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STAKEHOLDER ENGAGEMENT AND LEADERSHIP COMMITMENT AS DETERMINANTS OF PROJECT SUSTAINABILITY: A QUANTITATIVE STUDY OF DONOR-FUNDED NGOS IN ADDIS ABABA

A THESIS SUBMITTED TO SCHOOL OF POST GRADUATE STUDY OF ADDIS ABABA UNIVERSITY FOR THE PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF A MASTER'S DEGREE IN PROJECT MANAGEMENT

BY

TSEGEYET LISANU(MD)

ADVISOR: DR. BETHLEHEM FIKRU

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ADDIS ABABA, ETHIOPIA

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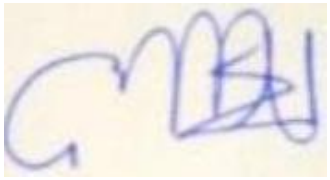
BY

TSEGEYET LISANU (MD)

APPROVAL BOARD COMMITTEE

_____ _____

Chairman, Graduate studies Signature Date



Dr. Mulugeta Negash

_____ _____

Advisor Signature Date

_____ _____

Examiner Signature Date

_____ _____

Examiner Signature Date

DECLARATION

I declare that the project titled Stakeholder Engagement and Leadership Commitment as Determinants of Project Sustainability: A Quantitative Study of Donor-Funded NGOs in Addis Ababa. is my work, has not been submitted for a degree at any other university and all pieces of data utilized in the project have been adequately referenced.

This thesis has been submitted for final examination.

_____	_____	_____
Name of candidate	Signature	Date
_____	_____	_____
Name of advisor	Signature	Date

CONFIRMATION

This is to confirm that Tsegeyet Lisanu has worked under my supervision to conduct this research on Stakeholder Engagement and Leadership Commitment as Determinants of Project Sustainability: A Quantitative Study of Donor-Funded NGOs in Addis Ababa. This work is original and has never been submitted for a degree at another university and it can be presented for the partial fulfillment of the requirements for the award of the degree of master's in business administration and information system.

Dr. Bethlehem

Date May 2026

Signature_____

APPROVAL

We, the undersigned certify that we have and hereby recommendation to the Addis Ababa University to accept the thesis submitted by Tsegeyet Lisanu

For the fulfillment of the requirement for the award of a master's degree in Master of Project Management/MPA.

Examiners:

Advisor: Name _____Signature_____ Date _____

External examiner: Name _____Signature_____ Date_____

Internal examiner: Name _____Signature_____ Date_____

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ACRONYMS AND ABBREVIATIONS

NGO - Non-Governmental Organization

IV - Independent Variable

DV - Dependent Variable

M&E - Monitoring and Evaluation

SPSS - Statistical Package for the Social Sciences

ACSO - Agency for Civil Society Organizations (Ethiopia)

UNDP - United Nations Development Programme

VIF - Variance Inflation Factor

ANOVA - Analysis of Variance

SD - Standard Deviation

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Abstract

Donor-funded NGOs have become central to development efforts across Ethiopia, particularly in Addis Ababa. These organizations operate in areas ranging from public health and education to poverty reduction and community development. While they often achieve meaningful progress during the period of donor support, project sustainability has emerged as a critical concern in the field of project management, as many projects struggle to remain effective and continue delivering benefits after external funding ends. Emerging evidence suggests that organizational and relational factors, especially stakeholder engagement and leadership commitment, play a critical role in determining long-term project sustainability. However, empirical studies examining these determinants within the context of donor-funded NGOs in Ethiopia remain limited. Quantitative research design was employed, using a cross-sectional survey approach.

Data was collected from selected donor-funded NGOs through structured questionnaires administered to project managers, senior staff, and key program personnel. The study utilized descriptive and inferential statistical techniques, including correlation and multiple regression analysis, to assess the relationship between the independent variables (stakeholder engagement and leadership commitment) and the dependent variable (project sustainability).

In the case of ongoing projects, both stakeholder engagement and leadership commitment were positively related to future perceived sustainability. In the case of completed projects, these two factors were strongly related to actual sustainability. Leadership commitment played a slightly larger role in ongoing projects, whereas in completed projects, both played almost equally important roles. Institutional environment was moderately related to perceived sustainability but not with actual sustainability. Both stakeholder engagement and leadership commitment have considerable predictive value for project sustainability. A large discrepancy between perceived and actual sustainability points to the importance of realistic planning, monitoring, and engaging in meaningful activities.

Keywords: Project *sustainability; Stakeholder engagement; Leadership commitment; Donor-funded NGOs; Addis Ababa; Quantitative study*

CHAPTER ONE

1: INTRODUCTION

1.1 Background of the Study

The reality of development in Ethiopia is greatly influenced by the presence of Non-Governmental Organizations (NGOs), with the administrative capital, Addis Ababa, being the main area for implementation of projects sponsored by donors (Teshome S. , 2018). The projects cut across crucial areas such as health, education, and livelihood. These projects entail significant investment for the promotion of sustainable development. However, one of the major issues in the global development context, especially in the case of sub-Saharan Africa, is the lack of sustainability of project benefits once the foreign investment dries up (Ika, 2012). Therefore, the sustainability of projects in generating benefits ceases to be a goal but rather becomes the determining factor for success. (Bank, 2000)

The recent literature on the concepts of project management and development now recognizes the importance of sustainability, which goes beyond the boundaries of post-project appraisal to the integration of the concept in a multidimensional perspective (Golini, 2014) (UNDP, 2009). This perspective moves beyond mere financial viability to emphasize social sustainability (community ownership, relevance) and institutional sustainability (local capacity, organizational support). In connection with the multifaceted concept of sustainability, two significant factors in the sustainability of projects were identified: stakeholder engagement and leadership commitment. Stakeholder engagement, proposed from the Stakeholder Theory developed by Freeman in 1984, must be integrated in the project to address the interests of the local community in terms of their knowledge, thus developing ownership, which is one of the major principles in long-term sustainability (Bryson, 2004). At the same time, leadership commitment in the implementing Non-Governmental Organization, which was conceptualized from the Transformational Leadership Theory of Bass in 1985, must be emphasized for the supports on the transformational goals for the sustainability of the project, developing the organizational commitment for sustainable dimensions over output dimensions in the organization (G.A.S.K. Silva, 2015)

This study seeks to quantitatively investigate the predictive power of these two critical factors on the sustainability of projects implemented by donor-funded NGOs in Addis Ababa, Ethiopia.

1.2 Statement of the Problem

The scenario under which non-governmental organizations (NGOs), supported by donor institutions conduct their operations in Ethiopia is quite intricate; thus, although sustainability is a key concern for such initiatives, short-term performance becomes a paramount motive that might encompass sustainability planning. A premise is that a majority of such initiatives are characterized by a drastically short period of usage and community benefit once such donor cycles expire. This represents a critical inefficiency, wasting financial resources, eroding community trust, and ultimately failing to achieve lasting developmental change (Ika, 2012).

Despite the widespread support for participatory and leadership-oriented project management in project management literature, a significant research gap exists with regard to context-specific and quantitative evidence in the Ethiopian NGO context. The existing literature illustrates a widespread adoption of qualitative case study research designs in NGOs. Although these designs provide a rich source of information, they are found to have limitations with regard to generalizability. There is a research gap with regard to a systematic and quantitative investigation and assessment of the specific contribution of good stakeholder engagement practices and detectable levels of influence exerted by leadership with regard to project sustainability. The objectives of this research study will thus help to fill this research gap by exploring the specific quantitative relationship across measurable variables related to stakeholder engagement, detectable levels of influence exerted by project management and project sustainability (Mengistu, 2020).

1.3 Research Questions

1. What is the perceived level of project sustainability among donor-funded NGOs in Addis Ababa?

2. To what extent are stakeholder engagement practices implemented in the project cycles of these NGOs?

3. What is the level of leadership commitment to sustainability within these NGOs?

4. Is there a significant relationship between stakeholder engagement and project sustainability?

5. Is there a significant relationship between leadership commitment and project sustainability?

1.4 Research Objectives

General Objective:

To investigate the influence of stakeholder engagement and leadership commitment on the sustainability of donor-funded projects implemented by NGOs in Addis Ababa.

***Specific Objectives*:**

1. To assess the perceived and actual level of project sustainability in selected donor-funded NGOs.

2. To evaluate the extent of stakeholder engagement practices in the project cycle.

3. To measure the level of leadership commitment to sustainability within the NGOs.

4. To analyze the relationship between stakeholder engagement and project sustainability.

5. To analyze the relationship between leadership commitment and project sustainability.

1.5 Significance of the Study

Theoretical Significance: The study will contribute to the body of knowledge by testing and potentially validating Stakeholder Theory (Freeman, 1984) and Transformational Leadership Theory (Bass, 1985) within the specific institutional context of Ethiopian donor-funded NGOs. It will provide a validated quantitative instrument for measuring these constructs in similar settings.

Practical Significance:

For NGO Managers: The findings will offer empirically grounded insights to refine stakeholder engagement strategies and advocate for leadership practices that institutionalize sustainability planning.

For Donor Agencies: It will inform the development of more robust funding criteria, proposal appraisal guidelines, and monitoring & evaluation frameworks that incentivize and measure genuine engagement and leadership commitment (Selsky, 2005).

For Policy Makers: The evidence can support the formulation of guidelines or standards for NGO project implementation that emphasizes sustainability determinants.

For Beneficiary Communities: Indirectly, the study promotes approaches that prioritize long-term community ownership and benefit.

1.6 Scope of the Study

Geographical Scope: The study is limited to NGOs with their head offices registered and operating in Addis Ababa, Ethiopia. The projects analyzed may have been implemented in Addis Ababa or other regions.

Content Scope: It focuses on the variables of stakeholder engagement, leadership commitment, and project sustainability. The social, institutional, and economic dimensions of sustainability will be prioritized.

Unit of Analysis: The primary unit of analysis is the project, with data provided by individuals (project staff and managers) involved in its implementation.

Temporal Scope: The study will consider projects that have been completed or are in their final phase (within the last 3 years) to allow for a meaningful assessment of sustainability prospects.

1.7 Limitations of the Study

1. The use of a cross-sectional survey design limits the ability to establish causal relationships definitively; it can only identify associations.

2. Reliance on self-reported data from NGO staff may be subject to recall bias and social desirability bias, where respondents provide answers they perceive as favorable.

3. The study primarily captures the implementer's (NGO) perspective. While crucial, it does not deeply incorporate the views of beneficiaries, donor agencies, or government partners, which could offer a more holistic picture.

4. Generalizability of findings is constrained to NGOs with characteristics similar to those in the sample within the Addis Ababa context.

1.8 Organization of the Study

This proposal is organized into five chapters: Introduction, Literature Review, Research Methodology, Proposed Data Analysis and Interpretation, and Summary, Conclusions, and Recommendations.

1.9 Definition of Key Terms

Project Sustainability: In this study, it is defined as the continued generation of intended social, economic, and institutional benefits after the cessation of major donor funding and support (UNDP, 2009) (Biwott, 2017).

Stakeholder Engagement: The systematic process of involving individuals, groups, or organizations (e.g., primary beneficiaries, community leaders, local government bodies) who are affected by or can affect a project, in its planning, design, implementation, monitoring, and evaluation (Mitchell, 1997).

Leadership Commitment: The observable dedication, advocacy, and resource allocation by an NGO's senior management and project leaders towards integrating and achieving long-term project sustainability goals, demonstrated through strategic decisions, communication, and organizational culture (Turner & Müller, 2005).

Donor-Funded NGO: A civil society organization legally registered in Ethiopia, whose operations and specific projects are primarily financed by international bilateral or multilateral agencies, foundations, or international NGOs (INGOs).

CHAPTER TWO

2 LITERATURE REVIEW

2.1 Theoretical Framework

2.1.1 Stakeholder Theory and Engagement

Stakeholder theory explanation proposed by Freeman (1984) provides the underlying justification for stakeholder engagement to be viewed as an important variable. "The basic precept of the theory is that an organization's success, let alone its legitimacy, requires that all entities with the capacity to impact, and be impacted by, what the organization does, are dealt with in an effective manner." This shifts accountability from the traditional, donor-focused paradigm to a more inclusive, multi-stakeholder approach. Within NGO projects, this would include beneficiaries, community leaders, government agencies, employees, and other organizations (Ebrahim, 2003).

The application of Stakeholder Theory to this study is twofold. First, it underpins the pursuit of engagement in the study through the Stakeholder Salience framework developed by Mitchell, Agle, and Wood in 1997, which emphasizes the dynamic attributes of power, legitimacy, and urgency. This model provides a structured approach for NGOs to identify and prioritize stakeholder groups for meaningful involvement. Second, Stakeholder Theory is the theoretical foundation that explains the process through which engagement in sustainability is achieved. The process involves the implementation of stakeholder engagement in the decision-making process in the NGO. This action is considered critical in the development of social capital, local ownership, as well as the pursuit of local relevance of the projects. These are precursors that are critical in leading to institutionalization A project that does not consider the interests of the stakeholders will be viewed as illegitimate, thus hampering the commitment of the local community once the funds are received (Bryson, 2004).

Nevertheless, it has been extensively criticized that engagement per se does not guarantee the achievement of any good results. Specifically, it was suggested that engagement processes could become only symbolic, meaning that although the stakeholders would be involved in consultations, they would play no role in decision-making. Such approaches have been termed as tokenism by scholars who claimed that the engagement process was used to give the green light

to external projects through the process of legitimation, rather than to give the local communities more power (Arnstein, 1969). Moreover, too much engagement without any authority for making decisions might lead to what is called participation fatigue, which might be experienced especially by communities regularly engaged by several development agencies (Cooke & Kothari, 2001). Finally, stakeholder engagement might be manipulated by local elites, which would further strengthen their position (Cooke & Kothari, 2001) .

This criticism exposes a major paradox in the context of stakeholder theory where engagement efforts meant for increasing legitimacy and ownership may end up reducing both due to the poor implementation of the process of participation. As such, this study regards engagement as an **organizational practice whose effectiveness depends on the depth and authenticity of participation mechanisms implemented by NGOs** and seeks to measure both engagement and its authenticity through quantitative means.

The findings from recent studies reinforce this nuance: a systematic review of 18 adaptation projects in developing nations found that while community engagement led to higher effectiveness, equity, and sustainability, participatory methods can still fail to genuinely empower communities (Sherman & Ford, 2014). Similarly, another research on NGOs in Ethiopia concluded that sustained stakeholder participation across the entire project cycle was instrumental in optimizing project outcomes, but the quality of that participation not just its presence determined success (Zeleke, Guyo, & Moronge, 2023).

When dealing with stakeholder engagement in developing countries, this process can be especially difficult. It is often impeded by issues like high poverty rates, lack of information about alternative projects, poor institutions, and more pressing priorities such as ensuring food security (Sherman & Ford, 2014). However, studies conducted to investigate stakeholder engagement in rural community projects in Ethiopia have proven that consultation, collaboration, and partnership are organizing concepts for success. NGO organizations which make use of grassroots strategies are better accepted, trusted, and sustainable with regards to implementing community projects (Zikargae, Woldearegay, & Skjedral, 2022). This finding is also corroborated by other studies, which found that stakeholder identification, engagement,

communication, and conflict management were all significant predictors of success for projects in Kenya (Maina & Mutuku, 2025).

2.1.2 Transformational Leadership Theory and Commitment

The variable of leadership commitment is grounded in Transformational Leadership Theory, as developed by Burns (1978) and extended by Bass (1985). The theory describes that successful leaders obtain outstanding performances by transforming the followers' values, attitudes, and motivations through the four behavioral aspects:

1. Idealized Influence: Being a role model with positive values such as emphasizing long-term objectives.

2. Inspirational Motivation: Developing a clear vision of the future.

3. Intellectual Stimulation: Promotion of innovation and critical problem-solving with regard to challenges of sustainability.

4. Individualised Consideration: Investing in mentoring to develop the strength of the team.

When applied to the sustainability of NGO projects, this theory explains the process of converting intentions into action through the help of leadership in NGOs. Transformational leaders address the natural conflict between short-term outcomes expected from fundraising activities for NGOs with donor organizations and strategic approaches for achieving sustainability in projects (Turner & Müller, 2005). Through their dedication to the goal of sustainability in projects, leaders demonstrate their commitment in action rather than in speech. They include activities such as promoting the allocation of resources focused on sustainability in projects, development of learning processes in organizations, and building enhanced organizational cultures for sustainability in projects (G.A.S.K. Silva, 2015).

Project Sustainability as a complex process that can take a long time, especially if there are no guarantees that it would not end up in a conflict, calls for a different type of leadership than the type that focuses on immediate exchanges between resources and performance that characterizes Transactional leadership. Although transactional leadership may be effective in a well-structured environment, where the performance targets are clear and the goals are easy to attain, transactional approach cannot be very effective in addressing complex sustainability issues in

development projects, especially as they involve collaboration among various actors, require adaptive problem solving, building of capacity, changing behavior of the community, establishing new procedures within the institutions, and commitment that lasts beyond the duration of a project. The theory behind transformational leadership with its focus on intrinsic motivation, value alignment, and capacity building, makes it more suitable for creating such commitment (G.A.S.K. Silva, 2015). Though hybrid models combining both approaches have been suggested in the leadership literature, they are applied to individual and group performance only, while the commitment in a macro-organization context requires a different angle, such as the visionary and change-oriented transformational paradigm (Turner & Müller, 2005).

Transformational leadership theory, however, has received some criticism regarding its possible emphasis on the charismatic nature of leaders and their visions, at times failing to acknowledge the role of structural limitations that impact organizations. In the case of NGOs, for example, leadership activities are often guided by the demands of donors and regulations. Understanding this makes it clear how important it is to consider leadership behavior from an institutional perspective.

There have been research findings in Senegal on how the participation approach, the adaptability approach, and the transformational approach enhance organizational performance despite the availability of limited resources (Fallou, 2024). In the difficult socio-political environment of Myanmar, studies carried out in Charity Corps NGO reveal that transformational leadership was very important in enhancing the resilience of the organization's teams and sustainability through the implementation of leadership training and communication strategies (Dan, Tantasanee, & Sirirat, 2025).

2.1.3 Institutional Theory

Institutional Theory, developed by John W. Meyer and Brian Rowan (1977), provides a macro-level framework for understanding how organizations adapt to external pressures in order to maintain legitimacy. According to the theory, organizational structures and practices are often shaped not solely by efficiency considerations but also by the need to conform to prevailing institutional norms and expectations.

Institutional theory identifies three types of **isomorphic pressures** influencing organizational behavior:

- Coercive Isomorphism: This could be derived from donor contractual agreements, governmental regulations (Ethiopian Agency for Civil Society Organizations) and international norms.

- Mimetic Isomorphism: Emanating from the existence of uncertainty, this encourages the mimicry of successful practices among NGOs.

- Normative Isomorphism: In the context of the development sector, as influenced through professionalization.

This theory is essential in understanding the difference between adoption and implementation of sustainability practices. NGOs can adopt stakeholder engagement practices or sustainability practices for legitimacy purposes, it is called 'decoupling', without truly being committed (Meyer, 1977). Institutional Theory defines the external pressures that leadership must navigate. Effective leaders are those leaders who can take in these pressures from the outside environment and make authentic, rather than symbolic, commitments to stakeholder-driven sustainability (Selsky, 2005).

In the context of this research, institutional theory becomes the context for interpretation through which it becomes possible to understand why organizations use stakeholder engagement practices and sustainability, and why there are differences in their degree of usage. Institutional theory, thus, becomes important as the context within which interpretations of leadership commitment and stakeholder engagement are made.

2.1.4 Integration of Theoretical Perspectives

The three theories combine seamlessly into a multi-level framework. Stakeholder Theory is at the project-community interface. It helps explain micro-level relationship-building. Transformational Leadership Theory is at the organizational level. It helps explain internal organizational factors influencing strategic decisions. Institutional Theory is at the macro-level. It helps explain external factors influencing organizational behaviors.

However, the important differences that exist between these two theories should be pointed out explicitly. For example, while stakeholder theory considers the possibility of effective collaboration of various stakeholders with common objectives, institutional theory notes that coercive forces of donors may make an organization accountable first towards the funding organization instead of the community itself (Ebrahim, 2003). This poses an obvious contradiction because the use of stakeholder theory to empower the local population might be just a ritual response to the demands of the donors. Secondly, while transformational leadership theory is based on the assumption that individuals act as agents of change, institutional theory indicates that leaders have to function within extremely limited boundaries established by donor contracts and government laws. Thus, the true transformational leader should find the right balance in his actions.

Stakeholder Theory, without leadership, might explain "what" engagement is needed but not "how" an organization can be steered to achieve it authentically. Transformational Leadership, without an institutional lens, might overstate a leader's agency, ignoring the powerful coercive and normative pressures from donors and the state. The combination allows for a nuanced investigation: project sustainability is not simply a function of good engagement practices, but of genuine stakeholder engagement (Stakeholder Theory) that is actively driven and championed by committed transformational leaders (Transformational Leadership Theory), who strategically navigate the complex institutional environment of Addis Ababa to prevent the decoupling of sustainability rhetoric from reality (Institutional Theory). This integrated model provides the conceptual foundation for the study's hypotheses.

2.2 Conceptualizing Project Sustainability

2.2.1 Defining Sustainability in Development Projects

In the development literature, there have been numerous definitions as well as operations of the concept of sustainability. The definition of the Brundtland Commission as development that fulfills the needs of the current generation without compromising the ability of future generations to fulfill their needs forms the basis upon which sustainability can be explained. The definition is a fundamental beginning since there is a need for operationalization of the term to measure sustainability for each individual project (UN: World Commission on Environment and Developmen, 1987). In the case of NGO projects, sustainability is explained as "the ability of the

community to continue with the project activities while at the same time reaping similar dividends from a project long after the sponsor has phased out" (Mpundu, 2017).

From a literature review of program sustainability, two essential terms emerge: sustainability and institutionalization (Gilbertson, 2011). Sustainability, when used by funding bodies, involves six different aspects: (1) continuation of benefits/effects/outcomes; (2) continuation of activities/outputs; (3) increased organizational capacity; (4) maintenance of organizational infrastructure; (5) integration into existing organizational infrastructure; and (6) increased community capacity. Meanwhile, institutionalization is defined as how much of the program has been embedded into the organizational infrastructure and is thus one of the dimensions of sustainability (Gilbertson, 2011).

In development projects, sustainability can be viewed as an outcome with positive impacts that extend beyond the initial time period of the project and even beyond the original physical boundaries of the project (Sharmin, 2015). Sustainability is therefore both a temporal and spatial concept in which a development project should not just have impacts that extend beyond the initial period of the project but also impact spaces beyond its initial boundaries. In systematic reviews of sustainability models, five main components were found in the development field (Sharmin, 2015).

2.2.2 Dimensions of Project Sustainability

According to the literature, there are four interrelated dimensions of project sustainability.

Social Sustainability: involves the ability of the community to continue accepting, owning, and being engaged in project activities beyond the point where donor funds dry up. Social sustainability can be characterized by the community's ability to sustain project-induced behaviors, social cohesion on issues related to project objectives, and relevance of the project for the community. Studies conducted in Ethiopia show that social sustainability largely depends on the degree of community involvement in project activities (Zikargae, Woldearegay, & Skjedral, 2022).

Institutional Sustainability: involves the ability of local organizations such as government institutions, CBOs, cooperatives, and others to assume responsibility for sustaining the project activities without further external support. This includes the availability of skilled personnel

locally, effective institutional arrangements, and integration of project activities in the plans of local governments. Institutional sustainability is especially difficult to achieve when government capacity is poor or NGOs have bypassed local organizations (Teshome S. , 2018). In a study conducted in Amhara, projects that were integrated into local government plans exhibited high rates of sustainability (Woldesenbet W. G., 2021).

Financial Sustainability: is defined by the availability of finances for covering costs after donors withdraw their support. Such finances can come from the contribution of the local community, income generation activities established through the project, budget allocations from the government, and other local sources of finance. Financial sustainability is usually the most difficult sustainability indicator since numerous development projects have been planned and implemented without considering realistic exit strategies. According to the UNDP (2009), sustainability considerations must be taken into account when designing the project and not at the final stage of implementation.

Technical/Environmental Sustainability: is defined by the suitability of the technologies or approaches used by the project to local conditions and the availability of maintenance supplies and skills. This indicator is especially important for infrastructure projects such as water systems, schools, and health institutions, but it may also apply to projects related to transfer of knowledge and skills.

2.2.3 Measuring Project Sustainability

The measurement of sustainability itself poses substantial methodological difficulties owing to the fact that it is an essentially longitudinal concept that can be measured only after the end of the donor's support period. Nevertheless, certain methodologies for measuring sustainability or sustainability-related factors utilizing proxy indicators were designed by scholars. The measures of sustainability included evaluations of the existence of sustainability plans, community ownership attitudes, institutional capacity of the locality, as well as results following projects wherever possible (UNDP, 2009).

The recent Ethiopian research that involved surveying of 114 beneficiaries from different interventions concluded that in total community participation, institutional capacity building, and M&E practices accounted for about 26% of the variance in sustainability of projects in Ethiopia

(Jenber, 2026). It should be noted that community participation appeared as a particularly influential factor.

As for this research project, sustainability of a project is a multi-faceted variable which is being defined based on responses provided by respondents concerning their perceptions in each dimension mentioned above. Responses concerning completed projects will reflect actual sustainability, while responses concerning ongoing projects will reflect projected sustainability.

2.3 Review of Empirical Studies

2.3.1 Global Evidence on Stakeholder Engagement and Sustainability

There is international literature which corroborates the effect of both factors. A meta-analysis has been conducted by (Ika, 2012), which revealed that insufficient participation by stakeholders and poor project leadership are among the most primary factors for which development projects have failed internationally. In a quantitative study of public sector projects, Rajablu, Marthandan, and Yusoff (Rajablu, Marthandan, & Yusoff, 2014) employed Structural Equation Modeling to demonstrate a statistically significant positive correlation ($\beta = 0.41$, $p < 0.01$) between stakeholder management practices and multiple dimensions of project success, including impact and sustainability. This provides robust, quantified evidence for the relationship (Rajablu, Marthandan, & Yusoff, 2014).

As part of a systematic review of 18 adaptation projects managed by the Global Environment Facility, (Sherman & Ford, 2014) reported that stakeholder participation played an instrumental role in the greater effectiveness, efficiency, equity, legitimacy, flexibility, sustainability and replicability of projects. Interestingly, the same paper also reported that low institutional capacity, which is very common in developing countries, often resulted in limited participation of the community members in the implementation of projects. In addition, projects where international personnel was hired to help with the implementation performed better than others.

The link between stakeholder engagement and project sustainability has also been supported through research conducted within particular country settings. In Kenya, for instance, an empirical investigation of the effect of stakeholder engagement and project monitoring on NGO projects in Kamuli District revealed a positive correlation between stakeholder engagement and project sustainability, as well as between stakeholder engagement and project monitoring (Ipyeu,

2025). Moreover, project monitoring was observed to partially mediate the relationship between stakeholder engagement and project sustainability.

In another research concerning stakeholder collaboration among civil society organizations in Kenya, stakeholders' identification, stakeholder engagement, stakeholders' communication, and conflict management were found to positively affect project performance at the 0.05 level of significance (Maina & Mutuku, 2025).

2.3.2 Global Evidence on Leadership and Sustainability

Leadership importance for project sustainability is another aspect that is equally clear from literature studies. For instance, studies conducted in Senegal regarding non-profit organizations indicate that participatory, adaptive, and transformational leadership greatly improves organization effectiveness despite resource limitation (Fallou, 2024). This result is particularly applicable in the Ethiopian setting because non-profit organizations typically struggle with budgetary limitations and difficult circumstances.

Regarding the Myanmar case, a study conducted within the Charity Corps NGO in a difficult socio-political environment revealed that transformational leadership is vital for team resilience and organizational sustainability (Dan, Tantasanee, & Sirirat, 2025). Using the appreciative inquiry and SOAR method, the study reveals some weaknesses in terms of team dynamics and operation. The findings recommend conducting organized leadership training and developing effective communication channels to encourage transformational leaders.

The studies conducted in Ghana on the CEO trust and organizational commitment showed that both these concepts play a critical role in sustainable infrastructure, industrialization, and innovation (SDG 9) (Affran, Agyapong, & Arthur, 2025). It shows that commitment and especially leader commitment as well as the trust that stakeholders have towards leaders is essential for successful results in sustainable development. Findings on the link between CEO trust and organizational commitment as well as the formation of dynamic capabilities for achieving sustainable development can be useful for an NGO setting since project leaders there should be trusted and committed to what they are doing too.

Ethical leadership practices in the projects implemented by the Science for Africa Foundation in Kenya positively influenced project sustainability (Ngugi & Wangui, 2024). Ethical leadership was shown to play a similar role as idealized influence characteristic for transformational leadership. The concept is based on having high moral standards, being fair and concerned about others' well-being. It contributes to sustainability by establishing trust relationships between the organization and local communities as well as making sure that decisions will serve the long-term interests of beneficiaries and not just donors' convenience.

2.3.3 Evidence from the African Context

In Sub-Saharan Africa, there have been a lot of studies done on the sustainability of NGO projects. One such study carried out in Kenya used a mixed methodology approach. Kithandi (2025) examined the sustainability of community-based conservation projects in terms of organizations with high levels of transformational leadership and high levels of community connectedness. The results show that organizations that had high levels of transformational leadership and high levels of community connectedness experienced high levels of project sustainability, although the research did not seek to test the interactive nature of the two variables.

Studies conducted on the Caritas Norway-supported projects in Zambia indicate that sustainability is an important element at the root of development processes, without which all the activities associated with the projects become futile (Mpundu, 2017). In addition to donor funding, community ownership, capacity building, and resource mobilization were noted to be crucial for sustainability.

In Sierra Leone, research carried out on the relationship between project and institutional sustainability within a faith-based development organization indicated that there was contestation in relation to the interrelation between the two aspects of sustainability (Morse & McNamara, 2023). The study showed the complexity that exists between the focus of the donor on measuring the achievements of projects and what communities consider to be sustainable development.

2.3.4 Evidence from Ethiopian Context

Findings from studies conducted in Ethiopia provide qualitative sectoral information, which corresponds to international results, underlining local specifics. (Geta, 2024), in a qualitative case study of community health projects in Oromia, found that projects initiated with participatory needs assessments exhibited not only higher immediate success rates but also

sustained service utilization and local problem-solving capacities long after external support concluded. This offers rich, contextual detail on the process through which engagement leads to sustainability. Similarly, in the water sector (Woldesenbet W. K., 2021) used logistic regression on survey data from water schemes in the Amhara region to demonstrate that active user involvement in system design and planning was the strongest predictor (OR = 3.2, 95% CI [1.8, 5.6]) of functionality and effective management after more than five years. This provides a valuable quantitative precedent within Ethiopia. Teshome (Teshome S. H., 2018) , has documented the challenging and evolving institutional environment for NGOs in Ethiopia, shaped by specific legislation and coordination mechanisms, establishing an unfavorable working context .

2.3.5 Identified Research Gaps

Despite this evidence, conspicuous gaps justify the present study. First, there is a methodological gap. The existing body of work on this topic within Ethiopia is predominantly qualitative, employing case studies and interviews. While rich in detail, these methods limit the generalizability of findings and the ability to statistically measure the strength of relationships between variables. Second, there is a contextual gap. Few studies have specifically and quantitatively examined the interaction between stakeholder engagement and leadership commitment within the dense, unique institutional ecosystem of Addis Ababa-based donor-funded NGOs. Third, there is an analytical gap. Prior research establishes that these factors matter but seldom quantifies to what degree each contributes to sustainability or how their combined effect operates. This study directly addresses these gaps by employing a quantitative survey methodology to test specific hypotheses within this defined population.

2.4 Hypotheses

From the theoretical framework and literature review, this study will examine the following hypotheses:

- H1: There is a significant positive association between stakeholder engagement and project sustainability in donor-funded NGOs in Addis Ababa.

- H2: There is a significant positive association between leadership commitment and project sustainability in donor-funded NGOs in Addis Ababa.

2.5 Conceptual Framework of the Study

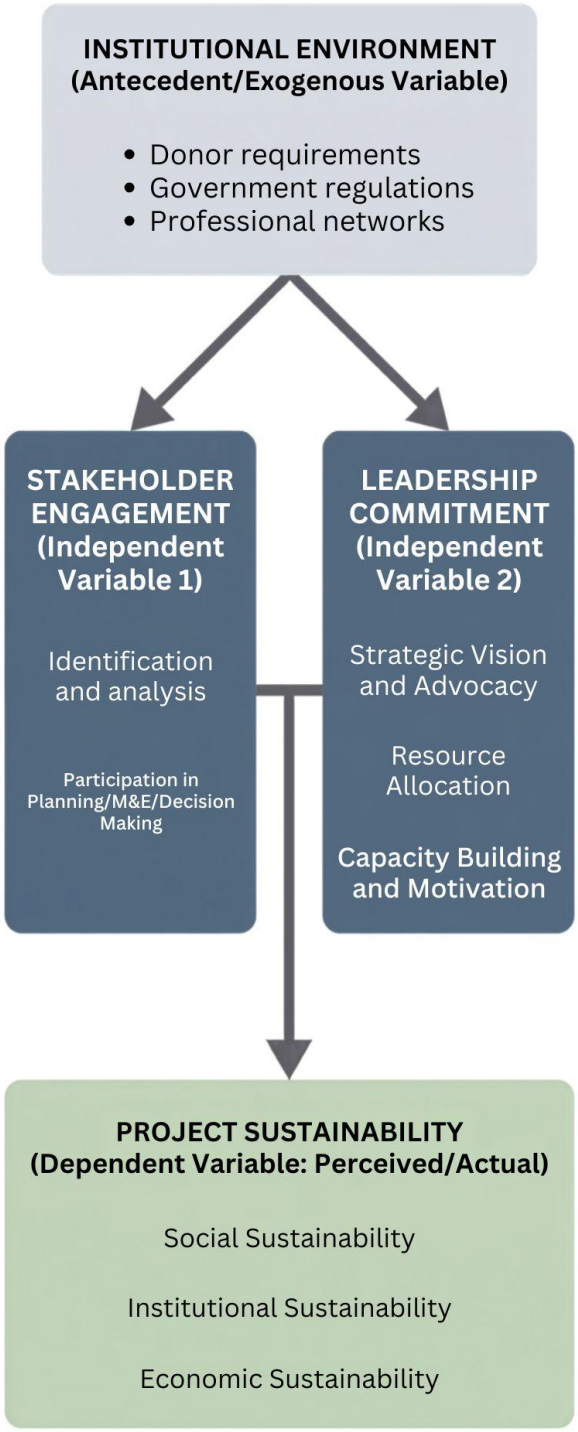


Figure 1: Conceptual framework

CHAPTER THREE

3: RESEARCH METHODOLOGY

3.1 Research Design

This study employed a quantitative methodology using descriptive cross-sectional survey design. A quantitative method is suitable for measuring variables and testing hypotheses as well as allowing for generalization of the results based on the sampling technique (Yin, 2018). A cross-sectional design enables collecting information at one point in time to analyze relationships among the variables. Considering that master's thesis takes one year, it will be impossible to conduct longitudinal analysis and follow a set of projects for several years to understand sustainability implications. While longitudinal analysis would allow making inferences about causation, the most effective and efficient design to complete the present study is a cross-sectional design. Therefore, it is worth stating that causation will not be considered as an outcome of this research; rather, it is aimed at establishing associations and predictors (Bryman, 2016).

3.2 Research Approach

3.2.1. Description of Study Area and Target Population

The study area is Addis Ababa, the capital city of Ethiopia, which serves as the focal point for almost all of the international NGOs as well as other donor organizations. The target population includes all project managers, senior officers and coordinators of donor-funded projects in selected NGOs that are based in Addis Ababa.

3.2.2. Sampling Technique and Sample Size

A two-stage sampling technique was employed:

Stage 1: Purposive Sampling of NGOs: The sample of NGOs to be investigated were chosen using the technique of purposive sampling. It is justified by the necessity to ensure that the selected NGO satisfy specific criteria relevant to the objectives of the study.

Inclusion criteria:

NGOs should be actively implementing projects in the field of health, education, livelihoods, or water/sanitation The inclusion of such NGOs will allow us to discuss the concept of project sustainability. The organization should be engaged in implementation of projects funded by big international donors, such as USAID, DFID, EU, UN organizations, etc., for the last three years. The NGO should have experience in implementation of several projects during at least five years, allowing for a meaningful assessment of sustainability-related practices.

Exclusion Criteria:

The NGOs that operate only as grant-makers (no direct implementation responsibilities) or those that are newly formed (having less than three years' experience) were not included in the study as they might not have any project experience worth considering.

Though such a purposeful sampling could bring some level of selection bias into the study, as Patton (Patton, 2015) suggested, there are benefits to selecting information-rich cases that are more appropriate for the research at hand. Such cases will allow the researchers to generalize the results to other NGOs that share a similar profile within the institutional setting being considered

Stage 2: Stratified Random Sampling of Individuals. In each selected NGO, a stratified random sampling technique was utilized. First, the lists of individuals who work on the projects of interest were made available. These individuals were divided into two strata: (a) Project Managers/Coordinators and (b) Project Officers. Then, a simple random sampling was conducted on each stratum separately Such sampling technique guarantees inclusion of respondents from various levels in the hierarchy of the organization's project, hence obtaining diverse opinions regarding the subject matter.

The sample size was determined using Cochran's sample size for finite populations. In assuming a 95 percent confidence interval and a 5 percent margin of error, the estimated population size of about 500 eligible respondents in the chosen NGOs, gives us a sample size of 217. Considering non-response, 230 questionnaires were sent.

3.2.3. Instruments of data collection

The study instrument that was used in this research is the structured self-administered questionnaire. It helps to collect quantitative data about three key variables: stakeholder engagement, leadership commitment, and project sustainability.

The five parts of the questionnaire are:

- Part A: Demographic and organizational data
- Part B: Stakeholder Engagement Scale (eight items)
- Part C: Leadership Commitment Scale (eight items)
- Part D: Project Sustainability Scale (eight items)
- Part E: Institutional Environment (five items)

All scale items use a five-point Likert scale that ranges between strongly disagree (one) and strongly agree (five)The questionnaire was adapted from validated instruments in the literature (Bryson, 2004) (Bass, 1985) (UNDP, 2009) and contextualized for the Ethiopian NGO sector.

3.2.4. Instrument Adaptation and Development

The scales in Section B, Section C, and Section D were not constructed from scratch but adapted to already validated scales present in literature to maintain content validity.

Stakeholder Engagement: Questions were adapted according to sub-dimensions of Stakeholder Identification & Analysis (Mitchell, 1997), Participation in Planning & Design, Involvement in Monitoring & Evaluation, and Influence in Decision-Making (Bryson, 2004).

Leadership Commitment: Questions were adapted from the leadership/project management literature (Bass, 1985) (Turner & Müller, 2005) in relation to dimensions such as Articulation of a Sustainability Vision, Resource Allocation for Sustainability, and Advocacy with Donors/Partners.

Project Sustainability A comprehensive measurement scale was constructed using theoretical constructs by (UNDP, 2009), capturing Social Sustainability, Institutional Sustainability, and Economic Sustainability.

3.2.5. Pilot Testing

Before proceeding with the main survey, the whole questionnaire was tested using a small sample of respondents (n=30) selected from the staff working within one or two NGOs who fulfill the criteria for selection but were not included in the main survey. The objectives of conducting the pilot test were:

- To test the clarity, ambiguity, and relevance of the wording of each item.

- To check the overall layout of the questionnaire.

- To determine the mean time taken to complete the survey.

- To carry out the initial analysis of reliability (using Cronbach's Alpha).

The results obtained from the pilot test guided the revision of the survey tool.

3.2.6. Data Collection Procedures

Data gathering for primary data was carried out using a self-administered survey. To ensure a high rate of respondents and to cater to their preference in taking part in the research, a mixed mode approach was employed in administering the survey. The survey was designed using a secure online tool (Google Forms), and its link was sent to the randomly selected participants via email. Where the respondents prefer having a paper version of the survey, and depending on public health and logistics, the researcher delivered and collected the survey in hard copy form. A cover letter was attached with all the surveys explaining the purpose of the research, ensuring anonymity and confidentiality, voluntary participation, and contact details of the researcher.

3.2.7. Data analysis

The data underwent cleaning, coding, and statistical analysis using Statistical Package for the Social Sciences (SPSS) Version 27. Descriptive statistics (frequencies, percentages, mean, standard deviation) were utilized to analyze demographic data and answer research questions 1, 2, and 3. The questionnaire was administered electronically through secure online systems (Google Forms) and physically, when appropriate and possible, to ensure higher response rate. In addition, participants received a cover letter detailing the nature and confidentiality of the study. Pearson's

product-moment correlation coefficient (r) was applied to test hypotheses H1 and H2, examining the correlations between the independent variables and dependent variable (objectives 4 & 5).

3.3. Description of Study Variables and Measurement

Independent Variable 1: Stakeholder Engagement. This was measured using a composite index developed from literature (Bryson, 2004; Mitchell et al., 1997). It consists of sub-dimensions: Stakeholder Identification & Analysis, Participation in Planning & Design, Involvement in Monitoring & Evaluation, and Influence in Decision-Making. A 5-point Likert scale was used.

Independent Variable 2: Leadership Commitment was measured via a scale adapted from leadership and project management studies (Bass, 1985; Turner & Müller, 2005). Sub-dimensions include Articulation of a Sustainability Vision, Resource Allocation for Sustainability Activities, Advocacy with Donors/Partners, and Staff Incentives/Rewards for Long-term Outcomes.

Dependent Variable: Project Sustainability was measured using a multi-dimensional scale based on UNDP (2009) and Gichohi (2014). Sub-dimensions are Social Sustainability (community ownership, continued use), Institutional Sustainability (local management capacity, organizational support), and Economic Sustainability (financial planning for recurrent costs). A 5-point Likert scale was used.

3.4 Reliability and Validity

Validity:

Content Validity: The questionnaire was reviewed by a panel of three experts in development studies and project management to ensure the items adequately represent the constructs.

Construct Validity: Exploratory Factor Analysis (EFA) using Principal Component Analysis with Varimax rotation was conducted to verify the underlying factor structure of the scales.

Reliability: The internal consistency of each scale and its sub-dimensions were assessed using Cronbach's Alpha coefficient. A minimum threshold of 0.70 was considered acceptable (Nunnally & Bernstein, 1994).

3.5 Ethical Consideration

1. Informed Consent: A detailed consent statement was included on the first page of the questionnaire, explaining the study's purpose, voluntary nature, risks, benefits, and confidentiality. Submission of the completed questionnaire implies consent.

2. Anonymity and Confidentiality: No personally identifiable information was collected. Data was aggregated for analysis, and all responses were kept strictly confidential, stored on a password-protected computer.

3. Use of Information: Findings are reported in aggregate form, and data is used solely for the purposes of this academic research.

CHAPTER 4: DATA ANALYSIS AND INTERPRETATION

Introduction

This chapter presents the analysis and interpretation of quantitative data collected from project managers, coordinators, senior project officers, and key project personnel working in donor-funded NGOs in Addis Ababa. The primary objective was to examine the relationship between stakeholder engagement, leadership commitment, and project sustainability.

4.1 Response Rate and Demographic Information of the Respondents

4.1.1 Response Rate

A total of 230 questionnaires were sent to potential participants within the chosen NGOs that are funded by donors in Addis Ababa. Out of the 230, 220 were retrieved after completion, resulting in a 95.7% response rate. The cleaning process resulted in the exclusion/deletion of 3 random questionnaires because of too many unanswered questions (more than 10 of the questions on the questionnaire were left unanswered). There were 217 respondents used in the analysis, which is equal to the calculated minimum sample size (n = 217) based on Cochran's formula. Although the response rate was high, the possibility of response bias cannot be entirely ruled out because participation occurred within organizational settings.

4.1.2 Demographic and Organizational Characteristics

Table 1: Demographic and Organizational Characteristics of Respondents (N=217)

Variable	Category	Frequency (n)	Percentage (%)
Type of organization	Local NGO	104	47.9
	International NGO	111	51.1
	Government partner	2	1
Current position	Project Manager	42	19.8
	Project Coordinator	67	30.7
	Senior Project Officer	62	28.4
	Key Project Personnel	25	11.5
	M&E Officer	21	9.6
Decision-making authority	Final decision-maker	41	19
	Major input but not final	100	46

	Moderate input	76	35
Project status	Completed	99	45.6
	Ongoing	118	54.4
Primary sector	Health	32	14.8
	Education	34	15.7
	Livelihoods/Food Security	3	1.4
	WASH	1	0.5
	Child Protection	17	7.9
	Gender/Women's Empowerment	23	10.7
	Multi-sectoral	107	49.2
Main funding source	Bilateral donor	29	13.4
	UN Agency	15	7
	EU/European Commission	33	15.2
	Private foundation	5	2.4
	Multiple donors	135	62

Table 1 Demographic and Organizational characteristics of respondents

The respondents were mostly from international NGOs (51.1%) and local NGOs (47.9%). Project coordinators and senior project officers made up the largest group of professionals, at 30.7% and 28.4%, respectively. Most respondents reported moderate to substantial involvement in project decision-making, suggesting they were reasonably positioned to provide informed perceptions regarding project sustainability practices. Most of the projects (54.4%) were still ongoing, and those in multi-sectoral, health, and education fields were most common.

4.13 Reliability Analysis of the Measurement Instruments

In order to test for the internal consistency of each multi-item scale before doing any descriptive or inferential analysis, Cronbach's alpha was used. It can be seen from Table 2 that all scales had a value higher than the accepted level of 0.70 (Nunnally & Bernstein, 1994). The two item sub-scales (for example, identification of stakeholders, leadership vision) had an inter-correlation range of between 0.58 and 0.77.

Sub-Dimension	No. of items	Cronbach's alpha	Inter-item r
Stakeholder Engagement (Overall)	8	0.936	(0.58-0.73)
Stakeholder Identification and Analysis	2	0.74	0.58
Stakeholder Participation in Planning & Design	2	0.783	0.646
Stakeholder Involvement in Monitoring & Evaluation	2	0.801	0.669
Stakeholder Influence in Decision-Making	2	0.906	0.73
Leadership Commitment (Overall)	8	0.973	(0.722-0.77)
Leadership Articulation of Sustainability Vision	2	0.901	0.73
Leadership Resource Allocation for Sustainability	2	0.908	0.734
Leadership Advocacy with Donors and Partners	2	0.898	0.722
Leadership Staff Motivation and Development	2	0.926	0.77
PERCEIVED FUTURE PROJECT SUSTAINABILITY	4	0.858	(0.461- 0.732)
PERCEIVED ACTUAL PROJECT SUSTAINABILITY	4	0.960	(0.633- 0.771)
Institutional Environment	5	0.714	(0.576- 0.742)

Table 2 Reliability analysis of measurement instruments

4.14 Common Method Bias (Harman's Single-Factor Test)

To explore if there was a possibility of common method variance influencing the relationships among the self-reported variables, Harman's single-factor test was done. An unrotated principal component analysis was performed on all 16 predictor items (stakeholder engagement and leadership commitment) and 5 antecedent/exogenous items (institutional environment). It can be observed from Table 3 that the first factor accounted for 53.6% of the total variance. This was just a little bit above the 50% level suggested by (Podsakoff, 2003). However, inspection of the component matrix revealed that the institutional environment items loaded weakly (some negatively) on this factor, and a second factor explained an additional 15.8% of the variance. This suggests that while some common method variance may be present, it does not fully undermine the distinctiveness of the constructs. Therefore, subsequent descriptive and inferential analyses are unlikely to be seriously biased.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	11.264	53.636	53.636	11.264	53.636	53.636
2	3.319	15.803	69.439			
3	1.572	7.484	76.923			
4	.881	4.194	81.117			
5	.670	3.192	84.309			
6	.424	2.020	86.329			
7	.385	1.832	88.161			
8	.355	1.689	89.850			
9	.313	1.491	91.341			
10	.274	1.306	92.646			
11	.251	1.194	93.840			
12	.220	1.049	94.889			
13	.201	.957	95.847			
14	.176	.840	96.687			
15	.136	.649	97.336			
16	.121	.577	97.913			
17	.113	.537	98.450			
18	.108	.514	98.964			
19	.089	.425	99.389			
20	.083	.394	99.783			
21	.046	.217	100.000			

Table 3 Herman's single test analysis/ Total variance analysis

4.2 Descriptive Statistics

4.2.1 Frequency Distribution of Key Variables

The primary variables were assessed on 5-point Likert scales (1 = Strongly Disagree, 5 = Strongly Agree). Reverse-coded questions (B02, B04, B07, C01, C03, and C05) in stakeholder engagement and leadership commitment were reversed before the analysis, as such high numbers will represent the presence of the construct in both constructs.

Stakeholder Engagement		SD	D	N	A	SA	Mean	Std
Identification and Analysis								
Our project conducted a systematic stakeholder analysis at the beginning	count	2	18	49	128	20	3.67	0.793
	%	0.9	8.3	22.6	59	9.2		
Stakeholder identification was done superficially just to satisfy donor requirements(R)	count	6	42	55	93	21	3.37	0.992
	%	2.8	19.4	25.3	42.9	9.7		
Participation in Planning & Design								
The project's logical framework was developed with input from multiple stakeholders	count	8	20	98	75	16	3.33	0.881
	%	3.7	9.2	45.2	34.6	7.4		
Community members were invited to planning meetings, but their input had no effect on decisions(R)	count	5	54	58	87	13	3.23	0.966
	%	2.3	24.9	26.7	40.1	6		
Involvement in Monitoring & Evaluation								
Stakeholder feedback sessions are held at least quarterly	count	5	35	73	89	15	3.34	0.91
	%	2.3	16.1	33.6	41	6.9		
We share monitoring findings with the community	count	2	36	76	79	24	3.4	0.923
	%	0.9	16.6	35	36.4	11.1		
Influence in Decision-Making								
Key project decisions are made by management without stakeholder consultation(R)	count	0	71	43	90	13	3.21	0.971
	%	0	32.7	19.8	41.5	6		
Community representatives are part of project steering committees	count	2	70	36	90	19	3.25	1.03
	%	0.9	32.3	16.6	41.5	8.8		

Table 4 Descriptive analysis of Stakeholder engagement

Identification and analysis: - “project conducted a systematic stakeholder analysis at the beginning”. This item received high agreement ratings. Two-thirds of the survey participants agreed that their project had such analysis performed. 0.9% of respondents strongly disagreed, and 8.3% of the survey participants disagreed. The mean rating was 3.67 (SD = 0.79). This value means that the meaning is located between neutral (3) and agree (4), and the majority of the respondents agreed with the positive practice assessment. “Stakeholder identification was done superficially just to satisfy donor requirements” (reverse-coded). The mean value was 3.37 (SD = 0.99). It should be noted that 42.9% of respondents agreed and 9.7% strongly agreed with the statement that such identification was not merely a formality. However, some respondents did not agree with the statement given: 22.2% in total. The relatively high standard deviation (0.99) can be explained by the fact that many projects have proper identification and analysis; however, some projects do not have it.

Stakeholder Participation in Planning and Design - " The project’s logical framework was developed with input from multiple stakeholders." The mean score for this statement was 3.33 (SD = 0.88). A significant number of participants 42.0% in total agreed with the statement, while 45.2% were neutral towards it. Only 3.7% of participants strongly disagreed, while 9.2% disagreed. The significant neutral response indicates that in many cases stakeholders’ input in the development of a logical framework is not complete. It can either be lacking or partial. " Community members were invited to planning meetings, but their input had no effect on decisions " (reverse-coded). The average score was 3.23 (SD = 0.97). A significant neutral response, 26.7%, is observed once again. This indicates that real influence of the communities’ opinions on the course of planning is uncommon; in many cases participation is just formal. The sub-dimension ‘Planning & Design’ has lower average scores compared to identification & analysis.

Involvement of Stakeholders in M&E: - “Stakeholder feedback sessions are held at least quarterly.” The mean for this item was 3.34 (SD = 0.91). 47.9% agreed to this, while only 18.4% disagreed. A third (33.6%) remained neutral. It shows that conducting feedback meetings with stakeholders is fairly common, although some projects don’t conduct them. - “We share monitoring findings with the community.” The mean was 3.40 (SD = 0.92). 47.5% of participants agreed, while 17.5% disagreed. Again, 35% remained neutral. Thus, communicating

the results is even more common than holding feedback meetings, though it's not conducted regularly by a half of projects.

Stakeholder Influence in Decision-Making: -" Key project decisions are made by management without stakeholder consultation" (reverse-coded). The average score is 3.21 (SD=0.97). Total percentage of those who agree is 47.5%. Yet 19.8% were neutral, while 32.7% disagreed. Therefore, about one-third of projects suffer management making major decisions without stakeholder consultation. "Community representatives are part of project steering committees". Average score is 3.25 (SD=1.03). Those agreeing is 50.3%, while disagreeing is 33.2%. The relatively high standard deviation (1.03) suggests considerable variability; for instance, there are some projects with representative participation, yet many others without them. Overall, this sub-dimension provides the lowest average scores than other engagement dimensions (3.21 & 3.25). As seen above, nearly one-third of participants indicate that management does not consult with stakeholders when making major decisions, and the same percentage lacks community representatives in their steering committee.

From the findings, hierarchy of stakeholder engagement difficulty is revealed, whereby technical tasks like identification and monitoring and evaluation are practiced more compared to power-sharing activities like planning and decision-making. This trend conforms to what is expected in participatory development discourse where organizations adopt "invited participation" rather than sharing of power. The large number of neutral answers also points to this fact.

Table 4 shows the Descriptive analysis of Leadership Commitment

Leadership Commitment		SD	D	N	A	SA	Mean	Std
Articulation of Sustainability Vision								
The leader rarely mentions sustainability; the focus is only on donor deliverables(R)	count	2	30	69	103	13	3.44	0.84
	%	0.9	13.8	31.8	47.5	6		
Our leader helps the team understand how our daily work contributes to sustainability goals	count	2	18	73	119	5	3.49	0.721
	%	0.9	8.3	33.6	54.8	2.3		
Resource Allocation for Sustainability								
Sustainability activities are only funded if donor explicitly requires them(R)	count	2	30	70	110	5	3.39	0.787
	%	0.9	13.8	32.3	50.7	2.3		
Time and effort are invested in building local capacity for project continuation	count	2	17	66	104	28	3.64	0.839
	%	0.9	7.8	30.4	47.9	12.9		
Advocacy with Donors and Partners								
The leader avoids negotiating with donors about sustainability to maintain good relations(R)	count	7	64	3	138	5	3.32	1.026
	%	3.2	29.5	1.4	63.6	2.3		
Our leader builds strategic partnerships beyond the project's immediate scope	count	8	12	62	110	25	3.61	0.897
	%	3.7	5.5	28.6	50.7	11.5		
Staff Motivation and Development								
The leader recognizes and rewards staff who contribute to sustainability goals	count	7	43	38	87	42	3.53	1.110
	%	3.2	19.8	17.5	40.1	19.4		
The leader models commitment to sustainability through personal actions	count	7	42	38	116	14	3.41	0.977
	%	3.2	19.4	17.5	53.5	6.5		

Table 5 Descriptive analysis of Leadership Commitment

Articulation of Sustainability Vision: - “The leader rarely mentions sustainability; the focus is only on donor deliverables” (reverse-coded). The mean score here is 3.44 (SD = 0.84). More than 50% of the participants agree (53.5%) that their leaders discuss the importance of sustainability actively. 14.7% disagree. A significant proportion (31.8%) is undecided. This means that the vast majority believe their leaders can articulate a sustainability vision, but there is a fairly large portion of respondents who do not share this perception. “Our leader helps the team understand how our daily work contributes to sustainability goals.” Here the mean score is slightly better, 3.49 (SD = 0.72). Those agreeing are 57.1%, while only 9.2% of those surveyed disagree. We can thus conclude that leaders are doing well in making sustainability important to their staff in terms of daily work.

Resource Allocation for Sustainability: - “Sustainability activities are only funded if donor explicitly requires them” (reverse-coded). Its mean score is 3.39 (SD = 0.79). About half (53.0%) of participants agreed. While disagreement stood at 14.7%, neutrality was quite common (32.3%). “Time and effort are invested in building local capacity for project continuation.” The mean score was 3.64 (SD = 0.84), which shows strong agreement (60.8%). In contrast, the percentage who disagreed was relatively low at 8.7%. This implies that most leaders do engage in capacity building for sustainability purposes. From the above statements, we can observe that even though leaders tend to financially support sustainability practices, their engagement with respect to financial allocations depends partly on whether such practices have been explicitly requested by donors.

Advocacy with Donors and Partners: - “The leader avoids negotiating with donors about sustainability to maintain good relations” (reverse-coded). Mean = 3.32 (S.D = 1.03). This item had the lowest score amongst all leadership items. It had an agreement rate of 65.9%. While this may seem to be a high rate of agreement, it should be noted that the neutral response was exceedingly low at 1.4%. The distribution in this case was bipolar with 32.7% disagreement and 65.9% agreement. This suggests that although a considerable proportion of leaders (one-third of them) avoided any negotiations with their donors, the remaining two-thirds were open to such negotiations. “Our leader builds strategic partnerships beyond the project’s immediate scope.” The mean for this item was 3.61(S. D = 0.90). 62.2% agreed with this statement and only 9.2%

disagreed. This sub-dimension reveals that while most leaders build partnerships, many leaders remain hesitant to push back against donor requirements, possibly fearing funding loss.

Staff Motivation and Development: - “The leader recognizes and rewards staff who contribute to sustainability goals.” It received mean score of 3.53 (SD = 1.11). This sub-scale received the highest standard deviation from all others, which implies that there is significant variation regarding this issue. 59.5% of respondents agreed with this statement; however, 23.0% of participants disagreed. - “The leader models commitment to sustainability through personal actions.” This had mean =3.41 (SD = 0.98). 60.0% of respondents agreed with this idea; 22.6% of participants disagreed. This sub-dimension shows that leaders are generally seen as role models, but formal reward systems for sustainability contributions are patchy.

Leadership commitment mean values range between 3.32 in donor negotiation and 3.64 in local capacity investments. Articulation of vision and investments in local capacity are among the strongest areas while negotiating with donors is the weakest in terms of performance, whereby more than one-third of leaders shy away from it.

Table 5 shows the Descriptive analysis of Perceived Future Project Sustainability

PERCEIVED FUTURE SUSTAINABILITY		SD	D	N	A	SA	Mean	Std
The community is expected to continue at least 70% of project activities independently	count	0	2	2	74	43	4.31	0.589
	%	0	1.7	1.7	61.2	35.5		
Local institutions (government, CBOs) are projected to manage project activities without NGO support	count	0	1	8	39	73	4.52	0.660
	%	0	0.8	6.6	32.2	60.3		
A financial plan exists to cover at least 50% of recurrent costs from local sources	count	0	0	2	73	46	4.36	0.516
	%	0	0	1.7	60.3	38		
Necessary technical skills are present within the community to maintain project outputs	count	0	0	9	43	69	4.5	0.634
	%	0	0	7.4	35.5	57		

Table 6 Descriptive analysis of Perceived Future Project Sustainability

"The community is expected to continue at least 70% of project activities independently," has a mean of 4.31 (standard deviation, SD = 0.59). Significantly, there were no participants who disagreed strongly (0%) and 1.7% disagreed, while 1.7% were neutral. On the other hand, 61.2% agreed, whereas 35.5% strongly agreed , 96.7% agreed in total. Such a strong level of agreement regarding continuation of activities implies an extremely high level of confidence from responders involved in ongoing projects in their ability to be able to sustain the vast majority of project-related activities. A very low standard deviation (0.59) further emphasizes the

widespread optimism among project officers. However, such near-ideal results could also imply optimism bias and social desirability

“Local institutions (government, CBOs) are projected to manage project activities without NGO support,” had a slightly higher mean value of 4.52 (SD = 0.66). Its distribution was as follows: 0% for strong disagreement, 0.8% for disagreement, 6.6% neutral responses, 32.2% agreeing, and 60.3% strongly agreeing. The proportion of those who agreed was 92.5. Respondents seem to be even more confident about the role of the local institutions.

“A financial plan exists to cover at least 50% of recurrent costs from local sources,” had a mean score of 4.36 (S.D = 0.516). The results indicated 0% strong disagreement, 0% disagreement, 1.7% neutrality, 60.3% agreement, and 38% strong agreement. The level of financial sustainability perception is very high. The results are particularly interesting since financial sustainability is regarded as the hardest dimension in terms of maintaining projects.

“Necessary technical skills are present within the community to maintain project outputs,” had a mean score of 4.5 (SD=0.634). Approximately 0% strongly disagreed, 0% disagreed, 7.4% were neutral, 35.5% agreed, and 57% strongly agreed. Agreement was quite high once more, with more than 90% believing that technical skills would be available. Technical capabilities have always been considered the most tangible aspect that can be trained.

High optimism is evident in all four indicators, with mean values between 4.31 and 4.52 and very low standard deviations (0.52–0.66) on a five-point scale. It means that people involved in projects under implementation are virtually certain that their projects will become sustainable in all aspects.

The near-ceiling effect revealed in the perception of future sustainability is intriguing in several respects. On one hand, it can be explained by an impressive level of sustainability planning, capacity building, and engagement among all relevant parties. On the other hand, the pronounced difference from the reality of sustainability revealed in completed projects strongly suggests a systematic optimism bias. For example:

- Perceived community capacity: 96.7% high → Actual: 25.8% high

- Perceived institutional capacity: 92.5% high → Actual: 35.1% high

- Perceived financial sustainability: ~97% high → Actual: 26.0% high

- Perceived technical capacity: ~92% high → Actual: 37.1% high

This difference, which is as high as over 60 points, implies that project teams consistently overestimate the possibility of achieving sustainability. Factors contributing to such overestimation may be: lack of feedback after projects, pressures from donors to provide overly optimistic projections, genuine but unrealistic plans, and even cognitive biases, such as the planning fallacy.

Nevertheless, these scores have their value: they are indicators of the expectations and intentions of project implementers. They prove the high motivation of people working in projects and their confidence in sustainability measures. The task is to turn these intentions into reality.

Table 6 shows the Descriptive analysis of Actual Project Sustainability

ACTUAL SUSTAINABILITY		SD	D	N	A	SA	Mean	Std
The community continues at least 70% of project activities without NGO support	count	25	28	18	11	14	2.582	1.376
	%	26.8	28.9	18.6	11.3	14.4		
Local institutions have managed project activities for at least 6 months post-donor funding	count	25	15	22	21	13	2.80	1.389
	%	25.8	16.5	22.7	21.6	13.4		
Recurrent costs are covered from local sources (community contributions, government, or income generation)	count	8	34	29	15	10	2.84	1.115
	%	8.2	36.1	29.9	15.5	10.3		
Project infrastructure (e.g., boreholes, clinics, schools) is functional and maintained	count	7	32	21	29	7	2.96	1.108
	%	7.2	34	21.6	29.9	7.2		

Table 7 Descriptive analysis of Actual Project Sustainability

"The community continues at least 70% of project activities without NGO support," has a mean score of 2.58 (SD = 1.38). The distribution was quite evenly spread across all answer categories: 26.8% strongly disagreed, 28.9% disagreed, 18.6% were neutral, 11.3% agreed, and 14.4% strongly agreed. Thus, 55.7% of the participants disagreed or strongly disagreed that the community had the capability to continue the project, while only 25.7% agreed or strongly agreed with this statement. This result is noteworthy since more than half of all completed projects do not reach the level of 70%. In addition, the mean score (2.58) shows that, on average, the participant's response falls into the disagree range, which means that the project could not be continued without NGO help. Nevertheless, there were cases when the community could maintain the activity (25.7% of responses).

In ongoing projects, participants expect high community capacity with the mean score of 4.31, and 96.7% of the participants expect the continuation of the project after its completion. However, the actual mean score is 1.73 points lower. This suggests that while project staff are extremely confident during implementation, the reality is that most communities cannot maintain activities independently.

"Local institutions (government, CBOs) have managed project activities for at least 6 months post-donor funding," Its mean value was 2.80 (SD = 1.39). The distribution was: 25.8% strongly disagree, 16.5% disagree, 22.7% neutral, 21.6% agree, 13.4% strongly agree. The number of responses in favor (agree and strongly agree) accounted for 35.0%, and against the statement (strongly disagree and disagree) =42.3%. As compared to community capacity, institutional capacity was somewhat higher (with means 2.80 and 2.58, respectively). About one third of projects reported that the local institutions took the responsibility of managing activities successfully for at least for six months. However, the failure rate was quite high, 40.0%. Once again, high standard deviation shows a high variability of results. There are some local institutions that are capable and willing to act; however, most are not.

Expected perception of institutional capacity measured 4.52 (92.5%). The actual mean score turned out to be 1.72 less. This gap confirms that relying on institutional partners is not a guarantee of sustainability, even when project staff believe institutions are ready, actual post-project management might fail.

“Recurrent costs are covered from local sources (community contributions, government, or income generation)” provided a mean score of 2.84 (SD = 1.12). The results show that 8.2% strongly disagree, 36.1% disagree, 29.9% neutral, 15.5% agree, and 10.3% strongly agree. While disagreement was at 44.3%, agreement was 25.8%. In fact, financial sustainability, which is the main determinant for successful project continuance, has been established in only one-quarter of all completed projects. With a mean score of 2.84, this dimension slightly surpasses the community capacity indicator; however, its value remains below the median point (3.0).

The expected mean of perceived financial sustainability was 4.52 (≈98%). Thus, there is the biggest discrepancy among the four dimensions (the actual mean score is1.68 less). In essence, such an enormous gap can reflect the unrealism or unfeasibility of the financial plans made by the communities or institutions during the projects.

“Project infrastructure (e.g., boreholes, clinics, schools) is functional and maintained,” had a mean value of 2.96 (SD = 1.11), the highest of all four sustainability indicators. Distribution: 7.2% strongly disagreed, 34.0% disagreed, 21.6% neutral, 29.9% agreed, and 7.2% strongly agreed. Total disagreement 41.2%, total agreement 37.1%. While technical capacity is the most robust dimension of sustainability in practice, at this rate, only 37.1% of projects have infrastructure that is both functioning and maintained. The mean value of 2.96 is just short of 3.0, a neutral point. This implies that even though technical capacity and infrastructure building work slightly better than community mobilization and finance planning, the majority of projects still fail to maintain their infrastructure after receiving the funding.

Perceived technical capacity's mean value was close to 4.36 (≈92% expected highly). Actual sustainability mean is 1.40 less than the expected one. The gap is the lowest in comparison of all four dimensions, but still substantial

The sustainability gap has serious implications:

- In terms of sustainability planning: Sustainability planning practices employed today are inadequate. There is always an unrealistic expectation about sustainability results. A more realistic approach based on proven forecasts needs to be applied.

- Capacity building: This is the worst performing area (25.7%). Capacity building strategies need to be completely revised from temporary workshops to mentorship programs over a longer period.

- Financial sustainability: Although this is the most stressed aspect of development work reported by donors, less than one quarter of the projects succeed in achieving it. Financial plans are often poor or simply ignored.

- Technical intervention: This is the best performing area, but even here sustainability fails in almost 60% of cases. Infrastructure and technical skill improvement alone is insufficient for achieving sustainability.

- Donor policy: Donors have to require post-project monitoring and tie funds to successful achievement of sustainability goals. Current practice encourages optimism at all costs.

Table 7 shows the Descriptive analysis of Institutional Environment

INSTITUTIONAL ENVIRONMENT		SD	D	N	A	SA	Mean	Std
Donor requirements strongly shape how we engage with stakeholders	count	0	1	111	82	23	3.59	0.683
	%	0	0.5	51.2	37.8	10.6		
Government regulations (e.g., CSO Agency) influence our project implementation	Count	0	0	119	72	26	3.57	0.698
	%	0	0	54.8	33.2	12		
We adopt practices from other successful NGOs in our sector	count	0	1	89	108	19	3.67	0.639
	%	0	0.5	41	49.8	8.8		
Professional networks and standards influence our project approaches	count	0	1	98	96	22	3.64	0.667
	%	0	0.5	45.2	44.2	10.1		
We sometimes adopt practices mainly to meet donor expectations, even if they don't fully fit our context	count	4	36	139	36	2	2.98	0.666
	%	1.8	16.6	64.1	16.6	0.9		

Table 8 Descriptive analysis of Institutional Environment

"Donor requirements strongly shape how we engage with stakeholders" The mean for this statement was 3.59 (SD = 0.68). 0% of people strongly disagreed with this statement, 0.5% disagreed, 51.2% remained neutral, 37.8% agreed, and 10.6% strongly agreed. I

"Government regulations (e.g., CSO Agency) influence our project implementation" The mean rating was 3.57 (SD = 0.70). Distribution:0 strongly disagree, 0 disagree, 54.8% neutral, 33.2% agree, and 12.0% strongly agree. The similar distribution for governmental regulation, as in the case of donor requirements, indicates that they too are viewed as important factors, although they are not perceived as dominating by many respondents. Low standard deviation values of 0.68–0.70 further reinforce the point about moderate consensus.The presence of donors or government

regulatory authorities in the background of projects is something that cannot be overlooked. However, they do not necessarily have a universal effect.

“We adopt practices from other successful NGOs in our sector.” This item scored a mean of 3.67 (SD = 0.639), which was the highest value of all the items in the institutional environment group. Distribution: 0% strongly disagreed, 0.5% disagreed, 41% neutral, 49.8% agreed, and 8.8% strongly agreed.

“Professional networks and standards influence our project approaches” The mean was 3.64 (SD = 0.667): 0.5% Disagree, 45.2% Neutral, 44.2% Agree, and 10.1% Strongly agree. It seems that professional networks and standards play influential role, as more than half of the respondents indicate that professional networks and standards impact their approach to projects.

The significant influence of professional networks and peer NGOs learning implies the importance of sector-wide norms and learning for the spread of both appropriate and inappropriate practices. Hence, it can be concluded that capacity building efforts should be focused on professional networks and learning across NGOs as long as the knowledge is evidence-based.

“We sometimes adopt practices mainly to meet donor expectations, even if they don't fully fit our context.” is a measure of a negative practice. The mean for this question was 2.98 (SD = 0.67) – the lowest of all the questions relating to the institutional environment and close to the neutral midpoint (exactly on the midpoint). Distribution: 1.8% strongly disagreed, 16.6% disagreed, 64.1% neutral, 16.6% agreed, 0.9% strongly agreed. Disagreement: 18.4%; Agreement: 17.5%; Neutral 64.1%.

Though about half the respondents recognize the influence of both donor institutions and the government in the adoption of practices, the number of respondents who openly recognize the adoption of unsuitable practices is much smaller. The very high neutral response rate (64.1%) could indicate that respondents were unwilling to recognize such behaviors, that did not happen often or that they did not really know. Yet, the mean score was just slightly less than 3, meaning that more respondents agreed that such behavior was not prevalent. This might be considered as a good sign; most of the staff members do not think they sacrifice their usual ways to appease donors.

4.3 Correlation Analysis

Hypotheses H1 and H2 were tested using Pearson's product-moment correlation coefficient (r). The relationships between stakeholder engagement, leadership commitment, institutional environment and sustainability of projects (ongoing and completed) were analyzed. Before running statistical analyses, all reverse-coded variables were recoded, and then composite scores for each variable were obtained.

Table 8 shows the correlations with ongoing project sustainability

		Stakeholder Engagement	Leadership Commitment	Institutional Environment	Projects Sustainability (ongoing)
Stakeholder Engagement	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	121			
Leadership Commitment	Pearson Correlation	0.033	1		
	Sig. (2-tailed)	0.719			
	N	121	121		
Institutional Environment	Pearson Correlation	-0.015	0.324**	1	
	Sig. (2-tailed)	0.874	<0.001		
	N	121	121	121	
Projects Sustainability (ongoing)	Pearson Correlation	0.368**	0.418**	0.326**	1
	Sig. (2-tailed)	<0.001	<0.001	<0.001	
	N	121	121	121	121

Table 8 Correlation Analysis (ongoing project sustainability)

There is a moderate correlation (r = 0.368) between stakeholder engagement and perceived project sustainability. High levels of stakeholder engagement are associated with high levels of perceived project sustainability.

Higher levels of leadership Commitment were associated with higher Perceived project sustainability (r = 0.418). As predicted by Transformational Leadership Theory, articulation of vision, resource allocation, and motivation of workers can be interpreted as creating conditions necessary for sustainability.

Environmental conditions in an institution are also important. The correlation is positive (r = 0.326) and hence can be interpreted as meaning that donor demands, government regulations, and professional standards can be associated with higher perceived sustainability planning

Table 9 shows the correlations with completed project sustainability

		Stakeholder Engagement	Leadership Commitment	Institutional Environment	Projects Sustainability (Completed)
Stakeholder Engagement	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	96			
Leadership Commitment	Pearson Correlation	0.408**	1		
	Sig. (2-tailed)	<0.001			
	N	96	96		
Institutional Environment	Pearson Correlation	0.171	0.169	1	
	Sig. (2-tailed)	0.095	1		
	N	96	96	96	
Projects Sustainability (Completed)	Pearson Correlation	0.670**	0.666**	0.076	1
	Sig. (2-tailed)	<0.001	<0.001	0.461	
	N	96	96	96	96

Table 9 Correlation analysis (Completed projects)

Stakeholder Engagement and Leadership Commitment have been found to have high significant correlations with actual sustainability (r ≈ 0.67).

The Institutional Environment doesn't make any difference to actual sustainability. Although it affects perceived sustainability at the time of implementation (Table 8), it doesn't affect sustainability when projects go on even after the expiry of financial assistance. The factors that matter here are the internal variables - Stakeholder Engagement and Leadership Commitment

For ongoing projects, correlations with SE and LC with sustainability have been moderate (0.368 and 0.418). However, for completed projects, it was seen that they have high significance (0.670 and 0.666).

4.4 .1 Inferential Statistics

4.4.1.1 Assessing Linearity

Scatterplots of the standardized residuals against predicted values revealed no systematic pattern . Additionally, partial regression plots for each independent variable showed linear relationships with the dependent variable. The correlation ratio (eta) was calculated for each predictor; values were close to Pearson's r, supporting the assumption of linearity.

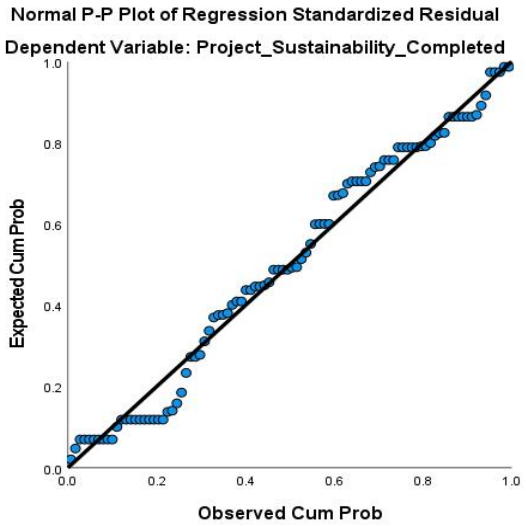


Figure 2 Normal p-p plot Project Sustainability Completed

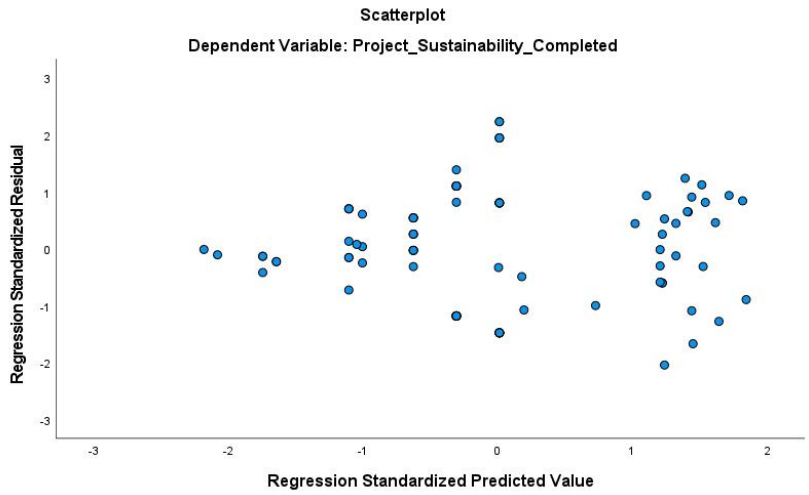


Figure 3 Residual Regression scatterplot-Project Sustainability Completed

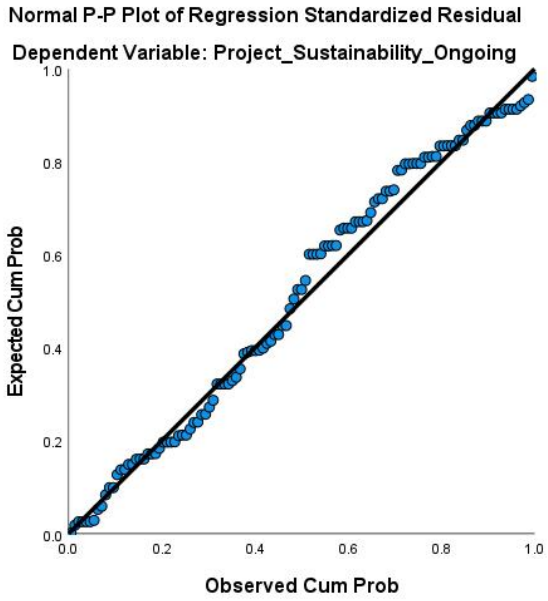


Figure 4 Normal p-p plot Project Sustainability Ongoing

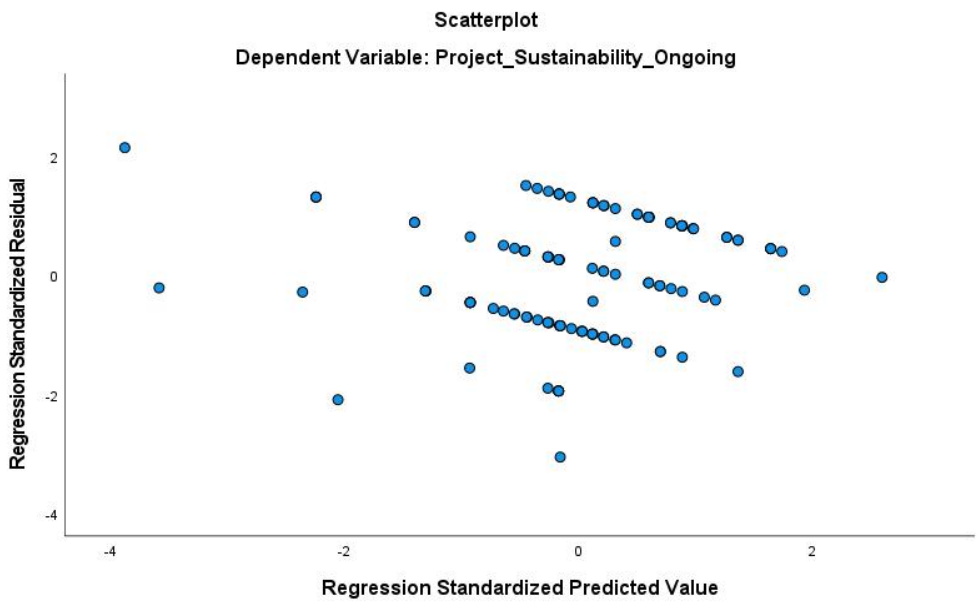


Figure 5 Residual Regression scatterplot-Project Sustainability Ongoing

4.4.1.4 Multicollinearity

The relatively strong association between stakeholder engagement and leadership commitment (r=0.408) may indicate overlapping organizational processes, although diagnostic statistics suggested multicollinearity remained within acceptable limits.

Variance Inflation Factor (VIF) and tolerance values were computed to assess multicollinearity among the independent variables (stakeholder engagement and leadership commitment). Table 10 shows that VIF values were well below the commonly accepted threshold of 10 (and below the stricter threshold of 5), and tolerance values were above 0.2, indicating no problematic multicollinearity.

Variable	Tolerance	VIF
stakeholder engagement	0.428	2.344
leadership commitment	0.427	2.334

Table 9 Multicollinearity Diagnostics

4.4.2 Multiple Linear Regression Analysis

Independent samples t-tests were conducted to compare stakeholder engagement and leadership commitment scores between ongoing projects (n = 121) and completed projects (n = 96). As shown in Table 12 significant differences were found for both variables.

Variables	t-value	Sig. (2-tailed)	Mean difference
Stakeholder Engagement	12.339	<0.001	1.02404
Leadership Commitment	7.654	<0.001	0.83278

Table 10 t-test analysis

This shows Systematic Response Bias EXISTS. Ongoing projects rate both stakeholder engagement and leadership significantly higher than completed projects. They are more optimistic/positive in their ratings. They also give consistent ratings (everyone is optimistic). While respondents from completed projects are more critical/realistic in their ratings. Completed projects give widely varying ratings (some succeeded, many failed). This maybe because Ongoing projects are Still implementing, hopeful, invested in positive outcomes, whereas completed projects have seen results (or lack thereof), may be disillusioned, more objective

Given the significant differences in how ongoing and completed projects rated stakeholder engagement and leadership practices, all subsequent regression analyses were conducted separately for each group. Additionally, z-standardized scores were calculated within each group to ensure that regression coefficients are directly comparable.

Project Status		Zscore(Stakeholder Engagement)	Zscore(Leadership Commitment)
Ongoing	Mean	0.0000	0.0000
	N	121	121
	SD	1.0000	1.0000
	Min	-1.78624	-3.58569
	Max	2.30540	2.54240
Completed	Mean	0.0000	0.0000
	N	96	96
	SD	1.0000	1.0000
	Min	-2.28590	-1.95452

	Max	2.01331	1.92673
Total	Mean	0.0000	0.0000
	N	217	217
	SD	0.99768250	0.99768250
	Min	-2.28590	-3.58569
	Max	2.30540	2.54240

Table 11 zscores for predictor variables

4.4.2.1 Multiple Linear Regression Analysis Result

Model Summary

Model	R	R square	Adjusted R square	Std. Error of the Estimate	Durbin-Watson	Dependent Variable
1	0.548	0.300	0.288	0.425	1.667	Perceived Project Sustainability
2	0.796	0.634	0.626	0.728	1.787	Actual Project Sustainability

Table 12 Model Summary for Multiple Linear Regression

Interpretation: The model explains for ongoing projects, 30% of the variance in project sustainability ($R^2 = 0.300$, Adjusted $R^2 = 0.288$). This indicates that stakeholder engagement and leadership commitment together account for approximately 30% of the variation in project sustainability.

For completed projects, 63.4% of the variance in project sustainability ($R^2 = 0.634$, Adjusted $R^2 = 0.626$). This indicates that stakeholder engagement and leadership commitment together account for approximately 63.4% of the variation in project sustainability.

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig	Dependent Variable
	Regression	9.151	2	4.576	25.29	<0.001	Perceived Project Sustainability
	Residual	21.353	119	0.181			
	Total	30.504	121				
	Regression	85.113	2	42.557	80.6	<0.001	Actual Project Sustainability
	Residual	49.134	94	0.528			
	Total	134.247	96				

Table 13 ANOVA for Regression Model

The (Ongoing) regression model was statistically significant, $F(2, 215) = 25.29$, $p < .001$. This indicates that Stakeholder Engagement and Leadership Commitment, taken together, significantly predict ongoing Project Sustainability.

The (Completed) regression model was statistically significant, $F(2, 94) = 80.6$, $p < .001$. This indicates that Stakeholder Engagement and Leadership Commitment, taken together, significantly predict actual Project Sustainability

Coefficients (Ongoing)

	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics		
	B	Std. Error	Beta	t	sig	Tolerance	VIF	95% CI for B
(Constant)	4.421	0.039		113.4	<0.001			[4.344, 4.498]
Z-Stakeholder Engagement	0.179	0.043	0.355	4.18	<0.001	0.428	2.344	[0.094, 0.264]
Z-Leadership Commitment	0.205	0.043	0.406	4.78	<0.001	0.427	2.334	[0.120, 0.290]

Table 14 Regression Coefficients (Ongoing)

Leadership Commitment ($\beta = 0.406$, $p < 0.001$) is the higher significant predictor. An increase in leadership by one standard deviation implies a corresponding increase in sustainability perception by 0.406 standard deviations. This effect is predictable, since visionary leaders allocating resources and motivating employees generate high expectations.

Stakeholder Engagement ($\beta = 0.355$, $p < 0.001$) is moderate positive and significant predictor. An increase in stakeholder engagement by one standard deviation implies a corresponding increase in sustainability perception by 0.355 standard deviations.

Both leadership commitment and stakeholder engagement show a positive association with future sustainability perceptions in ongoing projects, with leadership having a stronger association. This confirms the hypothesis suggesting that teams implementing a project, if they are provided with both quality leadership and stakeholder engagement, have greater confidence in their long-term results

Regression Equation:

Z-Project Sustainability = 0.355*Z-Stakeholder Analysis + 0.406*Z-Leadership Commitment

Where Z-Project Sustainability is predicted z-score for perceived project sustainability.

Coefficients (Completed)

	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics		
	B	Std. Error	Beta	T	sig	Tolerance	VIF	95% CI for B
(Constant)	2.786	0.074		37.6	<0.001			[2.639, 2.933]
Z-Stakeholder Engagement	0.568	0.063	0.478	9.02	<0.001	0.428	2.344	[0.443, 0.693]
Z-Leadership Commitment	0.560	0.063	0.471	8.89	<0.001	0.427	2.334	[0.435, 0.685]

Table 15 Regression Coefficients (Completed)

Stakeholder engagement ($\beta = 0.478$, $p < 0.001$) has an extremely positive effect. An increase in stakeholder engagement by one standard deviation is associated with an increase of 0.478standard deviation in the actual achievement of sustainability.

Leadership commitment ($\beta = 0.471$, $p < 0.001$) is similarly an extremely positive effect. An increase in leadership commitment by one standard deviation is associated with an increase of 0.471standard deviation in the actual achievement of sustainability. In completed projects, stakeholder engagement and leadership commitment are extremely effective independent predictors of sustainability. They account for almost two-thirds of the variance in the dependent variable. Projects that truly have high levels of stakeholder engagement and have high levels of committed leadership are associated with high rates of project sustainability activities after donor support ends. The effect sizes are very similar, which means that both factors should not be underestimated.

Regression Equation:

Z-Project Sustainability = 0.478*Z-Stakeholder Analysis + 0.471*Z-Leadership Commitment

Where Z-Project Sustainability is predicted z-score for actual project sustainability.

4.5 Discussion of Results

For ongoing projects ($n = 121$), the results from the Pearson correlation analysis revealed a significant and positive association between stakeholder engagement and perceived sustainability ($r = 0.368$, $p < 0.01$). Therefore, during the implementation period of the projects, increased stakeholder engagement is associated with high perceptions on the sustainability of the projects, i.e., the ability of the projects to continue providing benefits even when donor funding ceases. It is important to note that stakeholder engagement exhibited the lowest correlation coefficient in relation to the sustainability variable out of the three variables. For completed projects ($N = 96$), there was a strong, positive, and statistically significant association between stakeholder engagement and post-project sustainability ($r = 0.670$, $p < 0.001$). It can be noted that the association is much stronger compared to the association found for projects still being implemented.

These findings support Hypothesis H1 and align with Stakeholder Theory (Freeman, 1984). It suggests that NGOs that actively involve stakeholders through systematic identification, participation in planning, involvement in monitoring and evaluation, and genuine influence in decision-making are associated with high project sustainability outcomes.

The strong positive association between leadership commitment and project sustainability (Perceived, $r=0.418$, $p < 0.01$) (Actual, $r = 0.666$, $p < 0.01$) supports Hypothesis H2 and is consistent with Transformational Leadership Theory (Bass, 1985). Leaders who articulate a sustainability vision, allocate resources for sustainability, advocate with donors, and invest in staff development appear to be associated with better sustainability outcomes.

The multiple regression analysis confirmed that stakeholder engagement and leadership commitment together explain 63.4% of the variance in actual project sustainability ($R^2 = 0.634$, $p < 0.001$) and 30% of variance in Perceived project sustainability ($R^2 = 0.300$, $p < 0.001$). This finding supports Hypothesis H3 and validates the integrated theoretical framework proposed in Chapter 2.

The regression coefficients indicate that leadership commitment Actual ($\beta = 0.471$) and Perceived ($\beta = 0.406$), has a stronger association than stakeholder engagement Actual ($\beta = 0.418$) and Perceived ($\beta = 0.355$) with project sustainability. This finding has important practical implications: while both factors matter, investing in leadership development may be associated with greater returns in terms of project sustainability than investing solely in stakeholder engagement mechanisms.

There are at least four different ways through which leadership promotes sustainability, which are all confirmed by the regression model and the literature reviewed:

Articulation of Vision and Goals: - Leaders that are able to articulate visions of sustainability and explain to their teams how day-to-day tasks are related to long-term goals will create goal clarity. This creates less uncertainty and aligns individual efforts with organizational goals, allowing for greater optimism regarding the future.

Resource Mobilization and Investment in Infrastructure and Local Capacity: - It should be noted that the independent effect of leadership commitment on actual sustainability ($\beta = 0.471$) is

predicted by the regression analysis regardless of stakeholder engagement. Such an independent effect of leadership includes the decision to mobilize budgetary, time and personnel resources toward sustainability-related activities such as building up local capacity, infrastructure maintenance

Negotiation with Donors: -Leaders who engage in negotiations with the donors provide flexibility. Descriptive results indicated that 65.9% of respondents agree that their leader engages in negotiations with donors; however, nearly one-third avoid such negotiations. The positive association of leadership with sustainability perception and practices occurs through successful negotiation with donors by obtaining flexibility to change activity or timing and use funds for sustainability-related actions. Such an aspect is especially important for completed projects when donor flexibility increases the likelihood of continuing the project beyond its completion stage.

Staff Motivation and Role Modeling: -Leaders who value staff contributions to sustainability initiatives and model such behavior are associated with the development of the sustainability culture. As described in descriptive results, 59.5% of respondents believe that their leader rewards staff members for sustainability practices, and 60.0% of respondents state that leaders model their commitment. Both aspects result in increasing staff members' intrinsic motivation and lowering employee turnover rates.

Moreover, the paths considered above interact among themselves. The reason for such interactions lies in the fact that the presence of leadership will not necessarily affect sustainability directly; instead, it will affect it via such mechanisms as goal clarification, resource allocation, negotiating donors, motivating employees. The strong β for leadership proves that it has a direct association with project sustainability, and this association cannot be explained by stakeholder practices.

When considered independently, institutional environment demonstrated a small positive relationship with perceived project sustainability ($r = 0.326$, $R^2 = 0.106$), whenbeing included into the model together with leadership and stakeholder involvement made this path statistically insignificant ($\beta = 0.180$, $p = 0.041$), bringing a mere 1.3 percent increase in R^2. Confidence intervals for β were [0.004, 0.178], which excluded only zero very marginally. Moreover, institutional environment had negligible association with actual sustainability ($\beta = –0.062$, $p =$

0.315), and including it even slightly lowered the explanatory power of the model (R^2 decreased from 0.634 to 0.600). There is a weak correlation value between actual sustainability and Institutional environment (r=0.076), interviewees believed that external environment ceases to have an association with actual project sustainability.

70% of the variance in perceived project sustainability is not accounted for by stakeholder engagement and leader commitment. It implies that perceived sustainability is highly subjective since it depends largely on personal optimism, recent experience, and organizational culture, which are not included in the two factors. Other relevant factors could be donor pressure, team morale and previous success rate, and financial stability from external sources and community trust level. Or it could imply measurement error, Likert scale has inherent noise, and prediction of future outcome is especially likely to cause halo effect.

About 37% of the variance in actual post-project sustainability is not accounted for. It implies that actual sustainability is much more predictable than perceived sustainability. However, more than one-third of the variance can still result from other factors such as economic environment (local market, employment), government policy (taxes, regulations, political will), natural disasters or unexpected events, and quality of exit strategies.

However, despite successful engagement and leadership, the outcome of sustainability is not ensured. There are some external contextual issues which organizations need to consider, together with developing reserves and implementing adaptive management strategies.

The huge reduction of variance in the explained category from 70% (ongoing sustainability) to 36.6% (sustainability achieved) indicates that sustainability, in reality, has much less noise and is better defined as compared to expectations. It is good news since it is difficult to predict people's expectations but possible to predict the outcomes based on leadership and engagement actions.

4.5.4 Comparison of Findings with Existing Literature

Finding	Current Study	Comparable Study
Stakeholder engagement → Sustainability	Actual, r = 0.670; β = 0.478 Perceived, r = 0.368; β = 0.355	Rajablu et al. (2014): β = 0.41
Leadership commitment → Sustainability	Actual, r = 0.666; β = 0.471 Perceived, r = 0.418; β = 0.406	Ika (2012): Leadership identified as critical factor
Combined R^2	Actual= 63.4% Perceived=30%	Comparable to similar studies

CHAPTER 5: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter presents a synthesis of the key findings from the study, draws conclusions based on the evidence, and offers practical recommendations for stakeholders including NGO practitioners, donors, and policymakers. The chapter also discusses the limitations of the research and suggests directions for future studies. The study aimed to assess the relationship between stakeholder engagement, leadership commitment, and project sustainability among donor-funded NGOs in Addis Ababa, guided by three hypotheses derived from an integrated theoretical framework of Stakeholder Theory, Transformational Leadership Theory, and Institutional Theory.

5.1 Summary of Findings

This chapter presents the analysis of quantitative data from 217respondents. Descriptive statistics showed mostly neutral – agree response of all three variables. Correlation analysis supported H1 and H2, revealing significant association between stakeholder engagement and perceived ($r = 0.368$) and actual project sustainability ($r=0.670$). It also revealed a significant positive association between leadership commitment and perceived ($r = 0.418$) and actual project sustainability ($r=0.666$). Multiple linear regression confirmed both predictors together explain 63.4% of variance in Actual project sustainability ($R^2 = 0.634$, $p < 0.001$) and63.4% of variance 30% in perceived project sustainability ($R^2 = 0.300$, $p < 0.001$). Leadership commitment (Ongoing, $\beta = 0.406$, Completed, $\beta = 0.471$) had a stronger association than stakeholder engagement (Ongoing, $\beta = 0.355$, Completed, $\beta = 0.478$) with perceived and actual project sustainability. The findings align with Stakeholder Theory and Transformational Leadership Theory, while also acknowledging the role of institutional context.

5.2 Conclusions

Based on the findings, the following conclusions are drawn:

- Both predictors are significant and positive in both ongoing and completed projects.

- Leadership has a slightly larger effect on perceived sustainability ($\beta = 0.406$ vs. 0.355), while the two have nearly identical effects on actual sustainability ($\beta \approx 0.47–0.48$).

- Explained variance is much higher for actual sustainability (63.4%) than for perceived sustainability (30.0%).

- Residual diagnostics confirm no violations of normality, homoscedasticity, independence, or linearity.

- Unexplained variance (70% ongoing, 36.6% completed) suggests that other factors – particularly external context and psychological biases – play a larger role in shaping expectations than in determining actual outcomes.

5.3 Recommendations

Based on the findings and conclusions, the following recommendations are directed to different stakeholder groups.

Recommendations for NGO Leadership and Management

Enhance Leadership Behavior Linked to Sustainability Predictors

Leadership Commitment was the top predictor of both perceived sustainability ($\beta = 0.406$ in the perceived ongoing model, $p < .001$) and actual sustainability ($\beta = 0.471$, $p < .001$). NGOs should introduce a monthly leadership meeting to track their contributions towards sustainability.

Move from Ineffective Stakeholder Participation to Influence-based Engagement

Lowest mean rating and percentage of ratings scoring below average were recorded for decision-making regarding the level of stakeholder influence (mean = 3.23 and % low = 32.3). NGOs should apply the terms of reference of the existing steering committee and allow for a binding decision for community members on at least one agenda item per quarter.

Minimize External Financial Dependencies via Revenue Generation

Financial sustainability was reported only in 26.0% of projects despite 98.3% of ongoing projects being convinced about the existence of a financial sustainability plan. NGOs should ensure every project develops a local revenue generation strategy during the first six months. Options could be community savings, fee-for-service business model, government budget allocation.

Recommendations for Government and Policymakers (Ethiopian Agency for Civil Society Organizations)

Create guidelines for sustainability: Create guidelines that will promote stakeholder engagement and adoption of sustainability planning norms by NGOs, without overly stringent reporting requirements which lead to decoupling.

5.4 Research Limitations and Areas of Further Research

5.4.1 Limitations of the Study

The following limitations should be considered when interpreting the findings:

While this study analyzed ongoing and completed projects separately to account for differences in dependent variables (perceived vs. actual sustainability), a potential limitation is that respondents in the two groups may have systematically different perspectives when rating stakeholder engagement and leadership practices. To address this, z-standardized scores were used to ensure comparability of regression coefficients across groups

Cross-Sectional Design: -Due to the one-time data collection, it is impossible to make causal interpretations. Relationships are correlational, not causative, thus the wording of statements in the report avoids causal language (e.g., "associated with" instead of "causes").

Self-Reported Data: -All the data was obtained from the same respondents. This increases the risk of common method variance and social desirability bias. The anonymity of the respondents was guaranteed, and reverse-coded questions were used.

Subjective Measure of Sustainability: -Sustainability was measured by expecting the outcome in ongoing projects, thus Two separate sections were created for ongoing and terminated projects. The impact was analyzed controlling for the status of the project.

Possible Selection Bias: -There might have been selection bias in purposively selecting NGOs in Stage 1. However, the inclusion criteria were clearly stated and defined.

5.4.2 Suggestions for Future Research

In establishing precedence and causal relation between leader commitment, stakeholder participation, and sustainability performance, Follow the project groups from their beginning until 2-3 years after donor disbursements(cohort).

To establish transferability of results in areas with unique conditions such as rural and pastoralists' settings or conflict environments in which NGOs operate differently, adopt comparative cross-sectional research design involving 3-4 regions.

To minimize dependence on perceptions of sustainability and use actual evidence (like infrastructure assessments, service usage numbers, and financial accounts), Adopt mixed methodology through documents and field verification of project properties.

To compare projects supported by different organizations such as bilateral agencies like USAID with UN and other foundations' initiatives, Perform multi-group testing and analyses such as ANOVA.

To analyze failed projects with substantial participation or leader commitment, to reveal barriers and constraints for sustainable development, Adopt case study approach to extreme deviant cases.

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Annexes

ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS ADMINISTRATION AND INFORMATION SYSTEMS

SCHOOL OF COMMERRCE

Information Sheet and consent form

Title of the research project: Stakeholder Engagement and Leadership Commitment as Determinants of Project Sustainability: A Quantitative Study of Donor-Funded NGOs in Addis Ababa

Principal Investigator ፡Tsegeyet Lisanu

Name of the organization: Addis Ababa University, College of Business Administration and Information Systems School of Commerce

Grant source: self

Introduction

Hello, my name is TSEGEYET LISANU. I'm completing my master's degree in project management. This study is, therefore, part of the requirements for the fulfillment of the MPM program I'm enrolled in.

The study focuses on, the effects of stakeholder engagement and leadership commitment, on project sustainability, in donor-funded NGOs in Addis Ababa. And you are now part of the selected employees for response to my questions.

Hence, participating in this research doesn't have any risks, benefits and compensation but for community there is benefit. I hereby assure you that the responses will be kept strictly confidential for all matters and they will only be used for the purpose of the study mentioned above. Your name will not be mentioned to protect your confidentiality. You have a right to answer or not for questions which might be inconvenient for you. The study may require 30 Minutes.

Purpose of Research

The purpose of this research is to determine how stakeholder engagement and leadership commitment affect project sustainability, in donor-funded NGOs in Addis Ababa. Literature in various parts of the world identified the effects of stakeholder engagement and leadership commitment on project sustainability, in different projects in their respective settings. This study tries to identify the effects of stakeholder engagement and leadership commitment on project sustainability specific to donor-funded NGOs in Addis Ababa, Ethiopia.

Procedure

This study involves employees of various positions in donor-funded NGOs. You are randomly selected to be one of the study participants if you are willing to take part in this study and we kindly invite you to take part in our project. If you are willing to participate, we are so happy and we need you to clearly understand the aim of this study and to sign the consent form. Finally, you are kindly requested to give your genuine response in the interview questionnaire. You do not need to write your name and all your responses, and the results obtained will be kept confidential by using coding system whereby no one will have access to your responses.

Benefits

By participating in this research project, you may feel some discomfort in using your time (a maximum of 30 minutes). However, your participation is important to identify the effects of stakeholder engagement and leadership commitment on project sustainability in donor-funded NGOs in Addis Ababa, Ethiopia

Risk and /or Discomfort: There is no risk or direct benefit in participating in this project.

Incentives/Payments for Participating: You will not be provided with any incentives or payment to take part in this project.

Confidentiality

The information collected from you will be kept confidential and stored in a file, without your name, by assigning a code number to it. And it will not be revealed to anyone except the principal investigator.

Right to Refusal or Withdraw

Participating and not participating are the full rights of participants, and they can stop participating in the study at any time. They can also skip any question which they don't want to respond to.

Person to contact

If you have any questions about the study, you may raise. For detailed information you can contact the investigator through

Cell phone: - 0921625014

E-mail:-tsegeyetlisanu@gmail.com

And I thank you in advance for your cooperation with the study.

Study ID Number: _____

Date: ___/___/2026

Name of NGO (Optional):_____

COLLEGE OF BUSINESS ADMINSTRATION AND INFORMATION SYSTEMS, _____, ADDIS ABABA UNIVERSITY, SCHOOL OF COMMERCE

Consent: By completing and returning this questionnaire, you indicate your voluntary consent to participate in this study.

Questionnaire for Project Managers, Coordinators, Senior Project Officers and Key Project Personnel

SECTION A: DEMOGRAPHIC AND ORGANIZATIONAL INFORMATION

Instructions: Please tick (✓) the appropriate box or fill in the blank.

Code	Question	Response Options
A01	Type of organization	☐ Local NGO ☐ International NGO ☐ Government partner ☐ Other: _____
A02	What is your current position/role?	□ Project Manager □ Project Coordinator □ Senior Project Officer □ Key Project Personnel □ M&E Officer □ Other (specify): _____
A03	What is your level of decision-making authority in project sustainability matters?	□ Final decision-maker □ Major input but not final □ Moderate input □ Limited input □ No input
A04	Project status	☐ Completed ☐ Ongoing
A05	What is the primary sector of your project?	□ Health □ Education □ Livelihoods/Food Security □ WASH (Water, Sanitation, Hygiene □ Child Protection □ Gender/Women's Empowerment □ Multi-sectoral □ Other (specify): _____
A06	What is the main funding source for your current project?	□ Bilateral donor □ UN Agency □ EU/European Commission □ Private foundation □ Corporate donor □ Multiple donors

SECTION B: STAKEHOLDER ENGAGEMENT SCALE

Instructions: For each statement, please indicate the extent to which you agree or disagree based on your experience with your CURRENT project. Use the following scale:

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Not Applicable
1	2	3	4	5	

B1: Stakeholder Identification & Analysis

Code	Statement	1	2	3	4	5
B01	Our project conducted a systematic stakeholder analysis at the beginning					
B02	Stakeholder identification was done superficially just to satisfy donor requirements					

B2: Participation in Planning & Design

Code	Statement	1	2	3	4	5
B03	The project's logical framework was developed with input from multiple stakeholders					
B04	Community members were invited to planning meetings but their input had no effect on decisions					

B3: Involvement in Monitoring & Evaluation

Code	Statement	1	2	3	4	5
B05	Stakeholder feedback sessions are held at least quarterly					
B06	We share monitoring findings with the community					

B4: Influence in Decision-Making

Code	Statement	1	2	3	4	5
B07	Key project decisions are made by management without stakeholder consultation					
B08	Community representatives are part of project steering committees					

SECTION C: LEADERSHIP COMMITMENT SCALE

Instructions: Thinking about the LEADER(S) of your current/past project in this organization (Project Manager, Team Leader, etc.), please indicate your level of agreement with each statement.

C1: Articulation of Sustainability Vision

Code	Statement	1	2	3	4	5
C01	The leader rarely mentions sustainability; the focus is only on donor deliverables					
C02	Our leader helps the team understand how our daily work contributes to sustainability goals					

C2: Resource Allocation for Sustainability

Code	Statement	1	2	3	4	5
C03	Sustainability activities are only funded if donor explicitly requires them					
C04	Time and effort are invested in building local capacity for project continuation					

C3: Advocacy with Donors and Partners

Code	Statement	1	2	3	4	5
C05	The leader avoids negotiating with donors about sustainability to maintain good relations					
C06	Our leader builds strategic partnerships beyond the project's immediate scope					

C4: Staff Motivation and Development

Code	Statement	1	2	3	4	5
C07	The leader recognizes and rewards staff who contribute to sustainability goals					
C08	The leader models commitment to sustainability					

	through personal actions					

SECTION D: PROJECT SUSTAINABILITY SCALE (Separated into Perceived Future vs. Actual Outcomes)

Instructions: Please first indicate the status of your project (tick one):

□ Ongoing (still receiving donor funding) → Answer Part D1 (Perceived future sustainability)

□ Completed (no longer receiving donor funding) → Answer Part D2 (Actual post-project outcomes)

PART D1: PERCEIVED FUTURE SUSTAINABILITY (For Ongoing Projects Only)

Think about your project's anticipated situation 12 months after donor funding ends. Rate your agreement.

Code	Observable expectation	1	2	3	4	5
D01	The community is expected to continue at least 70% of project activities independently					
D02	Local institutions (government, CBOs) are projected to manage project activities without NGO support					
D03	A financial plan exists to cover at least 50% of recurrent costs from local sources					
D04	Necessary technical skills are present within the community to maintain project outputs					

PART D2: ACTUAL POST-PROJECT SUSTAINABILITY (For Completed Projects Only)

Think about the current situation of your completed project. Rate your agreement

Code	Observable expectation	1	2	3	4	5
D05	The community continues at least 70% of project activities without NGO support					
D06	Local institutions have managed project activities for at least 6 months post-donor fundingt					

D07	Recurrent costs are covered from local sources (community contributions, government, or income generation)					
D08	Project infrastructure (e.g., boreholes, clinics, schools) is functional and maintained					

SECTION E: INSTITUTIONAL ENVIRONMENT (Contextual Factors)

Instructions: Please indicate your level of agreement with these statements about the external environment in which your project operates.

Code	Statement	1	2	3	4	5
E01	Donor requirements strongly shape how we engage with stakeholders					
E02	Government regulations (e.g., CSO Agency) influence our project implementation					
E03	We adopt practices from other successful NGOs in our sector					
E04	Professional networks and standards influence our project approaches					
E05	We sometimes adopt practices mainly to meet donor expectations, even if they don't fully fit our context					