



**ADDIS COLLEGE**  
**SCHOOL OF GRADUATE STUDIES**  
**MASTER OF SCIENCE IN**  
**CONSTRUCTION TECHNOLOGY & MANAGEMENT**

**“STUDY ON EFFECTS OF STAKE HOLDERS’ MANAGEMENT ON THE  
PERFORMANCE OF A PROJECT IN ADDIS ABABA”**

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**“Study on Effects of stakeholder’s management on the performance of a project in Addis Ababa”**

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**“Study on Effects of stakeholder’s management on the performance of a project in Addis Ababa”. A case of Ethiopian construction works corporation**

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**A thesis submitted to school of graduate studies for partial fulfillment of the requirements for the degree of Master of Science in Construction management**

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**DECLARATION**

I declare that the thesis entitled “**Study on Effects of stakeholder’s management on the performance of a project in Addis Ababa:- A case of Ethiopian construction works corporation**”:- is my original work and submitted in partial fulfillment of the requirements for the degree of Master of Science in Construction Technology and Management. Undergraduate Studies, Addis College is a record of original work carried out by me and has never been submitted to this or any other institution to get any other degree or certificates. The assistance and help I received during this investigation have been duly acknowledged.

Name of student

Date

Signature

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**ENDORSEMENT**

This is to certify that the thesis prepared by Mr. Guja Bekelcho entitled “**Study on Effects of stakeholder’s management on the performance of a project in Addis Ababa: - A case of Ethiopian construction works corporation**” and submitted as a partial fulfillment for the award of the Degree of Master of Science in Construction Management complies with regulations of the college and meets the accepted standards with respect to originality, content and quality.

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## **Abstract**

Stakeholders’ management (SHM) is the process, by which you organize, monitor, and improve your relationships with stakeholders. The study aimed to evaluate the practices, challenges, and effects of stakeholder management (SHM) on project performance in Addis Ababa, Ethiopia, specifically in the case of Ethiopian Construction Works Corporation (ECWC). The researchers used non-probability sampling methods and a mixed qualitative and quantitative approach to select HDP for their study. SPSS software was used to calculate respondents' frequency and percentage, and to analyze dependent and independent variables and regression analysis was used to identify the degree to which independent variables predict the impact of variables on project performance. The study found that traditional SHM practices were prevalent, with 12 types of challenges identified. Additionally, a strong correlation was found between independent and dependent variables, explaining 50.5% of the variance in performance. The ANOVA table's test F value of 12.852 confirmed the validity of the regression model and its applicability to the analysis of dependent variables.

**Key words: - Ethiopian construction works corporation, Housing development project, SHM, performance, Projects, Practices, Communication**

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**Acronyms**

SHM	Stake holder’s management
ETB	Ethiopian birr
ECWC	Ethiopian Construction Works Corporation
PMI	Project Management Institute
HDP	Housing Development project
FDRE	Federal Democratic Republic of ethiopia
WICS	Water infrastructure construction sector
TICS	Transport infrastructure construction sector
BICS	Building infrastructure construction sector
DB	Design and Building
MCP	Mega construction Projects

## **Chapter one**

### **1.1 Back Ground of the study**

Stakeholder management theory, originating from Freeman's 1984 foundational of strategic management, has evolved over time to provide a solid foundation for practice and applied research. Construction project management focuses on planning and managing complex operations required completing a construction project, such as roads or buildings. Meeting the expectations of stakeholders throughout the project life cycle is crucial for project completion. Failure to address stakeholder concerns has resulted in numerous project failures, as construction stakeholders have the resources and capability to halt construction projects.

In today's construction environment, public sector owners face increasing pressure to improve project performance, complete projects faster, and reduce costs. Project management, defined as the application of knowledge, skills, tools, and techniques to project activities to meet project requirements, has been practiced since ancient times. Stakeholders are individuals or organizations actively involved in a project, whose interests may be affected by its performance or completion. The project manager must identify both internal and external stakeholders, manage their influence, and identify stakeholders that could impact the project.

Stakeholder management is crucial for the performance of a project if managed carefully. It includes identifying people, groups, or organizations that could impact the project, analyzing stakeholder expectations, and developing appropriate management strategies for engaging stakeholders in project decisions and execution.

## **1.2 Statement of Problems**

It is extremely difficult to finish the project and satisfy all of the project's stakeholders' needs. Enhanced involvement of stakeholders can aid in controlling their expectations, mitigating unanticipated risks, and releasing constructive energy or minimizing negative actions or responses that could affect the project's success. (Brian et al, 2008)

Zewudu et al, (2015) in their study reveals that local community and projects are separated by the project implementers' and local authorities' inadequate cooperation. Some local government officials accuse project participants of not seeking to address complaints raised by local representatives and local government bodies itself. Conversely, project implementers by attempting to alter road design, place the burden on local government width and path as desired. For the same reasons, even, increased, some local’s express dissatisfaction over less payment of compensation for their assets and the creation of inadequate diversion routes that have an impact on local transportation systems

Several project failures have occurred as a result of project management teams' inability to address the concerns of stakeholders on construction projects, mainly because construction stakeholders have been provided with the resources and tools they need to stop construction projects. ( Damoah et al, 2016)

The success of a project assumes on considering the potential impact of project decisions on all stakeholders throughout the project's life cycle. Therefore, a formal process is crucial to identify, manage, and understand how stakeholders may be impacted by project decisions, react to them, interact with each other, and interact with the project manager, ultimately affecting the project's chances of success. (Leonardo et al, 2013)

To better understand potential impacts on initiatives, stakeholders must be identified and their power and influence mapped. It is possible to develop and implement methods that will

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maximize a stakeholder's positive influence while minimizing any negative effects. For project managers, this becomes a crucial risk-management concern. Many projects have failed as a result of failing to recognize this, mostly because construction stakeholders possess the means and capacity to stop projects. (Nabil Ibrahim et al 2015).

Despite the fact that the topic of stakeholder management practice has been extensively covered in many managements study of projects, there has also been a great deal of research done to incorporate and bring knowledge of stakeholder management into the actual practice of stakeholder management in modern organizations.

According to previous academic research (Alsen et al. (2020), Hofmann,et al. (2014), Karlsen et al. (2015), Olander, (2006), Rebecca et all. (2014)) the primary reason for the project's ineffective performance is inadequate planning of the stakeholder management process, which includes identifying, organizing, planning, monitoring, and regulating stake holders. However, a small number of academics have investigated how stakeholder management affects the project's performance.

There are no many academic studies on stakeholder management in construction projects conducted in Ethiopia (Tsegaye et al. (2017), Dima. (2021), Zewudu et al, (2015) and some of them has not published yet).However, none of them has looked into the empirical relationship between the consequences of the stakeholder management process and project performance in mega construction projects (MPC) which is the most important aspect for a project's advancement, has also not received enough investigation. Ethiopian construction Works Corporation (ECWC) is one of Mega public Enterprise established to carry out the construction of different infrastructures. So, difficult problems would have arisen from poor stakeholder management. Many projects were delayed for rework in different parts of the country and key stake holders being unhappy with the organization. In other ways in the

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projects were proper SH’s management has undertaken the objective of the project has successfully met. So, the above Research gap has initiated the researcher for further investigation.

### **1.3 Research objective**

Research objectives describe what you intend your research project to accomplish. They summarize the approach and purpose of the project and help to focus your research.

#### **1.3.1 General objective**

The general objectives of the research are to assess the Practices, challenges and effects of stake holder’s management on performance of the project.

#### **1.3.2 Specific objectives**

1. To investigate the current practice of stake management in construction projects
2. To investigate the challenges for implementation of stakeholder’s management in construction
3. To assess the relationship between stake holder’s management and the performance of the Construction projects
4. To propose a comment on the current frame work of the SHM practices in ECWC construction projects

### **1.4 Research question**

- What is the stakeholder’s management practice?
- What are the SHM challenges for the failure of construction projects?

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- How is the management of stakeholders related to the performance of the project?
- What are the key issues that must be resolved for the organization to improve effective SHM in the construction projects?

### **1.5 Scope of the study**

The assessment of the research mainly focuses on the effects of stakeholder’s management on the performance of Ethiopian construction Works Corporation which has taken purposively and two housing development sector projects are selected as case study.

### **1.6 Limitation**

The researcher faced the following major challenges (limitations) while conducting this research project work:

- Lack of willingness from some stakeholders to offer the researcher the reliable information needed due to different reason.
- Difficulty to meet all the stake holders’ respondents due to their busy schedule and taking annual leave.
- It was also very challenging to easily meet the project leaders as they were busy to carry out the project tasks.
- Lack of well-organized documents due to poor documentation culture.
- Time constraint, difficulty to summarize the collected and analysis data.

### **1.7 Significance of the study**

The finding of this study will help the organization to see and evaluate how current stakeholder management practices meet the project objective, to analyze the significance, assess the effects of stakeholder management practices that practiced in the organization

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because there was stakeholders’ reaction that determines the feat and failure of project. Effective stakeholder management is critical to project success. One of the primary mechanisms employed in stakeholder management is communication. According to the Project Management Institute (PMI, 2013), 80% of projects reach initial goals, 71% are completed on time, and 76% are completed within budget in businesses regarded to be very effective communicators. Stakeholders have the ability to either obstruct or encourage a project. Stakeholder management is an important activity that is used to achieve mutual understanding of all parties' aims and expectations. It contributes to the development of an idea that will garner support from all interested and affected parties, increasing the likelihood of a successful outcome. According to Coolman (2015), keep a tight check on stakeholders who approve deliverables as well as those who can halt or withdraw funds from your project. Obviously, the same holds true for the stakeholders' influencers. In addition to the aforesaid benefits for organizations, the findings will assist our country in understanding the practices, barriers to applying SHM, and consequences of SHM on project performance. Furthermore, this may inspire our country to pay greater attention to and engage in the practical use of SHM throughout the early stages of project development.

## **Chapter Two**

### **2. Literature Review**

This chapter is separated into two main parts namely theoretical literature review, and empirical review is the main sections of the chapter. Theoretical review explains different theories written by different scholars on the study variables. Definition and discussion on key terms, on the other hand, empirical review attempts to explain the gaps identified from different studies done on similar subject and hence main gaps to be filled.

#### **2.1 Theoretical and conceptual Review of stake holder’s management**

##### **2.1.1 Project Stake holder’s management**

Stakeholders have received more attention throughout the past century in both managerial and academic environments. The Stanford Research Institute report that first popularized the stakeholder notion in 1963 refers to "those groups without whose support the organization would cease to exist." Since then, the meaning has changed and has shifted toward partnerships between stakeholders and corporations that are more active and influential. Consequently, some academics have concentrated on the potential influence that businesses and stakeholders could have on one another. (Matteo et al, 2018)

The project stakeholder management "Project Stakeholder Management includes the processes required to identify the people, groups, or organizations that could impact or be impacted by the project, to analyze stakeholder expectations and their impact on the project, and to develop appropriate management strategies for effectively involving stakeholders in project decisions and execution. (PMBOK-7<sup>th</sup> ed, 2021)

" The procedures help the project team analyze stakeholder expectations, assess how much they influence or are impacted by the project, and create strategies for effectively involving

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stakeholders in project choices, planning, and execution. A construction project comprises a series of complex activities. Different stakeholders have different levels and types of investments and interests in the project in which they are involved. Engaging stakeholders prior to the time a decision is reached is considered crucial for construction projects, managing multiple stakeholders and maintaining an acceptable balance between their interests is crucial to successful project delivery (Shen2, 2015)

Yang et al, (2015) also According to their research, each construction project's planning, implementation, and completion should highlight the evaluation of stakeholders' expectations and impact as a crucial and required phase. In order to promote alignment between the stakeholders and project team, they also recommended that the aim of the project be understood and that stakeholder feedback be sought. If the stakeholders are actively involved in the early planning and design, are included on the project team, and are identified and managed systematically throughout the project delivery process, many issues can be resolved. They claimed that this was the only way to control expectations, expose hidden motives, and determine project priorities.

Since the idea of stakeholder management has taken on a utilitarian position, project managers have tended to respond to other stakeholders using the awareness and knowledge of their own organizations. Smyth claims that while this may have benefits, it does not necessarily enhance net wellbeing. The strategy of care ethics is an alternative. This tactic encourages the growth of links in their natural environment. Project management organizations would need to organize and allocate resources to develop the essential skills in order to strengthen relationship management on projects and across them while safeguarding stakeholder interests.

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This implication is in line with increasingly aggressive strategies and the constraints on teamwork that procurement-led projects impose. (Brian et al, 2008)

Gichimu et al,(2022) forwarded their idea regarding quality and prices, stakeholder management are valued in a project's success. Finally, stakeholder management is crucial for project success and affects whether a project is successful or not. Additionally, the public's involvement in the implementation of a project is essential, and meaningful participation can only take place when the stakeholders are aware of the importance of the projects in which they are expected to participate. Livia et al., (2021) stated that the main theoretical contribution of their work, as stated in their articles, is the integration of project management and study with the socio-environmental perspective inherent in the Sustainability School of Thought. This made it possible for socio-environmental thinking to be incorporated into project stakeholder management by including components that put the environment and other living things at the center of growth. As a result, the following activities are advised for project stakeholder management from their case study:

- The creation of social and environmental space that establishes the interface between the project and the population, whether represented by the community surrounding the project, users of the project outcome, or other people, allowing some participation in decision making;
- The use of contract models that allow the fulfillment of favorable requirements to social and environmental elements, while meeting the needs and wishes of external stakeholders;
- Hiring project managers with a keen interest in adapting the project to the social and environmental surroundings;

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Researchers have highlighted the connection between supply chain (SC) management and stakeholder management, emphasizing the importance of understanding stakeholders' interests through knowledge exchange and communication. However, little guidance is provided on how to effectively perform stakeholder management in multi-stakeholder initiatives. (Hofmann, et al., 2014)

### **2.1.2 Stake holders**

Stakeholders are individuals or groups directly or indirectly affected by an intervention, including clients, end-beneficiaries, entity management, investors, suppliers, local communities, NGOs, and local governments. Freeman defined stakeholders as those who can affect or are affected by an organization's objectives. The main stakeholders include shareholders, customers, employees, local communities, suppliers, and distributors. Additional groups include academics, NGOs, government, and the media. Stakeholders can be classified as internal (directly connected to the organization) or external (not directly connected but able to affect an organization's outcomes (Freeman, 2004)

### **2.1.3. Accountability to stakeholders Stakeholder**

Accountability deals with management and reporting of social and environmental performance to both internal and external stakeholders (Katsulakos, 2006:16). An ever-increasing number of organizations now put out regular publications, to highlight their Corporate Social Responsibility (CSR) behavior and activities. This phenomenon has come to be known as ethical reporting. Some companies issue regular “sustainability” or “social responsibility” reports which focus on environmental sustainability and social performance. Such reporting is important information and serves the purpose of the firm’s accountability to stakeholders. The days of firms, only giving financial performance accounts are fading

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(Adams, 2004: 732). Multinational companies in particular seem to take ethical reporting very seriously. The Unilever Ghana limited issues yearly sustainable development reports, which focus on their ethical, social and environmental initiatives (Unilever Ghana sustainability report). Corporate portrayal of environmental, social and ethical performance might be different from sources external to the organization. A good ethics report should span both positive and negative aspects of all “material impacts” puts it, “reports should give a balanced view of the key ethical issues facing the company”. This is, however, hardly the case in reality. It is only logical that to present a balanced view, from a stakeholder perspective, (after all the report is to give accountability to stakeholders) of the ethical issues key stakeholders must be involved or consulted (Adams, 2004). The European commission has attempted to encourage organizations to agree to third party independent auditing of CSR and sustainability reports, stating that “Verification by independent third parties of the information published in social responsibility reports is also needed to avoid criticism that the reports are public relations schemes without substance. Indeed such services are already beginning to be offered by a variety of companies, which would seek to perform them following agreed standards. The involvement of stakeholders, including trade-unions and NGOs, could improve the quality of verification” Growing stakeholder expectations coupled with regulatory and Competitive pressures demand robust and objective ethical (CSR/ sustainability) reporting so that CSR efforts would be fully recognized and rewarded

### **2.1.4. Stake holder’s management process**

The procedures involved in Stake holder’s management process of mega construction project have been widely discussed in existing literature. In their pioneering works, they identify four simple steps, namely stakeholder identification, classification, analysis and strategy development. The six-step Stake holder’s management process model reviewed by

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(Ka Yan Mok a, 2014) is another model. These steps include defining objectives, resources and operational details; identifying stakeholders; evaluating their interests and impacts; reporting evaluation results; formulating stakeholder management strategies; and monitoring effectiveness. Summarizing these procedures, stakeholder identification, stakeholder analysis, strategy development and performance control appear to be four essential stages in the Stake holder’s management process of mega construction project. On other ways, there is an acknowledged need for a complete, systematic and formal SM process model for application in Mega Construction Projects (MCP) (Yang et al., 2011). Some scholars focus on the spatial dynamics of the stakeholder management process in mega construction project. Stakeholder structure and interests vary with their spatial distance from the project, with stakeholders gaining higher salience as they become geographically closer to the project (Ka et al,2013). This concept of spatial dynamics is particularly useful in the stakeholder management process of mega construction project with transnational involvement. The interests and actions of stakeholders at different spatial scales are influenced by locational factors such as local culture, media, political 4e stakeholder boundaries and unexpected negative effects on project execution. Some existing literature pays particular attention to the Stake holder’s management process at early project phases. For example, at the project planning stage, the study of alternative project solutions and communication of project values are significant parts of the Stake holder’s management process (Oleander et al, 2008). Mega construction project is characterized by long lifecycles and complicated division of works (Chou et al, 2012), placing focus solely on the Stake holder’s management process of early project phases is insufficient to manage stakeholder claims in complex project environments. Fully illustrating the Stake holder’s management process at every project stage along the entire lifecycle of mega construction project will be needed.

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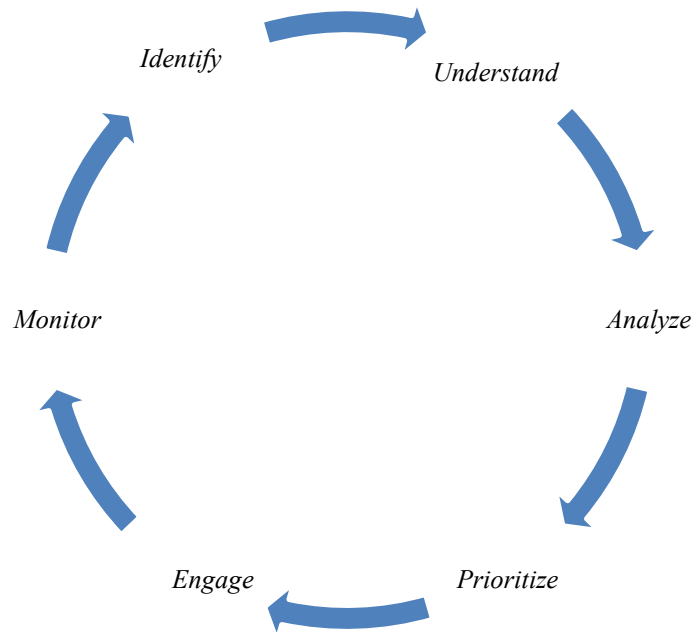
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The systematic (updated) framework for stakeholder management in construction is discussed in more detail by (Rebecca et al, 2014) in the following section.

The project stakeholder management processes that are clearly presented on (Institute, PMBOK 6th guide Ed. 2017) are as follows.

- **Identify Stakeholders**-on a regular basis, locate and document relevant information regarding project stakeholders' interests, involvement, interdependencies, influence, and potential impact on project success.
- **Stakeholder Engagement Plan**-the process of developing techniques for including project stakeholders based on their needs, expectations, interests, and potential impact on the project.
- **Manage Stakeholder Engagement**-the process of communicating and collaborating with stakeholders in order to satisfy their needs and expectations, manage concerns, and encourage appropriate stakeholder engagement participation.
- **Stakeholder Engagement monitoring**-the practice of tracking project stakeholder relationships and adapting engagement strategies and plans to engage stakeholders.

**Figure 2.1 Routing Active Stakeholder Engagement**



**Source; (Terje Karlsen, 2015)**

Jan Terje Karlsen (2015) highlights the importance of a stakeholder management process for several reasons, including familiarising oneself with the project's stakeholders, ensuring a balance between contribution and reward, serving as a foundation for stakeholder management, identifying stakeholders involved in determining project goals, and evaluating success.

The first stage focuses on starting the process. The aim of the stakeholder management process is a key duty at this phase. This step also covers process-related activity planning. Some of the questions to be addressed include: How should the process be organized? How much time and money will we devote to the process?

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The second phase entails identifying stakeholders. This comprises both project stakeholders and potential project stakeholders. What one team member sees as a prospective stakeholder may be overlooked by others. As a result, this identification approach should take place in a group of participants with diverse backgrounds, which will strengthen support and ownership of the stakeholder management process. The next phase is to examine the stakeholders. One option is to assess the stakeholder in respect to certain concerns, such as his or her area of interest in the project, desired contribution to the project, expected rewards, domains, attitudes, potential moves, and so on. Another way is to evaluate the stakeholder on two dimensions: the potential to threaten or affect the project, and the potential to collaborate with the project.

The third step emphasizes on Analyzing the SH’s. to do this Analysis one has to take in to consideration the evaluation of the Stakeholders interest and his desire contribution to the Project. On the other way, the evaluation of stakeholder is identifying based on their potential for threatening or affecting the project and Collaboration with the projects. savage et al.,(1991) in their paper Assesses based on the above evaluation the project manager to classify the stakeholders into four categories- supportive, marginal, non-supportive, and mixed blessing. The **supportive stakeholder is low** in potential to affect the project but high in potential for collaboration. This is an ideal stakeholder that supports the project's goals and actions. Most project managers wish all their stakeholders were of this type. Supportive stakeholders may include suppliers, consultants, and financial institutions. Marginal stakeholders are neither highly threatening nor especially collaborative. Although they potentially have a stake in the project and its decisions, they are generally not concerned about most issues. Stakeholders of this kind may include third parties like neighbors or groups of environmentalists; however, certain issues such as pollution from the project could activate one or more of these stakeholders, thus increasing their potential for either affecting

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or cooperating. Non-supportive stakeholders that have a high potential to affect the project but are low on the potential for collaboration are the most distressing for a project and the project manager. Typical non-supportive stakeholders include competing organizations, labor unions, public authorities, and sometimes the media. The mixed blessing stakeholders can play a major role in the project. Here, the project manager faces a stakeholder whose potential to affect or to collaborate is equally high. This group of stakeholders may include clients, end users, and line organization. These categories of stakeholders are shown in Exhibit 6. The survey data (Exhibits 2 and 3) indicate that some stakeholders are more important and cause more problems and uncertainty to the project than others. These results may indicate that there are some stakeholders we need to understand better. The fourth step focuses on communication of the stakeholder assessment to both the management and the project members. The purpose of this step is that both the management and the project members should get an idea of who the stakeholders are and how they can affect the project. Such a common understanding of the situation is also important in regard to development of strategies for dealing with the stakeholders. The fifth Step in managing project stakeholders is to develop implementation strategies for dealing with them. Based on the typology of project stakeholders, four different strategies are identified-involve, monitor, defend, and collaborate (Savage et al., 1991). The supportive stakeholders are often ignored as stakeholders to be managed, and therefore their cooperative potential may also be overlooked. This group of stakeholders should be informed and involved in relevant issues. By choosing this strategy the project manager can encourage cooperation potential to a maximum extent. Marginal stakeholders whose potential for both affecting the project and for collaboration is low should be monitored. By recognizing that these stakeholders' interests are narrow and issue-specific, the project manager can minimize the project

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expenditure of resources. Only when making decisions that may have a negative influence should the project manager monitor the interests and possible moves of stake holders.

**Figure 2.2 Project stakeholder categories**

		Potential to affect the project	
		High	Low
Potential for Collaboration with the project	Low	Mixed Blessing	Supportive
	High	Non-Supportive	Marginal

**Source; Karlson, Project Stakeholder Management, 2015**

**Figure 2.3 Project stakeholder management strategies**

		Potential to affect the project	
		High	Low
Potential for Collaboration with the project	High	Collaborate	Involve
	Low	Defend	Monitor

**Source; Karlson, Project Stakeholder Management, 2015**

Stakeholders on the Marginal:-A defensive strategy is the best way to manage unsupported stakeholders at first. Such a defensive strategy attempts to lessen the reliance that underpins the stakeholders' interests in the project. This method can be tough at times; however, some suggest that the non-supportive stakeholder is best managed by keeping him or her satisfied

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at all times. The mixed blessing stakeholder, who scores high on both dimensions of prospective project impact and possible cooperation may be best, managed through collaboration. We contend that the collaboration must be founded on mutual trust and must benefit both parties. Collaboration can occur on both an administrative and operational level. (Karlsena, 2015)

Collaboration can provide various benefits, such as lower administrative expenses, better resource utilization, and increased communication. The figure above illustrates these four options. The sixth phase is all about following up on the plans and actions that have been put in place. If the stakeholder's connection with the project has altered, a new strategy or course of action should be considered. (Karlsen, 2015)

### **2.1.5 Pre-requisite**

Rebecca et al, (2014) have discussed on their paper that prerequisite for stakeholder management is defined as managing stakeholders who have obligations in the economic, legal, ethical, environmental, and cultural spheres.

Stakeholder management is based on managing stakeholders who have obligations in the economic, legal, ethical, environmental, and cultural spheres. It is regarded as a prerequisite because, the main goal of stakeholder management is to identify the particular groups or individuals that the management team should take into account when conducting management activities. Social responsibility as the responsibility to produce goods and services, sell them at fair prices, and make a profit. Legal responsibility refers to the responsibility to uphold the law, and ethical responsibility refers to those matters that are not covered by the law but are nevertheless expected by society. Air, plants and animals, dust, water, and noise are all factors that need to be taken into account. Environmental protection and the provision of wholesome living circumstances are the goals. Cultural diversity,

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particularly distinctions in language and tradition, is related to cultural responsibility. (Rebecca et al, 2015)

### **2.1.6 Stakeholder Identifications**

Tsegaye et al, (2017) described the identification of stakeholders is the first stage in creating a project stakeholder management plan. These are individuals or groups who actively participate in a project or whose interests may be affected, either favorably or unfavorably, by its execution or completion.

Karlsen, (2002) Clarifies the identification of stakeholders encompasses both actual and potential stakeholders, as well as stakeholders that are active in the project. Several methods, such as expert interviews, group gatherings for brainstorming, and the use of checklists, can support this effort. Some team members may not immediately recognize what another team member perceives as a prospective stakeholder. The identification process should therefore be conducted with a diverse set of participants in order to increase support for and ownership of the stakeholder management approach. According to IFC (2007), Identification of stakeholders and early consultations during planning can lay the groundwork for partnerships with key stakeholder groups as well as help identify potential stakeholder representatives for the Local Project Appraisal Committee, Project Board and/or steering committees. The stakeholder analysis will need to be updated as the project is further defined and additional interested and potentially affected stakeholder groups are identifiable. The stakeholder analysis should be a transparent, participatory process which provides the basis for the stakeholder engagement plan.

The stakeholder identification group consists of management tasks for locating and gathering information (data) that will be utilized in the following management tasks. The (1)

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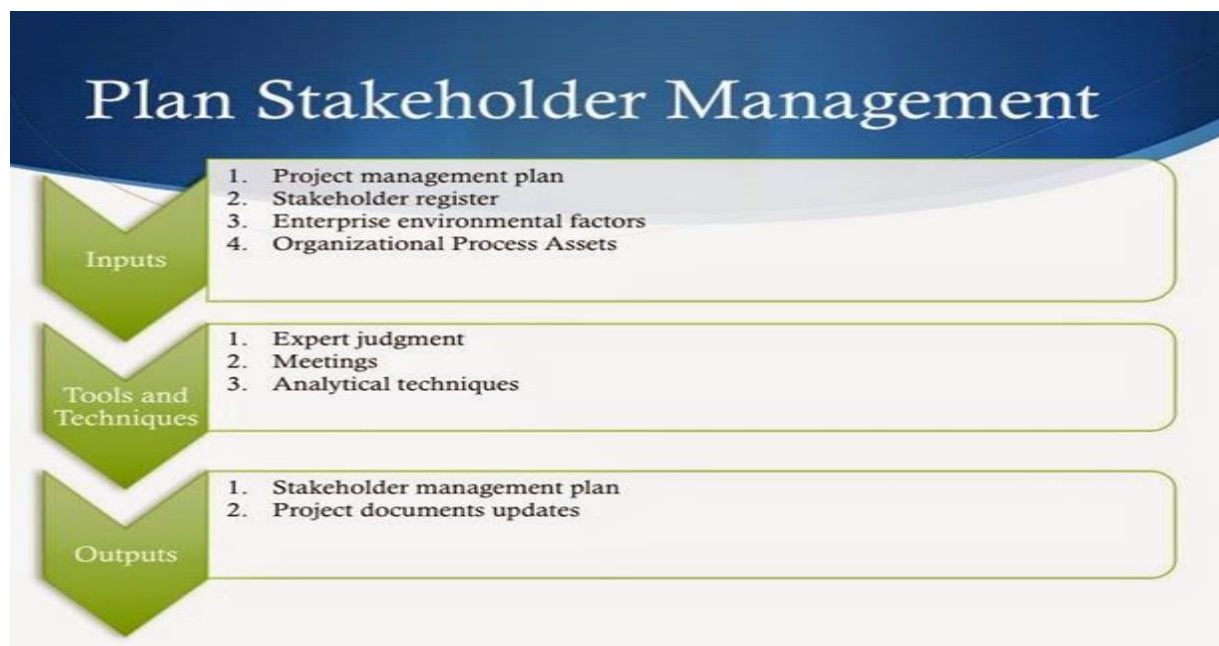
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management objectives, (2) stakeholder list, and (3) stakeholder information sheet are the group's outputs. (Rebecca et all, 2014)

### 2.1.7 Stakeholder Management plan

As with other planning processes, there are “generic” tools and techniques that are used in practically all knowledge areas, such as expert judgment, decision making, and meetings. You talk to the people who know about your knowledge area, you get together with your project team in meetings, and you make decisions about what goes in the management plan. (PMIBOK, 2018)

**Figure: 2.4 Stakeholder Management Inputs, Tools and Techniques and Out puts**



*Source; PMI (2018) PMBOK 6th Edition*

### **2.1.8 Monitor Stakeholder Participation.**

Any project's success depends heavily on its stakeholders. Including stakeholders in project management activities is crucial. Effective communication between the project managers and the team members is essential for keeping them interested in the project. Aside from addressing their issues, managing and controlling stakeholder engagement also involves anticipating various project requirements and ensuring that the stakeholder engagement plan is upheld.

1. The control stakeholder engagement process in project management keeps an eye on both the stakeholder relationships and the overall project. By modifying various stakeholder engagement tactics, it is accomplished. The key advantage of this project management activity is that it contributes to increasing the effectiveness of stakeholder engagement activities as the project life cycle changes as a result of various environmental and project requirements changes.
2. The issue log, data on work performance, and other necessary project materials must all be input into the control stakeholder engagement process in order to develop the management plan. The work performance data, modification requests, and revisions to the management plan, project papers, and organizational procedure will all be produced using all of these inputs.
3. The control stakeholder involvement assures that the stakeholders will remain committed throughout every phase of the project. Additionally, it makes sure that their expectations are satisfied and foresees potential issues so that they may be solved throughout the project's lifecycle.

It is crucial to remember that the project's stakeholders have a significant impact on both the project's implementation and development. This is why the control stakeholder engagement process is crucial to project management since it constantly involves the stakeholders in all

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phases of the project's life cycle, including its adjustments. The fifth version of the PMI (2017) provides a definition for above term.

According to Monitor Stakeholder Engagement Process PMBOK’s published Roseke (2019) the practice of monitoring project stakeholder connections and adjusting techniques for engaging stakeholders through adjustment of engagement strategies and plans is known as monitoring stakeholder engagement. The key benefit of this process is that it maintains or increases the efficiency and effectiveness of stakeholder engagement activities as the project evolves and its environment changes." By monitoring and controlling stakeholder engagement, we can sustain and improve the quality and efficacy of our engagement activities.

### **2.2 Project Performance**

The most crucial aspect of project performance is avoiding the project's failure to stay within the allocated budget, time, or space for approvals, design, or occupancy, as well as from failing to meet the necessary technical requirements for quality, functionality, safety, and environmental protection (Flanagan and Norman 2003). In order to achieve the project's goals and optimize revenue, project performance guarantees that businesses limit the effects of unpredictable and dangerous occurrences and take advantage of the opportunities for those events to occur (Kululanga and Kuotcha, 2010). The time and budget project advantages are where project risk management for small businesses shines. It makes sense that there are just as many project risk management models as there are generic risk management plans. The three primary components of project success—cost, time, and quality—will serve as the project's performance criteria (Mohammed, 2002). A product's quality is determined by all of its features that are necessary for it to fulfil its intended function and satisfy the customer. In order to guarantee the efficacy and adherence to quality performance, design and contract agreements should have a clear and explicit specification

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of quality requirements. Cost, time, quality, and profitability will be the project performance measures used in this study because small and medium-sized businesses prioritise project returns over capital expenditures. In Kenya, the most useful indicators of project performance have been the project's cost, quality, timeliness, customer or stakeholder satisfaction, and attainment of its aim (Nyikal, 2011). Research on stakeholder participation in integrated water resource management in community water management projects in Cameroon was conducted by Lekunze (2001). By contrasting the outcomes of the various methods employed, the study examined how young people are involved in the management of water resources. According to the study, institutions that employed a stakeholder participative approach and included youngsters were more likely to succeed than those that did not take this strategy into account Atiibo (2012). However, looked at the difficulties in managing stakeholders and how they affect project management in the context of advocacy and empowerment in Ghana's upper east. The study discovered that while the interests and functions of the major stakeholders were found to be extremely important to the operations, stakeholder management was primarily found to be informal and ad hoc in nature. The work of the organizations was found to be significantly impacted by issues such as anti-stakeholder leadership, entrenched viewpoints, beliefs, and practices, unhealthy competition, conflicting interests, poor commitment, limited interest, understanding, and appreciation Menoka, (2014) conducted a study on the relationship between project performance in the construction industry and stakeholder involvement. In order to achieve construction sustainability and enhance the performance of building projects, the study concentrated on stakeholder involvement. A framework was created that combined project performance driven by sustainability with stakeholders. This study used mixed-method research as the optimal research strategy to conduct an empirical inquiry. ANOVA showed the differences in how participants saw their positions and how their organisations strategically focused on

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stakeholder involvement, construction sustainability, and construction project performance. A conceptual framework that emphasized the preparation and presentation of stakeholder involvement to improve the performance of building projects by achieving construction sustainability was established based on the results of the questionnaire survey and interview. This developed framework showed how useful such involvement can be in predicting the expectations of various stakeholders from the efforts that may have an impact on behavior. O'Halloran (2014) looked on project managers' knowledge of stakeholder management in the Irish construction sector. According to the main research's findings, project managers in the Irish construction sector thought the great majority of stakeholder analysis and involvement techniques were successful. The specific 15 approach chosen is frequently based on the stakeholders and project's peculiarities. According to the findings, construction project managers in Ireland are more likely to use standardized methodologies while conducting stakeholder management procedures. Furthermore, the participants fervently support the implementation of a project stakeholder registry and the pivotal function of stakeholder management in accomplishing prosperous projects.

### **2.3 Empirical literature review**

#### **2.3.1 The significance of stakeholder management**

A study by Claus Beringer (2013) found that stakeholder involvement is crucial to a project's success. While the demands, goals, responsibilities, and priorities of each project stakeholder vary, there is a reciprocal relationship between stakeholders and project success. Since their choices will affect the project, they also have a chance to have an impact on how the project turns out. In order to meet stakeholder needs and satisfaction, a crucial project success component, an efficient and structured stakeholder management process is essential.

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Governmental agencies, businesses, and people can all benefit greatly by managing stakes. The Austrian example given above demonstrates that stakeholder management may be extremely beneficial to both government entities, enterprises, and individuals. Ezekiel Chinyio et al. (2010). The aforementioned Austrian example shows how efficient stakeholder management, especially when done through e-government and e-justice, results in win-win situations without unfavorable side effects. The electronic archiving system created in Austria has the following advantages for all parties

Independence of time and location when accessing or storing documents time savings from task reduction in the process a drop in organizational effort and a commensurate decrease in taxation

Greater openness resulted from improved data security, which reduced the possibility of errors and abuse.

According to Roba, et al (2013) study, the fundamental tenet of project stakeholder management is that the project team will raise the likelihood of project success by persuading stakeholders to establish an effective plan strategy. The first stage in a stakeholder study is identification. Contrarily, as the joint problem description and stakeholder recognition are intimately linked, stakeholder analysis must be carried out iteratively.

### **2.3.2 The Difficulty of Managing Stakeholders**

Stakeholder management is a procedure and control that needs to be planned out and directed by guiding Principles. Within businesses or projects, stakeholder management develops a strategy using data (or intelligence) obtained via the following common processes: stakeholder identification, stakeholder analysis, stakeholder engagement,

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stakeholder matrix, and stakeholder communication. As your stakeholders have the power to make or destroy your project, project stakeholder management is a crucial stakeholder competence (Wikipedia, 2010).

According to Wang’s, (2012) study on project communication and performance in China, projects fail throughout the planning and execution phases but not the final phase. Project Stakeholder Management by Karlson, 2002 Additionally, according to his research, communication has the ability to make or break a project. Project managers are therefore essential for communication. The cooperation between numerous stakeholders is what makes project management successful. The study found that communication had a substantial impact on the project schedule and that different project communication challenges had different implications on project performance. Additional problems and uncertainties caused by stakeholders that result in project failure include inadequate resources committed to the project, changes in the project's scope of work, unfavorable press coverage of the project, and negative community reactions to the project. Some project participants will raise a lot of doubt. In order to prevent or reduce the likelihood of these problems, it is interesting to consider which project stakeholders frequently introduce the most ambiguity and difficulties.

**Table 2.1 Summary of key author’s literature Review**

<b>Year</b>	<b>Authors</b>	<b>Key Words</b>	<b>Book/Journal Title</b>
2020	Alsen Fromsa, et al.	Building industry, cost,time,Quality,construction managementfactor,poor workmanship	Effects of Poor Workmanship on Building Construction and Its Implication to Project Management Practice

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2018	BrunoS. Silvestre et al	When stakeholder collaboration becomes conducive to corruption	Challenges for sustainable supply chain management
2021	Dima et al		Assesment on stake holder management practice and challenges
2017	TsegayeZekarias Gurmu, Ammen Diakon Debebe and Dechasa Seifu Ashenafi	The study also revealed challenges like low commitment, conflicting interests, personal benefit seeking, ineffective communication, low understanding of different issues, deviation from common agreement, unrealistic expectations and high cost of management	Assessment of Practices and Challenges of Project Stakeholder Management: Evidence from Mission for Community Development Program (MCDP) Projects, Addis Ababa, Ethiopia

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2016	IsaacSakyi Damoah and Cynthia Akwei	Project failure, Extent of government projectsfailure,Failure/success criteria, Government projects failure	Government project failure in Ghana: a multidimensional approach
2018	Bruno S. Silvestre et al	Sustainable supply chain management; stakeholder collaboration; cooperative advantage; corruption triangle; turbulent environments; emerging economies	Challenges for Sustainable Supply Chain Management: When Stakeholder Collaboration Becomes Conducive to Corruption
2015	Jan Terje Karlsen	The article describes a formal and systematic project stakeholder management process.	Project stake holders management
2008	Brian Atkin & Martin Skit more	The way the approach to risk and uncertainty management influences the approach to contracting. A key feature is the	stakeholder management in construction

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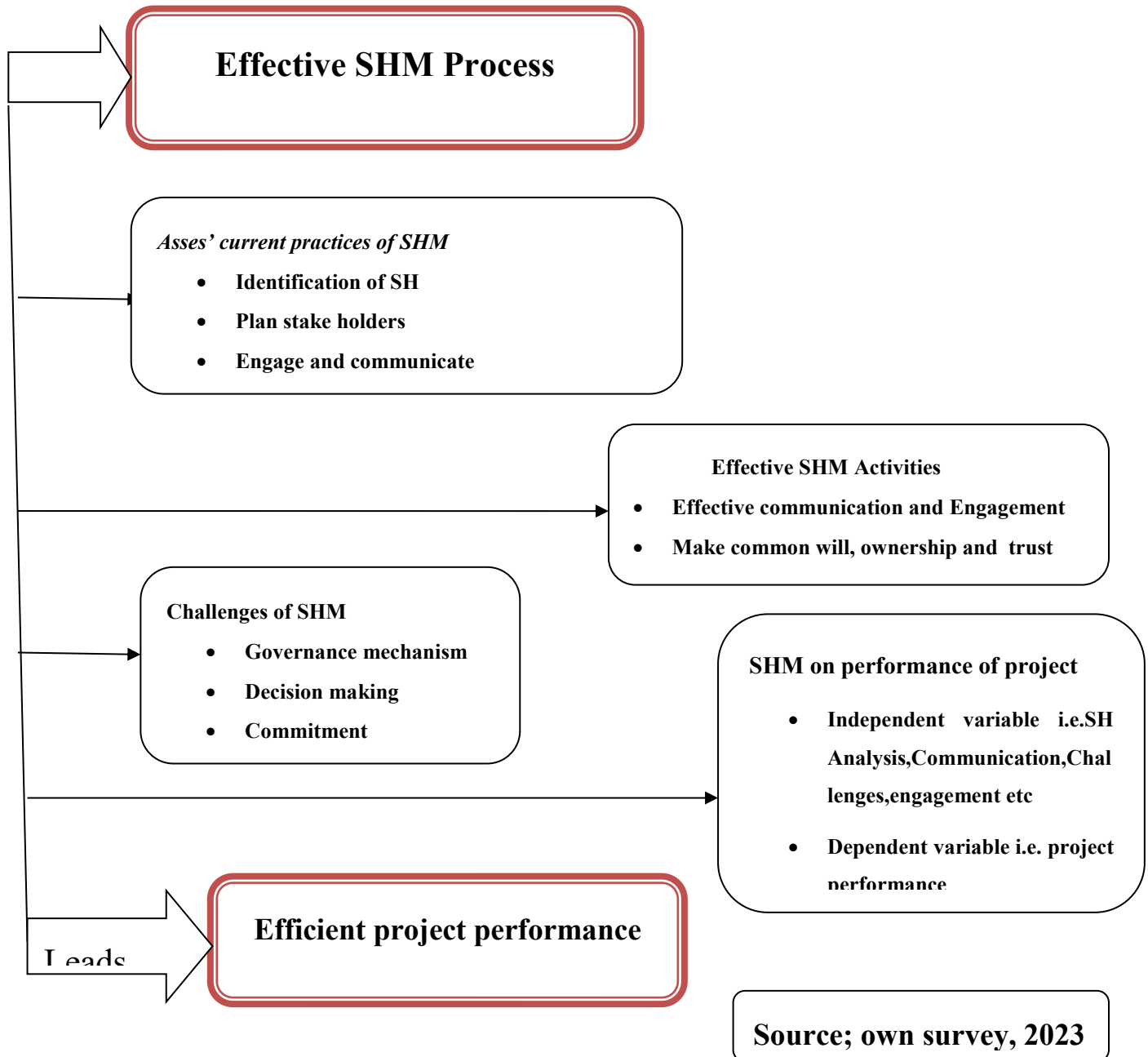
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		use of a balanced incentive and risk sharing (BIARS) framework to consider all specific form of contract choices, like fixed price, design and build (D&B), and design, build, finance and operate (DBFO)	
2015	Nabil Ibrahim El-Sawalhi and Salah Hammad	The stakeholder management process relies on hiring a competent project manager, transparent evaluation of alternatives, effective communication, setting common goals, and exploring stakeholder needs and expectations.	Factors affecting stakeholder management in construction projects in the Gaza Strip
2015	Sintayehu Assefa, Zewudu Tefera Worke, Murad Mohammed	poor engagement between external stakeholders and project doing parties, and short time, less budget and attention given at design stage from stakeholders	Stakeholders Impact Analysis On Road Construction Project Management in Ethiopia: A Case Of Western Region

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**Fig 2.5 Conceptual Framework**



## **Chapter Three**

### **Research methodology**

#### **3.1 Introduction**

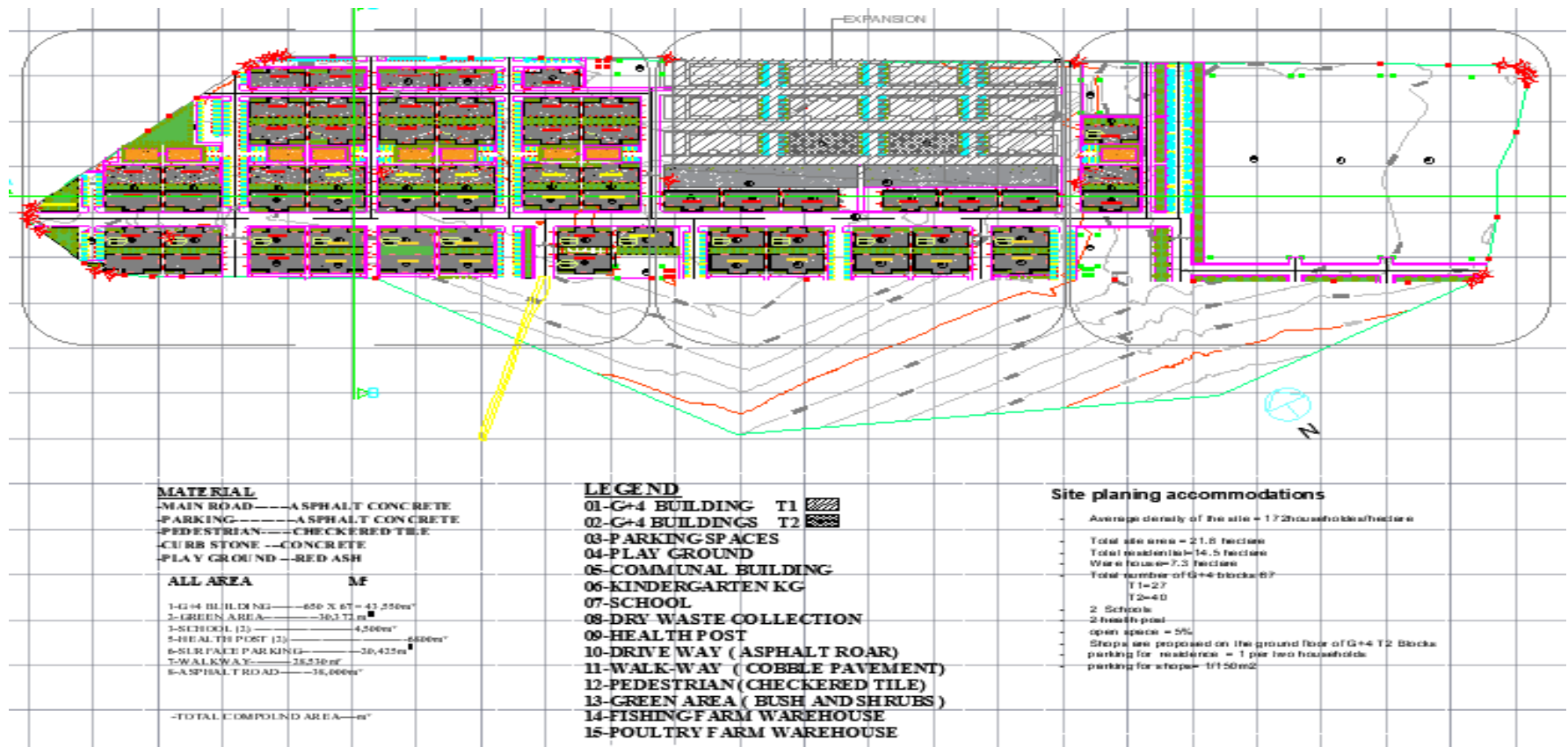
This chapter deals with use of different ways and methods in order to assess and gather important information or data which uses for clear interpretation and analysis of the study. The step-by-step technique used to identify a solution to a specific problem is known as research methodology. The methodology used in this study outlines the steps required to acquire the information needed to structure the research questionnaire, collect data, analyze the collected data, then evaluate and report the results. The methodologies used in this survey are detailed in the sections that follow.

#### **3.2 Study Area**

The study was undertaken in Addis Ababa, Ethiopia. This area was selected since major parts of all stake holders of the project are found in this area. So, we can easily get the real representative of all stake holders of the projects in this area to conduct the survey. Specifically the area of the study is located in akaki kality subcity behind the the corporations office around the meseltegna (wuha limat).

**Figure 3.1: Map of the study area**

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Source; Engineering Department of HDP, 2023

### **3.3 Research Design**

According to Kerlinger (1986) research design is the plan and structure of investigation considering so as obtaining answers to research questions or test the research hypothesis. In this study, a descriptive research design used; the major purpose of descriptive research is description of the state of affairs as it exists at present. Then this study describes and explains critically the practice, challenges and the effects SHM on the performance of public construction project.

There are two basic approaches to research: quantitative and qualitative (Leedy and Ormrod, 2005). **This study was conducted using both quantitative and qualitative approaches.** It is qualitative because it accesses the opinions of the professional’s view and perception on the SHM of the projects. It is quantitative because it tries to investigate by measuring the SHM effects on the performance of the projects on selected projects.

### **3.4 Population**

According to Neelam (2014), the population is the total number of individuals from which a sample is drawn. The study was conducted in Ethiopian construction Works Corporation projects. The Population of the Research is only the undergoing corporation projects due to the fact that all stake holders were actively available.

ECWC is a public enterprise established on 18 Dec,2015 based on the council of ministers Regulation No.366/2015 and The corporation is the combination of the three formerly independent public enterprises namely The Ethiopian Road construction corporation, the Ethiopian water works construction enterprise and Ethiopian prefabricated building parts production enterprise, While the formation of the corporation is recent phenomena, but the history of the above mentioned three former enterprise is traced back to the late 1940s and early 1950s. The corporation has been undertaking various construction projects with multi disciplines as it is the combination of different enterprise that makes the ECWC the home for many different stake holders. Hence, the corporation is selected among others due to the fact that

- ✚ It engages in almost all construction Activities,

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- ✚ ECWC is the home for many stake holders and the huge construction companies than all others in Ethiopia.
- ✚ So, these above reasons initiate the researcher to select ECWC of HDCP as the population of the study.

**Table 3.1 Number of Active projects in the corporation Sectors**

<b>T. N</b>	<b>Name of the corporate sectors</b>	<b>Total Number of Projects</b>
1	Water infrastructure Construction sector	6
2	Transport infrastructure construction Sector	25
3	Building infrastructure Construction sector	18
4	Housing Development Department	6
<b>Total construction Projects</b>		<b>55</b>

**Source; corporation Annual Reports**

### **3.4.1 Sample and sample Size Determination**

A ‘sample’ is a subset of a population chosen to be representative of the entire population. We must take a sample because we cannot research the entire population. The Researcher has used non-probability sampling to generalize the sample's findings to the target samples. As a result, the two projects of Housing development sector of the corporation has selected purposively. The reason for selecting these sectors projects are stated as follows.

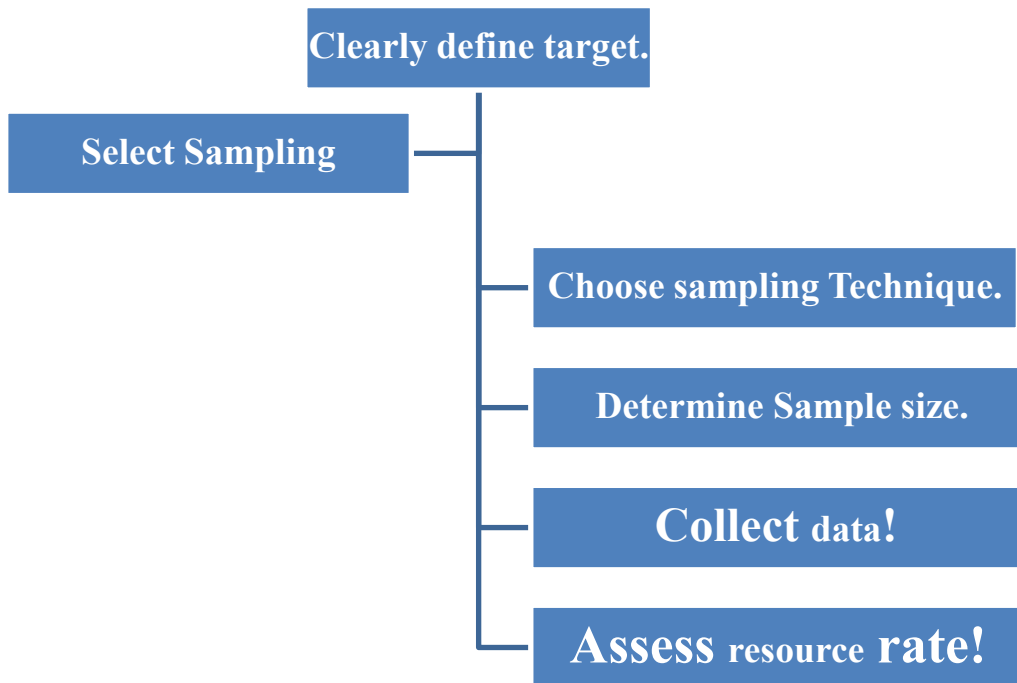
- The Strategy of stake holder’s management throughout all projects are homogeneous as strategic plan for all the corporations are the plan for all sectors.

- The Location of the area is feasible to conduct study in all stake holders are situated here in Addis Ababa.
- The sector aim is to solve the housing issues of Addis Ababa people which is sensitive area of stake holders.
- The sectors are applying new technology called off site precast concrete methods which is modern technology to enhance timely completion of the project so as to satisfy the corporations Stake holder.
- In addition to modern construction Technology the sectors are applying Digitalization Reform Using CCTV camera to monitor and manage the public projects for fulfilling Accountability through passing timely information for the concerned body

### **3.4.2 Sampling technique**

According to Barry H. (2005) the researcher may not be able to study the entire population of interest, it is important that the sample, which is the sub-set of/or representative of the population, have selected. - The researchers have followed non-probability (purposive) sampling methods to choose Ethiopian Construction Works Corporation (ECWC). Then multi stage sampling technique to select the samples that represent the entire population. First the selected company has stratified as organization sectors of their structure. Finally, one sector of the corporation has selected based on its feasibility for study depending on the time, cost and geographical location of sectors projects. Additionally, the reason for selection of ECWC and necessary stapes followed were discussed as follows.

**Figure 3.2—shows necessary steps followed in sampling.**



**Source, (Taherdoost, 2016)**

Purposive sampling is a type of non-probability sampling in which researchers chosen samples of the population to participate in their surveys based on their own judgment. Because, Ethiopian Construction works corporation is one of mega construction Company that engage in multi-construction activities and include multidisciplinary staff and stakeholders. The size of the population had been determined based on their disciplines purposefully selected from the contractors, Consultants and Clients that have a direct relationship with the title of the research. Following the determined population, respondents have organized according to their discipline. The sample size was determined using Yamane’s formula and hence, purposively the researcher has selected Housing Development Center projects to represent the population. Because the time and cost of the research are very short, the researcher prefers the non-random sampling method and the purposeful selection of the sample.

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**Table 3.2 Active HDC projects information**

S. No	Project Name	Contract Amount ETB	Project Location	Client	Contractor
1	DB of Housing development projects to Akaki Kality sub-city woreda 05	4,898,682,600.00	A.A	Addis Ababa City Administration office	ECWC(HDC)
2	DB of Prefabricated Housing development projects Nifassilk Lafto sub-city	103,500,000.00	A.A	FDRE, Ministry of Defence	ECWC(HDC)
3	DB Agreement of the F.D.R.E Commando and Airborne Force Quarter Building Complex Project at koye Feche	1,441,549,729.60	A.A	FDRE, Ministry of National Defence Engineering Main Department	ECWC(HDC)
4	National Intelligence and Security University College Project	481,808,993.88	A.A	National Intelligence and Security University College	ECWC(HDC)
5	Design and Build Chaka Housing Project	1,315,829,349.00	A.A	FDRE.Prime Minister Office	ECWC(HDC)
6	Ceramics Tiles Manufacturing Project	252,618,493.81	A.A	KAM Ceramic Product PLC	ECWC(HDC)

**Source:** HDP Annual Reports

Hence, from the above projects the DB of Prefabricated Housing development projects Nifassilk Lafto sub-city and Design and Build Chaka Housing Project has selected as case study for this research by considering their homogeneity of the projects to represent the population.

The sample size should be carefully calculated so that it is sufficient to derive accurate and generalizable results. The determination of an appropriate sample size necessitates particular information about the problems being investigated in the community under study. Sample size to be referred to the appropriate number of respondents would choice for the study, and it is extract from the total population of reason for probability is that to select respondents from the stakeholders.; considering the fact that studying a subset of the population would be manageable size relative to study the entire population due to time, cost and accessibility.

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Thus, the sample size would be chosen so as to represent the whole population. The sample size was determined by using Yamane (1967:886) that provides a simplified formula to calculate sample sizes:

For the sake of cost and time saving, and homogeneity of the population was used degree of precision by 0.05 and it is very vital and usual as well to take a minimum sample size and provides a simplified formula to calculate sample sizes:

$$n = N / (1 + N(e)^2) = 79 / (1 + 79(.0025)) = 79 / 1.1975 = 64$$

$$n_{cl} = (N_{cl}/N) * n = (11/79) * 65 = 8$$

$$n_{Co} = (N_{Co}/N) * n = (10/79) * 65 = 8$$

$$n_{Ct} = (N_{Ct}/N) * n = (58/79) * 65 = 48$$

Where n is the sample size; nCl is the calculated sample size from client, nCo is the calculated sample size of Consultant and nCt is the calculated sample size of Contractor; NCl, NCo, and NCt the population number of client, consultant and contractor respectively; N is the sum of population client, consultant and contractor; e is the level of precision assumed to be 5% The following Tables shows the Details of sampling Process.

**Table 3.3 Samples and Sample size Information**

Samples of stake holders	Consultant		Contractor		Client		Grand Total Samples
	Target Population	Samples	Target Population	Samples	Target Population	Samples	
Deputy CEO			1	1			1
Department Manager			2	2	1	1	3
Team Leader			8	6			10
Site Engineer (Forman)	3	2	22	18	4	3	31

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Office Engineer	5	4	20	17	3	2	22
Resident Engineer	2	2					2
Project manager	1	1	5	4	2	2	7
<b>Total</b>	<b>11</b>	<b>8</b>	<b>58</b>	<b>48</b>	<b>10</b>	<b>8</b>	<b>64</b>

*Source; HDP Human Resource Department Report*

### **3.5 Types and Sources of Data Collection**

The study gathered information from primary and secondary sources. Primary data was acquired using survey questionnaires. Employees (professionals) working in various sections of the ECWC construction site and office, as well as consultants and contractors who participate in office projects, were the key sources of data. Finally, the study's major data would be acquired from the corporation construction office, consultants, and clients. This study was managed to collect primary and secondary data. Primary data was collected from study participants (employees of ECWC working on the construction sites and office, consultant and contractors). The secondary data that was used in this research was obtained from the construction projects weekly, monthly, quarterly and Annual Reports. Both primary and secondary data was collected by using survey questionnaire and checklists. The relevant information would be utilized as a comparison against primary data collected to support the investigation.

#### **3.5.1 Methods of data collection.**

The data was collected from the samples

- questionnaire and
- Project document has reviewed from the sector.

The data collection methods were both qualitative and quantitative. Because document reviews were reports of project stake holder’s management that were evaluated to expose the extent to which stake holders’ management practice, challenges and influence performance, they are

qualitative. On other hand it is quantitative because the researcher conducted empirical analysis to the primary data gathered from the respondents of project contractors, owners, and consultants. The data had been collected under the researcher's constant observation. Methods of data collection were based on standard questionnaires developed by different scholars published their papers by testing the Reliability and Validity of their Questionnaire and with some modification by the researchers. The questionnaire of primary data prepared using Google form was distributed to the respondents through their email or telegram. Then after the respondents completed their response the data was collected through Google form in the form of row data and summary of the respondent’s report.

The secondary data for document review was collected from the HDP sectors. Those documents reviewed were Annual, monthly, weekly and daily reports of the Housing development projects related to the study.

The researcher hoped that these sources were appropriate and relevant for investigating the most common and frequent evaluation of the practices, challenges, and effects of stakeholder management on ECWC Housing Development Projects as a case study.

### **3.5.2 Method of data measurement**

To select the most appropriate analytical approach, it is necessary to understand the level of measurement. Likert scaling was used for ranking the level of agreement to questions as following:

1. = Number of Respondents for strongly disagree
2. = Number of Respondents for Disagree
3. = Number of Respondents for Neutral
4. = Number of Respondents Agree
5. = Number of Respondents agree

The document review was done by comparing the collected project report documents with the results of respondent’s response finding.

### **3.5.3 Research Instruments**

Developing a good research question is the most important part of the research process. The question should be narrow and address an important issue that fits within the mission of the organization (earlene E.Lipowski, 2008)

The questionnaire was divided into three parts:

- **Part one**, which aims to gather general information about the respondent;
- **Part two**, Stake holder’s management practice
- **Part three**, which contains stake holder’s management challenge in the corporation;
- **Part four**; which seeks to know the Contribution of effective stake holder’s management for the performance and success of the projects

### **3.5.4 Reliability of Research Instruments**

The degree of regularity of the data received from repeated measurements, or simply put, the consistency of the measurements, is estimated by reliability. Useful methodologies were used to test, assess, and ensure the data quality for this goal. For precisely measuring the variables during the data collecting procedures, the instrument of Questionnaire for this research has taken from articles and journals that have been done with similar topic which has already validated, and reliability also checked. Additionally, the data was assured and measured through internal validity into valid study instrument application for accurately measuring the variables during the data gathering procedures and the reliability coefficient of the scale was established by **Cronbach alpha** using **SPSS** package

**Table 3.4 Reliability Statistics**

Cronbach's Alpha	N of Items
0.950	59

The value of the reliability coefficient theoretically can range between -1.00 and +1.00. For most purposes, reliability coefficients above 0.7 are considered satisfactory (Taherdoost, 2016). The reliability coefficient of the scale was established by Cronbach alpha using SPSS package. The Cronbach’s coefficient alpha was calculated for the research questionnaire. For the project, values of Cronbach’s Alpha were 0.95. Based on the result the Cronbach alpha value is  $> 0.7$  which is acceptable. The result of this statistical analysis shows that it is reliable to know the practices, challenges and effects of stake holder’s management on the performance of the project

### **3.5.5 Validity of Research Instruments**

The ability of a questionnaire to assess a construct or variable is referred to as the research instrument's validity (Cress well, 2014). The research adopted content validity which refers to the extent to which a measuring instrument provides adequate coverage of the topic under study. To ensure content validity, the instruments was reviewed during literature review and commented by advisor to enabling the content to address the purpose and avoid ambiguity. This ensures that all respondents understand the content on the questionnaire.

### **3.5.6 Methods of data analysis**

Because data is raw material, it must go through analysis and interpretation process before its meaning and consequences can be understood. The data collected through Google form, the project report document were studied and analyzed. The data analysis included, the stages of data processing, putting answers to categories and generally finding out the pattern of the responses.

For this study, **SPSS software** was used to calculate the **descriptive statics** of respondents. Then the researcher compares the percentage of respondents in each part of questioners relating with the Likert scale numbers. Then the findings have discussed based on the ranked percentage of the software.

The relation between the dependent variable and independent variable were analyzed by calculating **inferential statics** using **Pearson correlation** value calculated by SPSS software.

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The **Regression analysis** was used to identify the degree to which the independent variables predict the impact of variables on the performance of the construction project. The F-Test demonstrates how the independent variable contributes to the explanation of the dependent variable's evolution.

The **ANOVA** table calculated by this software also shows the researcher the R value and R-squared value that shows the strong relation between the two variables and the variance of the dependent variable with the altering of independent variable respectively.

### **3.6 Variable implementation.**

The implementation of the variables is shown in table 3.5 this is accomplished by outlining the goals of the study, the independent variables, the measurement, and the tool of methods for gathering and analyzing data

**Table 3.5 Summary of implementation variables**

<b>Objectives</b>	<b>Operational Definition of Variables</b>					
	<b>Variables</b>	<b>Indicators</b>	<b>Measurement</b>	<b>Data Collec tion</b>	<b>Scale</b>	<b>Data analysis Techniques</b>

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<p>The study aims To investigate the current practice of stake management in construction projects</p>	<p><b>Independent Variable</b> good stake holders management practices</p>	<p>reports/Minutes  -Stakeholder analysis  -Problem analysis  -Working groups  -Initiating project requests</p>	<p>What is the stakeholder’s management practice?</p>	<p>Questionnaire</p>	<p>Ordinal</p>	<p><u>Regression</u>  Frequencies, Means and Percentages - Correlation - Regression</p>
<p>To investigate the challenges for implementation of stakeholder’s management in construction project</p>	<p><b>independent Variable</b> SH management challenges</p>	<p>Available of identified SH management challenges  -planned SHM challenges  -improved project performance</p>	<p>What are the SHM challenges for the failure of construction projects?</p>	<p>Questionnaire</p>	<p>Ordinal</p>	<p>Frequencies, Means and Percentages - Correlation - Regression</p>

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<p>To assess the relationship between stakeholder’s management and the performance of the Construction projects</p>	<p align="center">- <b>independent variable</b>  Improved project performance</p>	<p>improved project performance  -Quality project  -Timely complete project  -project as per the schedule</p>	<p>How is the management of stakeholders related to the performance of the project?</p>	<p align="center">Questionnaire</p>	<p align="center">ordinal</p>	<p align="center">Frequencies, and Percentages</p>
<p>To propose a comment on the current framework of the SHM practices in HDP construction projects</p>	<p><b>Independent Variable</b> identified project SHM practice</p>	<p>-SM planned document -Minute of meeting -Assessed status of SH periodically - Identified improvement need area of SH practices</p>	<p>What are the key issues that must be resolved for the organization to improve effective SHM in the construction projects?</p>	<p align="center">Questionnaire</p>	<p align="center">Ordinal Means,</p>	<p align="center">Percentages - Correlation - Regression</p>

Source; Own survey 2023

## **Chapter 4**

### **4.1 Result and Discussion**

To address the research questions and objectives, results have been provided and discussed in this chapter.

#### **4.1.1 Results**

**Table 4.1 Demographic characteristic**

<b>Characteristics</b>	<b>Frequency</b>	<b>Percentage</b>
<b>1.1. Type or origin of your organization</b>		
➤ Contractor	39	66.1%
➤ Client	11	18.3%
➤ Consultant	9	15.3%
<b>1.2. Years of general construction technical experience</b>		
➤ Less than 5 years	10	16.9%
➤ from 6 to 10 years	21	35.6%
➤ from 11 to 15 years	28	47.5%

Table 4.1 above demonstrates that, of the 72 questionnaires issued to respondents, 59 stakeholders, or 81.94% of the intended sample size, responded to the questionnaires. It is therefore sufficient to carry out the research. The distribution of stakeholder types is as follows:

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18.3% of respondents are clients, 15.3% are consultants, and 66.1% of respondents are contractors. Due to unequal stakeholder engagement in the project, there is an unequal distribution of the different types of stakeholders.

Characteristics	Frequency	Percentage
<b>1.3. Years of specific construction technical experience</b>		
➤ Less than 5 years	18	30.5%
➤ from 6 to 10 years	20	33.9%
➤ over 10 years	21	35.6%
<b>1.4. Educational status</b>		
➤ Diploma, level I,II,III and IV	4	6.8%
➤ B.S.C	28	47.5%
➤ M.S.C	27	45.8%
<b>1.5. Current job title:</b>		
➤ Sector D/CEO	2	3.4%
➤ Department manager	6	10.2%
➤ Project Manager	10	16.9%
➤ Team Leader	11	18.6%

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➤ Site Engineer	7	11.9%
➤ Office Engineer	16	27.1%
➤ Contract Administrator	1	1.7%
➤ Forman	5	8.5%
➤ Senior Advisor	1	1.7%

**Source:-Own survey data, 2023**

The aforementioned table indicates that the majority of respondents have more than ten years of experience with general and specific project information that is relevant to the management of stakeholders and how it impacts the project's performance. It is evident from this that the respondents have a strong interest in the construction sector. Table 4.1 provides an additional summary of the respondents' educational background characteristics. Of the respondents, 47.5% have their first degree, 6.8% have a diploma, and 45.8% have a master's degree. This data suggests that all respondents who are stakeholders in the company are highly educated, with first- and second-degree holders making up the majority. The above-mentioned table's data show that 49.1% of respondents were in management, with the remainder holding positions ranging from site engineer to site Forman. So, the above table shows that all respondents have varied levels of project engagement, can understand the study area's procedures, and can complete the questionnaire.

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**Table 4.2 General stake holder’s management practice response**

<b>2.1. General stake holders management practices</b>															
	2.1.1. There was a standardized stakeholder management Practice in your organization					2.1.2. The project is being implementing as per the plan					2.1.3. Do you think a project stakeholder management can Make a difference in the performance of a project?				
	strongly disagree	disagree	neutral	agree	strongly agree	strongly disagree	disagree	neutral	agree	strongly agree	strongly disagree	disagree	neutral	agree	strongly agree
Frequency	3	14	19	21	2	3	30	11	14	1	2	2	6	37	12
Percentage %	5	24	32	<b>36</b>	3	5	<b>51</b>	19	24	2	3	3	10	<b>63</b>	20
<b>2.1. General stake holders management practices Cont....</b>															
	2.1.4. The Project Stakeholder Management is an important and priority activity for your project					2.1.5. Formal stakeholders ‘management (the interaction among each stakeholder) is sufficient enough to achieve the objectives					2.1.6. Assigning anyone responsible for overall SHM in the project is vital for effective SHM in the project				
	strongly disagree	disagree	neutral	agree	strongly agree	strongly disagree	disagree	neutral	agree	strongly agree	strongly disagree	disagree	neutral	agree	strongly agree
Frequency	3	9	6	26	15	6	13	10	27	3	3	4	7	28	17
Percentage %	5	15	10	<b>44</b>	25	10	22	17	<b>46</b>	5	5	7	12	<b>47</b>	29

*Source: - own survey data, 2023*

According to the above table, 36% of respondents agree on the prevalence of standardized stakeholder management practices in their projects; 32% are neutral; 24% disagree; 5% strongly disagree; and 3% are highly agreed. As a result of this outcome, 36% of respondents agreed that standardized stakeholder management practices were prevalent in their projects. As a result, the

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researcher has stated that there is standardized stakeholder management practice in the project. The majority of respondents (51%) disagreed when asked to determine the project's status in relation to the plan in the above table, indicating that the project is running behind schedule. The other questionnaire asked whether the projects had given priority to SHM, and the majority (44%) agreed. This indicates that priority has been given to SHM. On the other hand, the majority of respondents (46%) agreed with the formal SHM statement that interaction between each stakeholder is adequate to meet the objectives, indicating that there is a knowledge gap among project stakeholders. Finally, in terms of the Assessment of General Stakeholders' Management Practice, the majority of respondents agreed that designating someone responsible for overall SHM (47%) in the project is critical for effective SHM in the project. This shows that the vast majority of respondents understand the importance of assigning responsible body for the success of Effective SHM in the project and using it. **Tsegaye et al, (2017)** on their study recommended that the need to be assigned a separate organizational stakeholder management unit to effective use of stakeholder management process which was similar result with the researcher’s findings.

**Table 4.2.1 Stake holder’s identification and planning**

2.2. Stakeholder Identification and planning		Frequency	Percentage (%)
2.2.1. All significant stakeholders were correctly identified throughout the projects during the planning phase	strongly disagree	2	3
	Disagree	15	25
	Neutral	18	31
	Agree	20	<b>34</b>
	strongly agree	4	7
2.2.2. Stakeholder power and influence have been well defined	strongly disagree	2	3
	Disagree	19	32
	Neutral	13	22
	Agree	23	<b>39</b>
	strongly agree	2	3
2.2.3. Project team members have participated in identifying stakeholders	strongly disagree	5	8
	Disagree	20	<b>34</b>
	Neutral	15	25

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	Agree	15	25
	strongly agree	4	7
2.2.4. Key stakeholders are integrated well in the project	strongly disagree	2	3
	Disagree	18	31
	Neutral	12	20
	Agree	20	<b>34</b>
	strongly agree	7	12
2.2.5. Key stakeholders share a common understanding in the project	strongly disagree	2	3
	Disagree	20	<b>34</b>
	Neutral	15	25
	Agree	19	32
	strongly agree	3	5
2.2.6. There is a conflict resolution plan to Manage different competing stakeholder interest in the project	strongly disagree	7	12
	Disagree	14	24
	Neutral	14	24
	Agree	21	<b>36</b>
	strongly agree	3	5
2.2.7. There are no any key stakeholders who are being missed during stakeholder identification	strongly disagree	11	19
	Disagree	18	<b>31</b>
	Neutral	14	24
	Agree	9	15
	strongly agree	7	12

**Source; own Survey, 2023**

Table 4.2.1, which presents the assessment of the organization's planning and stakeholder identification, indicates that most respondents—approximately 34% of the total—agreed that all relevant stakeholders had been accurately identified during the planning phase of the projects. However, in decreasing order, the remaining respondents gave it a neutral, disagree, or strongly disagree rating. Thus, every major SH related to the project has been recognized. Regarding the organization’s definition of stakeholder power and influence, 39% of respondents agreed, whereas 22%, 22%, 3%, and 3% of them disagreed, neutralized, strongly agreed, and strongly disagreed, respectively. This indicates that the majority of respondents agree on the issues. However, the majority of respondents—roughly 34% of them—disagreed when asked if the

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project team had taken part in identifying the project's stakeholders, indicating that the team does not have a consensus over the projects SH identification.

As the respondent’s response on the projects key stakeholders is good that 34% of respondents were agreed and 34% of the respondent’s response were also agree with the common understanding of the stakeholders. However, the equal percentage to the preceding respondent’s response was disagreeing with availability of conflict resolution plan in the project. Finally, most of the respondent’s response about 36% was agreed with no missed stake holders during identification of stake holders. Vos, (2013) in his study concluded similar finding that the planner during design stage must consider the different groups stakeholder that may affect or affected during implementation.

**Table 4.3 Manage stake holder’s communication**

2.4 Manage stakeholder Communication															
	2.4.1. Communicating with stakeholders early at the project initiation stages					2.4.2. Keep stakeholders informed as the project progresses by sending updated information is an important approach of engaging with them					2.4.3. Communicate with stakeholders through formal meeting				
	strongly disagree	disagree	Neutral	Agree	strongly agree	strongly disagree	disagree	neutral	Agree	strongly agree	strongly disagree	disagree	Neutral	Agree	strongly Agree
Frequency	2	4	8	32	13	1	6	6	31	15	2	4	6	30	17
Percentage %	3	7	14	54	22	2	10	10	53	25	3	7	10	51	29

2.4 Manage stakeholder Communication Cont...											
	2.4.4. Stakeholders are updated on the project's progress on a regular basis					4.5. All stakeholders aware of project go					
	strongly disagree	Disagree	Neutral	Agree	strongly Agree	strongly	Disagree	neutral	Agree	strongly agree	
Frequency	1	9	11	28	10	2	7	14	25	11	
Percentage %	2	15	19	47	17	3	12	24	42	19	

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The summary of respondents Assessment in the case of managing stake stakeholder’s communication rated as follows; communicating with stakeholders early at the project initiation stage were agreed by majority with 54% ,keep stakeholders informed as the project progresses by sending updated information is an important approach of engaging with stake holders responded by 53% respondents with the answer agree, communicating with stake holders through formal meeting were agreed by majority of respondents by 51% which is majority of respondents, the response of stake holders are updated on the projects progress on a regular basis were reported agree by majority 47%.On the other hand the identification of all stakeholders awareness on the project goal were agreed by majority of 42% respondents. As stated In a Guide to the project management Body of knowledge (**PMBOK 5<sup>th</sup> Edition**) one of the inter personal skill of project manager is Communication. So, communication is critical factors for Effective stake holder’s management.

**Table 4.4 stake holder’s management challenges**

<b>3.1. Stakeholders management challenges</b>		<b>Frequency</b>	<b>Percentage in (%)</b>
3.1.1. Low commitment of stake holders	mild	3	5
	moderate	34	<b>58</b>
	severe	22	37
3.1.2. Low understanding of different issues	mild	8	14
	moderate	30	<b>51</b>
	severe	21	36
3.1.3. Conflicting interests, opinions, beliefs and orientations	mild	7	12
	moderate	27	<b>46</b>
	severe	25	42
3.1.4. Personal benefit seeking	mild	13	22
	moderate	17	29
	severe	29	<b>49</b>

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<b>3.1. Stakeholders management challenges</b>		<b>Frequency</b>	<b>Percentage in (%)</b>
3.1.5. Unrealistic expectations	mild	9	15
	moderate	19	32
	severe	31	<b>53</b>
3.1.6. In-effective communications	mild	5	8
	moderate	35	<b>59</b>
	severe	19	32
3.1.7. High cost of managements	mild	15	25
	moderate	30	51
	severe	14	24
3.1.8. Deviation from common management	mild	12	20
	moderate	38	<b>64</b>
	severe	9	15
3.1.9. Identifying Stakeholders properly is challenge at the planning stage of the project	mild	10	17
	moderate	36	<b>61</b>
	severe	13	22
3.1.10. Creating empathy among stakeholders is a challenge in stake holders	mild	10	17
	moderate	33	<b>56</b>
	severe	16	27

**Source: - own survey data, 2023**

As seen in table 4.4 above, managing the activities of stakeholders usually brings up a number of challenges. All the respondent rates the Low commitment of stake holders, Low understanding of different issues, Conflicting interests, opinions, beliefs and orientations, In-effective communications, High cost of managements, Deviation from common management, Identifying Stakeholders properly is challenge at the planning stage of the project and Creating empathy among stakeholders as moderate effects of the challenges of stake holders management challenges whereas Personal benefit seeking and unrealistic expectations were rated as severe effects on stake holders managements challenges. Even though many scholars have studied the challenges of stake holder’s management Tsegaye et al, (2017) have resulted with similar finding which validates the researchers findings.

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**Table 4.5 Effects of Stake holder’s management on performance of the projects responds**

4.1 Project performance		Frequency	Percentage%
4.1.1. Effective stakeholder management can lead the project completion with time and planned budget	strongly disagree	3	5
	disagree	1	2
	neutral	3	5
	agree	31	<b>53</b>
	strongly agree	21	36
4.1.2. Effective stakeholder management can lead to cost savings on projects	strongly disagree	2	3
	disagree	4	7
	neutral	3	5
	agree	28	<b>47</b>
	strongly agree	22	37
4.1.3. Effective stakeholder management can lead to acceptable quality standard	strongly disagree	3	5
	disagree	6	10
	neutral	6	10
	agree	29	<b>49</b>
	strongly agree	15	25
4.1.4. Effective stakeholder management can lead to completion of projects to stakeholder satisfaction	strongly disagree	1	2
	disagree	4	7
	neutral	3	5
	agree	31	<b>53</b>
	strongly agree	20	34
4.1.5. The Effective SHM will make the organization profitable	strongly disagree	1	2
	disagree	5	8
	neutral	5	8
	Agree	32	54
	strongly agree	16	27

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4.1 Project performance		Frequency	Percentage%
4.1.6. The SHM will have a positive return on investment	strongly disagree	3	5
	disagree	5	8
	neutral	11	19
	agree	26	<b>44</b>
	strongly agree	14	24
4.1.7. Stake holders management Affects project performance	strongly disagree	4	7
	disagree	3	5
	neutral	4	7
	agree	28	<b>47</b>
	strongly agree	20	34
4.1.8. Proper stake holders management in the project contributes for new market process	strongly disagree	3	5
	disagree	2	3
	neutral	7	12
	agree	24	<b>41</b>
	strongly agree	23	39
4.1.9. Stake holders are engaged in offering grants	strongly disagree	1	2
	disagree	5	8
	neutral	11	19
	agree	30	<b>51</b>
	strongly agree	12	20
4.1.10. Getting stakeholder feedback on a project enhances performance	strongly disagree	2	3
	disagree	4	7
	neutral	6	10
	agree	25	<b>42</b>
	strongly agree	22	37
4.1.11. Managing project risks requires successful stakeholder involvement and collaboration	strongly disagree	2	3
	disagree	2	3
	neutral	7	12
	agree	26	<b>44</b>
	strongly agree	22	<b>37</b>

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4.1 Project performance		Frequency	Percentage%
4.1.12. Choosing the right set of key performance indicators is essential for managing stakeholder engagement	strongly disagree	3	5
	disagree	1	2
	neutral	4	7
	agree	22	37
	strongly agree	29	<b>49</b>

**Source; own survey, 2023**

As seen in the above table 4.7, all respondents agreed with the suggested elements of stakeholder management; 53% of respondents thought that good stakeholder management may lead to project completion on schedule and within budget. 47% of respondents said that effective stakeholder management can reduce project costs, and 49% said that it can result in projects with acceptable quality standards. Stakeholder satisfaction can result from project completion through effective stakeholder management, as agreed upon by 53% of respondents. 54% of respondents believed that effective SHM would increase the organization's profitability, and 44% agreed that SHM would provide a positive return on investment. 47% of respondents agreed that stakeholder management has an impact on project performance. Of the respondents, 41% agreed that effective stakeholder management in the project contributes to new market processes, and 51% agreed that stakeholder engagement involves grant offerings. 42% of respondents agreed that getting stakeholder feedback on a project improves performance. Successful stakeholder involvement and collaboration are necessary for managing project risks, as 44% of respondents agreed. Selecting the appropriate set of KPIs is crucial for overseeing stakeholder participation, a point about which 49% of respondents strongly agreed. This indicates that the suggested criteria are crucial to the project's success.

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**Table 4.6 Correlations**

		GHM Practice	SH identification and planning	SH engagement and Analysis	Manage SH Communication	SHM challenge	Project performance
Project performance	Pearson Correlation	.607**	.406**	.707**	.604**	.270*	1

The Pearson correlation measures the strength of the linear relationship between two variables. It has a value between -1 to 1, with a value of -1 meaning a total negative linear correlation, 0 being no correlation, and + 1 meaning a total positive correlation. (Gardner, R. C., & Neufeld, R. W. J. , 2013)

We can observe from the preceding table that there is a strong correlation between the variable moving in degrees from lower positive number to higher positive number, as indicated by the Pearson value between the stakeholder management being above 0.

**Table 4.7 Regression**

**Variables Entered/Removed**

Model	Variables Entered	Variables Removed	Method
1	SH engagement and Analysis	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

Dependent Variable: Project performance

**Table 4.8 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.740	.548	.505	.5674990	.548	12.852	5	53	.000	1.682

- a. Predictors: (Constant), SHM challenge, SH identification and planning, Manage SH Communication, GHM Practice, SH engagements and Analysis
- b. Dependent Variable: Project performance

The link or degree of association between two or more variables is shown using correlation coefficients. The value of a correlation coefficient, which ranges from 1 to -1, indicates the type and degree of link. When a number is positive, it indicates that variable Y increases along with variable X, while a negative value indicates that variable Y drops along with variable X. Values near 0 indicate little to no link between variables, while values near 1 indicate a strong linear relationship. (McClure Philip, 2005) R-square shows how much of the variance the regression model can account for. Additionally, it gives an estimate of how strongly the independent variable and regression model are related. As a result, the R value of 0.704 and the R-square value of 0.505 in the table above indicate that the dependent and independent variables have a strong association. Conversely, the R-squared value of 0.505 suggests that those independent factors can account for 50.5% of the variance in performance. This may lead us to conclude that the aspects that have been mentioned have an impact on the projects' performance. The degree to which the independent variables predict the impact of variables on the performance of the construction project is explained by the regression analysis. The F-Test demonstrates how the independent variable contributes to the explanation of the dependent variable's evolution.

**Table 4.9 ANOVA table**

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	20.694	5	4.139	12.852	.000 <sup>b</sup>
Residual	17.069	53	.322		
Total	37.763	58			

a. Dependent Variable: Project performance

According to the ANOVA table's value of test F (12.852), the model achieves statistical significance (sig. =.000,  $p < 0.5$ ) shows the validity of the regression model and its applicability to the analysis of dependent variables. Thus, the hypothesis that the independent variables will significantly explain the variance in dependent variable is acknowledged.

b. Predictors: (Constant), SHM challenge, SH identification and planning, Manage SH Communication, GHM Practice, SH engagements and Analysis.

## 4.2 Project document review results

The secondary data source for this review is the annual, monthly, weekly, and daily plans and reports of the projects. The document review check lists was prepared and documents was collected from the Engineering service of the sector in soft copy.

As reviewed in the monthly progress report of **August 2016 EFY** of the Housing development center identification of stake holders, the housing development sector has identified all stake holders of the project as internal and external stake holders. But, there were no documents to be reviewed the early identification and planned of project stake holders. On the other hand, as shown in housing





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development sector BSc plan and report of **August, 2015** there were no complete and detail plan and challenges identified and planned to manage stake holders by applying stake holder’s management process, but the project has put general plan to satisfy stake holders using stake holder’s management standards which is not practical. In case of assigned responsible body for SHM, the HDP has not assigned. In general, the HDP has no document registry for effective stake holder’s management. However, on their August, 2023 report the HDP has tried to include stakeholder’s management performance report as follows.

“A variety of Stakeholders is involved in their construction projects. The major participant stakeholders in their Projects were listed below:

### **1. Internal Stakeholders:-**

-  The Top management of ECWC
-  The design team (ECWC/Project Development and Management center)
-  The Project Managers and their work team
-  Different Departments under ECWC

### **2. External Stakeholders:-**

#### **The Clients (Owner of the Project)**

- Addis Ababa Mayor Office
- City Gov. of AA Housing Development Corporation
- City gov’t of AA Housing Development Corporation project 10 branch office
- AA City Administration construction bureau
- EFDR Minister of defense
- EFDR Prime minister office
- NISS

#### **The Consultant:-**

1. City gov’t of AA Design, construction & Consultation Enterprise

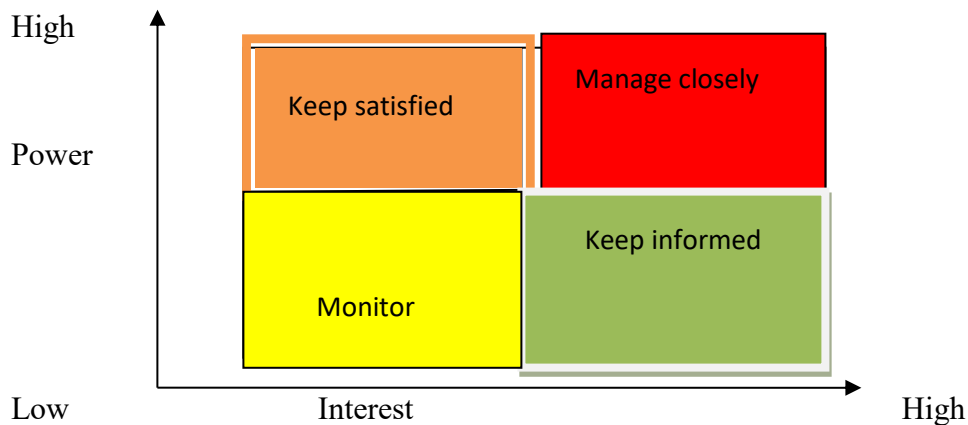
## “Study on Effects of stakeholder’s management on the performance of a project in Addis Ababa”

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2. Lists of Sub-Contractors:-
3. The Community

In their Report there was no power interest greed plan for efficient stake holder’s management which the researcher considers as gap in the study of HDP.

**Figure 4.1 Power interest grid plan**



Source; own survey, 2023

### **Stakeholder Expectations**

Among the above-listed Stakeholders, their client, City gov’t of AA Housing Development Corporation and the community (Addis Ababa citizens) were hopeful during discussion on the housing development projects. Since the main project which constructing under their center are shared houses (Condominium) there will have a significant contribution to address the housing Problem of the city. The Corporation Agreed to construct this Condominium houses with the prefabricated building technology. This increased the confidence to the sectors Stakeholders the project would be ended with better quality, budget limit and at the desired time. This Project has great impact in creating employment opportunities for sub-contractors and the citizens.

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**Figure 4.2 Partial appearance of Akaki Kality (Lot-1) construction project site,**



Source: - HDP Engineering service team, Sept 2015EFY

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**Figure 4.3 Partial appearance of Chaka construction project site,**



Source: - HDP Engineering service team, Sept 2015EFY

## **Chapter-5**

### **5.1 Summary, conclusion and Recommendations**

#### **5.1.1 Summary**

The study assessed the impact of stakeholder management on Ethiopian construction Works Corporation's project performance, identifying three key stakeholders: consultant, client, and contractor.

The study found that 92.18% of the 64 questionnaires were answered by 59 stakeholders, indicating a strong interest in the construction sector. The majority of respondents had over ten years of experience in project management. The majority of respondents were in management positions, with 49.1% holding management positions. The data also showed that all respondents had varied levels of project engagement, understanding of the study area's procedures, and were able to complete the questionnaire. This indicates a strong interest in the construction sector and a high level of education among stakeholders. The concept of general stake holder’s management practice had seen in the projects. However, the finding shows that there is lack of the application of coordinated and consistent stake holder’s management.

In Managing Stake Holder’s Communication, Identification and planning the respondents' evaluation of the organization's planning phase, the majority of the respondents which is above 50% agree that effective stake holder’s communication is vital for the success of the project. Even though few number of respondents respond that stake holders have been identified early. But, the finding from the document review and respondent response shows that the stake holders management plan and identification was not done properly. From the result of respondents, it has shown that the communication with SH is not efficient...

The summaries of respondent’s responses about stakeholder management challenges are presented as follows: Ineffective communications, low commitment, and conflicting interests are key challenges in managing stakeholders. High costs, deviation from common management, and difficulty in identifying stakeholders are also significant issues. Moderate effects include creating

empathy and addressing personal benefit seeking, while severe effects include high costs and deviation from common management.

According to the study, 53% of participants think that efficient stakeholder management lowers costs, ensures projects are completed on schedule and within budget, and produces acceptable quality standards. Furthermore, 54% of respondents think that good stakeholder management boosts revenue and offers a favourable return on investment. Additionally, grant offerings, enhanced performance, and new market procedures are all facilitated by stakeholder management. Effective stakeholder engagement and cooperation are critical to risk management in projects.

### **5.1.2 Conclusion**

This research was conducted to practices, challenges and Effects of stakeholder’s management on the performance of a project in Addis Ababa. Based on the objectives and findings of the study, the following conclusions are drawn.

The researcher identified forty-one key indicators of stake holder management under three groups namely: - general stake holder management practice, challenges of stake holder’s management and effects of SHM on performance of project. Then the Questionnaire was prepared and distributed to respondents. Then adequate respondents about 92% have responded the questioner which was sufficient enough for the study. The Reliability and validity of the respondent response was tested by SPSS software using a Cronbach alpha. The result was 100% valid and reliability acknowledged.

The findings showed that the vast majority of respondents understand the importance of assigning responsible body for the success of Effective SHM in the project and using it. **Tsegaye et al, (2017)** on their study recommended that the need to be assigned a separate organizational stakeholder management unit to effective use of stakeholder management process which was similar result with the researcher’s findings.

The other major findings of the respondent’s response about 36% were agreed with no missed stake holders during identification of stake holders. Vos, (2013) in his study concluded similar

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finding that the planner during design stage must consider the different groups stakeholder that may affect or affected during implementation. Therefore, stake holders Identification and planning should be prioritized with the feasibility study of the project.

As stated in a Guide to the project management Body of knowledge (PMBOK 5th Edition) one of the inter personal skill of project manager is Communication. So, communication is critical factors for Effective stake holder’s management

However, the study find out some of the challenges mentioned by the respondents; to mention basic challenges that are faced by the projects, Deviation from common management, Identifying Stakeholders properly is challenge at the planning stage of the project, In-effective communications, Low commitment of stake holders, Creating empathy among stakeholders is a challenge in stake holders, High cost of managements, Low understanding of different issues, Unrealistic expectations, Personal benefit seeking and Conflicting interests, opinions, beliefs and orientations were the challenges from top ranked to bottom.

Finally, the mean of key indicators of effective stake holder’s management grouped under three title were correlated using Pearson correlation coefficient, R-value and R-squared value, in which the value of  $R=74\%$  showed there is strong relation between the two variables. Generally, the modal summary table reveals a strong correlation between independent and dependent variables, with 50.5% of the variance in performance explained by these factors. Regression analysis demonstrates the effectiveness of these independent variables in predicting the performance of the construction project. The F-test further demonstrates the contribution of the independent variable to understanding the evolution of the dependent variable.

According to the ANOVA table's value of test F (12.852), the model achieves statistical significance (sig. =.000,  $p < 0.5$ ), which showed the validity of the regression model and its applicability to the analysis of dependent variables. Thus, the hypothesis that the independent variables were significantly explaining the variance in the dependent variable has acknowledged.

### **5.1.3 Recommendation**

According to Farzana et al (2014), effective project stakeholder management is critical for stakeholder engagement, but leaders frequently lack effective strategies to address their needs effectively.

- For the consistency of an effective stakeholder management plan, an organisation must adopt international standards of stakeholder management strategies.
- Before the start of the project, the project management should set up a ground table for all stakeholders to participate in the identification and planning of stakeholder management.
- For projects with multiple stakeholders and diverse interests, effective communication is critical.
- To achieve consensus and closure, the project should keep lines of communication open throughout its life cycle.
- It is recommended that the organisation convene a meeting of all stakeholders to find out the problem of that hinders the project to cop up with the schedule.
- A list of key project stakeholder engagement mechanisms should be incorporated into organisational strategy by project organisers.
- The organisation must organise the Responsible body or Department as a whole to control and manage all stakeholders in accordance with the recommended standard.
- The challenges of SHM should be addressed by properly identifying, planning, controlling, and evaluating the issues during the initiation phase, and by reaching an agreement with all potential stakeholders.
- During the project initiation phase, an executive steering committee should be formed to agree on the project's objectives, resources, budget, and performance metrics, and to communicate the expected behaviour.
- The organization should pay more attention to effective stakeholder management because it has multiple effects on the corporation's performance and image for new market grants.

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## **Appendix: Questionnaire**

**Dear Sir/Madam,**

The goals of these surveys are to obtain data for the specified research being conducted in partial fulfillment of the requirements for the Master of Science Degree in Construction Technology and Management. This questionnaire is designed to survey professional opinions on the **Study on Effects of stakeholder’s management on the performance of a project in Addis Ababa”. - A case of Ethiopian construction works corporation projects.**

The purpose of this study is to assess the stakeholder Management practice, to identify the challenges faced throughout the process and its effects on the performance of the projects. Finally, to forward the measures that can be taken to enhance the stakeholder’s management So that the performance of the project can be increased with ought any dalliance that comes with improper management of the stakeholders.

Your response in this regard is highly valuable and contributes to the outcome of the research. I can assure you that your response will be kept strictly confidential; only my academic advisor and I will have access to the information you provided, and a generalized analysis of the information contained within this completed questionnaire will be exclusively utilized in this research process. Use my contact information if there are any questions about the questionnaire that are unclear (if there are any). Thank you for your invaluable time and patience in advance.

With Regards,

Guja Bekelcho

Tel: +251 931-13-17-85 or  
+251 979-18-07-22,

July 2023, Addis Ababa,

Ethiopia

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**Part one: General Information:**

Please give your response to the questions, hereby indicating with “√” your appropriate choice and/or idea by putting your answers in the space provided.

1.1. Type or origin of your organization:

Client                       Consultant                       Contractor

Others (please specify) \_\_\_\_\_

1.2. Years of experience of the respondent:

Less than 5 years               from 6 to 10 years               from 11 to 15 years               Over 16 years

1.3. Educational status of the respondent:

Diploma                       B.Sc.                       M.Sc.                       PhD.

Others (please specify) \_\_\_\_\_

1.4. Job title of the respondent:

Project Manager               Construction Engineer               Site Engineer/Office Engineer

Resident Engineer               Contract Administrator              Others (please specify)  
\_\_\_\_\_

Contact addresses (optional)

E-mail \_\_\_\_\_ Tel: \_\_\_\_\_ Name(optional): \_\_\_\_\_

**Part Two: Stakeholder management practice**

The tables below contain lists of key indicators of the stake holder’s management practices. The likely contribution of these key indicators in your organization based on your experience? Please

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indicate your preference by marking (√) next to each rate of occurrence (frequency of occurrence) based on the representative numbers listed below.

1= Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly agree

**Table 1:-Stake holders management practices**

S. N	2.1 General stake holders management practices	Rating Occurrence				
		1	2	3	4	5
1	There was a standardized stakeholder management Practice in your organization.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	The project is being implementing as per the plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Do you think a project stakeholder management can Make a difference in the performance of a project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	The Project Stakeholder Management is an important and priority activity for your project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Formal stakeholders ‘management (the interaction among each stakeholder) is sufficient enough to achieve the objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Assigning anyone responsible for overall SHM in the project is vital for effective SHM in the project.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>2.2 Stakeholder Identification and planning</b>					
7	All significant stakeholders were correctly identified throughout the projects during the planning phase.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Stakeholder power and influence have been well defined	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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9	Project team members have participated in identifying stakeholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Key stakeholders are integrated well in the project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A11	Key stakeholders share a common understanding in the project.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	There is a conflict resolution plan to Manage different competing stakeholder interest in the project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13	There is no any key stakeholders who are being missed during stakeholder identification.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>2.3 Stakeholder engagement and analysis</b>						
14	Stakeholder engagement is considered vital for project success and sustainability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15	Stakeholder engagement helps to manage relationships by aligning mutual interests, which mitigate project risk/uncertainty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16	The project reduces the risk of each interaction by successfully involving stakeholders.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17	Their expectation is understood, acknowledged and managed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18	Stakeholder analysis is useful to ensure the quality of the decision making processes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>2.4 Manage stakeholder Communication</b>						
19	Communicating with stakeholders early at the project initiation stages.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20	Keep stakeholders informed as the project progresses by sending	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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	updated information is an important approach of engaging with them					
21	communicate with stakeholders through formal meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22	Stakeholders are updated on the project's progress on a regular basis.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23	All stakeholders aware of project goal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Part Three: Stakeholder management challenge**

What challenges are there in managing Stakeholders in Ethiopian construction works corporation and selected projects?

1-Mild

2-Moderate

3-Severe

**Table 3.1: The challenges of stake holders management**

S.N	Stakeholders management challenges	Degree of Effects		
		1	2	3
1	Low commitment of stake holders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Low understanding of different issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Conflicting interests, opinions, beliefs and orientations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Personal benefit seeking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Unrealistic expectations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	In effective communications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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7	High cost of managements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Deviation from common management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Part Four: Effects of Stake holders management on performance of the projects**

The tables below contain lists of key indicators of the stake holder’s management on effects of project performance practices. The likely contribution of these key indicators in your organization based on your experience? Please indicate your preference by marking (√) next to each rate of occurrence (frequency of occurrence) based on the representative numbers listed below.

1= Strongly disagree,    2= Disagree,    3= Neutral,    4= Agree,    5= Strongly agree

S.N	Project performance	Rate of effects of SHM on performance				
		1	2	3	4	5
1	Effective stakeholder management can lead the project completion with time and planned budget	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Effective stakeholder management can lead to cost savings on projects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Effective stakeholder management can lead to acceptable quality standard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Effective stakeholder management can lead to completion of projects to stakeholder satisfaction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	The Effective SHM will make the organization profitable.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	The SHM will have a positive return on investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Stake holders management Affects project performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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8	Proper stake holders management in the project contributes for new market process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Stake holders are engaged in offering grants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Getting stakeholder feedback on a project enhances performance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Managing project risks requires successful stakeholder involvement and collaboration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Choosing the right set of key performance indicators is essential for managing stakeholder engagement.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>