



ADDIS ABABA UNIVERSITY
College of Business and Economics (CoBE)
SCHOOL OF COMMERCE

**KNOWLEDGE OF STAKEHOLDER MANAGEMENT AND ITS PERCIEVED
CONTRIBUTION TO PROJECT SUCCESS: A CASE OF KIFIYA FINANCIAL
TECHNOLOGY PLC**

By Biruktawit Getachew

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Knowledge of Stakeholder Management and its Perceived Contribution to Project Success: A
Case of Kifiya Financial Technology PLC

A Project Thesis Submitted to the School of Graduate Studies of AAU for the Partial Fulfillment
of the Requirement for the Degree of Master of Arts in Project Management

By Biruktawit Getachew

Approval Board Committee:

Fesseha Afework (A/Professor)

Research Advisor

Signature

Date

Internal Examiner

Signature

Date

External Examiner

Signature

Date

Declaration

I, Biruktawit Getachew, declare that the study titled "Knowledge of Stakeholder Management and its Perceived Contribution to Project Success: A Case of Kifiya Financial Technology PLC", has been conducted by myself with the guidance and supervision of my research advisor, Fesseha Afewerk (A/Professor). It is entirely my original work that has not been submitted to any university degree program.

Biruktawit Getachew
Researcher



Signature

June 5, 2024
Date

Letter of Certificate

This is to certify that Biruktawit Getachew has conducted this project work entitled “Knowledge of Stakeholder Management and its Perceived Contribution to Project Success: A Case of Kifiya Financial Technology PLC” as a partial fulfillment of the requirement for the award of a Master of Arts Degree in Project Management. She has been doing this project work by herself under my supervision. Therefore, I hereby declare that it is her work and hasn't been submitted to any university degree programs.

Fesseha Afework (A/Professor)

Research Advisor Name

Signature

Date

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Acronyms

APM- Association of Project Management

PMBOK - Project Management Body of Knowledge

PMI- Project Management Institute

Abstract

Effective stakeholder management is vital for the success of projects, particularly in the technology sector. This thesis examines the stakeholder management practices of Kifiya Financial Technology PLC, a prominent financial technology company in Ethiopia, and assesses their impact on project success. The research underscores the significance of robust stakeholder management in enhancing project outcomes, such as meeting deadlines, adhering to budgets, and achieving quality standards. The study begins by defining key concepts, such as stakeholders and project success, and providing a historical overview of the evolution of stakeholder management. Major theoretical frameworks, including Freeman's Stakeholder Theory and the Power/Interest Matrix, are discussed to establish a foundation for the analysis. The literature review highlights the importance of effective stakeholder management and identifies existing gaps in practical implementation, especially in developing countries. The study evaluates the current stakeholder management practices within the company and their influence on project outcomes. The research objectives include assessing these practices, identifying their impact on key project success factors, and providing actionable recommendations for improvement. The research approach used was a descriptive cross-sectional study. Self-administrated questionnaires were distributed to company employees whose work directly relates to stakeholder management and interview questions were administered to senior-level managers to get proper insight into the process. The findings reveal that Kifiya Financial Technology PLC has implemented some effective stakeholder management strategies, but some areas require enhancement. Improved stakeholder management practices can lead to higher customer satisfaction, better project delivery, and overall enhanced organizational performance. This thesis contributes to the broader academic and practical understanding of stakeholder management in the financial technology sector, offering valuable insights and recommendations for similar organizations. By exploring the unique challenges and opportunities in Kifiya's context, this research provides a comprehensive analysis of stakeholder management practices and their perceived contribution to project success, ultimately aiming to improve project management effectiveness in a rapidly evolving technological landscape.

Keywords- project management, stakeholder, and stakeholder management

Chapter 1: Introduction

1.1 Background

Effective stakeholder management is crucial for the success of projects, especially in the technology sector. This research focuses on Kifiya Financial Technology PLC, a leading player in Ethiopia's financial technology industry, to analyze its stakeholder management practices and their perceived contribution on project success. The central argument of this research is that robust stakeholder management significantly enhances project outcomes, including meeting deadlines, adhering to budgets, and achieving quality standards.

A project is defined as a series of organized tasks, activities, and outcomes carried out to reach a specific goal. According to the PMBOK Guide, a stakeholder is any person or entity interested in a project and affected by its outcome (PMI, 2017). Different projects have different stakeholders with varying interests, making stakeholder management a critical aspect of project management. Historically, the term 'stakeholder' evolved from 'stockholder' and is defined as any group or individual who affects or is affected by the achievement of a project's objectives (Freeman, 1984). The perspective of stakeholders significantly influences their support or opposition to a project based on perceived benefits or losses.

Major frameworks in stakeholder management include the Stakeholder Theory by Freeman (1984), which emphasizes balancing the interests of all stakeholders, and the Power/Interest Matrix, which helps prioritize stakeholders based on their influence and interest. Studies show that projects with effective stakeholder management are more likely to succeed (PMI, 2017). High-performing organizations focus on managing stakeholder expectations and engagement. However, there is less focus on practical implementation in specific contexts, such as financial technology companies in developing countries, and a need for more empirical data on the contribution of stakeholder management practices on project success.

This research aims to fill these gaps by providing a detailed case study of Kifiya Financial Technology PLC, focusing on how its stakeholder management practices affect project success. By distributing questionnaires to specific staff members and using secondary sources such as project reports within Kifiya, this study will offer practical insights and recommendations that can be applied to similar organizations.

The specific research problem is the lack of comprehensive understanding and implementation of effective stakeholder management practices and how these practices influence project success. To address this, the study has three primary objectives: to assess the current stakeholder management practices at Kifiya Financial Technology PLC, to evaluate the perceived contribution of these practices on project outcomes including meeting deadlines, staying within

budget, achieving quality standards, and satisfying customer needs, and to identify areas for improvement in Kifiya's stakeholder management approach and provide actionable recommendations.

This research addresses a critical aspect of project management that is often overlooked. Focusing on a financial technology company in a developing country, provides valuable insights into the unique challenges and opportunities in this context. The findings can benefit Kifiya Financial Technology PLC and other organizations in similar industries and regions. Improved stakeholder management practices can lead to better project outcomes, higher customer satisfaction, and enhanced organizational performance. This study contributes to the broader academic and practical understanding of stakeholder management in the financial technology sector.

By exploring and addressing these key aspects, this thesis aims to provide a comprehensive analysis of stakeholder management practices and their perceived contribution on project success, offering valuable recommendations for Kifiya Financial Technology PLC and beyond.

1.2 Organization Background

Kifiya Financial Technologies PLC is a company that has been operating in Ethiopia for more than 15 years successfully establishing several digital finance and payment services. The company has a distribution network covering the whole of Ethiopia through 16 regional offices.

In 2019, Kifiya transitioned into a technology ventures holding company focused on launching an ecosystem of vertically integrated digital businesses across various sectors.

Among the products of Kifiya so far the most notable ones include:

- **Lehulu:** A system that integrates all bill payments in one place,
- **YeneGuzo:** A ticketing system that works in all bus stations in Ethiopia, and
- **Michu:** An AI-powered engine that enables unpolarized loans for banks. We leverage innovative technology to build and enable distribution channels that make financial and non-financial services affordable and accessible.

Kifiya currently has 10 subsidiary companies with 435 employees on a permanent and contractual basis in 7 regions and 13 cities in Ethiopia. Kifiya is dedicated to improving people's lives by leveraging innovative digital solutions. Headquartered in Addis Ababa, it is helping build a sustainable livelihood through its cross-cutting products that are improving the lives of farmers, women, youth, and MSMEs.

The company has a vision of creating equitable access to financial services and markets for our community and a mission to contribute to simplifying and improving people's lives by making technological transactions simple, secure, affordable, and within reach.

Kifiya has partnered with multiple private and non-profit organizations to build products with social impact in mind. Kifiya started K-flip Knowledge Hub to share knowledge, accumulated within organizations and individuals, with all industry players interested in operating and growing in the digital ecosystems in Ethiopia. To create more gender balance Kifiya purposefully targets women's participation in all their businesses.

In the fast-paced and dynamic landscape of financial technology companies specializing in payment services face a lot of challenges in effectively managing stakeholders. As a leading technological company, Kifiya operates in a complex business environment dealing with multiple stakeholders with their objectives and interests. Financial institutions expect seamless integrations into their existing systems and also to comply with regulatory requirements. While merchants expect innovative payment solutions and consumers expect convenient and fast-paced payment methods. Balancing the priorities and expectations of all these stakeholders while also trying to achieve the business objectives can be a challenge, necessitating the importance of effective stakeholder management for the success of the business.

Kifiya is currently undergoing a restructuring of its organization and has yet to reveal its new organogram.

1.3 Problem Statement

Effective project management is crucial for the success of any project, from inception to completion (Silva, 2016). Project success is traditionally defined by the "Iron Triangle" of time, cost, and quality (Matthias, 2017), but this approach has been criticized for neglecting stakeholder satisfaction (Morris, 2013). Despite widespread use of project management practices, projects often fail due to poor stakeholder relationships (Mahmoud, 2014). Stakeholder perception and interactions are vital for project success (Bourne, 2008), and without proper management, conflicting expectations can lead to project uncertainties (Johansen, 2014).

In response to increasing competition and the need for faster market entry, companies are collaborating with external stakeholders, leading to benefits such as risk-sharing and enhanced competitive advantage (Kreowski, 2009; Dreyer, 2005). However, the 2023 Standish Group report highlights a 69% failure rate in technology projects due to poor project management and stakeholder engagement (Standish Group, 2023).

Ethiopia's tech market is experiencing significant growth, driven by government initiatives and tech startups like Kifiya. However, the organization's stakeholder management practices are

underexplored. This lack of exploration limits the ability to understand and optimize stakeholder engagement, which is critical for project success. Without insights into effective stakeholder management, Kifiya and similar organizations may face challenges in meeting stakeholder expectations, mitigating risks, and achieving project objectives, ultimately hindering their growth and innovation potential in a competitive market.

This study aims to bridge this gap by evaluating the current state of stakeholder management practices, understanding their perceived contribution on project success, and identifying the tools and techniques employed for stakeholder identification, analysis, engagement, and communication within the organization.

1.4 Research Questions

- A) What is the current state of stakeholder management practices at the organization?
- B) What is the perceived contribution of project stakeholder practices on project success?
- C) What are the tools and techniques used in stakeholder identification, analysis, engagement, and communication

1.5 Research Objectives

This research project investigates the impact of stakeholder management on project success. Specifically, it will explore the challenges and issues associated with managing stakeholders in projects, and how a stakeholder's influence can affect the successful implementation of a project. The study will utilize Kifiya Financial Technology PLC as a case study to provide an in-depth examination of these concepts in a real-world setting. The specific objectives include:

- A. Describe the current state of stakeholder management practices at the organization
- B. To assess the perceived contribution of stakeholder management practices on project success
- C. To identify the techniques used in stakeholder identification, analysis, engagement, and communication

1.5 Significance of the Study

The main goal of this study is to emphasize just how crucial stakeholder management is for achieving success in projects, especially within the technological sector where it plays a vital role in ensuring high-quality outcomes. By uncovering these insights, the study provides project managers with the tools they need to stay competitive not only locally but also on a global scale.

Beyond our local context, the findings will contribute to larger discussions about stakeholder management in the global tech industry. And for the company being examined, the recommendations will help them fine-tune their stakeholder management strategies for even greater success.

Moreover, this study can also make a meaningful impact on policy-making, offering valuable input for government officials and regulatory bodies as they shape policies within the Ethiopian tech sector.

1.6 Limitations of the Study

Project management is still in its early stages as a discipline, and there's a constant need for new approaches, theories, practices, and systems to be developed and put into action. Despite the growing number of publications in the field, there's still a lot of ground to cover, especially when it comes to different project knowledge areas and process groups. Stakeholder management, which is just one aspect of project management, faces a similar challenge. There's a shortage of information, studies, and written materials available, making it tough for researchers to find enough resources, especially in Ethiopia and due to that this study has used multiple old references. Time and financial constraints add another layer of difficulty to conducting thorough research in this area.

Chapter 2: Review of Literature

2.1 Introduction

A review of relevant literature on stakeholder management is covered in this chapter. Books on stakeholders, project management, technology projects, and stakeholder management, as well as earlier studies conducted by various academics, journals, and publications, were the sources of the reviews. The tech sector and its characteristics, the fundamentals of stakeholder management, its components, and its application in the tech industry are all covered in this regard.

Additionally, the theoretical models created by earlier researchers are shown. The researcher's conceptual model is finally presented.

2.2 Theoretical Review: Essentials of Stakeholder Management

2.2.1 Project Management, Stakeholder, and Stakeholder Management

2.2.1.1 Project Management

The Project Management Institute (PMI) PMBOK® Guide (7th edition) and the Association for Project Management (APM) Body of Knowledge both define a project as a temporary undertaking with a specific goal. This goal can be achieved by creating a product, service, or a desired outcome. Project management is the application of knowledge, skills, and tools to complete these temporary endeavors effectively.

Several key characteristics define a project. First, they are temporary, meaning they have a defined start and end date. Second, projects deliver a unique outcome, such as a product, service, or result that is not ongoing. Finally, projects are undertaken to achieve predetermined objectives, ensuring focused efforts towards a specific goal.

Project managers rely on a defined project lifecycle to guide them through the various stages of a project's execution. By following best practices and utilizing project management tools, organizations can ensure projects are completed efficiently and effectively.

Additionally (Robert K. Wysocki, 2019) offers both a general and business-oriented definition of projects. He highlights projects as a series of interconnected tasks with a clear objective, completed within specific constraints like budget and schedule. The business definition emphasizes the generation of predictable value that aligns with the project's overall goals.

2.2.1.2 Stakeholder

Stakeholders are any group or individual who can influence or is impacted by an organization's goals as originally defined by (Freeman, 1984). (Mitchell, 1997) built upon this concept by introducing the theory of stakeholder salience. This theory suggests that a stakeholder's influence is determined by three key attributes: power, legitimacy (validity), and urgency. The type of stakeholder is often distinguished by their possession of one or more of these characteristics.

Project success heavily relies on effective stakeholder management, as emphasized by (Eskerod, 2014). Project managers play a crucial role by:

- **Identifying and prioritizing stakeholders:** This involves recognizing all stakeholders involved and determining which ones hold the most significance to the project's outcome.
- **Building relationships and managing expectations:** Project managers cultivate strong relationships with key stakeholders and actively manage their expectations throughout the project lifecycle.
- **Maintaining effective communication:** Clear and consistent communication is essential with all stakeholders, regardless of their level of influence.

While these steps may seem simple, the reality is that stakeholder expectations can vary greatly. Project managers must strive to understand these diverse expectations and work towards unifying and satisfying them as much as possible. This aligns with (Coff ,1999) notion that project success is achieved when stakeholders feel adequately compensated for their involvement, ensuring their continued support throughout the project.

2.2.1.2 Stakeholder Management

Stakeholder management is a continuous and vital process throughout a project lifecycle (Aragonés-Beltrán, 2017). It involves identifying all parties who can influence or are impacted by the project (Rajablu, M., 2015). Project teams take responsibility for managing stakeholder needs by: Identifying stakeholders, understanding stakeholder expectations and developing stakeholder engagement plans (Aragonés-Beltrán, 2017).

Since stakeholder influence can fluctuate throughout a project, it's crucial to regularly update their knowledge base (Olander, S., 2005). Two primary approaches exist for classifying stakeholders:

1. **Salience Model:** Introduced by (Mitchell, 1997), this model prioritizes stakeholder claims based on their power, legitimacy, and urgency. However, (Yang, 2009) and (Rajablu, 2015) criticize its complexity and reliance on accurate stakeholder information.

2. **Power/Interest Matrix:** This simpler approach, proposed by (Olander, 2005), analyzes stakeholder power and interest. It asks key questions:
 - To what extent does each stakeholder group want to influence project decisions?
 - Do they have the capability to influence decisions?

By classifying stakeholders based on this matrix, project managers gain a clearer picture of how stakeholder interactions and communication impact the project (Olander, S., 2005).

The Project Management Institute (PMI) acknowledges both the Salience Model and the Power/Interest Matrix, providing ongoing updates and frameworks for project management practitioners.

2.2.1.3 Stakeholder Management applications on projects

The growing prevalence of research and development projects in fiercely competitive markets with tight time-to-market constraints has significantly increased the importance of stakeholder management (Kreowski, H., 2009). Companies are broadening their innovation efforts by collaborating with external partners to access fresh resources and capabilities. This expanded network of stakeholders necessitates effective management strategies.

Stakeholder management's influence extends beyond just project timelines and costs. Research suggests stakeholders significantly impact four key project dimensions: communication, conflict management, decision-making authority, and supervision. (Vuorinen, L., 2019)

Building strong relationships with stakeholders and understanding their expectations are crucial aspects of stakeholder management. This fosters participation and alignment with project objectives. Early, frequent, and effective communication is essential for creating meaningful relationships in this context (Basten, D., 2016). Stakeholders need to be informed of both positive and negative project developments to ensure transparency and trust.

Collaboration among stakeholders can lead to specific issues and varying interpretations during project decision-making (Chow, V., 2020). Project managers need to consider these challenges when developing solutions. By working collaboratively, stakeholders are more likely to adhere to project goals, even if their individual interests aren't fully met.

Opportunities for open communication and information sharing encourage cooperation among stakeholders, strengthening their sense of belonging and mutual trust. Additionally, project managers can build trust by attending to stakeholder needs, fulfilling their promises, and demonstrating empathy. (Lehtinen, J., 2020)

2.2.2 Features of Stakeholder Management

Stakeholder Identification

Stakeholder identification is a critical process that involves finding individuals, teams, or organizations who can impact or be impacted by a project. This process goes beyond simply identifying stakeholders; it also emphasizes their needs, involvement level, influence, and potential impact on the project's success. (Vayyavur, R., 2015)

Several sources can be used to identify stakeholders, including the project charter, procurement documents, organizational assets, and business environment factors. The primary benefit of stakeholder identification lies in its ability to differentiate between various stakeholders and establish appropriate engagement strategies for each group. An emphasis needs to be made on the ongoing nature of this process, recommending stakeholder identification at the project's beginning, middle, and end. (Vayyavur, R., 2015)

When identifying stakeholders, several key factors should be considered. These include responsibility. Stakeholders may have a responsibility related to the project or its outcome. Understanding stakeholder influence, the ability (formal or informal) to impact the organization's performance and goal achievement, helps determine their level of engagement needed for the project. Proximity, the physical or operational closeness of stakeholders to the project, also plays a role. Stakeholders who interact directly with the project team or are geographically close may require different communication strategies. Dependency involves identifying individuals and groups who rely on the project's success. This could include employees, vendors, clients, or beneficiaries. Finally, representation refers to stakeholders who represent specific cultural or legal interests, such as community leaders, union representatives, or membership organization officials. Understanding these representatives ensures all relevant perspectives are considered. (Wood, D. J., 2021)

It's important to remember that both the stakeholders themselves and their interests can change over time. Regular stakeholder identification helps ensure project teams are working with the most up-to-date information. (Wood, D. J., 2021)

Stakeholder Analysis

Stakeholder analysis is a crucial tool for project teams, offering a three-fold benefit (Vayyavur, R., 2015). First, it helps identify the interests of all stakeholders involved in the project, allowing for the proactive management of potential conflicts that could otherwise derail progress. Second, stakeholder analysis helps organizations pinpoint opportunities and key relationships that are vital to the project's successful implementation. Finally, it provides valuable insights for developing effective stakeholder management strategies, ensuring all stakeholders are engaged and contributing to the project's success (PMBOK Guide, 2021).

As the world becomes increasingly interconnected, effective stakeholder analysis becomes even more critical. The PMBOK Guide outlines a recommended process for conducting stakeholder analysis. This process involves several key steps: Identify stakeholders and data, analyze impact and categorize, and plan for stakeholders' response (PMBOK Guide, 2021).

By following these steps, project teams can leverage stakeholder analysis to gain a deeper understanding of the project landscape and develop effective strategies for managing stakeholder relationships.

Stakeholder Communication

Even the most meticulously crafted stakeholder management plan can only be successful if there's effective communication between stakeholders and the project team (Vayyavur, R., 2015). The ability to clearly convey messages and receive feedback is essential for the entire stakeholder management process to function.

Communication with stakeholders can be formal or informal, depending on the situation. Project teams can utilize in-person meetings, project websites or newsletters, or even workshops and kickoff meetings to engage stakeholders (Ackermann, F., 2011). The choice of communication method depends on the specific stakeholders and the project context.

Regardless of the chosen methods, all stakeholder management strategies, tactics, and tools ultimately rely on effective communication. Poorly planned communication can hinder knowledge sharing between stakeholders and the project team.

Stakeholder Engagement

Effective stakeholder engagement goes beyond simply informing stakeholders; it involves maintaining their current values while fostering open conversations throughout the process. This means encouraging stakeholders to actively participate in creating their own engagement plans. Project teams should also measure the level of stakeholder involvement to ensure everyone feels heard and valued. Clear and concise communication is crucial, ensuring stakeholders understand the project's goals and their role within it. Developing customized engagement strategies that consider stakeholders' practical needs and cultural sensitivities demonstrates respect and fosters a more collaborative environment. Providing stakeholders with timely feedback on their contributions demonstrates the value of their participation and allows them to adjust their approach if needed (Baker, 2014).

Effective stakeholder engagement also requires considering the project's potential long-term impact. Project teams should be mindful of the legacy they are creating and how it might affect stakeholders in the future. Regularly evaluating the effectiveness of stakeholder involvement

throughout the project lifecycle is essential. This allows project teams to identify areas for improvement, share best practices with colleagues, and adapt their methods as needed to ensure continued stakeholder engagement (Baker, 2014). By carefully considering the potential effects of any new engagement practices, project teams can ensure they are fostering a truly collaborative and inclusive environment for all stakeholders.

2.2.4 Stakeholder Management in Software Development Projects

Software projects involve two primary activities: project management and engineering (McManus, 2004). The engineering side focuses on technical aspects like design, coding, and testing, essentially building the software system. Project management, however, prioritizes three key areas: quality, cost, and risk management (McManus, 2004).

Unfortunately, software project failures are a significant concern, contributing to rising costs in the software industry (Mandal, 2015). These failures can drag down profits from successful projects, highlighting the importance of effective management practices. McManus (2004) argues that software project management is more complex than traditionally portrayed. It involves managing a continuous flow of activities, some planned and others more fluid, requiring adaptability alongside adherence to a project plan. Innovation is also crucial, especially for intricate projects like building new software systems from scratch (McManus, 2004). Research by De Bono (1991) links poor decision-making and a lack of stakeholder participation to project management failures. McManus and Wood-Harper (2003) further emphasize the critical relationship between stakeholders and project managers in their book "Information Systems Project Management." They identify several key points related to stakeholder management and project failure, including: withholding bad news from stakeholders, inability to manage stakeholders' expectations and lack of strong project leadership.

Project success often hinges on effective communication and collaboration with both internal and external stakeholders, not just the development team (Archibald, 2016). This is especially true for complex software development projects, where a strong relationship between project managers and stakeholders is essential for managing expectations, navigating changes, and ensuring clear communication throughout the project lifecycle.

2.3 Empirical Review

This review investigates the relationship between stakeholder management and project success. While limited research directly addresses this correlation, existing studies highlight the crucial role of stakeholder involvement throughout the project lifecycle.

(Baccarini, 1999) emphasizes the multifaceted nature of project success. He argues that it encompasses both the project's functionality and the performance of the project team. Project

quality and stakeholder satisfaction are essential criteria for success. Baccarini further distinguishes between project management success, focusing on inputs and outputs, and product success, which centers on objectives and purpose.

Kothari (2004) explores the historical development of stakeholder involvement. In the 1960s, stakeholder participation was considered voluntary, with stakeholders acting based on personal desires. Social status determined involvement rather than a stakeholder's specific value to the project. By the 1980s, project management methodologies emerged to identify stakeholders and establish appropriate communication strategies. Though initially resisted, these methods acknowledged stakeholders' power, claims, and right to be involved, paving the way for future research on stakeholder management.

(Khan, 2017) underscores the importance of integrating effective stakeholder management throughout the project lifecycle. This approach not only ensures project success but also fosters a lasting positive impact on stakeholders. Both primary and secondary stakeholders play crucial roles. Khan outlines stakeholder responsibilities, which may include providing resources, educating project implementers, clarifying requirements, making timely decisions, providing feedback, and communicating changes effectively. Stakeholders, in turn, are expected to advocate for their needs, collaborate with others, share information openly, and continuously develop their knowledge and skills. (Achterkamp, 2008)

Local stakeholder involvement is a critical factor for project success. Public and citizen knowledge about potential environmental impacts allows for informed decision-making and reduces project failure rates. A study analyzing 25 World Bank projects found that 13 failed primarily due to a lack of local input. (E.L.I., 1997)

(Walid Al-Ahmad, 2009) defines successful software projects as delivering approved functionalities, meeting stakeholder expectations, and achieving user acceptance after deployment. Conversely, a project that fails to deliver the desired outcome within budget and timeframe constraints is considered a failure. The Standish Group International's CHAOS Report (2020) reveals that 69% of IT projects fail to meet their goals. Inadequate stakeholder involvement during requirement gathering, analysis, and management is a major contributing factor, with studies suggesting a 60-80% chance of project failure due to these issues.

Involving stakeholders throughout the project lifecycle provides valuable perspectives, allows for early issue identification and solution development, enhances decision-making credibility, and ultimately contributes to project success.

2.4 Theoretical Model

Salience Model

The Stakeholder Saliience Model, often referred to simply as the Saliience Model, was developed by Ronald K. Mitchell, Bradley R. Agle, and Donna J. Wood. It was first introduced in their paper titled "Stakeholder Theory: The State of the Art" published in 1997 in the Academy of Management Review. It is a method of classifying stakeholders and deciding who matters.

The Saliience Model is a strategic tool used to prioritize project stakeholders. It categorizes them based on three key attributes:

1. Power: This refers to the stakeholder's ability to influence the project or its outcomes. This could be through formal authority, expertise, or control over resources.
2. Legitimacy: This reflects the appropriateness of the stakeholder's involvement in the project. It considers whether their interests are relevant and their participation is justified.
3. Urgency: This describes the time sensitivity of the stakeholder's needs or concerns. It's further broken down into two aspects:
 - a. Time Sensitivity: This refers to how quickly the stakeholder needs a response or action taken.
 - b. Criticality: This emphasizes the importance of the stakeholder's need for their success or well-being.

Based on these attributes the model divided stakeholders into eight different types:

1. Dormant Stakeholders
2. Discretionary Stakeholders
3. Demanding Stakeholders
4. Non-Stakeholders
5. Dominant Stakeholders
6. Dependent Stakeholders
7. Dangerous Stakeholders
8. Definitive Stakeholders

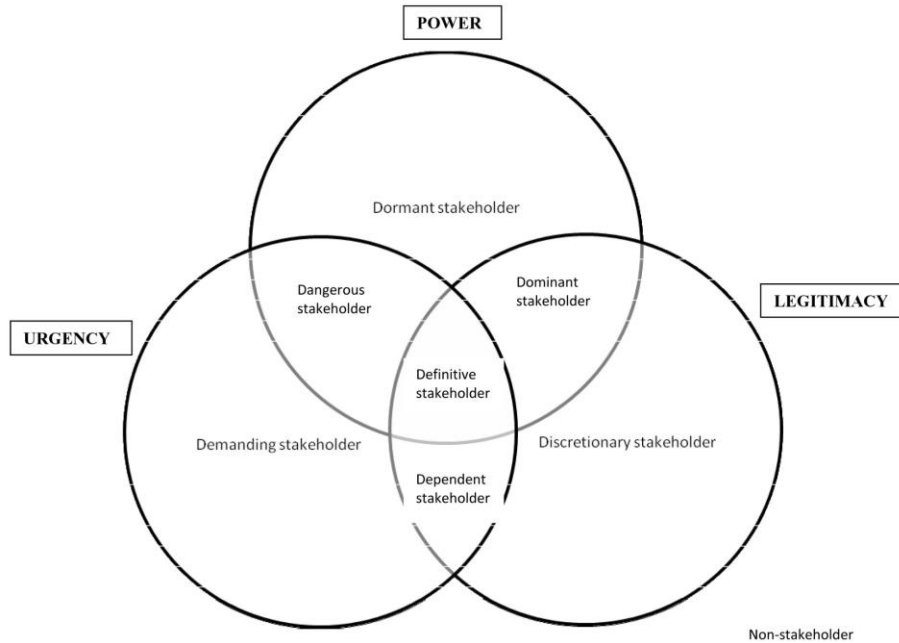


Figure 1: Attributes of stakeholders (Source: Mitchell et al., 1997, p. 874)

Power Interest Matrix

The Power-Interest matrix, also known as the Mendelow matrix, was proposed by Aubrey Mendelow in 1991. This matrix prioritizes the stakeholders determining which has high and low influence on the project. While interest refers to a stakeholder's level of concern or involvement with the project's or organization's operations, power is the same as in the Stakeholder Salience model. Depending on how these variables combine, the model splits stakeholders into four quadrants and recommends that the manager use a different approach for each group, such as close supervision, maintaining satisfaction, staying informed, or monitoring.

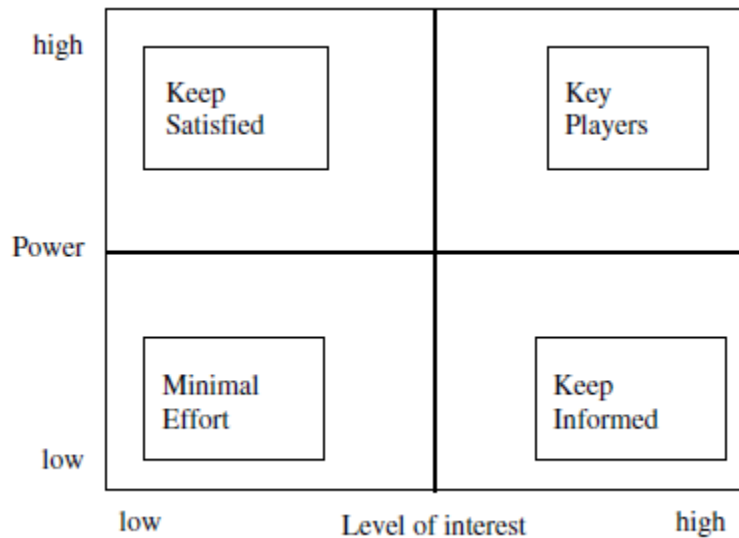


Figure 2: Stakeholder Mapping, Power/Interest Matrix (Source: Olander, S., Landin, A., 2005)

The above figure explains the different approaches we should have for the segregated/prioritized stakeholders.

- High power - High interest: We need to carefully manage the expectations of these stakeholders because they are the ones who make decisions and have the most influence on the project's success.
- High power - Low Interest: These stakeholders must be kept informed and satisfied, even when they cede authority and have little interest in changing. Whenever these stakeholders grow dissatisfied with the project, they may use their authority in ways that are not wanted, therefore it is important to handle them carefully.
- Low Power – High interest: Making sure these stakeholders are adequately informed and talking to them to ensure that no major issues arise is beneficial to the project as this stakeholder can offer insights into specific details of the project.
- Low power - low interest: Monitoring these stakeholders is warranted but no need to bother them with unnecessary details.

2.5 Conceptual Model

A conceptual framework developed from a literature review shows the four identified practices that potentially affect project success. The research sheds light on the four practices: stakeholder identification, stakeholder analysis, stakeholder engagement, and communication. Under each factor, some factors influence the project's success or the dependent variable. (Mahmoud R., 2014)

Time, cost, quality, and customer preference are identified as potential software development project success criteria in a conceptual framework created from a literature review.

(Murwanashyaka, T, 2017)

Based on the literature review, the following relationship between the independent variables and dependent variables is proposed as a conceptual framework.

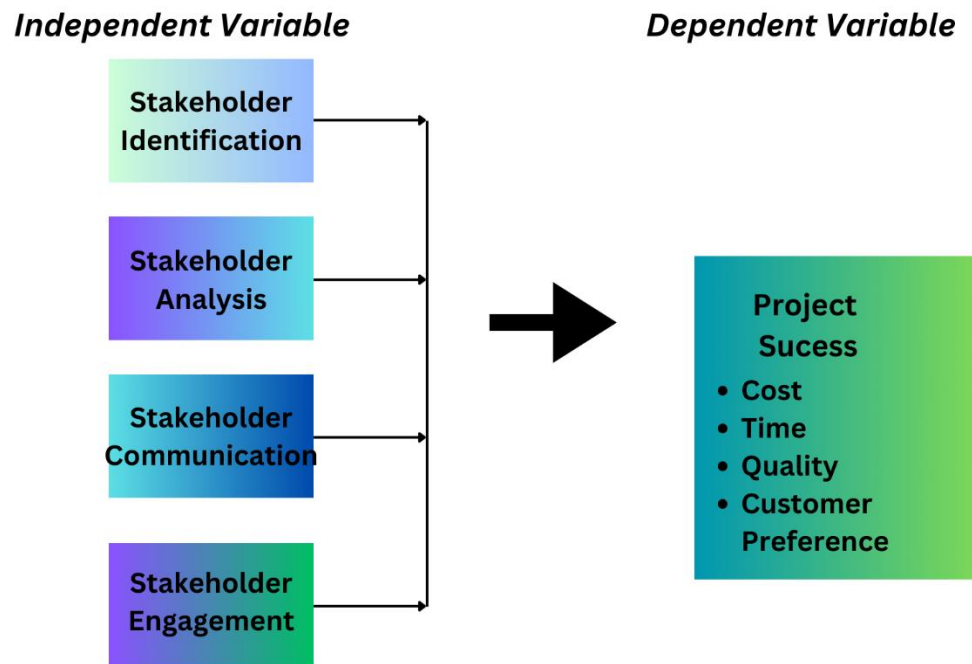


Figure:3 Conceptual Model (adapted from

Chapter 3: Research Methodology

3.1 Introduction

The chapter is dedicated to discussions regarding the research methodology employed in conducting the study. The variables (both independent and dependent) are identified. The type of data with the source of data to complete this study is explained in this chapter. Moreover, the population for the study, the sampling technique employed, and the way the sample size was selected with the number of samples including the methods of data collection are described.

3.2 Research Design

The blueprint for any research project is its design. This plan dictates how researchers gathered, measured, and analyzed the data. It's like a roadmap, guiding decisions about what data is needed, how much, and how to collect it. Choosing the right design considers several factors: the research goals, available resources (like time, money, and skills), the specific question being asked, and the type of data needed. The most effective design is tailored to the unique problem being investigated. A design that works wonders for one study might not be ideal for another. (Kothari, C. R. (2004))

The research design that was used to conduct the study is a descriptive cross-sectional research design. This is because the researcher assesses and describes the existing practice of stakeholder management in the given case.

3.3 Research Approach

The study employed a mixed approach of both qualitative and quantitative research methods. The study employed a descriptive cross-sectional design. This design was chosen by taking into account the time and cost of conducting this study. Self-administrated questionnaires were distributed to company employees whose work directly relates to stakeholder management and interview questions were administered to senior-level managers to get proper insight into the process.

3.4 Study Area and Target Population

Kifiya Financial Technology PLC is one of the leading technological companies in the country. Established 15 years ago it's located in Addis Ababa, Bole sub city. It currently has 10 subsidiary companies with 435 employees on a permanent and contractual basis in 7 regions and 13 cities in Ethiopia.

The target population for the case study included all Senior Managers, Project Managers, Assistant Project managers, and Software developers who are involved with the 10 projects that are currently active and in progress at Kifiya Financial Technology. The total number of population is 58

3.5 Sampling Techniques and Sample Size

Purposive sampling (Non-random techniques) was used to select the sample from the target population. Expert judgment and knowledge of roles in the organization were used to select participants that are representative of the population. This study used purposive sampling due to the small number of respondents, fifty-eight respondents were engaged with stakeholder management.

3.6 Description of Study Variables

Based on the research problem, several variables define the current gap in knowledge. To determine the effect of stakeholder management practice on project success, different variables have to be considered in the case of Kifiya Financial Technology PLC. Accordingly, the study holds two independent variables and investigates a single dependent variable, namely project success. The variables for the present study are listed below:

- A. Independent Variables: A total of four independent variables for this study are stated
 - a. Stakeholder Identification
 - b. Stakeholder Analysis
 - c. Stakeholder Engagement
 - d. Stakeholder Communication

- B. Dependent Variable: The only but wide-ranging dependent variable (that will be significantly influenced by the independent variables) is:
 - a. Project Success

3.7 Data Collection – Source, Type and Instrument

Primary and secondary data collection methods were used by the researcher for the sake of addressing the research objective. For primary sources, self-administered questionnaires were distributed to the staff, and semi-structured interviews were conducted with senior managers to have an in-depth understanding of the study issue secondary data was collected by reviewing related relevant documents like their project document, publications, websites, articles, etc.

3.8 Data Analysis

Data analysis transformed the raw data collected from participants into meaningful insights. The data was organized through coding, classification, and categorization. This allowed to summarize the information, create categories, and draw statistical conclusions. In essence, data analysis helps us unlock the story hidden within the raw data.

The study adopted the questions from other research works by using a questionnaire partly developed from a previously tested work, (Baker H, 2014).

SPSS statistical package software version 20 was used for the quantitative analysis and the result is presented in frequencies, and percentages. Moreover, the qualitative aspect was analyzed and interpreted by way of transcription as well as logical and deductive narratives. The analyzed data is presented in the form of tables, graphs, and charts in a way that gives much understanding of the data being analyzed.

3.9 Quality Assurance

The study employed a combination of data-gathering techniques to ensure the validity and reliability of the data collected.

Validity refers to the accuracy of the measurement and to ensure the accuracy the data was triangulated from multiple sources the questionnaires are both self-administered and eight individuals with experience in stakeholder management and related research—particularly in software development—were interviewed in-depth to receive their feedback on the questionnaire.

Reliability is the extent to which the results can be reproduced when the research is repeated under the same conditions. To ensure reliability the questionnaire was adapted from similar peer-reviewed and published research, standard stakeholder management materials, and reviewing secondary documents.

3.10 Ethical Consideration

To ensure ethical standards were upheld, the researcher adhered to accepted guidelines regarding human rights, animal welfare, legal compliance, conflicts of interest, safety and health standards, and so forth. Upholding ethical standards is essential in preventing data fabrication or falsification, as it can have a significant impact on the integrity of the research project.

Furthermore, ethical behavior was implemented in citing other researchers' works for pertinent literature shared. The information collected from participants was kept private and used exclusively for this research, for which they were informed and gave their consent. The respondents were informed of the confidentiality of the information they provided and its use for academic purposes only.

Chapter 4: Result and Discussion

4.1 Introduction

The following chapter will include all the analysis done based on the data that was obtained from the study participants. Descriptive statistics was carried out to provide the analysis result in a way that addresses the study objectives that were put in place. The analysis was done using the SPSS software version 20. This chapter will focus on data presentation, analysis, and interpretation of the collected data from participants. The major aim of this study was to assess the effects of stakeholder management on project success in the case of Kifiya Financial Technology PLC. It evaluates

4.2 Questionnaire Response

Out of the questionnaires that were distributed to the total target population of the study, 50 individuals, 48 were returned complete making the response rate of the study at 96%. In addition to the qualitative data that was collected using structured questionnaires, qualitative data was gathered using semi-structured interviews with eight key informants, at different levels of the project hierarchical structure from the participants was added, and their responses with the checklist that was done were used to in rich the quantitative data results.

4.3 Demographic Characteristics of Respondents

The sex, age, academic status, role in the organization and years of work experience in the office were included in the demographic description of participants. The descriptive analysis was done and finding is presented below in the tables.

Table: 1 Demographic characteristics of study participants at Kifiya Financial Technology PLC Addis Ababa, Ethiopia, 2024.

Variables	Category	Frequency and Percentages
Gender	Male	30 (62.5%)
	Female	18 (37.5%)
	20-30	38 (79.2%)
	31-40	6 (12.5%)

Age	41-50	4 (8.3%)
Years of Experience	0-5	32 (66.7%)
	6-10	10 (20.8%)
	10-15	0
	>15	6 (12.5 %)
Educational Level	BA/BSc	18 (37.5%)
	MA/MSc	26 (54.2%)
	Other	4 (8.3%)
Work Position	Project Manager	10 (20.8%)
	Assistant Project Managers	20 (41.7%)
	Technical Specialists	18 (37.5%)

Source: Analysis based on data from own survey, 2024

4.3.1 Sex of Respondents

In the above table, male employees were present in higher numbers than their female counterparts in the organization at 62.5% % and 37.5% respectively. This is not a very good representation of sex and shows that females are not well represented. Though it needs further investigation to conclude the causes the finding showed that close to 3/4 the majority is male and indicates that there is no sex equity. The findings also indicate that most project managers as well as technical specialists were male.

4.3.2 Age of Respondents

The study also considered the age range of the respondents. The age range was taken to know which age range formed the majority of those who carried out projects in the organization and conducted stakeholder management. The findings are shown in the table below.

From the study findings, 79.2% of the respondents were aged between 20-30 years 12.5% were aged between 31-40 years, and 8.3% were aged above 41-50 years. From these findings, it can be deduced that most of the project managers were aged between 20 and 30 years this shows that the office has a large number of young employees with fresh knowledge, more energy, and enthusiasm to learn that can be utilized and guided with the help of their more mature and probably experienced colleagues to achieve results in projects.

4.3.3 Years of Experience

Project management work is ever-evolving and individuals' experience will shape how they handle the next project by learning from the previous one as such experience in this line of work is important. From the data gathered in this study, about 66.7% of participants had less than 5 years of experience when it comes to working on projects but a good percentage of the respondents had more than 5 years of experience, 20.8% with between 6 to 15 years of work experience and 12.5% over 15 years experience.

4.3.4 Educational Level

Educational status might not be the deciding factor for an individual to be an asset to a team but it certainly is one of the most important factors as a person's educational level can affect one's perception of things, understanding of questions, and their implications. As such it is important to know the educational level of participants might affect their response to follow-up questions and their practice when it comes to project and stakeholder management.

In this study, all participants had some level of higher level education with 37.5% and 54.2% for BA/BSc and MA/MSc respectively while 8.3% of the participants had a Medical Doctorate. This means that the participants are academically educated enough to read, understand, and respond appropriately to the questions raised in this study.

4.3.5. Work position

This project office has a somewhat diverse and encouraging composition of individuals with different positions of work. Besides the larger number of project team members, they have 10 project managers, 20 assistant project managers, and 20 technical specialists.

The more people with higher levels of roles the more likelihood of having people with experience that can be utilized to realize the objectives of the projects and more likelihood of them having the capacity to utilize the human resource working for them properly.

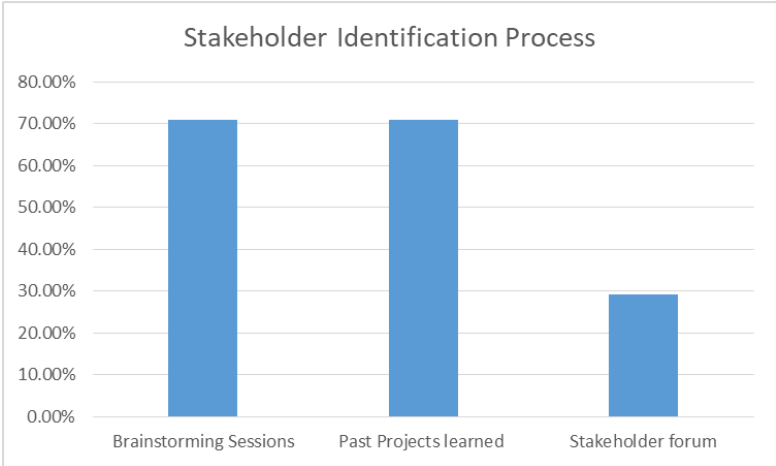
4.4 STAKEHOLDER IDENTIFICATION, CLASSIFICATION AND RELEVANCE

The process and ways used to identify, and classify the importance and stages of processing the identification process were analyzed in the following part.

4.4.1 Stakeholder Identification

The majority of respondents chose project team brainstorming and lessons from previous projects as their primary sources, at 70.8% each, and 29.2%, stated they held stakeholder forums.

Figure 4: Stakeholder Identification Process

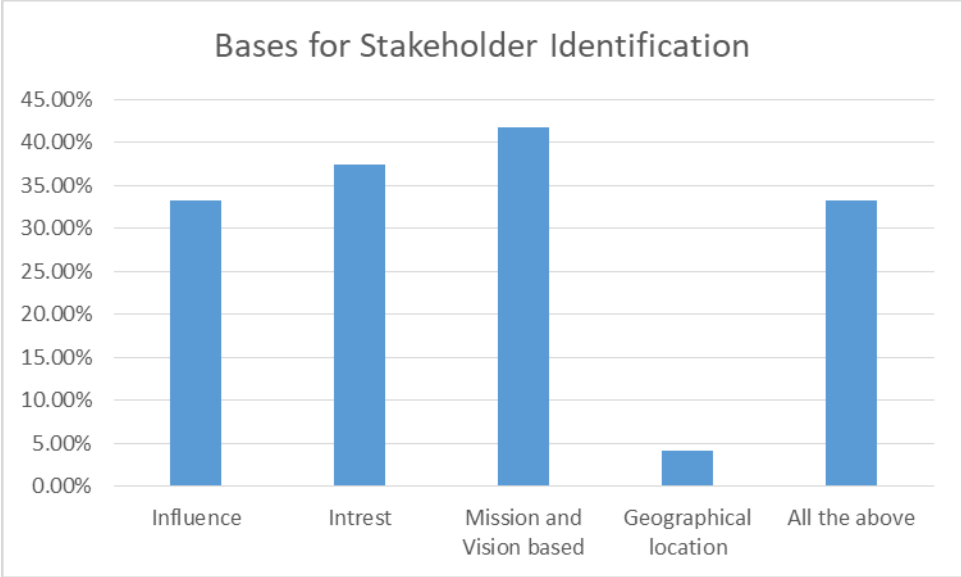


Source: Analysis based on data from own survey, 2024

4.4.2. Bases for stakeholder identification

Stakeholder identification criteria used in projects vary: 33.5% are based on influence; 37.5% are based on stakeholder interest; 41.7% are based on the project's mission and vision; 4.2% are based on geographical location; and 33.3% of participants said they use all of the criteria. This data indicates that multiple bases were being used concurrently.

Figure 5: Bases for Stakeholder Identification

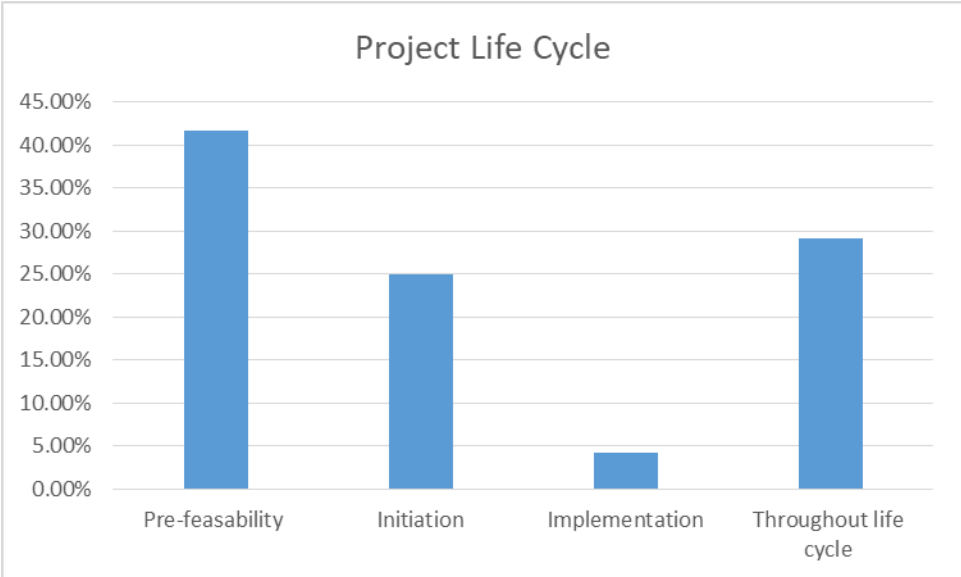


Source: Analysis based on data from own survey, 2024

4.4.3 Project life cycle stages for stakeholder identification

Participants in the study reported that they had practiced stakeholder identification at every stage of the project life cycle: 41.7% said they had done so initially during the pre-feasibility phase, 25% and 29.2% said they had done so during the initiation phase and throughout the project life cycle, respectively, and 4.2% said they had done so during the implementation phase.

Figure 6: Project life cycle stages for stakeholder identification



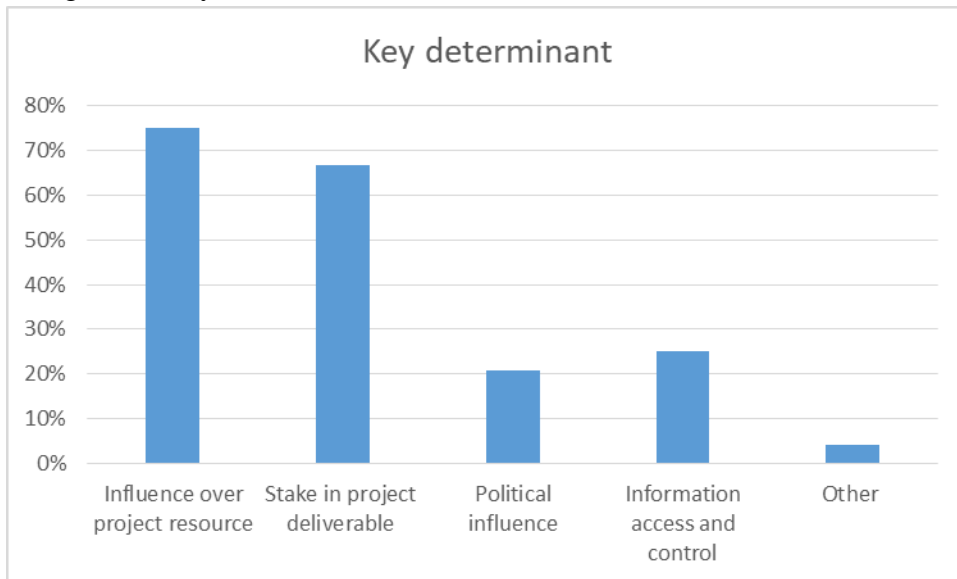
Source: Analysis based on data from own survey, 2024

4.4.4 Status Determinants of Key Stakeholders Identification

The primary element to be regarded as a significant stakeholder determinant was determined to be the influence a stakeholder had over the project resource and stake in project deliverables, at 75% and 66.7%, respectively. This was followed by political influence and information access and control, at 20.8% and 25%, respectively. 4.2% of participants named beneficiaries as important variables and indicated they were "other."

The project team will utilize this information to better understand the stakeholders and categorize them in a manageable and acceptable manner. This will help them choose how much attention to give each stakeholder and to critically assess their level of involvement and significance.

Figure 7: Key determinant for stakeholder identification



Source: Analysis based on data from own survey, 2024

4.5 Stakeholder Analysis

In a stakeholder management process identifying them is not the end of the whole process, although some might like to think otherwise those identified need to be properly analyzed, the stakeholder analysis comes into play when there is a need to carefully in an in-depth manner the need to evaluate and analyze each stakeholder is required; this will help with finding out the strengths, weakness, responsibilities, power, resources and other important factors the stakeholder might have or might require as a deliverable of the project and its team (Ramirez, 1999)

In this study the result for the participants' response as to if there is stakeholder activity conducted during the project management process was a yes from 100% of the participants.

4.5.1 Necessity of Stakeholder Analysis

All 100% of the participants felt it was necessary to do a stakeholder analysis, whether it was done by themselves or by other team members.

4.5.2 Stage of Stakeholder Analysis

Stakeholder analysis should be completed at a certain stage of the project because it is comprised of multiple phases and involves a variety of activities. According to the survey participants, doing the analytical process at the outset was seen as most appropriate (70.8%), followed by an ongoing process in general and implementation at 16.7% and 12.5%, respectively.

Table 2: Stages of stakeholder analysis

Which project stage is ideal for undertaking a stakeholder analysis		
	Frequency	Percent
Initiation phase	34	70.8
Implementation phase	6	12.5
Ongoing activity	8	16.7
Total	48	100.0

Source: Analysis based on data from own survey, 2024

4.5.3 Attitude towards Stakeholder Analysis

Knowing the supporters and detractors of the project, their requirements, and their varying degrees of power can all make a big difference in whether the project succeeds or fails. (Smith, L. W. (2000))

According to the study's findings, the majority of participants believed that project stakeholder management would have a significant impact on the project's outcome, that the process would take precedence over their regular activities, and that the stakeholder analysis activities would be able to determine the level of knowledge of each stakeholder or be used to prioritize them based on their responsibility to the project. These findings were corroborated by key respondents' interviews, which revealed that those involved in the day-to-day operations of the projects felt that the in-depth analysis was significantly more impactful than simply identifying the key players and meeting their needs. Some of the most memorable comments given in this area were "As a tech company entering a market that is not technologically advanced, having a deeper understanding of the needs of the stakeholders is a detrimental factor to success or failure of the project," and "The regulations and public understanding of software development in this nation are still lagging behind the advancements, therefore it's possible that we won't reach our deadlines if we don't collaborate closely with our stakeholders."

Participants responded "I agree" at 58.3% and 50% regarding the importance of the team's decision to prioritize stakeholders based on their unique power over project outcomes and the

urgency of their needs. However, they were more ambivalent about whether internal or external stakeholders should be given priority. "They prioritize their stakeholder depending on the products they will be launching," senior management said in an interview regarding this procedure.

The acceptance of stakeholder analysis as a decision-making tool or input for quality was a more agreeable state for the majority of the participants although most indicated they are not direct players in the process and identifying the project manager as the responsible body which can indicate that the project team members either are not being involved or they don't know the use of this process to the level they should have.

Table 3: Attitude towards stakeholder analysis

S.no	Questions	Responses				
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Project Stakeholder Management (PSM) can make a difference in the performance of my project.	62.50%	37.50%	0	0	0
2	Project Stakeholder Management is an important and priority activity for me	50%	29.20%	20.80%	0	0
3	Stakeholder analysis is an activity I undertake as part of my project management processes	41.70%	41.70%	16.70%	0.00%	0
4	Stakeholder identification helps to find out who has unique knowledge related to any aspect of the project	37.50%	50%	12.50%	0	0
5	I prioritize stakeholders according to their responsibilities to the project	25%	62.50%	8.30%	4.20%	0
6	I prioritize stakeholders according to how urgent they see the project's interest in	16.70%	58.30%	20.80%	4.20%	0
7	I prioritize stakeholders according to their power to influence the project outcome	45.80%	50%	4.20%	0.00%	0

8	Internal Stakeholders are prioritized above external stakeholders	8.30%	16.70%	54.20%	20.80%	0
9	Stakeholder analysis helps to evaluate different stakeholders' power	37.50%	58.30%	4.20%	0.00%	0
10	Stakeholder analysis is useful to ensure the quality of the decision-making processes	41.70%	50%	8.30%	0.00%	0
11	In my project, I am involved in stakeholder identification and analysis	20.80%	58.30%	16.70%	4.20%	0
12	The project manager and the sponsor are the people who do the stakeholder analysis	12.50%	37.50%	29.20%	20.80%	0

Source: Analysis based on data from own survey 2024

4.6 Stakeholder Engagement and Communication

4.6.1. Operational definition of stakeholder engagement

This is part of the study that tried to identify the term or definition for stakeholder engagement as it is given by the team members or those working on the projects taken on by the organization and from all the participants. A two-way dialogue process between project management and stakeholders and the process of working with stakeholders was the leading accepted definition by 45.8% and 37.5%.

Table 4: Operational definition of stakeholder engagement

What is the operational meaning of the term stakeholder engagement in the context of your organization?		
	Frequency	Percent
Process of working with stakeholders	18	37.5%
A two-way dialogue process between project management & stakeholders	22	45.8%
An event to let stakeholders what is to be expected from or from them	8	16.7%
Total	48	100.0%

Source: Analysis based on data from own survey

4.6.2 Timing of stakeholder engagement

The study's participants appeared to concur that they should interact with stakeholders at various stages of the project life cycle. Rather than one stage predominating over the others, it was more common for different persons to identify alternative stage combinations that they felt were more appropriate.

Table 5: Timing of stakeholder engagement

At which stage of your Project life cycle do you carry out Stakeholder engagement		
	Frequency	Percent
pre-feasibility stage	8	16.7
Initiation stage	18	37.5
Implementation phase	4	8.3
Throughout the project life cycle	18	37.5
Total	48	100.0

Source:
Analysis

based on data from own survey 2024

Stakeholder engagement appears to be centered mostly at the start and "throughout the project life cycle" of the team's projects, accounting for about 75% of the point of contact. Upon reviewing a few previously concluded projects, the researcher observed that most formal structured engagements were concentrated on the point of key milestone commencement or completion, with managers or top executives typically handling these tasks. This is further corroborated by the conducted interviews, which indicate that senior management and those in charge of coordination and administration feel that engagement is a process that occurs throughout the project. Team members who execute the lower-level tasks associated with the deliverables appear to view points of engagement as formal interactions with stakeholders that occur during major meetings, prearranged check-ins, and after the project is completed. One senior manager said, "We carry out formal meetings with them initially and a few check-in meetings during the duration of the project and a final meeting during the completion of the project."

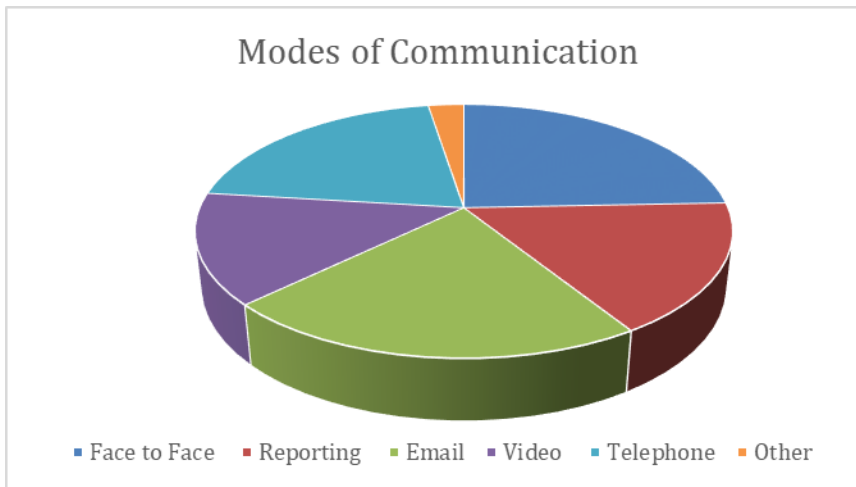
4.6.3 Modes of Stakeholder Communication

A project's ability to deliver deliverables and meet objectives within the three main project constraints depends on effective and sufficient communication between its management and stakeholders, among other parties. This requires the dedication of the entire team, both internal and external. (Chinyio,&Olomolaiye, (2009)).

Stakeholder communication appears to be a procedure that all project stakeholders agree upon, as all respondents (100%) stated that they carry out stakeholder communication in one way or

another as part of their work. As the reaction has demonstrated, the strategies used to handle those communications are diverse and involve a mix of approaches. Face-to-face meetings were the most popular technique, being used 79.2% of the time. Email and phone calls came in second and third, at 70.8% and 66.70%, respectively, while video conferencing was the least used mode, at 45.8%. 8.3% of participants said they also utilize letters in their communication.

Figure 8: Modes of communication



Source: Analysis based on data from own survey

4.7 Perceived Contribution of Stakeholder Management on Project Success

Stakeholders play a critical role in the success of any project. They are individuals or groups who are impacted by the project or have a stake in its outcome. Their influence can make or break a project, so understanding their needs and managing them effectively is crucial.

This study tried to assess whether or not the participants believed that stakeholder management made an impact on the project outcome. The response shown in table 6 indicate that the majority of the participants believed the stakeholder management process would have a positive impact on the project outcome with 37.5% stating they have a very high contribution in meeting deadlines, 54.2% stating they have a high contribution in respecting budget, 66.7% stating they have a high contribution in meeting customer’s needs and 50% stated they have a high impact on gaining profit. This response is further corroborated by the interview with senior managers who stated “The success of our product is entirely dependent on the input of multiple stakeholders” Another senior manager stated that have seen significant changes in meeting their project objectives and launching their product on time, budget and schedule after they made the necessary changes and incorporated stakeholder management practice in their project management process.”

Table 6: perceived contribution of stakeholder management on project success

Questions	Response			
	Low Contribution	Moderate Contribution	High Contribution	V. High Contribution
Meeting Deadlines	4.2%	33.3%	25.0%	37.5%
Respecting budgets	0%	25%	54.2%	20.8%
Meeting Quality Specification	4.2%	8.3%	66.7%	20.8%
Meeting Customer's needs	8.3%	25%	41.7%	25%
Gaining Profit	8.3%	33.3%	50%	8.3%

Source: Analysis based on data from own survey 2024

Chapter 5: Summary of Findings, Conclusion and Recommendation

5.1 Introduction

This is the research's final chapter, and it comprises a summary of findings, a conclusion, and a recommendation. The summary highlighted the data analysis findings while answering the research questions. Furthermore, this section presents conclusions and recommendations based on the research findings.

5.2 Summary

The study collected data on the knowledge of stakeholder management practice and its perceived contribution on project success to assess all the components of what a structured stakeholder analysis should be.

Demographic Characteristics of Respondents

The demographic profile of respondents at Kifiya Financial Technology PLC indicates a predominantly young and educated workforce. With 62.5% male and 37.5% female participants, the gender distribution reflects a diverse team. The age demographic reveals a majority of young adults, with 79.2% aged between 20 and 30 years, suggesting a dynamic and potentially adaptable workforce. Furthermore, 66.7% of respondents have between 0-5 years of work experience, indicating a relatively junior team with fresh perspectives. The educational level is notably high, with all participants possessing higher education qualifications. The work positions are well-distributed among project managers, assistant project managers, and software developers, ensuring a balanced representation of different roles within the project team.

Stakeholder Identification, Classification, and Relevance

Stakeholder identification at Kifiya is primarily conducted through team meetings and leveraging past project experiences. This process is critical in the pre-feasibility and initiation stages of the project life cycle, ensuring that key stakeholders are identified early on. The criteria for identifying stakeholders are based on their influence over project resources and their stake in project deliverables. This pragmatic approach ensures that stakeholders with the most significant impact on the project are prioritized. Secondary criteria, such as political influence and information control, also play a role in this identification process, highlighting the multi-faceted nature of stakeholder relevance.

Stakeholder Analysis

The necessity of stakeholder analysis is universally acknowledged among the respondents, who view it as an indispensable activity for project success. The consensus is that stakeholder analysis should predominantly occur during the project's initiation phase, although a considerable number of participants advocate for ongoing analysis throughout the project life cycle. This approach underscores the importance of continuously understanding stakeholder power dynamics and needs, which can evolve as the project progresses. The participants emphasize prioritizing stakeholders based on their influence and the resources they control, with a particular focus on external stakeholders due to their significant political and resource control.

Stakeholder Engagement and Communication

Effective stakeholder engagement is defined as a two-way dialogue between project management and stakeholders, characterized by continuous interaction throughout the project life cycle. The timing of engagement activities spans from the initiation to the completion stages of the project, ensuring that stakeholder input is incorporated at every critical juncture. This continuous engagement strategy is crucial for maintaining stakeholder alignment and support, thereby mitigating risks associated with miscommunication and unmet expectations.

Perception on Project Success

The analysis reveals that stakeholder management profoundly impacts various dimensions of project success. A significant proportion of respondents (37.5%) report that stakeholders contribute very highly to meeting project deadlines, highlighting the importance of timely stakeholder engagement in project planning and execution. Furthermore, 54.2% of respondents believe that stakeholders play a crucial role in respecting project budgets, indicating that effective stakeholder management can lead to better financial control. Meeting quality specifications is another area where stakeholder input is vital, with 66.7% of participants acknowledging high stakeholder contributions. Additionally, 41.7% of respondents report that stakeholders significantly help in meeting customer needs, and 50% believe that stakeholder involvement positively impacts project profitability.

5.3 Conclusion

This study reinforces the well-established notion that effective stakeholder management is a cornerstone of project success. Researchers investigated Kifiya Financial Technology PLC's stakeholder management practices and their impact on project outcomes. The study underscored the significance of several key areas: identifying stakeholders, stakeholder analysis, stakeholder engagement and communication. Kifiya's strong performance in these areas contributes significantly to their project achievements. Their emphasis on continuous stakeholder management ensures project goals are aligned with stakeholder interests and fosters clear communication channels.

The study highlights two key takeaways. First, including external stakeholders is crucial, emphasizing their importance in the project's success. Second, maintaining ongoing engagement throughout the project life cycle is essential.

In conclusion, the path to project success is intricately linked to how well stakeholders are managed. By acknowledging the value of continuous stakeholder involvement and adapting to their evolving needs and influences, organizations can navigate the complexities of project management more effectively and achieve their goals.

5.4 Recommendation

To enhance stakeholder management practices and minimize challenges, consider these recommendations:

- **Continuous Stakeholder Identification:** Involve all team members throughout the project lifecycle for stakeholder identification. This ongoing process ensures no stakeholders are missed and allows for the identification of new stakeholders as the project evolves.
- **Collaborative Stakeholder Analysis:** Move beyond delegating stakeholder analysis solely to management. Encourage participation from the entire team to gain a more comprehensive understanding of stakeholder power, interests, and potential influences.
- **Ongoing Stakeholder Communication and Engagement:** Don't restrict communication with stakeholders to project initiation and completion. Establish an ongoing communication strategy that fosters trust, addresses concerns proactively, and minimizes complications throughout the project lifecycle.

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ANNEX- QUESTIONNAIRE

Dear Participants;

I am a graduate student at Addis Ababa University School of Commerce and currently, I am conducting research for the completion of my masters in Project Management. This project work is on “Knowledge of Stakeholder Management Practices and the it’s Perceived Contribution on Project Success in the Case of Kifiya Financial Technology”. The purpose of this study is to assess the stakeholder management practice and to assess its contribution on project success.

Your participation in this research study is voluntary and will require 15-20 min of your time. The information provided will be used for academic purposes only and you are not required to write your name on the questionnaire.

Therefore, I kindly request your assistance in filling out the questionnaire noting that your response will be kept confidential.

If you have any questions or comments regarding this research study, you may contact me at

E-mail: getachewbiruktawit8@gmail.com

Tel-+ (251) - 911642374

Thank you very much for your golden time and cooperation.

Biruktawit Getachew

Part I: Semi-structured Questionnaire

Instructions

Please circle the capitalized letter in front of each choice option that best fits with your intended answer.

If you cannot get any satisfying choice among the given alternatives, you can write your answer, in the open space next to the options.

Write your opinion briefly in the space provided for the open-ended questions.

Section 1- General information about respondents

S.no	Characteristics	Choices	
1	Gender	A male	B, Female
2	Age	A, 20-30 C, 41-50	B, 31-40 D, above 50
3	Years of experience in project work in the current organization or others	A, 0-5 years C, 11-15 years	B, 6-10 years D, above 15 years
4	Education level	A, diploma C, MA/MSc	B, BA/ BSc D, others specify----- -----
5	Select the role you have in the current work, if more than one, please choose your dominant role	A project manager C, project team member E, project administration	B, project coordinator D, technical specialist (including human resources, finance, logistics and related) F, others----- -----

Section 2- Stakeholder Identification, Classification and Relevance

S, no	characteristics	Choices	
1	How do you identify your stakeholders?	A project team brainstorming C, snowballing(through peers)	B, stakeholder forum D, past projects lesson learned E, others ----- ----
2	What is/are the bases for your stakeholder identification	A, influence C, mission and vision-based E, all of the above combined	B, interest-based D, geographic reasons F, other -----
3	At which stage of your project life do you identify stakeholder	A, pre-feasibility stage C, implementation stage	B, initiation stage D, throughout the project life cycle
4	What determines your stakeholders' status as 'key'	A, influence over project resources C, political influence	B, stake in project deliverable D, information access and control E, other----- ---

Section 3- Stakeholder Analysis

S.no	Characteristics	Choices	
1	Is there a stakeholder analysis activity you undertake as part of your project management process	A, yes	B, no

2	If no to qns 1, give a brief explanation as to why?					
3	Do you find stakeholder analysis necessary in project management	A, yes	B, no			
4	Which project stage is ideal for undertaking stakeholder analysis	A, initiation phase C, completion phase	B, implementation phase D, ongoing activity			
5	Please indicate your level of agreement with the statements related to how you deal with a stakeholder in the projects	Strongly agree (1)	Agree (2)	Neutral (3)	Disagree (4)	Strongly disagree (5)
6	Project Stakeholder Management (PSM) can make a difference in the performance of my project?					
7	Project Stakeholder Management is an important and priority activity for me					
8	Stakeholder analysis is an activity I undertake as part of my project management processes					
9	Stakeholder identification helps to find out who has unique knowledge related to any aspect of the project					

10	I prioritize stakeholders according to their responsibilities to the project					
11	I prioritize stakeholders according to how urgent they see the project's interest in					
12	I prioritize stakeholders according to their power to influence the project outcome					
13	Internal Stakeholders are prioritized above external stakeholders					
14	Stakeholder analysis helps to evaluate different stakeholders' power					
15	Stakeholder analysis is useful to ensure the quality of the decision-making processes					
16	In my project, I am involved in stakeholder identification and analysis					
17	The project manager and the sponsor are the people who do the stakeholder analysis					

Section 4- Stakeholder Engagement and Communication

S. no	Characteristics	Choices	
1	What is the operational meaning of the term stakeholder engagement in the context of your organization?	A process of working with stakeholders C, an event to let stakeholders what is to be expected from or by them	B, A two-way dialogue process between project management & stakeholders D, Other (specify)----- -----
2	At which stage of your Project life cycle do you carry out Stakeholder engagement	A, pre-feasibility stage C, Implementation stage E, Throughout the project life	B, Initiation stage D, Completion stage
3	Is communication part of your Stakeholder management process?	A, yes	B, no
4	If the answer to Qns 3 is no, please explain why?		
5	Which technique do you use to communicate with your stakeholders?	A, Face to Face Meetings C, E-mail, E, Telephone F, Other.....	B, Reporting D, Video Conferencing

6	What are the tools and techniques used for stakeholder management in your project?	A, Project plan C, Communication plan D, Contracts F, Combination of all	B, Requirements Documentation E, Stakeholder Register
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Section 5 – Perceived Contribution of Stakeholder Management on Project Success

	Very Low Contribution	Low Contribution	Moderate Contribution	High Contribution	V. High Contribution
	1	2	3	4	5
Meeting Deadlines					
Respecting Budgets					
Meeting Quality Specifications					
Meeting Customer's needs					
Gaining Profit					

Thank you for your time.

Part 2 – Structured Interview for Senior Managers

1. What does the stakeholder management practice of the organization look like?
2. Is there any separate unit for handling the task of managing stakeholders? If yes how is it structured? Is there adequate staff to undertake the tasks? If not what is the reason for?
3. What are the tools and techniques used for managing stakeholders in your project and how effective are they?
4. How has stakeholder management in your company affected the result of your projects
5. How do you evaluate the stakeholder management practice of your organization?

