

**STAKEHOLDER MANAGEMENT AND ORGANIZATIONAL EFFECTIVENESS IN
PRIVATE BANKS IN BOSASO, SOMALIA**

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ABSTRACT

This study aimed at establishing the effect of stakeholder management on organizational effectiveness in Bosaso Somalia. Three specific objectives guided this study and these were i) examining the effect of stakeholder management on market share in private banks in Bosaso, Somalia; ii) determine the effect of stakeholder management on financial growth in private banks in Bosaso, Somalia; and (iii) determine the effect of stakeholder management on customer satisfaction in private banks in Bosaso, Somalia. The researcher administered a questionnaire to 133 respondents (sample size). Findings revealed that stakeholder management in private banks in Bosaso Somalia was rated satisfactory and organizational effectiveness. The researcher concluded that stakeholder management contributes to the market growth which sufficiently leads to increase in the market share, stakeholder management significantly influences the financial growth of private banks in Bosaso Somalia, this also meant that improvement in stakeholder management also leads to an increase in the financial growth of private banks in Bosaso Somalia, and finally stakeholder management insignificantly influences customer satisfaction. The researcher recommended that: there is need to improve stakeholder management especially through improving coordination, tooling and improving the state of the stakeholders in order to increase market share growth, there is need to improve the management of stakeholder in banks especially since some of the aspects of customer care were insufficiently handled and managed, hence calling for improving in the customer handling that much affects the effectiveness of the private banks in Bosaso Somalia. The study contributed to new knowledge and revealed the following as indicators to stakeholder management in private banks in Bosaso Somalia; participation, stakeholder relationship and communication. The following are the measurements of organizational effectiveness; market share, financial growth and customer satisfaction.