, and operational inefficiencies that hinder their effectiveness (Chepkemai & Musembi, 2024a). These constraints often lead to high turnover rates, resource shortages, and fragmented projects that may not meet long-term community needs (Mutole, 2019).

Moreover, NGOs must navigate complex regulatory environments and community expectations, which adds pressure to deliver impactful, sustainable results. While some NGOs excel in sectors like health, education, and poverty alleviation, their performance is often inconsistent due to gaps in governance and resource allocation (Mutole, 2019). Implementing comprehensive frameworks like ESG, with a focus on social principles, could help NGOs improve transparency, build trust with stakeholders, and create lasting community change.

1.2 Statement of the problem

Over the last two decades, the corporate world has shifted towards ensuring sustainability to not only improve its operations but also to incorporate strategies that are of benefit to the community and environment. The ESG principles have been at the pinnacle for the evaluation of the firm's sustainability and ethical practices. The mission of most NGOs is directed towards social principles, especially in fostering inclusion, equity, and enabling community engagement. Therefore, the commitment to ESG principles, particularly the social principles, is central to the achievement of meaningful impact that is crucial in understanding the key challenges (Rajesh & Rajendran, 2020).

In Kenya, organizations acknowledge the need for sustainability and the importance of ESG principles (Mubecua & David, 2019). Most NGOs in Kenya encounter a plethora of challenges, particularly the reliance

on donor funding and accountability to the beneficiaries, which create unique constraints on their ability to implement ESG principles (Alharbi, 2024).

Pursue Kenya has actively worked to improve lives in Kakamega through education support, livelihood projects, and home-based care for vulnerable groups. However, challenges such as limited community engagement and poor labor practices have hindered its impact and strained community relations. These issues highlight the urgent need to align sustainability with community growth. Proper implementation of social principles such as fair labor practices, transparency, and ethical conduct under the Environmental, Social, and Governance (ESG) framework could strengthen community trust and enhance donor confidence (Pursue, 2024).

Many NGOs in Kenya face similar challenges, including poor resource allocation, weak monitoring systems, and limited transparency, which affect their effectiveness and accountability. A key gap exists in understanding how ESG's social principles influence NGO performance. Addressing this gap could improve NGO operations and help them better achieve their missions. This study, therefore, seeks to examine how the integration of social principles within the ESG framework affects the performance of NGOs in Kenya, using Pursue Kenya as a case study.

1.1 Research Hypothesis

H01: Stakeholder inclusivity has no significant effect on the performance of NGOs in Kenya: A case of Pursue Kenya.

2. Literature Review

The literature review provides the intellectual foundation for this study by examining existing theories, empirical studies, and conceptual debates relevant to the research problem. It situates the study within broader academic and practical discourses, highlighting how theoretical perspectives and prior findings inform, justify, and guide the present investigation. This section begins with a review of the theoretical foundation, which frames the study's underlying assumptions and offers lenses for interpreting organizational behavior and community engagement. Specifically, it explores the Social Responsibility Theory, which is central in explaining how organizations, including NGOs such as Pursue Kenya, align their operations with ethical, social, and developmental expectations.

To establish this grounding, the review first turns to theoretical foundations that provide the conceptual basis for linking organizational practices with social obligations.

Among these, the Social Responsibility Theory offers a critical framework for understanding the ethical responsibilities of organizations and their role in advancing community welfare, making it particularly relevant to this study.

2.1 Theoretical Foundation

2.1.1 Social Responsibility Theory

The Social Responsibility Theory is attributed to Howard Bowen, who developed it in 1953. The theory was designed to investigate organizations based on an ethical lens to evaluate their obligations to society. This theory was developed as an approach to addressing the critiques on capitalism with priority on societal wellbeing alongside profitability. According to the theory, there is a need to place more emphasis on accountability, community focus, increased sustainability, and ethical conduct (Bowen, 2013). The theory encourages all organizations to take responsibility for their social and environmental impact. The theory focuses on fair treatment of employees and ensuring active participation through community development (Sama et al., 2024).

This theory shows why NGOs such as Pursue Kenya must adopt the social principles into their operations. For example, most of the labor practices prioritize safe working conditions, fair wages, and equity, which align with the ethical dimensions linked to the theory. It also helps to foster trust and increase cooperation between the community and NGOs, which in turn results in growth and development.

2.2 Empirical Review

Musheke & Phiri (2021) established the influence of effective communication on firm performance, with a focus on stakeholder inclusivity. The objectives were to determine elements affecting communication based on systems theory and to develop a communication model that addresses these factors to improve organizational performance. Quantitative criterion was utilized to collect data from 88 respondents. A structured questionnaire was employed to examine issues influencing effective communication. Descriptive analysis and Pearson's correlation were utilized to interpret the data and test the hypothesized relationships. The research revealed mixed results concerning stakeholder inclusivity through communication. The analysis for H1 indicated no correlation between management and the channel of communication used (Pearson's $r = 0.642$, $p > 0.05$). However, H2 demonstrated a significant relationship between the communication channel and the effectiveness of communication (Pearson's $r = 0.041$, $p < 0.05$). Moreover, H3 established that good communication

positively affects organizational performance, with a statistically significant result (Pearson's $r = 0.012$, $p < 0.05$). These findings reveal the imperatives of selecting appropriate communication channels and fostering inclusive communication practices to enhance organizational performance. The study recommends adopting stakeholder-focused communication strategies to strengthen collaboration within organizations.

Nguyen et al. (2022) assessed the influence of diversity management actions on organizational performance, with a focus on the hotel industry. It sought to explore both the positive and negative influences of diversity management and its purpose in enhancing organizational outcomes, particularly in accommodating a global and diverse clientele. The research was conducted through a systematic literature review. Data were attained from secondary sources, including articles, reports, and documents from government and non-government organizations. Online scientific databases such as Web of Knowledge, Emerald, SAGE, ProQuest, and ScienceDirect were utilized. Relevant articles were reviewed to identify existing knowledge and gaps. The study revealed that effective diversity management practices positively influence organizational performance when implemented appropriately and with consideration of associated challenges. In the context of the hotel industry, diverse staff were found to better establish the preferences of a global customer base by addressing cultural and linguistic differences, enhancing guest satisfaction and comfort. The findings highlight that diversity management not only enhances service but also contributes to hiring capable and qualified employees from varied demographics, ultimately benefiting the organization. The study emphasizes that addressing diversity-related challenges is essential to realizing these benefits.

The study by Ortega-Rodríguez et al. (2020) aimed at establishing a framework to understand transparency within the third industry, selected non-profit organizations (NPOs), and to explore research trends considering the provision of information and accountability. The research utilized an empirical review to examine the determinants and dimensions of transparency in NPOs. It reviewed scholarly articles and reports from an international perspective, focusing on the voluntary disclosure practices of NPOs and their implications for stakeholder accountability. The study revealed a lack of regulatory frameworks enforcing transparency in the third sector, leading many NPOs to adopt voluntary reporting practices to enhance their credibility with stakeholders. This voluntary approach emphasizes the essence of trust and accountability in achieving firm objectives. Furthermore, the findings highlighted that transparency is essential for promoting social sustainability, aligning with the SDGs, which prioritize institutional accountability, reduced

corruption, and transparent governance as critical components of sustainable development.

Chepkemoi & Musembi (2024) investigated the relationship between stakeholder management and the implementation of NGO projects in Nairobi County. The study focused on two key aspects: stakeholder identification and stakeholder involvement, and their influence on project implementation. A descriptive research design was employed, targeting all 201 NGOs operating in Nairobi County as listed in the Kenya Business Directory. A sample of 100 project managers, representing 50% of the target population, was selected using stratified sampling. Primary data was collected through structured questionnaires, and a pilot study was conducted to test the reliability and validity of the instruments. The collected data underwent cleaning, coding, and entry before analysis. Quantitative data analysis was conducted using both descriptive and inferential statistics with the help of SPSS version 25. Inferential techniques included Pearson correlation and multiple regression analysis. The findings revealed that both stakeholder identification and involvement have a positive and significant impact on the successful implementation of NGO projects in Nairobi County. The study recommended that NGOs invest in robust stakeholder mapping, engagement strategies, and tailored communication plans to enhance project effectiveness and ensure stakeholder alignment throughout the project lifecycle.

Machuma et al. (2024) examined the effects of social inclusion, stakeholder engagement, and planning on the sustainability of community-based water projects in Mavoko Constituency, Machakos County. Grounded in resource dependence theory. The study adopted a descriptive survey design and used systematic random sampling to select 302 respondents from a population of 1,230 individuals involved in 20 community-based water projects. Data was collected using structured questionnaires and analyzed using SPSS version 25.0. Descriptive statistics provided frequency and percentage summaries, while inferential statistics including binomial logistic regression and correlation analysis were used to assess the relationship between the independent variables and project sustainability. The findings indicated that social inclusion increased the likelihood of sustainability by 5.6 times, stakeholder engagement by 4.8 times, and effective planning by 3.6 times. Each factor was found to have a statistically significant positive impact on project sustainability. The study concluded that strategic stakeholder participation is essential for long-term success. It recommended adopting inclusive practices that engage

women and youth, securing consistent support, and strengthening resource management. Regular training and knowledge-sharing initiatives were also emphasized to enhance stakeholder capacity and ensure sustainable implementation of community-based water projects.

Another study conducted in Kenya revealed nuanced dynamics in stakeholder involvement and its impact on the performance of NGO-funded projects in Kenya. Specifically, stakeholders' expectations exhibited an insignificant negative influence on project performance, suggesting a potential misalignment between expectations and NGO delivery capacity. Stakeholder communication demonstrated a positive but statistically insignificant effect. This highlights the importance of transparent and continuous information flow in fostering trust and accountability. Notably, stakeholder participation had a significant negative effect on project outcomes, possibly indicating inefficiencies or conflicts arising from poorly structured involvement. Conversely, stakeholder control, defined as oversight and accountability roles, was found to have a significant positive impact on project performance, underscoring the importance of governance and monitoring mechanisms (Muthinja, 2024). In the Kenyan context, these findings resonate with ongoing discussions around the implementation of ESG principles in the non-profit sector. The negative impact of stakeholder participation calls for a reassessment of participatory frameworks, ensuring they are inclusive, strategic, and capacity-driven.

3. Methodology

3.1 Research Design

The study employed a descriptive cross-sectional design, which allows data collection at a single point in time without follow-ups. This approach is cost-effective and suitable for identifying existing relationships and generating hypotheses. A case study of Pursue Kenya was undertaken to enable an in-depth exploration of how social principles within the ESG framework influence NGO performance. To further strengthen the analysis, explanatory design elements were incorporated to test hypotheses and establish causal patterns.

3.2 Target Population

The target population comprised all employees of Pursue Kenya, categorized into top, middle, and low-level management.

Table 1: Target population

Position	Population
Top Level Management (CEO, Project Manager, Board)	5
Middle Level Management (Supervisors, HR, Dept. Heads)	45
Low Level Management (Community workers, Volunteers)	170
Total	220

Source: Pursue (2024)

3.3 Sampling Technique and Sample Size

Purposive sampling was applied to select the study area, formula:

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

Where:

(n) = the sample size

(N) = the finite population

e=level of significance (or limit of tolerable error

l = Unite (a constant value)

$$n = \frac{220}{1 + 220(0.05^2)} \approx 141.9 = 142$$

Sample size =142 respondents

while stratified sampling ensured representation across management levels. Simple random sampling was then used within each stratum. Sample size was calculated using Yamane’s (1967)

Table 2: Sampling Frame

Position	Population	Calculation	Sample
Top Level	5	5/220×142	3
Middle Level	45	45/220×142	29
Low Level	170	170/220×142	110
Total	220		142

Source: Pursue (2024)

3.4 Data Collection Tools

Data were collected through structured questionnaires administered to Pursue Kenya staff. The tool was divided into sections reflecting the study variables: community engagement, labor practices, stakeholder inclusivity, and NGO performance.

3.5 Pilot Study

A pilot test was conducted with 15 respondents at Nuru

International, an NGO with comparable operations in Western Kenya. The pilot refined the questionnaire, improved clarity, and tested feasibility.

3.6 Validity and Reliability

Content validity was ensured through expert review and alignment with past studies. Reliability was tested using Cronbach’s Alpha, which returned a score of 0.900, exceeding the 0.7 threshold and confirming internal consistency.

Table 3: Reliability Score

Scale	Cronbach's Alpha if Item Deleted	Items
Community Engagement	0.841	10
Labor Practices	0.894	10
Stakeholder Inclusivity	0.797	10
Performance	0.919	10

3.7 Data Analysis and Presentation

Data were analyzed using SPSS version 26. Descriptive

statistics were presented through frequencies and percentages. Inferential analysis employed chi-square tests and regression models. The significance threshold was set at $p < 0.05$.

Table 4: Regression Models

Objective	Hypothesis	Model
Effect of community engagement	H01: No significant effect	$Y = \beta_0 + \beta_1 X_1 + \epsilon$
Effect of labor practices	H02: No significant effect	$Y = \beta_0 + \beta_2 X_2 + \epsilon$
Effect of stakeholder inclusivity	H03: No significant effect	$Y = \beta_0 + \beta_3 X_3 + \epsilon$
Combined effect	H04: No significant effect	$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$

Where:

- Y = NGO performance
- X_1 = Community Engagement
- X_2 = Labor Practices
- X_3 = Stakeholder Inclusivity

3.8 Ethical Consideration

Ethical approval for the study was obtained from the Institutional Research and Ethics Committee (IREC). A research license was further secured from the National Commission for Science, Technology & Innovation (NACOSTI) and clearance granted by Kakamega County authorities. Permission to access the organization was sought from Pursue Kenya. Informed consent was obtained from all participants after the researcher clearly explained the study's purpose, procedures, potential risks, and anticipated benefits. Participation was strictly voluntary, and respondents were informed of their right to decline or withdraw from the study at any stage without penalty. Confidentiality and anonymity were maintained by ensuring that no personal identifiers were collected, and responses were reported in aggregate form only. Data collected were securely stored in password-protected files accessible only to the researcher and used solely for academic purposes. The researcher also ensured beneficence and non-maleficence by minimizing potential harm and maximizing possible benefits to participants and

the community. Sensitivity to cultural values and organizational protocols was upheld throughout the research process.

4. Results and Discussion

This section presents the findings of the study based on the data collected and analyzed. The results are organized thematically to reflect the study objectives, beginning with descriptive statistics that summarize the perceptions of respondents regarding stakeholder inclusivity within the organization. These descriptive insights highlight patterns of representation, communication, transparency, and feedback mechanisms that shape organizational inclusivity practices.

The section then proceeds to inferential statistics, where correlation and regression analyses are used to examine the relationship between stakeholder inclusivity and organizational performance. This approach not only describes prevailing perceptions but also tests the significance and strength of the association between

inclusivity practices and performance outcomes. In this way, the chapter provides both a descriptive overview and an evidence-based assessment of the extent to which stakeholder inclusivity influences the effectiveness of NGOs.

4.1 Descriptive Statistics

The first stage of analysis involved examining descriptive

statistics to capture respondents' perceptions of stakeholder inclusivity practices. These results provide an overview of the extent to which the organization promotes representation, facilitates communication, and integrates stakeholder feedback into its operations.

4.1.1 Stakeholder Inclusivity

Table 5: Stakeholder Inclusivity

Factor	Mean	Std. Dev
The organization promotes diverse representation within key stakeholder groups.	4.9638	0.25371
The frequency of engagement with stakeholders is adequate and meets their expectations.	4.9638	0.25371
The organization hosts events, meetings, or forums to engage with stakeholders.	4.8478	0.48182
The organization offers opportunities for stakeholders to participate in key decisions.	4.7899	0.40890
The organization has established clear communication channels with all our stakeholders.	4.7826	0.41397
The organization regularly seeks feedback from stakeholders about our initiatives.	4.6232	0.77557
The organization communicate transparently about our organization's goals, challenges, and achievements.	4.5942	0.53543
The organization's transparency fosters trust and loyalty among stakeholders.	4.5942	0.53543
Stakeholder feedback is incorporated into strategic planning and decision-making.	4.4928	0.88990
Stakeholders receive regular updates on the progress and outcomes of our programs.	4.4348	0.81012

Source: Research Data, 2025

The highest extent of support was recorded for the statements that the organization promotes diverse representation within key stakeholder groups and that the frequency of stakeholder engagement is adequate ($M = 4.9638$, $SD = 0.25371$ for both), reflecting a nearly unanimous perception of inclusivity and consultation. A slightly lower, yet still very high extent was observed for the organization's hosting of events, meetings, or forums to engage stakeholders ($M = 4.8478$, $SD = 0.48182$), and for the provision of opportunities for stakeholders to participate in key decisions ($M = 4.7899$, $SD = 0.40890$). The extent to which clear communication channels with stakeholders have been established was similarly high ($M = 4.7826$, $SD = 0.41397$).

Moderately high levels of support were observed for the organization's regular efforts to seek feedback from stakeholders regarding its initiatives ($M = 4.6232$, $SD = 0.77557$), as well as for transparent communication about goals, challenges, and achievements ($M = 4.5942$, $SD = 0.53543$). A similar extent was noted for the perception that such transparency fosters stakeholder trust and loyalty ($M = 4.5942$, $SD = 0.53543$). The incorporation of stakeholder feedback into strategic planning and decision-making was also supported to a considerable extent, though with slightly greater variability ($M = 4.4928$, $SD = 0.88990$). Lastly, the extent to which stakeholders receive regular updates on program progress and outcomes was positive ($M = 4.4348$, $SD = 0.81012$), though this item reflected

slightly more variation in views (Table 1).

The data indicates that the organization is widely perceived as highly inclusive and consultative in its approach to stakeholder engagement. There is near-unanimous support for its efforts to promote diverse representation within key stakeholder groups, as well as for the frequency with which it engages these stakeholders. This reflects a strong culture of collaboration and a commitment to ensuring that diverse voices are both represented and heard.

Slightly less, but still very high, levels of support were noted for the organization's hosting of events, meetings, or forums to engage stakeholders, and for providing meaningful opportunities for stakeholders to participate in decision-making processes. These findings suggest that stakeholders not only have access to engagement platforms but are also given the chance to influence important organizational directions.

Similarly, the establishment of clear communication channels with stakeholders is viewed positively, reinforcing the perception of an open and accessible organizational structure. Support was also moderately strong for the organization's efforts to actively seek stakeholder feedback on its initiatives and for its transparent communication about goals, challenges, and achievements. This transparency appears to play a key role in building stakeholder trust and loyalty, which are crucial for long-term relationships.

There is also considerable backing for the integration of stakeholder feedback into strategic planning and decision-making, although responses here were slightly more varied, indicating that while the intent is recognized, consistency in implementation may vary. Finally, the organization's practice of providing regular updates to stakeholders on program progress and outcomes is viewed favorably, though with some variation in perceptions. This suggests that while communication is generally effective, there may be opportunities to enhance the regularity or

clarity of updates to ensure all stakeholders feel equally informed.

4.2 Inferential Statistics

A Pearson correlation analysis and linear regression analysis were conducted to determine the relationship between stakeholder inclusivity and performance of the NGOs.

Table 6: Model Summary Stakeholder Inclusivity

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.298 ^a	.089	.082	.30759

a. Predictors: (Constant), Stakeholder Inclusivity Averages

Source: Research Data, 2025

Table 6 provides an overview of the regression model's effectiveness. The R value (0.298) indicates a modest positive correlation between stakeholder inclusivity and performance. The R Square (0.089) shows that approximately 8.9% of the variation in performance can be

explained by stakeholder inclusivity. The Adjusted R Square (0.082) confirms that the model retains its predictive strength after adjusting for the number of predictors.

Table 7: ANOVA Stakeholder Inclusivity

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.257	1	1.257	13.286	.000 ^b
	Residual	12.867	136	.095		
	Total	14.124	137			

a. Dependent Variable: Performance

b. Predictors: (Constant), Stakeholder Inclusivity

Source: Research Data, 2025

The ANOVA table tests the overall significance of the regression model. The F-statistic (13.286) and the p-value (Sig. = 0.000) indicate that the model is statistically significant at the 0.01 level. This means that stakeholder inclusivity has a significant effect on performance. The

findings of the ANOVA revealed a statistically significant relationship between the dependent and independent variables, $F(1, 136) = 13.286, p < 0.001$, as shown in Table 7.

Table 8: Coefficients Stakeholder Inclusivity

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.470	.483		5.112	.000
	Stakeholder Inclusivity	.374	.102	.298	3.645	.000

a. Dependent Variable: Performance

Source: Research Data, 2025

The unstandardized coefficient (B = 0.374) indicates that for every one-unit increase in stakeholder inclusivity, organizational performance is predicted to increase by

approximately 0.374 units, assuming all other factors remain constant. This suggests that enhancing stakeholder inclusivity has a measurable positive effect on how well the

organization performs.

4.3 Discussion

The finding that stakeholder inclusivity positively influences NGO performance aligns with stakeholder theory and multiple empirical studies, which report that active, participatory engagement improves project relevance, ownership, accountability, and outcomes (Mahajan, 2023; Ferro-Soto et al., 2018). In Kenyan NGO contexts, recent empirical work similarly emphasizes that structured stakeholder engagement correlates with improved organizational sustainability and program effectiveness, particularly when engagement is institutionalized into planning and monitoring and evaluation (M&E) processes (Muthinja, 2024; Miriti & Karuthi, 2025).

Modest R^2 (8.9%) aligns with broader literature showing that social-dimension practices (e.g., stakeholder engagement) explain an incremental but meaningful proportion of performance variance, often alongside funding, governance, and capacity factors (Martiny, 2024). In other words, while stakeholder inclusivity matters, it interacts with other organizational determinants to shape outcomes.

Where findings diverge or add nuance, there is a high descriptive endorsement of representational and engagement practices, contrasted with slightly lower scores for systematic feedback incorporation and updates. Several studies note this pattern: NGOs frequently excel at convening stakeholders yet struggle to operationalize participatory inputs into strategic decision-making and monitoring systems (Sanadgol et al., 2021). This suggests that perceived inclusivity may not always translate into consistent institutionalization of stakeholder feedback, explaining variability in implementation and modest effect sizes.

Finally, meta-analyses and ESG literature underscore that the social dimension's impact on organizational performance is context dependent: measurement choices, stakeholder power dynamics, and resource constraints moderate observed effects (Arvidsson, 2022; Ferro-Soto et al., 2018). Recommendation to strengthen feedback loops, monitoring tools, and integrate social principles into strategy, therefore aligns with empirical prescriptions for amplifying the performance gains associated with inclusivity.

5. Conclusion and Recommendations

5.1 Conclusions

The analysis of stakeholder inclusivity revealed a strong positive perception among respondents regarding Pursue Kenya's efforts to involve stakeholders in its operations and decision-making. There was near-unanimous agreement that the organization promotes diverse representation within its stakeholder groups and that the frequency of stakeholder engagement is sufficient. This reflects a well-established practice of inclusivity and active consultation with stakeholders across the board. Respondents also strongly agreed that stakeholders are given opportunities to participate in important decisions and that effective communication channels are in place to support this engagement. Regular events and forums hosted by the organization further reinforce this participatory culture, indicating that stakeholders are not only invited to the table but are consistently engaged in a meaningful way.

In addition to inclusivity, the organization was viewed as transparent in its communications, openly sharing its goals, challenges, and achievements. This transparency was perceived to foster trust and loyalty among stakeholders. There was also agreement that the organization actively seeks feedback from stakeholders and integrates it into strategic planning and decision-making. While responses to these items showed slightly more variability, the overall sentiment remained positive. Stakeholders were also reported to receive regular updates on the outcomes and progress of the organization's programs, further reinforcing a culture of accountability and mutual trust. The regression analysis confirmed that stakeholder inclusivity has a statistically significant positive effect on NGO performance. Based on these findings, the null hypothesis stating that stakeholder inclusivity has no significant effect on performance was rejected.

5.2 Recommendations

Stakeholder inclusivity emerged as the strongest predictor of organizational performance. Pursue Kenya should host regular stakeholder forums and establish a digital feedback platform by 2026, ensuring representation from at least five key stakeholder groups, and use this input to inform at least two major organizational decisions annually, reinforcing inclusivity and strategic alignment.

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