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ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
SCHOOL OF COMMERCE

GRADUATE PROGRAM IN PROJECT MANAGEMENT

ASSESSMENT OF PROJECT STAKEHOLDER MANAGEMENT PRACTICE; THE CASE
OF ADDIS ABABA HOUSING DEVELOPMENT PROJECT OFFICE(AAHDPO) AT “ BOLE
ARRABESA”.

By: Kaleab Bezuneh

A Research Project Submitted in Partial Fulfillment of the
Requirements for the Award of Master of Arts Degree in Project Management

Advisor: Abdurazak Mohammed (PhD)

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ADVISOR APPROVAL SHEET

This is to certify that the thesis entitled “ASSESSMENT OF PROJECT STAKEHOLDER MANAGEMENT PRACTICE; THE CASE OF ADDIS ABABA HOUSING DEVELOPMENT PROJECT OFFICE AT “ BOLE ARRABESA” PROJECT SITE” submitted in partial fulfillment of the requirements for the degree of Masters of Arts in Project Management, has been carried out by Kaleab Bezuneh, under my supervision. Therefore, I recommend that the student has fulfilled the requirements and hence hereby can submit the Project Work (thesis) to the department.

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**ASSESSMENT OF PROJECT STAKEHOLDER MANAGEMENT PRACTICE; THE CASE
OF ADDIS ABABA HOUSING DEVELOPMENT PROJECT OFFICE AT “ BOLE
ARRABESA” PROJECT SITE.**

APPROVED BY BOARD OF EXAMINERS

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External Examiner	Signature	Date

DECLARATION

I declare that this Project work (thesis) entitled ‘Assessment of Project Stakeholder Management Practice; The Case of Addis Ababa Housing Development Project at “Bole Arrabesa” is my own original work. It contains no material which has been accepted for the award of any other degree of the university or any other institution of higher learning. All sources of materials used for the research paper have been duly acknowledged.

Name

Signature

Date

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ABBREVIATION

AAHDPO	Addis Ababa Housing Development Project Office
AAIHDP	Addis Ababa Integrated Housing Development Program
CSFs	Critical Success Factors
DEG	Deutsche Investitions- und Entwicklungsgesellschaft mbH, Cologne, Germany (Promoter of entrepreneurial development cooperation)
GTZ- IS	German Agency for Technical Cooperation- International Services
HDPO	Housing Development Project Office
KFW	Kreditanstalt für Wiederaufbau, (German Reconstruction Credit Institute)
PMI	Project Management Institute
PMBOK	Project Management Body of Knowledge
SPSS	Statistical Package for the Social Sciences
Std. Deviation	Standard deviation

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ABSTRACT

The aim of this research project (thesis) is to develop an understanding of the theoretical basis and practical implementation of stakeholder management in AAHDPO and to identify the challenges are there in managing stakeholder at Bole Arrabesa. A literature reviews on the topic related to the stakeholder management was conducted. A survey questionnaire was carried out among professionals in the AAHDPO. (55) questionnaires were distributed to HDPO, Consultant and Contractor and (45) questionnaire were collected. In AAHDPO personal past experience is the most effective approach to analysis stakeholders needs and concern. Engaging stakeholder in AAHDPO the workshop is the most effective method. The compromising strategy, influence strategy, and adaptation strategy are effective in response to the stakeholder's claims. The major success factors that influence stakeholder management process in AAHDPO at Bole Arrabesa are implementing the strategy based on schedule plan, Ensuring effective communication between the project and its stakeholder, and determine the stakeholder knowledge. Effectively practiced the stakeholder management in AAHDPO at Bole Arrabesa will facilitate project success. One of the main recommendations of this research is the AAHDPO project managers should be aware of the stakeholder management process to manage stakeholders effectively. So, they have to keep communication with stakeholders and build relationship based on the mutual trust, in the same time to involve them in the decision making according to their interest issue.

Keyword: AAHDP, Critical Success Factors, and Project Stakeholder Management Practice

CHAPTER ONE: INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Every project will have stakeholders who are impacted by or can impact the project in a positive or negative way. While some stakeholders may have a limited ability to influence the project, others may have significant influence on the project and its expected outcomes. The ability of the project manager to correctly identify and manage these stakeholders in an appropriate manner can mean the difference between success and failure (PMI,2013).

Construction projects by their diverse nature have individuals and organizations actively involved in the project, or whose interest may be positively or negatively affected by the project outcome (Gardiner,2005). Project failures and poor delivery of construction projects in developing countries have been attributed to several factors such as cost and time overruns, poor quality of delivery, late scope changes, poor and late payment, relocation of projects, delays and poor planning of projects which are attributed to the numerous participants involved in a project: project manager, client, owner, sponsor, consultants, contractors, sub-contractors and suppliers referred as stakeholders (Fugar & Agyakwah, 2010). Construction projects cannot be successfully established and accomplished without carefully considering and dealing with all the stakeholders involved (Jepsen and Eskerod, 2009). Stakeholder management is not just about managing the individuals and firms involved in a project, nor an event. Rather it is a process that entails a systematic approach to identifying all stakeholders, prioritizing their needs and interest, analyzing and monitoring all activities carried out in connection with the stakeholders aimed at project success (Lock, 2007).

The aim of this study is to assess project stakeholder management practice in HDPO, at Bole Arrabesa condominium construction projects. In this study three research objectives were formulated as; To Assess project stakeholder management practice and To identify project stakeholder challenges in Addis Ababa housing development projects office, Ethiopia. In this study qualitative research approach was adopted. The literature on project stakeholder

management include theoretical and empirical work reviewed. A descriptive survey was employed for presentation and analysis.

1.2 BACKGROUND OF THE ORGANIZATION

Addis Ababa Integrated Housing Development Program was inaugurated after successful completion of “Bole Gerji” pilot apartment’s construction conducted in the years 1999-2002. Low cost housing project was established based on bilateral agreement between Ethiopian and German governments to provide technical, managerial and financial support. German Agency for Technical Cooperation- International Services (GTZ- IS) was delegated to support the program in technical and managerial aspects whereas KfW and DEG provided financial support (GTZ-IS,2005). By using low cost technology, GTZ- IS in collaboration with the Ethiopian Ministry of Federal Affairs carried out the first pilot project in Addis Ababa. In this project, viable and technically sound construction solutions on the basis of pre-fabricated building elements were introduced. Following low cost housing development program, the City Government in 2004 launched a strategic plan, AAIHDP with multi-sector goals of providing integrated, affordable and low cost housing, empowering urban residents through property ownership, job creation and income generation, improvement of the quality of the urban environment, infrastructure development, and urban renewal (Gemedo,2012).

The program received recognition by the federal government immediately after its inception. According to UN-HABITAT, (2011a), the reason is that the approach was large scale, pro-poor, advocating slum prevention and access to home ownership. The approach also had integrated housing and economic development. The program has different phases of implementation and provides a window for review every five years. After intervention by the federal government, the project was duplicated in every sub city of Addis Ababa with a total more than 100 construction sites.

1.3 STATEMENT OF THE PROBLEM

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 engaging stakeholders in project decisions and execution. Stakeholder management also focuses on continuous communication with stakeholders to understand their needs and expectations, addressing issues as they occur, managing conflicting interests and fostering appropriate stakeholder engagement in project decisions and activities (PMI, 2013).

The ability to effectively identify and manage project stakeholders significantly improves the chances of successful project execution and organizational success. The project manager's ability to seek agreement on the goals of the project among the key project stakeholders, including the project team, management, and the customer, plays a large part in the project's success. Failure to do so may expose the project to unnecessary delays, missed opportunities, negative financial impacts, and potential damage to the organization's reputation (Retfalvi, 2014)

Addis Ababa housing development project has a lot of stakeholders and the diversity of its nature and demands will produce a conflict of interests. If they are able to identify stakeholders in a building construction project, the building construction industry should be able to manage their expectations in a proactive way from the first moment of the project. There for, the purpose of this study is to assess project stakeholders' management practice adapted in AAHDPO at "Bole Arrabesa" construction site and the implication of current stakeholder management practice in project success.

1.4 BASIC RESEARCH QUESTIONS

The following research questions have been developed to address the purpose and objectives of the study by focusing on the "bole Arrabesa" site that the study will cover; What project stakeholders management activities are being practiced to manage stakeholders and which potential Success factors are affect the stakeholder management in Addis Ababa housing development projects office (AAHDPO)?

Specific Research Questions

- What are the current practice of stakeholder management in AAHDP at “Bole Arrabesa” project?
- What project stakeholder management CSFs are in AAHDP at “Bole Arrabesa” project?

1.5 OBJECTIVES OF THE STUDY

General Objective; To assess project stakeholders management activities are being practiced by Addis Ababa housing development projects (AAHDP) to manage stakeholders and identify the project stakeholder management critical success factors (CSFs) in AAHDP at “Bole Arrabesa”

Specific Objectives

- To assess project stakeholder management practice in AAHDP at “Bole Arrabesa” Condominium Construction site.
- To identify the project stakeholder management critical success factors (CSFs) in AAHDP at “Bole Arrabesa” Condominium Construction site.

1.6 SIGNIFICANCE OF THE STUDY

The aim of this thesis is to develop an understanding of the theoretical basis and practical implementation of stakeholder management in AAHDO and to identify the challenges are there in managing stakeholder in Addis Ababa housing development project. The outcomes of this study are crucial to gaining a better understanding of how stakeholder management concepts can be more successfully implemented in this construction projects and how to minimize poor stakeholder management involvement in HDPO. This understanding is based on the views of stakeholders about the practical approaches which can maximize the effectiveness of stakeholder involvement which will help to accomplish targeted outcome and best practice processes to be applied to HDPO construction projects.

1.7 SCOPE AND LIMITATIONS OF THE STUDY

The scope of this study is delimited to AAHDO at “bole Arrabesa” site on the subject of practice of stakeholder management in the condominium construction industry; which may restrict generalization of the findings to AAHDO for “bole Arrabesa” site. This study will only focus on one of the ten Project Management Knowledge areas presented in the PMBOK (Project Management Body of Knowledge) guide 5th Ed, which is project stakeholder management; the study specifically investigates how stakeholder management is being practiced among AAHDO in “bole Arrabesa” site by collecting data at a point in time and won't analyze trends overtime. Time is the main limitation for this study.

1.8 TERMS AND DEFINITIONS

The term “*stakeholder*” define as according to (business dictionary), A person, group or organization that has interest or concern in an organization. Stakeholders can affect or be affected by the organization's actions, objectives and policies. Not all stakeholders are equal. A company's customers are entitled to fair trading practices but they are not entitled to the same consideration as the company's employees.

“*Stakeholder management*” is The process of forming, monitoring and maintaining constructive relationships with investors by influencing their expectations of gain resulting from their investment appropriately. Stakeholder management also helps a business move toward its stated goals by keeping existing investors satisfied, and recruiting new investors as necessary, in a responsible and ethical way (business dictionary).

“*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 engaging stakeholders in project decisions and execution. Stakeholder management also focuses on continuous communication with stakeholders to understand their needs and expectations, addressing issues as they occur, managing conflicting interests and fostering appropriate stakeholder engagement in project decisions and activities. Stakeholder satisfaction should be managed as a key project objective PMI, (2013).

1.9 ORGANIZATION OF THE PAPER

This thesis is organized in to five chapters. The first chapter discusses the general introduction to the research, statement of the problem, research questions, objectives of the study, research design and methodology, significance of the study, scope, limitations of the study and definition of terms. Empirical and theoretical literatures will be reviewed in the second chapter. The third chapter will briefly present the study area, research approach, design and methodology, population and sample, data sources and types and the procedures used to collect and analyze them. In chapter four, data analysis, findings and results of the study will be discussed and interpreted. Finally, chapter five will summarize the study; give conclusions, recommendations, research limitations and areas of future research.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

2.1 INTRODUCTION

A stake is an interest or a share in an undertaking while a stakeholder is an individual with a stake (Weiss, 2006). Moloney, (2006) argues that stakeholders are individuals or groups that benefit from an organization. Further, stakeholders can be harmed or have their rights affected by an organization. Fundamentally, stakeholders affect and are affected by an organization and its activities. Stakeholders can affect an organization's functioning, goals, development and even survival. Stakeholders are beneficial when they help you achieve your goals and they are antagonistic when they oppose your mission. In effect, stakeholders have power to be either a threat or a benefit to an organization (Gibson, 2000). Governments can be counted as stakeholders in some way as they certainly affect organizations and groups through their fiscal and regulatory policies (Moloney, 2006).

There are stakeholders in construction undertakings, just as there are stakeholders in other endeavors. The checklist of stakeholders in a construction project is often large and would include the owners and users of facilities, project managers, facilities managers, designers, shareholders, legal authorities, employees, subcontractors, suppliers, process and service providers, competitors, banks, insurance companies, media, community representatives, neighbors, general public, government establishments, visitors, customers, regional development agencies, the natural environment, the press, pressure groups, civic institutions, etc. (Newcomb, 2003; Smith and Love, 2004). Each of these would influence the course of a project at some stage. Some bring their influence to bear more often than others. If diverse stakeholders are present in construction undertakings, then the construction industry should be able to manage its stakeholders (Chinyio and Olomolaiye, 2010).

Stakeholder management involves managing relationships in order to motivate stakeholders to behave in ways that support the objectives of a firm. The theory suggests that businesses, causes, interests and pressure groups have to manage their relationships with those external entities that can influence the achievement of their goals (Moloney, 2006). Stakeholder management is about creating the most positive environment in which to develop a project (Vogwell, 2002).

2.2 STAKEHOLDER DEFINITION

Different individuals and organizations are define stakeholder some of them; stakeholder is ‘any group or individual who can affect or is affected by the achievement of the organization's objectives’ (Freeman, 1984). The term “stakeholder” to persons, groups or organizations that must somehow be taken into account by leaders, managers and frontline staff (Bryson, 2004). Peter, (2008), also define stakeholder as “Any person or organization that is actively involved in a project, or whose interests may be positively or negatively affected by execution or completion of the project”. El-Gohary, *et al.*, (2006), defined stakeholders as “individuals or organizations that are either affected by or affect the deliverables or outputs of a specific organization”. Li, *et al.*, (2011) defined stakeholders as “those who can influence the project process and/or final results, whose living environments are positively or negatively affected by the project, and who receive associated direct and indirect benefits and/or losses”. And Takim, (2009) defined the stakeholder “as being those who can influence the activities/final results of the project, whose lives or environment are positively or negatively affected by the project, and who receive direct and indirect benefit from it”.

According to Newcombe, (2013), studies the concept of the project stakeholders as multiple ‘clients’ for construction projects and thought it was necessary to distinguish “stakeholder” from the term “client”, which referred to the financial sponsoring organization who is directly responsible for the production and development of a project. Several organizations and scholars have also proposed the definition of “project stakeholders”.

According to Project Management Institute (2008), project stakeholders defined as “individuals and organizations who are actively involved in the project, or whose interests may be positively or negatively affected as a result of project execution or successful project completion”. Newcombe, (2013) argued that project stakeholders are groups or individuals who have a stake in, or expectation of, the project’s performance.

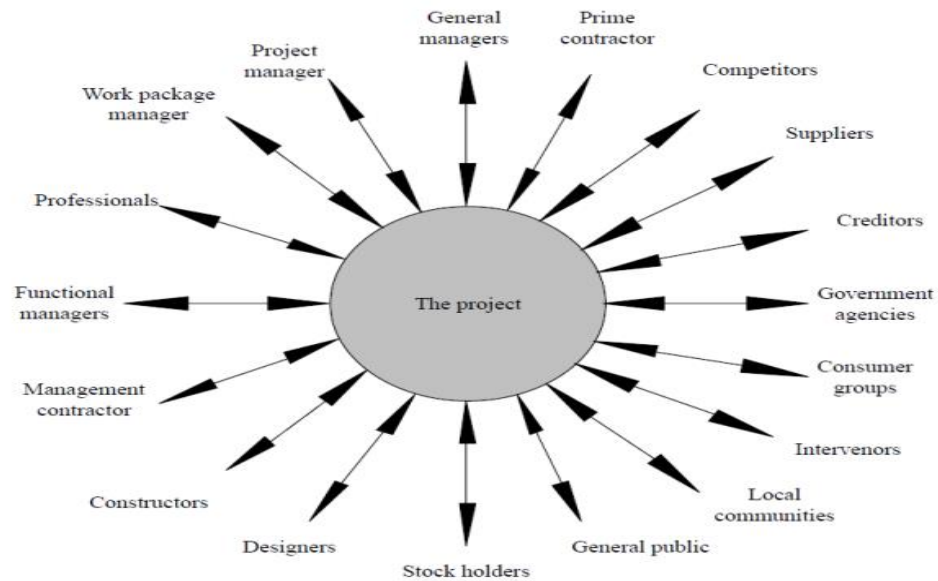
2.3 CONSTRUCTION PROJECT STAKEHOLDERS

Newcomb (2013), opined that construction projects have stakeholders practically as there are stakeholders in various endeavors, The motivation of stakeholders in a tasks is routinely immeasurable and would join the proprietors and customers of workplaces, undertaking executives, workplaces managers, organizers, shareholders, authentic forces, laborers, subcontractors, suppliers, procedure and organization suppliers, contenders, banks, protection offices, media, bunch operators, neighbors, general populace, government establishments, visitors, customers, commonplace change workplaces, the regular territory, the press, weight bundles, city associations, etc.

The multifaceted nature and unconventionality of stakeholders could be specifically identified with the quantity of stakeholders inspired by a construction project (Karlsen, 2008). Every stakeholder typically has distinctive interests that can put them in strife or conflicts with the project. Each of these would impact the course of a project at some stage. A few stakeholders uncover their impact more as often as possible than others. The construction project team ought to have the capacity to oversee if differing stakeholders are available in construction project, then the development business ought to have the capacity to deal with its stakeholders.

The number of stakeholders involved or interested in the project can dramatically increase the complexity and uncertainty of the situation. Each stakeholder usually has different interests and priorities that can place them in conflict or disagreements with the project (Karlsen, 2008). Each of these would influence the course of a project at some stage. Some bring their influence to bear more often than others. If diverse stakeholders are present in construction undertakings, then the construction industry should be able to manage its stakeholders. *Yang et al.*, (2009a), illustrated some of the most typical stakeholders in Figure 2.1.

Figure 2.1 Different project stakeholders



source (Yang et al.,2009)

2.4 TYPES OF STAKEHOLDERS

The stakeholders in a project can be divided into internal and external stakeholders, The internal stakeholders are those who are members of the project coalition or who provide finance; the external stakeholders are those others affected by the project in a significant way. In construction, there has traditionally been a strong emphasis on the internal stakeholder relationship such as procurement and site management, while the external stakeholder relationships to some extent have been considered a task for public officials via the rules and legislation that concern facility development (Skitmore, 2008)

Similar classifications are inside and outside stakeholders (Newcombe, 2013), and direct and indirect stakeholders (Smith, 2004). Another delineation considers primary versus secondary stakeholders (Carroll, 2006). A primary stakeholder group is one without whose continuing participation the corporation cannot survive as a going concern, whereas secondary stakeholders are those who influence or are influenced by the firm, Stakeholders could also be contested between those that are contracted to provide services (e.g. Contractors, subcontractors, consultants) that is in a primary or direct relationship with an organization;

in contrast to those that have no contracted responsibility or formal redress, but are in an indirect or secondary relationship with an organization (Smith, 2004; Carroll, 2006).

2.5 STAKEHOLDER MANAGEMENT

Project Management Guidelines (2011) provide an overview of the essential components of project management methodology and identify eleven key elements that should be applied throughout the project Lifecycle, and the stakeholder management is one of the key elements in the project management process, in order to ensure the success of the project.

Project managers need to identify and interact with key institutions and individuals in the project systems environment. An important part of the management of the project systems environment is an organized process to identify and manage the probable stakeholders in that environment, and determine how they will react to the project decisions (Cleland, 2007). On the other hand, Jepsen and Eskerod, (2009) clarified the premises underlying project stakeholder management, which includes making deliberate efforts to exert influence on project stakeholders in order to gain their contributions to the project, allocating limited resources in such a way that they achieve the best possible results, and expanding efforts spread across a range of stakeholders than concentrated on a few. Therefore, project stakeholder management is indispensable to control the negative impacts of stakeholders, maximize the perceived benefits, and achieves the preset mission (El-Gohary *et al.*, 2006; Olander and Landin, 2005).

According to Bourne and Walker (2006) Project-stakeholder advantage of management is designed to encourage the use of proactive project management for limiting stakeholder activities that might affect the project negatively, and to assist the project team's ability to take opportunities which encourage stakeholder support of project objectives . Since the purpose of stakeholder management is to address the diverse views of various participants, improve communication among stakeholders, and clarify their needs Yang *et al.*, (2009a).

Lim *et al.* (2005) defined the stakeholder management as “Effective management of relationships with stakeholders”. In terms of ‘stakeholder management’, while the scholars Karlsen (2008) and Bourne and Walker (2006) used different statements, they all focused on

the management activities related to stakeholders. These activities include, but are not limited to: identifying stakeholders, gathering information on stakeholders, analyzing the influence of stakeholders, communicating with stakeholders and developing strategies. The definition of ‘stakeholder management’ can be synthesized as: the process of identification, analysis, communication, decision making and all other kinds of activities in terms of managing stakeholders (Yang *et al.*, 2011a).

2.6 STAKEHOLDER MANAGEMENT PROCESSES IN CONSTRUCTION

A number of studies have been conducted to explore how to apply stakeholder management in the construction industry. Olander (2006) adopted Cleland and Ireland, (2002) in describing a project stakeholder management process in the following basic premises that could be served as a guide for the development of a stakeholder management process. The process consists of executing the management functions of planning, organizing, motivating, directing and controlling the resources used to cope with strategies from stakeholders with the following steps: Identification of stakeholders, gathering information, identification of mission, determining strengths and weaknesses, identification of stakeholder strategy, prediction of stakeholder behavior, and implementing stakeholder management strategy. Karlsen (2002) provided a recursive six step process of project stakeholder management, including initial planning, identification, analysis, communication, action, and follow-up. Elias *et al.* (2002) proposed eight steps for managing the stakeholder process started by: Developing a stakeholder map of the project; preparing a chart of specific stakeholders; identifying the stakes of stakeholders; preparing a power versus stake grid; conducting a process level stakeholder analysis; conducting a transaction level stakeholder analysis; determining the stakeholder management capability of the R&D projects; analyzing the dynamics of stakeholder interactions.

Young, (2006) puts forward similar process model centering on Identifying stakeholders; gathering information about stakeholders; analyzing the influence of stakeholders. But from Bourne and Walker (2006) point view, the process could be managed in the following three steps identifying stakeholders; prioritizing stakeholders; developing a stakeholder engagement strategy. Walker *et al.* (2008) considers identifying stakeholder; prioritizing stakeholders, visualizing stakeholders; engaging stakeholders, and monitoring

effectiveness of communication as the basic steps for stakeholder management. Jepsen and Eskerod (2009) clarified the premises underlying project stakeholder management, which includes making deliberate efforts to exert influence on project stakeholders in order to gain their contributions to the project, allocating limited resources in such a way that they achieve the best possible results, and expanding efforts spread across a range of stakeholders than concentrated on a few.

A Guide to the Project Management Body of Knowledge (2013), provides an overview of the Project Stakeholder Management processes that include the following:

A. Identify Stakeholders

Perceive Stakeholders is the path toward recognizing the social requests, or affiliations that could influence or be influenced by a decision, development, or aftereffect of the endeavor, analyzing and recording critical information as to their interests, incorporation, interdependencies, effect, and potential impact on assignment accomplishment. The key preferred standpoint of this technique is that it allows the undertaking boss to recognize the fitting community for each accomplice or social occasion of partners (PMI,2013). Productive satisfaction of errand deliverables is on a very basic level penniless upon relationship organization aptitudes, amongst these the need to finish project objectives that totally address stakeholder seeks all through the endeavor life-cycle (Cleland, 2007). In any case, one huge errand that ought to be endeavored in working up an assignment's key focuses is to recognize partners with a particular finished objective to develop an endeavor brief that best addresses their as often as possible conflicting extent of necessities and wishes (PMI, 2013).

B. Plan Stakeholder Management

Is the path toward making appropriate organization frameworks to sufficiently attract stakeholders all through the assignment life cycle, checking the examination of their needs, interests, and potential impact on undertaking accomplishment? The key favorable position of the methodology that it gives a sensible, huge course of action to speak with assignment stakeholders to reinforce the endeavor's focal points (PMI, 2013).

C. Manage Stakeholder Engagement

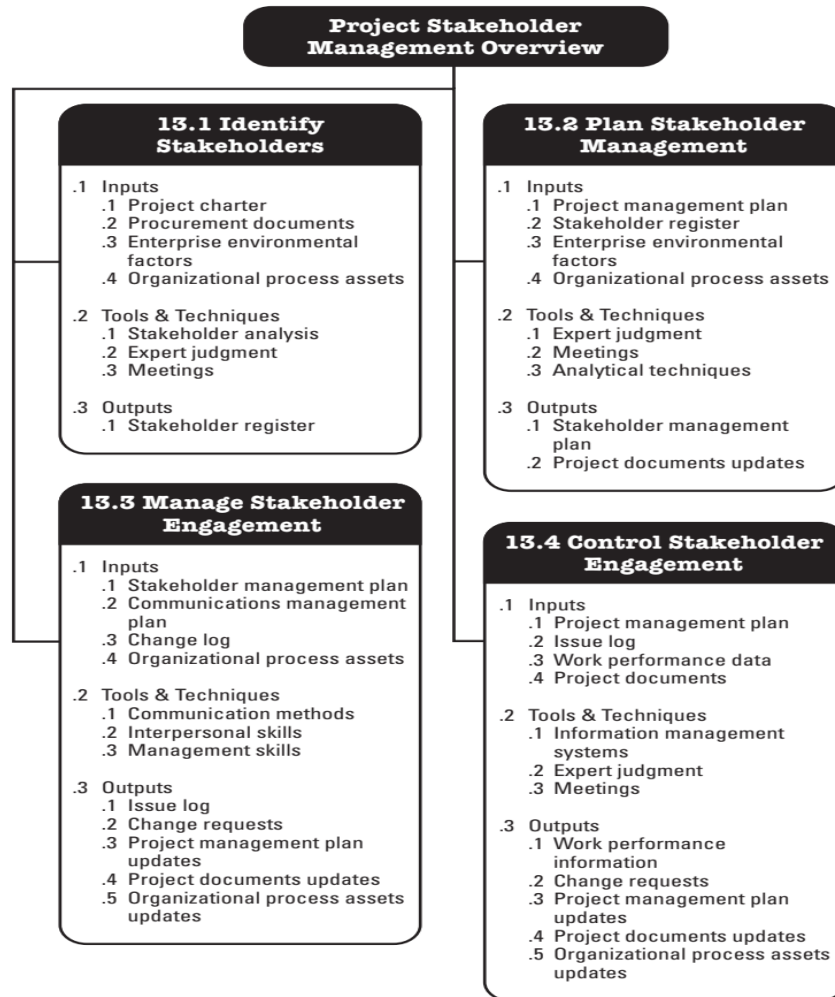
Supervise Stakeholder Engagement is the route toward passing on and working with stakeholders to address their issues/wants, address issues as they happen, and empower appropriate accomplice engagement in task practices all through the endeavor life cycle. The key preferred standpoint of this strategy is that it allows the task manager to manufacture support and minimize resistance.

D. Control Stakeholder Engagement

Control Stakeholder Engagement is the path toward watching general task stakeholder associations and altering frameworks and game plans for attracting stakeholder. The key favorable position of the strategy is that it will keep up or grow the efficiency and feasibility of stakeholder engagement practices as the undertaking advances and its surroundings and its surroundings changes.

Every project will have stakeholders who are impacted by or can impact the project in a positive or negative way. While some stakeholders may have a limited ability to influence the project, others may have significant influence on the project and its expected outcomes. The ability of the project manager to correctly identify and manage these stakeholders in an appropriate manner can mean the difference between success and failure.

Figure 2.2 Project stakeholder overview



Source (PMI,2013)

2.7 CRITICAL SUCCESS FACTORS (CSFS) IN CONSTRUCTION PROJECT

According to Salah (2013), Many researchers (Jefferies, 2002; Yu, 2007; Yang *et al.*, 2009b) have used the critical success factors (CSFs) as a means to improve the performance of the management process. CSFs can be defined as “areas, in which results, if they are satisfactory, will ensure successful competitive performance for the organization” (Yang *et al.*, 2009 cited in Rockart, 1979). Saraph *et al.* (1989), viewed them as “those critical areas of managerial planning and action that must be practiced in order to achieve effectiveness”.

Cleland and Ireland (2002) consider important that the project team should know whether or not it is successful “managing” the project stakeholders.

CSFs are viewed as those activities and practices that should be addressed in order to ensure effective management of stakeholders in a construction project. All the aspect of critical success factors of stakeholder is introduced, so 30 factors contributing to the success of stakeholder management are grouping to six main groups (include management support, identification of stakeholder information, stakeholder assessment, decision making, action & evaluation, and a continuous support group), the six group CSFs and perceptions of successful stakeholder management are identified as follows;

2.7.1 MANAGEMENT SUPPORT GROUP

Top level or management support from the implementing agencies, was essential for effective stakeholder engagement Yang *et al.*, (2009b). In some projects, certain individuals at director level are tasked with the responsibility of overseeing their stakeholder management activities and to develop their relevant. Top management must endorse the principle of stakeholder consistently and wholeheartedly. To guarantee successful stakeholder participants should be willing to share power and resource that would benefit overall organization's goal Brooke and Litwing, (1997).

A. MANAGING STAKEHOLDER WITH CORPORATE SOCIAL RESPONSIBILITIES

Othman and Abdellatif (2011), mentioned that the construction industry plays a significant role in the social and economic development in both developed and developing countries through constructing buildings and infrastructure projects that meet the needs of the community in the short and long terms. In addition, it supports government efforts by achieving strategic development objectives, increasing gross domestic product and offering employment opportunities. Othman and Abdellatif (2011), were summarized there finding by confirming that stakeholder management must have social responsibilities towards supporting effective management of the stakeholder in the construction project.

Yang *et al.* (2009b) consider that managing stakeholder with economic, legal, ethical, environmental, and cultural responsibilities as the precondition step for stakeholder

management. According to the definition of social responsibility, the economic responsibility is the obligation to produce goods and services, sell them at fair prices and make a profit; the legal responsibility refers to the obligation to obey the law; and the ethical responsibility covers those issues not embodied in law but expected by society. Recently environmental expectation has also been given much attention by many scholars AlWaer *et al.*, (2008); Prager and Freese, (2009). Because of the sustainable development expectations, environmental considerations include air, flora/fauna, dust, water, and noise. The purpose is to protect the environment and to provide healthy living conditions. The cultural responsibility is related to the consideration of the cultural diversity, especially the differences of language and tradition. So according to Yang *et al.* (2011a) The project managers should manage stakeholders taking into consideration of all kinds of these social responsibilities to make sure the project objectives are achieved.

B. FLEXIBLE PROJECT ORGANIZATION

Li *et al.* (2011) suggested that a flexible project organization is needed to cope with the complexity and uncertainties of construction in China, which is echoed with the Olander and Landin (2008), whom come to the importance of the flexibility administration of project to recruit personnel to achieve the objectives for the project.

As one objective of stakeholder management was to gain an acceptance from stakeholders on the implementation of the project, and this will be achieved if an organization will be built to contain sufficient resources (Knowledge, technology, information, specific skills, and capital) for communication and interaction with stakeholders.

C. PROJECT MANAGER COMPETENCES

The role of the project manager should involve not simply an understanding of the technical realities at hand, but also of the links between technology, the environment, the community and the people in it. For example, a given community possesses unique information about local conditions and circumstances. The project manager should acquire knowledge about the place where the project is located and engage the local community in the planning of the construction project. Thus, an external stakeholder management process

should, if conducted properly, be seen as representing an opportunity for improving the project (Olander S. , 2006)

In most situations the relationship with the stakeholder is taken care of by the project manager. Consequently, the results of the stakeholder management are dependent on the project manager's experience, relationships, and capability (Karlson,2002).

Olander and Landin (2008) found that the project managers should be highly skilled negotiators and communicators in order to be capable of managing individual stakeholder's expectations and creating a positive culture change within the overall organization project.

The construction industry involves a wide range of stakeholders, each bringing them with a great variety of interests, concerns, requirements and potential opportunities. In project management, effective project managers require keen analytical and intuitive skills to identification of stakeholders and work with them to understand their expectations and influence upon project success. This facilitates managing process that maximizes stakeholder positive input and minimizes any potential detrimental impact (Bourne and Walker, 2005).

2.7.2 INFORMATION INPUT GROUP

Freeman *et al.* (2007) believe identifying stakeholder information is an important task for assessing stakeholders information is important as it is the backbone in the project success. Before any management activities, information about the project and stakeholders around requires extensive research and analysis. The information includes project missions, full list of stakeholder, area of stakeholder's interests, and their needs and constraints to the project (Yang *et al.*, 2009b), the stakeholder commitments, interest and power should be fully assessed so that the project manager can tackle the key problems in the stakeholder management process and the potential impact on success in the project. This information includes:

A. SETTING COMMON GOALS

The identification of a clear mission for a project at different stages is widely considered to be essential for the effective management of stakeholders (Winch, 2002).

Before every stakeholder management activity, project management team should have a better understanding of the tasks and objectives of the particular stage of the project Lifecycle, including the issues of such as cost, schedule, budget (Yang *et al.*, 2009b). Jergeas *et al.* (2000) further proved that “setting common goals, objectives and project priorities” is significant for improving stakeholder management, and he also suggested that the purpose of the project should be understood, and feedback from stakeholder be solicited in order to achieve alignment between stakeholder and project team, since this the way that expectations could be managed, and hidden agendas could be brought to the surface and project priorities could be established.

B. STAKEHOLDER IDENTIFICATION

Project managers need to identify and interact with key stakeholder in the project system’s environment. An important part of the management of the project system’s environment is to organize the process in order to be able to identify and to manage the probable stakeholders in that environment and determine how they will react to project decisions (Olander, 2006). Identification of stakeholders includes both stakeholders that are involved in the project and potential stakeholders who will also improve the support and ownership to the stakeholder management process (Karlsen,2002). Jepsen and Eskerod (2009) point out to the identification of the (important) stakeholders and their necessary contributions, and expectations concerning rewards for contributions, As a prerequisite requirement for stakeholder analysis in projects for management the stakeholder in the construction project.

The project management team could identify stakeholders either by the ‘external/internal’ guideline, or by their functions such as clients, contractors, and consultants. The identification should be based on common interests and needs of the project (Ye *et al.*, 2009b).

C. STAKEHOLDER NEEDS AND EXPECTATIONS.

Numerous different and sometimes discrepant interests can be affected, both positively and negatively, throughout the course of a major infrastructure and construction project. Failing to address and meet the concerns and expectations of the stakeholders

involved has resulted in many project failures (Li *et al.*, 2013). During the project process, all stakeholders' needs should be assessed "so that a satisfactory and realistic solution to the problem being addressed is obtained" (Love *et al.*, 2004). Li *et al.* (2012) clarifies that stakeholders' needs can provide an indication of the stakeholder groups' concerns, the problems the project team faces, and stakeholders' requirements of the projects. Furthermore, Olander and Landin (2008) also proved the importance of "analysis of stakeholder concerns and needs" by case studies in Sweden, and Olander and Landin (2005) considered that project managers should identify all types of stakeholder and accommodate their conflict and needs.

2.7.3 STAKEHOLDER ASSESSMENT GROUP

In the real world, stakeholders have influenced projects in a variety of complex ways. In order to analyze the impact of stakeholders upon projects, it is necessary to identify and include the factors by which they do so. To enhance the understanding of project managers on stakeholders, their attributes, behavior, and potential influence need to be assessed and estimated. The conflicts and coalitions among stakeholders also could be analyzed based on the information about stakeholders (Yang *et al.*, 2009b). Once the information about the stakeholder is priorities, the assessment of stakeholder on the basis of their impact and vested interested in the project could be done, so it is important to have an accurate understanding of the stakeholder attributes in order to categorize the stakeholder according to their attitude classification.

A. STAKEHOLDERS' ATTITUDE

The capacity and willingness of stakeholders to threaten or cooperate with project teams should be measured Savage *et al.*, (1991) during stakeholder management process. Because stakeholders may have negative or positive impacts on projects, there is a need to determine objectors and supporters. Stakeholder attitude refers to whether the stakeholder supports or opposes the project McElroy and Mills, (2000). In other words, this factor gives a 'clue' for managers to be aware that stakeholders have positive or negative influences on project outcomes. Freeman *et al.* (2007) state that stakeholders' attitude can be sorted into 3 categories: observed behavior, cooperative potential and competitive threat, a project

manager need to clearly understand the range of stakeholder reactions and behaviors. According to McElroy and Mills (2000) stakeholder attitude includes five levels: active opposition, passive opposition, no commitment, passive support and active support.

B. STAKEHOLDERS' INTERESTS

Stakeholders are characterized as having a 'stake' in the proposed project and trying to influence its implementation so as to guard their individual interests (Olander and Landin, 2008). There are various stakeholders' interests due to the complex nature of construction projects (Yang *et al.*, 2009b), and Freeman *et al.* (2007) believe that identifying stakeholder interests is an important task to assess stakeholders, these interests including product safety, integrity of financial reporting new product services, and financial returns. Similarly, Karlsen (2002) also presents one possible consideration to evaluate the stakeholder's area of interests in the project.

Stakeholder interest in a project is considered by many researchers to be a factor affecting the successful outcome of a project. Several scholars, even show the "interest" term in their stakeholder definitions such as the definitions of McElroy and Mills (2000); PMI (2008); and Bourne (2005). Furthermore, the interest of stakeholders in a project is included in the power/interest matrix that Johnson *et al.* (2005) formulate that matrix to help project managers determine which strategy should be applied in communication with and management of project stakeholders. Similarly, Cleland and Ireland (2007) contend that stakeholders have a vested interest in a project for numerous reasons such as mission relevancy, economic interest, legal right, political support, health and safety, lifestyle, opportunism and survival. Hence, it can be concluded that vested interest is an important driver of the stakeholder-project relationship.

C. STAKEHOLDERS' INFLUENCE

Project management procedure is affected by project stakeholders (Olander, 2007). Therefore recognizing the stakeholders' influence is important to "plan and execute a sufficiently rigorous stakeholder management process" (Olander and Landin, 2005). Olander (2007) developed the "stakeholder impact index", and he considers that analyzing the potential impact of stakeholders indicates to determine the nature and impact of stakeholder

influence, the probability of stakeholders exercising their influence and each stakeholder's position in relation to the project. Therefore recognizing the stakeholder' influence is an important factor to "plan and execute a sufficiently rigorous stakeholder management process" (Olander and Landin, 2005).

D. STAKEHOLDERS' CONFLICTS AND COALITIONS

Conflicts in construction project may involve stakeholders external or internal to the project or a combination of those. Conflicts between external stakeholders may be the most difficult to resolve because of their diversity and because of the lack of established procedures for tackling most of them. For example, in developed societies, public opinion tends to be more opposed than supporter of a construction project encompassing some environmental impact, although it may respond to a specified public need; on the contrary, in less developed or poorer countries, the public may be more keen to accept the project if it aims at solving important infrastructure needs (transportation, sewage, pipelines, water treatment, etc..) Moura and Teixeira, (2010).

Analyzing the conflicts and coalitions among stakeholders is an important step for stakeholder management (Freeman *et al.*, 2007). In fact, conflicting parties seek mutually satisfactory solutions, which can be achieved by joint problem solving to seek alternative solutions. A high level of communication among parties can help in achieving a mutually acceptable solution Chen and Chen (2007). On the other hand El-Gohary *et al.* (2006) proposed a set of steps in order to resolve differences between stakeholder, to deal with conflict by resolving a difference before and after it reach the stage of a dispute. It includes facilitation, negotiation, mediation and arbitration.

E. STAKEHOLDERS' POWER

Bourne, (2006) defined the power as an individual or group that may have to permanently change or stop the project or other work, The power as a factor is considered to be a key driver of stakeholder-manager relations for several reasons, since the definitions of stakeholders undoubtedly imply that relationships between stakeholders and the project reflect social-business exchanges, and power means the ability to “control resources, create dependencies, and support the interests of some organization members or groups over

others” Mitchell *et al.*, 1997 (1997). Bourne and Walker (2005) believe that successful project managers should have the ability to understand the “invisible power” among stakeholders.

F. STAKEHOLDERS' LEGITIMACY

The legitimacy of a stakeholder is a prerequisite for the success of transactions with stakeholders (Freeman *et al.*, 2007). Mitchell *et al.* (1997) indicate that many scholars define stakeholders as those who have such legitimate relationships with the project (including contracts, moral, and legal rights). Mitchell *et al.* (1997) conclude that legitimacy is a social good something larger and more shared than mere self-perception that may be defined and negotiated differently at various levels of social organization. Legitimate stakeholders are those whose actions and claims must be accounted for by managers, due to their potential effects upon normative stakeholders. The legitimacy of a stakeholder gives a sense that legitimacy reflects the contractual relations, legal and moral rights in relationships between stakeholders and a project Nguyen *et al.* (2009)

G. STAKEHOLDERS' URGENCY

Urgency is described by Mitchell *et al.* (1997) as the “degree to which stakeholder claims call for immediate attention.” They argue that urgency only exists when two conditions are met:

- When a relationship or a claim is of a time-sensitive nature.
- Why that relationship or claim is important or critical to the stakeholder.

They also state that urgency has two attributes: time-sensitive and critical. The urgency attributes of stakeholders decides the extent to which they exert pressure on a project manager by calling for emergency action.

H. STAKEHOLDERS' PROXIMITY

Proximity, according to Bourne (2006) implies the extent to which a stakeholder is involved in the project. She uses proximity as a criterion to prioritize project stakeholders by rating them on a scale of 1-4 where 1 is relatively remote from the project (does not have direct involvement with the processes) and 4 been directly working on the project (most of

the time). Bourne and Walker (2005) argue the need to take proximity into account stakeholder analysis by stating that stakeholders who may have strong power and influence but are relatively far from the project core may seem transparent/invisible. Therefore their potential impact may be underestimated.

I. STAKEHOLDER' KNOWLEDGE

Yang *et al.* (2007) found in their research that automation and integration technology may contribute significantly to project performance in terms of stakeholder success. They argue that due to technological development, stakeholders can seek a variety of information from numerous sources. Undoubtedly, the more knowledge a stakeholder has about the project, the more he/she is able to influence it observe that today, Walker et al. (2008) pointed out to the importance of the receptiveness of each stakeholder to gain the a knowledge about the project, and McElroy and Mills (2000) suggest stakeholder knowledge ranges from full awareness up total ignorance. The former refers to the intention of stakeholders to gain knowledge of the project by finding the facts to help them achieve their own objectives. The latter, on the other hand, refers to the fact that stakeholders have knowledge of the project by hearsay and assumptions rather than facts. Additionally, it may be argued that although the stakeholder may have a strong salience to, and great interest in, the project, it hardly accounts for influence if the stakeholder lacks sufficient knowledge. As such, stakeholder knowledge is considered a driver, affecting stakeholder impact on projects.

2.7.4 DECISION MAKING GROUP

Based on the outcomes in ‘information input’, and the outcomes in ‘stakeholder assessment’, the project management team has the responsibility to compromise conflicts among stakeholders by choosing the transparent evaluation of the alternative solution based on stakeholder concern, and to decide on the levels of stakeholder engagement in order to ensure effective communication, and formulate appropriate strategies to deal with the issues raised by stakeholders at this stage.

A. EVALUATION OF ALTERNATIVE SOLUTIONS

Olander and Landin (2008) argue that the clear and transparent evaluation of alternative solutions for the development of a construction project based on the concerns of stakeholders would help project managers to establish the basis of trust needed for an adequate stakeholder management process. Also El-Gohary et al. (2006) point out that the solution identification process is a cornerstone of the involvement program as it is the first step in incorporating the stakeholder input in the decision-making process. Since It includes the development of alternative solutions based on stakeholder input, analysis of these different solutions with respect to technical design criteria and stakeholder opinion, evaluation of the solutions, and finally selection of preferred solution(s) and development of preliminary mitigating measures.

B. ENSURING EFFECTIVE COMMUNICATION

Jergeas *et al.*, (2000) identified two aspects of improvements for managing the stakeholder one of them is communication with stakeholders. To ensure the success of a project much information, including expectations, goals, needs, resources, status reports, budgets and purchase requests, need to be communicated on a regular basis to all major stakeholders. Communications includes the processes required to ensure timely and appropriate generation, collection, distribution, storage, retrieval, and ultimate disposition of project information. Effective project managers spend about 90% of their time communicating with team members and other project stakeholders, whether they are internal (at all organizational levels) or external to the organization. Effective communication creates a bridge between diverse stakeholders involved in a project, connecting various cultural and organizational backgrounds, different levels of expertise, and various perspectives and interests in the project execution or outcome Čulo and Skendrović, (2010).

C. FORMULATING APPROPRIATE STRATEGIES

The central question of stakeholder management was “what are the strategies that organizations use to address stakeholders?” A similar result is obtained by Karlsen (2002) from a survey; he stated that there are different types of the strategies, but basically the stakeholder management strategy is the attitude how the project management team treats different stakeholders. In order to identify different kinds of strategies which are enacted by organizations as responses to the demands presented by external stakeholders, through an

empirical analysis of 4 different projects, Aaltonen and Sivonen (2009) explained the use and emergence of the “response strategies”. All these scholars have proved the importance of formulating appropriate strategies to deal with stakeholders.

2.7.5 ACTION & EVALUATION GROUP

The action and evaluation group is the final management activity group in the process of stakeholder management. The inputs required are the formulated strategies, and the level of stakeholder engagement to ensure effective communication. This group includes three management activities.

A. IMPLEMENTING THE STRATEGIES

Developing policy implementation strategy development grid can help planners and decision makers gain a clearer picture of what will be required for implementation and help them develop action plans that will tap stakeholder interests and resources (Bryson, 2004). This activity is self-explanatory. The formulated strategies should be implemented accordingly. The outcome of this activity is to keep the project moving forward.

B. PREDICTING STAKEHOLDERS' REACTIONS

After the strategies being implemented, the evaluation the stakeholders' reactions to the strategies should be used to improve the objectives in the succeeding stakeholder management process. Predicting stakeholders' reactions is an important factor when project managers make decisions about strategies to deal with stakeholders (Freeman *et al.*, 2007).The stakeholder analyses have a longer-term aspects that are more related to the management of the whole project Lifecycle and project management must be aware when designing strategies on how to respond to stakeholder claims, and be aware of the implications of their responses to different dimensions of the project success.

C. EVALUATING STAKEHOLDER' SATISFACTION

Yang *et al.*, (2011a) placed an emphasis on the recognition of the fact that there are several stakeholders whose expectations and influences must be included in the project management process. And it has been emphasized that if a project's key stakeholders are not satisfied with the ongoing project outcomes, the project team will as a result be required to

adjust scope, time, cost and quality in order to meet the stakeholders' requirements and expectations.

In terms of the construction industry, stakeholder satisfaction can be defined as the achievement of stakeholders' pre-project expectations in the actual performance of each project stage. This concept of construction stakeholder satisfaction has gradually become more important especially with the growing tendency of stakeholder groups to try to influence the implementation of construction projects according to their individual concerns and needs (Li *et al.*, 2013). Olander and Landin (2008) found that the level of stakeholder satisfaction depends on two basic considerations:

- The concerns and needs of stakeholders,
- The stakeholder management process, e.g. how they are treated.

2.7.6 CONTINUOUS SUPPORT GROUP

Construction projects are transient (Bourne, 2005), but organizations are correspondingly permanent. Since many stakeholders, such as government, local communities and media, would be involved in later stages of the project process or in future projects, project managers, as the representatives of different organizations, have the responsibility to realize the change of their influence and relationships, promote a steady relationship with them, and communicate with them properly and frequently (Yang *et al.*, 2009). This group includes the activities which should be carried out to support the management activities implemented, and the name of this group as 'continuous support' come from that the activities within, not only support a single management process, or contribute to the success of a single project, but can be used for accumulating the experiences and knowledge of the project management team in the long term.

A. FREQUENTLY COMMUNICATING WITH STAKEHOLDERS

Project success is tied to effectively communicate and managing relationships with the various stakeholders of the project. This makes stakeholder management an important issue in project management Assudani and Kloppenborg, (2010). Researchers pointed out that formal and clear communication channels/networks are needed to warrant an efficient

information transfer. Therefore, increasing the degree of communication amongst the project participants, the higher the participant satisfaction (Takim, 2009; Leung (2004)

Communication is an essential process in the world of project management. It is difficult to master, but essential to make a good effort in achieving. Many times on troubled projects, project team members feel that if the communication had been better, the project would have run smoother. Therefore, communication is often listed as one of the most needed areas for improvement. To ensure the success of a project much information, including expectations, goals, needs, resources, status reports, budgets and purchase requests, need to be communicated on a regular basis to all major stakeholders (Čulo and Skendrović, 2010). Project managers should be highly skilled negotiators and communicators who are capable of managing individual stakeholder expectations and creating a positive culture change within the overall project (Olander and Landin, 2005).

B. STAKEHOLDER INVOLVEMENT

Participation of project stakeholders in different stages of construction project (e.g. the planning and development phases) can be beneficial in several ways (Li, & Skitmore, 2012). Identifying and analyzing stakeholder concerns in construction projects are indispensable tasks during the participation process in order to arrive at a consensus and avoid project failures (Atkin & Skitmore, 2008).

Various problems have been encountered on infrastructure project around the world that has eventually led to project failure. Public opposition due to various factors has been reported as the main reason for failure in several instances, so the stakeholder involvement in infrastructure projects plays a very important role (El-Gohary, 2006).

C. PROMOTING RELATIONSHIP WITH STAKEHOLDERS

Successful relationships between the project management team and its stakeholders are vital for successful delivery of projects and meeting stakeholder expectations (Savage et al., 1991; Jergeas et al., 2000). Karlsen (2008) argues that it is wrong to ignore the stakeholders or attempt to impose a rigid detailed control on the project-stakeholder relationship. These are challenging and demands which the project manager cannot overlook, but have to take into consideration and address, he was recognized that several

factors affect project-stakeholder relationships, and identified the following factors as being the most interesting and important for building relationships between a project and its stakeholders: trust; uncertainty and control; resources and knowledge; and goal congruence.

D. REALIZING CHANGES OF STAKEHOLDER

The concepts of the change and dynamics of stakeholders were acknowledged by Freeman (1984). According to him, in reality stakeholders and their influence change over time, and this depends on the strategic issue under consideration. Dynamics of stakeholder is a very interesting and important aspect of the stakeholder concept (Elias et al., 2002). The uncertainty caused by stakeholders includes “who the stakeholders are”, the influence of them, their needs, and the implications of relationships among stakeholders (Ward and Chapman, 2008).

The process of identifying, prioritizing, and engaging stakeholders cannot be a once-only event. The work of managing stakeholder does not stop according to plan activities. Since the nature and membership of the project stakeholder change according to the project Lifecycle stage, so the team needs to continuously scan their project stakeholder for unplanned occurrences that may trigger a review when the activity moves from one stage of its implementation to other stages (Bourne, 2010). As a result of that the evaluation of stakeholder demands and influence should be considered as a necessary and important step in the planning, implementation, and completion of any construction project (Olander and Landin, 2005).

E. TRUST

Pinto et al. (2009) have pointed to the importance of trust as a facilitator of positive relationships among project stakeholders. Trust is argued to enhance a variety of intra-organizational relationships, including project team dynamics, top management support, and coordination across functional departments. Likewise, trust is argued to improve the inter-organizational relationships among the principal actors in project development, such as contractors, owners, and suppliers.

F. REDUCE UNCERTAINTY

Turner and Müller, (2003) whom argue that most projects are subject to uncertainty and these inherent uncertainties need to be integration in order to deliver beneficial objectives of change. They underlined that an important way to reduce this uncertainty was to choose a partnering relationship where the risk was shared between the operator and the contractors.

G. MAINTAIN ALIGNMENT

Goal congruence means that there are aligned goals, and therefore it is easier to trust the partner doing the job. In addition, Karlsen et al., (2008) argue that the willingness to take risks may be an indicator of aligned goals. This may be the reason why we found goal congruence to be more crucial for trust building between the project management and the stakeholders.

H. ACCESS TO RESOURCES AND KNOWLEDGE

Access to resources and knowledge was seen as an important factor in the formation of relationships. (Karlsen, 2008 cited from Holt and Love, 2000) argue that alliances between organizations can provide a 'means for survival'. The key is learning relationships and knowledge transfer. Acquiring knowledge from other organizations is not a deceitful act, but rather represents a commitment to utilize each other's skill. This is supported by case studies done by Karlsen (2008) whom finds that the project event was an opportunity to acquire knowledge about the main supplier's new technology and for this learning purpose a close relationship was necessary.

I. HIGHER AUTHORITIES SUPPORT

As one of the findings from Yang et al. (2011b) in the interviews in Australia, that that the top-level support is important for management activities, in an organization with a mature stakeholder management environment, the higher authorities always monitor the management process, help figuring out problems, and used the effects of stakeholder management as an indicator for performance measurement of the management team.

2.8 CONSTRUCTION PROJECT SUCCESS

Project managers often wonder if they are measuring the right things on a project. It's difficult to know how much time to spend evaluating past performance and how much time to spend on keeping the work moving forward. Of course there are many indicators of project success, but what do you need to be measuring while the project is in motion? At various points during the project you want to evaluate four points: schedule, quality, cost, and stakeholder satisfaction (ProjectManager, 2019).

Schedule. Is there a hard deadline, or does the schedule relate to something else (budget, product launch date, etc.)? In the end, did you complete the project by the time it was due? Sometimes clients come to us with a hard deadline, other times they're simply looking for the final product. Either way, my team always has a schedule we need to meet (pozin, 2012).

Quality of work. The quality of one project often affects another, so it's important to always track quality and make adjustments to future projects accordingly. Remember, recommendations are like free advertising. If you deliver a strong product, your client will tell people about it, and that's where your next project should come from (pozin, 2012).

Cost. This is often the most important factor for many projects. In the end, did you stick to the budget? Did you come in way under budget? Your team should always know where they stand in terms of money spent. We regularly give clients a quote before they start and once we do so, we need to stick to it, or come in under. Otherwise we're not a profitable business (pozin, 2012).

Stakeholder satisfactions. Your wider team – your stakeholders – are essential in getting much of the work done, so it's worth checking in with them. Find out how they are feeling about the project right now and what you could be doing differently.

This is a difficult measure to document statistically, although there's nothing to stop you asking them for a rating out of 10. Even if you are evaluating their satisfaction subjectively, it is still a useful exercise. If you notice that stakeholders are not fully

supportive, you can put plans in place to engage them thoroughly to try to influence their behavior (ProjectManager, 2019).

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

This chapter discusses the research design and methodology that used in this research. The adopted methodology to accomplish this study uses the following techniques: review of literature related to stakeholder management and questionnaire for gathering data from the HDPO and “Bole Arrabesa” condominium construction site. This chapter provides the information about the research strategy and design, research population and sample, questionnaire design, the process of data collection, and statistical data analysis.

3.2 RESEARCH DESIGN

There are three type of research exploratory, descriptive and explanatory Saunders, Lewis and Thornhill, 2009). This thesis takes on a descriptive in assessing stakeholders management practices of Addis Ababa Houses Development Projects Office(AAHDPO). Descriptive research is aimed at describing phenomena and is not particularly concerned with understanding why behavior is the way it is. It doesn't involve changing or modifying the situation under investigation, nor does it intend to detect cause-and-effect relationships. This type of research is very useful for setting out baselines or 'templates' of how we think the world is (Adams *et al.*,2007).

The survey strategy employed in the study allows collecting quantitative data which can be analyzed quantitatively using descriptive and inferential statistics. Therefore, this study follows the quantitative approach to assess stakeholders management practices in Housing development project office. Quantitative approach is predominantly used as a synonym for any data collection technique (such as a questionnaire) or data analysis procedure (such as graphs or statistics) that generates or uses numerical data (Saunders et al. 2009).

3.3 DATA TYPE AND SOURCE

This research is carried out in Ethiopia, Addis Ababa Houses Development Projects Office to assess the stakeholders management practices of their projects. Informal approval has been obtained from “Bole Arrabesa” condominium projects that are owned by

AAHDPO. The Building Construction industry is selected, because of in Building Construction different kind of stakeholders are involved and they needs best management practice for the success of the project.

Data in this research was collected from both primary and secondary data sources. The primary data will be obtained from questionnaires that are administered to a sample of project team members that have a key role, knowledge and expertise in the course of the projects stakeholders management process and project managers in “Bole Arrabesa” condominium projects. The secondary data will be obtained from document, published journals, books, reports, conference paper, internet, etc.

3.6 RELIABILITY AND VALIDITY

To ensure reliability and validity of the study, variables are comprehensively defined. This also helped to reduce misunderstandings thus increase the reliability of the measuring instruments. Moreover, triangulation of results employed to ensure reliability of the data collected. Thus, all the data acquired from different project participants compared and cross checked.

This method is used to measure the reliability of the questionnaire between each field and the mean of the whole fields of the questionnaire. The normal range of Cronbach's coefficient alpha (α) value between 0.0 and + 1.0, and the higher values reflects a higher degree of internal consistency (George and Mallery, 2003)

$$\alpha = \frac{Kr}{1 + (K - 1)r}$$

Equation 1 Cronbach's alpha formula

The formula that determines alpha is fairly simple and makes use of the items (variables), k, in the scale and the average of the inter-item correlations, r. The closer the Alpha (α) is to 1, the greater the internal consistency of items in the instrument being assumed.

Table 3. 1 reliability statistics

Cronbach's Alpha	N of Items
.896	49

(source; survey data, 2019)

Validity is the extent to which a test measures what it set out to measure and reliability is the extent to which a test can consistently measure something. The need for validity applies to all stages of a research project including design, data collection and analysis. External validity is concerned with the generalizability of the findings of the research and is the main criterion for deciding the quality of the populations and samples selected for the study (Saunders et al., 2009). Internal validity has to do with the extent to which the research design and data collected are able to adequately address the research questions.

3.4 DATA COLLECTION METHOD AND DESIGN

The questionnaire was chosen to be the method of collecting data in this research, since the questionnaire is probably the most widely used data collection technique for conducting surveys. Data can be collected directly from respondents in a natural setting using a systematic technique. Questionnaires have been widely used for descriptive and analytical surveys in order to find out the facts, opinions and views (Naoum, 2007). The questionnaire is developed to answer research questions and meet the research objectives and it is distributed to a sample of selected respondents across “Bole Arrabesa” condominium projects.

Close-ended questions in which respondents select a single response that they select were most appropriate from a selection of choices are used in the survey. Close-ended questions were chosen in consideration of the fact that respondents are usually busy and this method enables the researcher to obtain responses promptly and improve consistency of responses. Moreover, Likert-style rating with a five-point rating scale is used in which each respondent is asked how strongly she or he agrees or disagrees with a statement or series of statements. In this case, 1 represents 'strongly disagree' and 5 represents 'strongly agree'.

The questionnaire is designed to consist four parts and is developed in line with the research objectives and questions that are stated in chapter one. The first section covers questions on general background of the respondents. The second part consists of broad ranging questions regarding the practice of stakeholder management. The third part consists of factors that affect the stakeholder management and the fourth par covers the implication of current stakeholder management practices.

3.5 RESEARCH POPULATION

The population in this research includes those who have abundant experiences in stakeholder management of construction projects. According to Saunders et al. (2007) there are two major types of sampling designs: probability and non-probability sampling, in probability sampling, elements of the population have some known chance or probability of being selected as sample subjects, and in nonprobability sampling, the elements do not have a known or predetermined chance of being selected as subjects which fit into the board categories of convenience & purposive sampling.

Convenience sampling (also called haphazard or accidental sampling) refers to sampling by obtaining units or people who are most conveniently available. where information or data for the research are gathered from members of the population who are conveniently accessible to the researcher. and purposive sampling also called judgmental or expert opinion sample. where the required information is gathered from special or specific targets or groups of people on some rational bases. Non-probability sampling (purposive sampling) has been used for this research since the target population is quite small. The practitioners have been selected randomly.

The targeted population consists of 3 governmental (HDPO) and Private organization (Contractors and Consultant) that are involved in the project stakeholder management in Bole sub city condominium projects. Duties and responsibility of HDPO; Perform contractual agreement and contract administration, Assigning of contractors, Supervision of works (responsibility for quality of work), & Check and approve payments (contractors & consultant), Duties and responsibility of Contractors; Substructure construction- site preparation and foundation, Super structure construction- columns, beams, slabs, HCB

walls, & Finishing works (plastering, cement screed and terrazzo), & Duties and responsibility of consultant; Work inspection, Payment (contractors) approval, Construction material approval, & Responsible for quality of work. The selected population have a knowledge in project stakeholder management. The targeted samples are Housing development project office(HDPO) staffs those directly linked to the condominium Construction project in Bole Arrabesa, Contractor those build condominium in Bole Arrabesa and consultant those supervising condominium construction sites in Bole Arrabesa.

The targeted population consists of experts, General manager, project managers, supervisor and engineers, from HDPO, contractors and consultant organizations with experience and with direct contacts in their jobs in the stakeholder management. As the population of the research is limited, the HDPO, contractors and consultant are the targeted sample to be those who were involved in the stakeholder management in the “bole Arrabesa” condominium projects.

Although the sample population are 96, from 32 contractors 29 contractors are selected as primary respondent. On the other hand, 10 respondents purposely selected from the 19 HDPO staffs directly participating in construction. And also 16 respondent purposely selected from the 45 consultant’s staff. However, (55) respondents selected to ensure representativeness of the total population. Purposive sampling had been employed to select respondents from the whole population. 55 questionnaire was distributed, the characteristics of the 45 valid responses were illustrated in Table 3.2

Table 3. 2 Questioner Distribution

No.	Type of respondent	Research Instrument	Sample size	Target Popn.	Sampling technique	distributed questionnaires	Respondents
1	HDPO staffs	Questionnaires	19	10	Convenience	10	7
2	Contractors	Questionnaires	32	29	Purposive	29	25
3	Consultant(EMGE)	Questionnaires	45	16	Purposive	16	13
	Total		96	55		55	45

(Source; survey data 2019)

3.5 DATA ANALYSIS TECHNIQUE

The questionnaire was adopted based on two previous studies of stakeholder management in construction such as Jurbe (2014) and Salah (2013). The questions of this research are closed-ended to enable the researcher obtain the exact information needed for the study purpose. The questionnaire quantitative data analysis was done by using the IBM SPSS Statistics version (20) statistical computer software and the following statistical tools were used Mean value, Frequencies and Percentile, and Cronbach's Alpha for Reliability Statistics.

According to Salah, Likert scaling was used for ranking questions that have an agreed level. The respondents were required to rate the importance of each factor on a 5-point Likert scale using 1 for not important, 2 for of little importance, 3 for somewhat important, 4 for important and 5 for very important.

Mean rating uses the numerical values assigned to factors or propositions to calculate their mean scores by all the respondents of the survey. This statistical technique was used to analyses respondents' rating in different questions included in the questionnaire.

3.7 ETHICAL ISSUES

According to Saunders *et al.* 2009, Ethics refers to the appropriateness of the researcher's behavior in relation to the rights of those who become the subject of the research work, or are affected by it. Research ethics therefore relates to questions about how we formulate and clarify our research topic, design our research and gain access, collect data, process and store our data, analyze data and write up our research findings in a moral and responsible way.

CHAPTER FOUR: RESULTS AND DISCUSSION

4.1 INTRODUCTION

This chapter presents the result of the analyzed data. The results are presented based on the objectives of the study; which aimed at assess project stakeholder management practice , identify the critical success factors (CSFs) in managing stakeholders and Identify the implication of current stakeholder management practice in project success in AAHDPO at “Bole Arrabesa”. Data obtained from the questionnaire.

The analysis was done through descriptive statistics and findings were presented in form of Mean Value and standard deviation. In assessing the stakeholder management practice, the mean value were used to rank the various approaches as important or less important based on their mean score, and assessing the implication of current practice in project success, the Pearson correlation and sig. value were used to show the association of the three variables that are Current stakeholder management practice, factors affecting stakeholder management and project success. And also were used simple linear regression to identify the effect of those three variables.

The discussion of the outcomes is based on the outputs from Statistical Package for Social Sciences (SPSS) version 20. A total of 45 questionnaires were duly filled and returned out of the 55 distributed. This represents response rate of 81.82 % which falls within accepted limits.

4.2 GENERAL INFORMATION OF THE RESPONDENT

This section mainly designed to provide general information about the respondents in terms of the type of gender, institutions, job position, and experience of the respondent. The profile of the respondents is to make confidence In the reliability of data collected. The analysis was done through descriptive statistics and findings were presented in form of frequency tables and percentages.

This question required to know the gender distribution of respondents. Table 4.1 below, showed that the vast majority of respondents are males representing 82.22% while the remaining 17.78% are females; this clearly indicates the dominance of males in the sector.

Table 4. 1 Gender, institute, position, and experience of respondent

Characteristics	Frequency(%)	Percent(%)
Respondent gender		
Male	37	82.2
Female	8	17.8
Total	45	100.0
Institution of respondent		
Government	7	15.6
Contractor	25	55.6
Consultant	13	28.9
Total	45	100.0
Job position		
General manager	3	6.7
Project manager	15	33.3
Supervisor	12	26.7
Engineering	15	33.3
Total	45	100.0
Experience		
From 1 to 5	30	66.7
From 6 to 10	6	13.3
From 11 to 15	5	11.1
Greater than 21	4	8.9
Total	45	100.0

Table 4. 1 Gender, institute, position, and experience of respondent (source; survey data, 2019)

The stakeholder group included majority of the respondents from the Contractors representing 55.6% (25 out of 45), Consultants 28.9% (13 out of 45) and the remaining from Government represented by 15.6% (7 out of 45) as shown in table 4.1. These stakeholders were observed to be from companies such as; Client (Government), Contractor, and Consultant. The high percent(%) of this category reflects a good indicator to ensure from quality information beside the other general information.

The position of the respondents showed that in table 4.1, majority of them were project manager and Engineers (include, civil engineer, Electrical engineer, Sanitary engineer, Construction technology and management) representing 33.3% (15 out of 45) respectively, followed by Supervisor 26.7% (12 out of 45), and General Managers represented 6.7%(3 out of 45). This result suggest that project managers and engineers play important roles in project success.

The Table 4.1 shows as the work experience of respondents in the construction industry related to the study. It was ascertained that, majority of the respondents have work experience of less than 5years as represented by 66.7%(30 out of 45), followed by those between 6- 10 years representing 13.3%(6 out of 45), 11-115 years 11.1%(5 out of 45) and those Greater than 15years were least representing 8.9%(4 out of 45). This profile indicates that the variety of experiences level in stakeholder management issue with different knowledge and information.

DESCRIPTIVE ANALYSIS

A Likert Scale is a type of rating scale used to measure attitudes or opinions. With this scale, respondents are asked to rate items on a level of agreement. in this description analysis measuring instrument used to calculate stakeholder management practice and critical success factors. the level of employee's engagement are scaled 1 to 5. 1= strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree. Accordingly a factor takes its average for the questions under it with no decimal point. Despite the fact that to summarize the narrative out comes, the researcher used criterion-referenced definitions for rating scales to describe the collected data.

Table 4. 2 Criterion – referenced scale definitions

Mean rating	Respondents level of agreement	Description of respond agreement level
1.00 - 1.49	Strongly disagree	Very low
1.50 - 2.49	Disagree	Low
2.50 - 3.49	Neutral	Medium
3.50 - 4.49	Agree	High
4.50 - 5.00	Strongly agree	Very high

(Source: internet)

Here noted as "3" means “neither agree nor disagree, while value “4” means “agree”. Hence, if value 3 is recorded as any of the subsequent measurement, it means that level is neither high nor low, or in other words it is in “average or medium level”. If a value of (4) is obtained , it means s “high” level .similarly value one(1) and five(5) mean “very low” level and “very high” level respectively while value two (2) mean “low” level . Based on the above table the researcher discussed on the findings of the descriptive statistics of determinants of employee engagement by providing criterion-referenced definitions of each Criterion – referenced scale.

4.3 STAKEHOLDER MANAGEMENT PRACTICE IN AAHDPO

This section presents the analysis results and findings on project stakeholder management practice. To identify operational approaches for stakeholder analysis and engagement, the questionnaire survey was done to evaluate the current practice of stakeholder management in the “Bole Arrabesa”. To achieve the research objective three questions were designed in the questionnaire to evaluate the most effective approach that the respondents usually used in current practice of managing the stakeholder in the following issue: These are presented in the following subsections.

4.3.1 ANALYSIS STAKEHOLDER CONCERNS AND NEED

The respondents were asked about their points of view regarding the effective Approaches to analyze stakeholders’ concern and need in AAHDPO at Bole Arrabesa. The analyzed results in Table 4.3 indicated the AAHDPO teams considered the approaches were useful with one expectation that the respondents did not agree to use the interview, and these

approach should be used as a supplement to a systematic process of stakeholder management.

Table 4. 3 Effective approaches to analyze stakeholders’ concern and need

Approaches	Mean	Std. Deviation	Rank
Personal past experience	4.40	.720	1
Professional services	3.96	1.278	2
Workshops	3.73	1.338	3
Questionnaires and surveys	3.44	1.358	4
Interviews	2.98	1.196	5

(source; survey data,2019)

In table 4.3, five (5) stakeholder concern and need approaches are ranked. Among these are the "*Personal past experience*" which was ranked first (1st) with mean value of 4.4. this was followed by "professional service" ranked second (2nd) with mean value 3.96. Workshop ranked third (3rd) of the mean value of 3.73. Questionnaires and surveys, and interview were ranked fourth(4th) and fifth(5th) with mean value 3.44 and 2.98 respectively.

Table 4.3 show that, the analysis result of stakeholders concerns and needs identification methods, "*Personal past experience*" is ranked first, this indicates that the experience of project managers is important in AAHDPO. "Professional services" is ranked second, this imply professional service provides complete plans for stakeholder management, and saves time for project managers. "Workshop" ranked third, this indicate project manager will get a chance for discussion on criteria or analysis of alternatives, but they need to be well facilitated and interpersonal skills to deal with challenging issues. "Questionnaires and surveys" ranked in fourth, since the project manager afraid of low response rates that can bias the results, and the information gathered can be artificial and the reasons behind an opinion may not always be clear.

Finally, all approaches has its strength and limitations, so the most appropriate way for effective stakeholder management is to use a combination of elements of each approach as circumstances dictate.

4.3.2 STAKEHOLDER ENGAGEMENT/MANAGEMENT

The respondents were asked about their points of view regarding the effective Approaches to engage stakeholders in the construction project. Table 4.4 below shows, the statistical analysis results for this question. According to the results of the questionnaire, 'Workshop' is ranked first, followed by 'Meeting', 'Interview', 'social contact', and 'Negotiation'. Workshop and Meeting the most common approaches for engaging stakeholders in a construction project in the "Bole Arrabesa".

Table 4. 4 Effective approaches to engage with the stakeholders

Approaches	Mean	Std. Deviation	Rank
Workshops	4.04	1.086	1
Meetings	3.87	.944	2
Interviews	3.80	1.057	3
Social contacts	3.78	1.020	4
Negotiations	3.71	1.325	5

(source; survey data,2019)

Table 4.4 show that the five (5) stakeholder management/engagement approaches. Among table 4.4 the "Workshops" which was ranked first (1st) with mean value of 4.04. this was followed by "Meeting" ranked second (2nd) with mean value 3.87. "Interview" ranked third (3rd) of the mean value of 3.80. "Social contacts" and "Negotiations" were ranked fourth(4th) and fifth(5th) with mean value 3.78 and 3.71 respectively.

The stakeholder management/engagement approaches analysis results are identified in table 4.4. The "workshop" is ranked in first, since project manager needs to be well facilitated, and have the interpersonal skills to deal with challenging issues, although it is an excellent approach for discussion on criteria or analysis of alternatives. Since the meeting is face-to-face contact ensures attendees understand the issues and information that can be elicited about opinions they express, and cheap and relatively easy to organize. On the other hand interview give the ability to explain points in own language, and usually low cost and easy to arrange. Social contacts are informal approach, but it seems to be an effective approach for establishing and maintaining relationships with some stakeholder that used by a project

manager, and it helps in building trust with stakeholders, and maximizes two-way dialogue. Finally negotiation is ranked in low position. Negotiations can also be categorized as communication with stakeholders, especially settling disputes and problems.

4.3.3 RESPONSE STRATEGY TO DEAL WITH THE STAKEHOLDER CLAIMS.

The respondents were asked about their points of view regarding the effective response strategy types to deal with the stakeholder claims in the construction project? The analyzed results in Table 4.5 indicated the project management teams considered the approaches were useful with some expectation that the respondents did not agree to use the dismissal strategy and Avoidance strategy, those strategies should be used as a supplement to a systematic process of stakeholder management.

Table 4. 5 Effective response strategy in stakeholders claim

Approaches	Mean	Std. Deviation	Rank
Compromising Strategy	4.27	1.232	1
Influence Strategy	3.82	1.093	2
Adaptation Strategy	3.69	1.221	3
Avoidance Strategy	2.76	1.401	4
Dismissal Strategy	2.20	1.502	5

(source; survey data,2019)

Table 4.5 shows the five (5) response strategy in stakeholders claims. The results indicate that. the "Compromising strategy" which was ranked first (1st) with mean value of 4.27. this was followed by "Influence strategy" ranked second (2nd) with mean value 3.82. "Adaptation strategy" ranked third (3rd) of the mean value of 3.69. "Avoidance" and "Dismissal" strategy were ranked fourth(4th) and fifth(5th) with mean value 2.76 and 2.2 respectively.

Among table 4.5 results the respondents usually chose a compromise strategy to deal with essential stakeholder requirements, thus this means the most effective strategy that project manager in AAHDPO prefers to use is negotiating with the stakeholders, listening to their claims related to the project and offering possibilities and arenas for dialogues. Making reconciliations and offering compensation. Influence strategy is come in the second position,

this means that project manager does not like to deal with strategy in general since his time is limited and may he used this type of strategy with the key stakeholder to try to influence their claim to fit with the project objective. Adaptation strategy is listed in the third positions, since sometimes project manager found it is better to focus on achieving the objectives of the project by accept the demand when it is possible and there is no major change will be happening. Avoidance strategy is fallen in forth position, this type of strategy could be used in some cases, especially when the demand of the stakeholder claim is over the capacity of the AAHDPO, then project manager is trying to use this approach by guarding and shield oneself against the claims, and transferring the responsibility of responding to the claims to another actor in the project network. Dismissal strategy is listed in last position, most of the respondents disagreed with this strategy. This indicates that it is felt that project managers should deal with every issue raised by stakeholders in an appropriate manner.

4.4. FACTORS AFFECTION THE STAKEHOLDER MANAGEMENT IN AAHDPO

This section presents the analysis results and findings on factors that influence the stakeholder management process. These factors influencing stakeholder management process were grouped into six groups such as “management support”, “information input”, “Stakeholder assessment”, “Decision making”, “Action and Evaluation”, and “Continuous support”.

Table 4.6 shows that analysis result of each groups affecting the stakeholder management process. This six(6) groups have been identified from the literature review. In which 30 factors contributing to the identified 6 groups. The critical success factors of each group had been discussed based on the mean value of CSFs greater than 3.82, which indicated that all respondents consider these 30 factors critical for stakeholder management in construction projects.

Table 4. 6 Groups affecting the stakeholder management process

Group	Factors	N	Mean	Std. Deviation	Rank
1	Decision Making	45	4.07	.791	1
2	Action And Evaluation	45	3.98	.775	2
3	Information Input	45	3.87	.989	3
4	Stakeholder' Assessment	45	3.86	.577	4
5	Continuous Support	45	3.75	1.035	5
6	Management Support	45	3.64	.846	6

(source; survey data,2019)

4.4.1 FACTORS AFFECT THE MANAGEMENT SUPPORT

“Management support” is ranked in the sixth position with the mean value 3.64, from the whole groups that affect stakeholder management process. The respondents agree that this group “management support” affect the stakeholder management process. Top level management support of the implementing agencies, was important for effective stakeholder engagement (Yang *et al.*, 2009b).

Table 4. 7 Management support groups

Statement	Mean	Std. Deviation	Rank
Managing stakeholder with corporate social responsibilities	4.00	1.206	1
Project manager competences	3.87	1.205	2
Flexible project organization	3.04	1.440	3
Total mean	3.64	.846	6

(source; survey data,2019)

“Managing stakeholder with corporate social responsibilities” and “project manager competences” was ranked in the first and second position by the respondents under this group as a critical factor influencing the management support in the stakeholder management process, with the mean value 4.00 and 3.87 respectively.

Table 4.7 results reflect that, the satisfaction of respondents regarding the importance of the managing stakeholder with corporate social responsibilities and the importance of the project manager competencies.

This finding is in line with the study conducted by Othman and Abdellatif (2011), they confirmed that stakeholder management must have social responsibilities towards supporting effective management of the stakeholder in the construction project.

4.4.2 FACTOR AFFECT INFORMATION INPUT

Regarding the whole group of factors influencing the information input it was ranked in the first position among the six groups, with the mean value of 3.87. This implies that the factors influencing the Information input affect the stakeholder management process. Freeman *et al.*, (2007), believe identifying stakeholder information is an effective task for assessing stakeholders, and it is the backbone in the project success.

Table 4. 8 Factor affecting information input

Statement	Mean	Std. Deviation	Rank
Setting common goal and objective of the project	4.24	1.069	1
Identifying stakeholders	3.89	1.402	2
Exploring the stakeholder need and expectation	3.47	1.179	3
Total mean	3.87	.989	3

(source; survey data,2019)

Table 4.8, shown that, “Setting common goal and objective of the project”, and “Identifying stakeholders” are ranked in the first and second position by the respondents under this group as a critical factor influencing the stakeholder management with mean value 4.24 and 3.89 respectively.

This result illustrates clearly the influence of setting common goal and objective of the project in the stakeholder management process. since the project manager should have a good understanding of the tasks and objectives at each particular stage of the project Lifecycle, including such as the issues about cost, schedule, and budget. And also regarding to respondent agreement, the identifying stakeholder is importance to the identification of the stakeholders and their necessary contributions, and expectations concerning rewards for contributions, as a prerequisite requirement for stakeholder assessment in projects for managing the stakeholder in the construction project.

4.4.3 FACTORS AFFECT STAKEHOLDER ASSESSMENT

Regarding the whole group of factors influence the stakeholder' assessment it was ranked in the fourth position among the sixth groups with 3.86 the mean value. The respondents agree that the group “stakeholder' assessment” affect the stakeholder management process. To enhance the understanding of project managers on stakeholders, their attributes, behavior, and potential influence need to be assessed and estimated. The conflicts and coalitions among stakeholders also could be analyzed based on the information about stakeholders (Yang *et al.* 2009).

Table 4. 9 Factors affect stakeholder assessment

Statement	Mean	Std. Deviation	Rank
Determine the stakeholder Knowledge	4.29	.843	1
Analyzing conflicts and coalitions among stakeholders	4.22	.735	2
Understanding area of stakeholders' interests	3.98	1.011	3
Assessing stakeholders' attitude	3.89	1.005	4
Understand the stakeholder urgency	3.87	1.100	5
Evaluate the stakeholder power	3.82	1.193	6
Evaluating the stakeholder legitimacy	3.78	.927	7
Predicting the influence of stakeholders	3.58	.988	8
Determine the stakeholder proximity	3.42	1.270	9
Total mean	3.86	.577	4

(source; survey data,2019)

As shown in Table 4.9, the “Analyzing conflicts and coalitions among stakeholders” was ranked in the second position by the respondents under this group as a critical factor influencing the stakeholder' assessment with 4.22 the mean value.

This result illustrates clearly that the respondents agreed to this factor and have a strong conformity at this factor to be in the second position. The result indicates that Analyzing conflicts and coalitions among stakeholders is the main attribute that affect the project's claim response strategy in the AAHDPO. Analyzing the conflicts and coalitions among stakeholders is an important step for stakeholder management (Freeman *et al.*, 2007).

As shown in Table 4.9, the “Understanding area of stakeholders’ interests” was ranked in the third position by the respondents under this group as a critical factor influencing the stakeholder’ assessment with 3.98 the mean value.

The respondents’ perceptions showed that, this factor plays a significant role in influencing stakeholder’ assessment, identifying stakeholder interests is an important task to assess stakeholders. Cleland and Ireland (2007) contend that stakeholders have a vested interest in a project for numerous reasons such as mission relevancy, economic interest, legal right, political support, health and safety, lifestyle, opportunism and survival. Hence, it can be concluded that vested interest is an important driver of the stakeholder-project relationship.

As shown in Table 4.9, the “Assessing stakeholders’ attitude” was ranked in the fourth position by the respondents under this group as a critical factor influencing the stakeholder’ assessment with 3.89 the mean value.

Stakeholder attitude refers to whether the stakeholder supports or opposes the project. This result illustrates clearly that the respondents agreed to this factor plays a significance role influencing stakeholder assessment, good stakeholder attitude is contributing to increase the effectiveness of stakeholder management. Because stakeholders may have negative or positive impacts on projects, there is a need to determine objectors and supporters.

As shown in Table 4.9, the “Understand the stakeholder urgency” and “Evaluate the stakeholder power” was ranked in the fifth and sixth position by the respondents under this group with 3.87 and 3.82 the mean value. The respondents’ perceptions showed that, this factor plays a significant role in influencing stakeholder’ assessment.

The respondents’ perceptions showed that, AAHDPO stakeholders needs immediate response for their time-sensitive, or important claims. Bourne and Walker (2005) believe that successful project managers should have the ability to understand the “invisible power” among stakeholders.

4.4.4 FACTORS AFFECT DECISION MAKING

Regarding the whole group of decision making it was ranked in the first position among the six groups, with 4.07 the mean value. The respondents agree that this decision

making group is influencing the stakeholder management process. Project managers have the responsibility to compromise conflicts among stakeholders, and use appropriate strategies to manage stakeholders. During the process of decision-making, AAHDPO should always try to predict the reaction of stakeholders and choose the optimal solution for managing stakeholders.

Table 4. 10 Factor affecting decision making

Statement	Mean	Std. Deviation	Rank
Ensuring effective communication between the project and its stakeholder	4.29	.991	1
Formulate appreciate strategy to deal with stakeholder	4.13	1.120	2
Transparent evaluation of the alternative solution based on stakeholder concern	3.76	1.209	3
Total mean	4.07	.791	1

(source; survey data,2019)

From Table 4.10, it is shown that, *Ensuring effective communication between the project and its stakeholder* was ranked in the first position by the respondents under this group as a critical factor influencing decision making with 4.29 the mean value.

This result reflects the respondents agreement regarding the importance of the ensuring effective communication between the project and its stakeholder. To ensure the success of a project much information, including expectations, goals, needs, resources, status reports, budgets and purchase requests, need to be communicated on a regular basis to all major stakeholders. Jergeas *et al.*, (2000) identified two aspects of improvements for managing the stakeholder one of them is communication with stakeholders.

Formulate appreciate strategy to deal with stakeholder was ranked in the second position by the respondents under this group with (4.13) the mean value. The respondents' perceptions showed that, this factor plays a significant role in influencing stakeholder management. The results provide the importance of formulating appropriate strategies to deal with stakeholders in AAHDPO.

4.4.5 FACTORS AFFECT ACTION AND EVALUATION

Regarding the whole group of factors affect the action and evaluation it was ranked in the second position among the six groups, with 3.98 the mean value. The respondents agree that this group factors affect the action and evaluation influencing in the stakeholder management process. The action and evaluation group is the final management activity group in the process of stakeholder management, and the inputs required are the formulated strategies, and the level of stakeholder engagement to ensure effective communication.

Table 4. 11 Factors affect Action and Evaluation

Statement	Mean	Std. Deviation	Rank
Implementing the strategy based on schedule plans	4.36	1.048	1
Evaluation the stakeholder satisfaction in terms of achievement of the stakeholder pre – project expectation	4.09	.874	2
Flexibility in the implementing strategy to deal with stakeholder' reaction	3.49	1.272	3
Total mean	3.98	.775	2

(source; survey data,2019)

From Table 4.11, it is shown that, “implementing the strategy based on schedule plans” was ranked in the first position by the respondents under this group as a critical factor influencing the action and evaluation with 4.36 the men value.

The above result reflects, the respondents agree with the importance of Implementing the strategy based on schedule plans. It shows that the implementation strategy is important for AAHDPO to keep the project moving forward. Developing policy implementation strategy development guide can help planners and decision makers gain a clearer picture of what will be required for implementation and help them develop action plans that will tap stakeholder interests and resources (Bryson, 2004).

“Evaluation the stakeholder satisfaction in terms of achievement of the stakeholder pre-project expectation” was ranked in the second position by the respondents under this group as a major factor influencing the action and evaluation with 4.09 the mean value.

The respondents' perceptions showed that, this factor plays a significant role in influencing stakeholder management. It has been emphasized that if a project's key stakeholders are not satisfied with the ongoing project outcomes, the project team will as a result be required to adjust scope, time, cost and quality in order to meet the stakeholders' requirements and expectations. According to Li *et al.*(2013), client, regular, and community satisfaction factors is important because it is significant for the effectiveness of project performance.

4.4.6 FACTORS AFFECTING CONTINUOUS SUPPORT

Regarding the whole group of factors affecting "continuous support" was ranked in the fifth position with 3.75 the mean value. The respondents agree that the factors affecting continuous support group influence the stakeholder management process. This group(continuous support) includes the activities which should be carried out to support the management activities implemented, not only support a single management process, or contribute to the success of a single project, but can be used for accumulating the experiences and knowledge of the project management team in the long term.

Table 4. 12 Factors affect continuous support

Statement	Mean	Std. Deviation	Rank
Stakeholder involvement in decision-making	4.09	1.125	1
Reduce the uncertainty	4.04	1.205	2
Communication with the engaging stakeholder properly and frequently	3.96	1.107	3
Mutual trust and respect amongst the stakeholder	3.82	1.336	4
Maintain alignment between or among the stakeholder	3.69	1.203	5
Access to resource and knowledge	3.67	1.446	6
Keeping and promoting an ongoing relationship with stakeholder	3.62	1.336	7
Analyzing the change of multiple stakeholder engagement and the relation	3.42	1.500	8
Obtain support assistant from higher authorities	3.31	1.535	9
Total mean	3.75	1.035	5

(source; survey data,2019)

As shown in Table 4.12, “Stakeholder involvement in decision-making” was ranked in the first position by the respondents under this group as a critical factor affecting continuous support with 3.96 the mean value.

The respondents’ perceptions showed that, this factor plays an important role in influencing stakeholder management. The result implies that Identifying and analyzing stakeholder concerns in AAHDPO are indispensable tasks during the participation process in order to arrive at a consensus and avoid project failures. Participation of project stakeholders in different stages of construction project (e.g. the planning and development phases) can be beneficial in several ways (Li, & Skitmore, 2012).

As shown in Table 4.12, “Reduce the uncertainty” was ranked in the second position by the respondents under this group as a critical factor affecting continuous support with 4.04 the mean value. The result indicate that, reducing the uncertainty is important for AAHDPO. To reduce this uncertainty AAHDPO should be choose a partnering relationship where the risk was shared between the operator and contractor.

“Communication with the engaging stakeholder properly and frequently” was ranked in the third position by the respondents under this group as a critical factor affecting continuous support with 3.96 the mean value. The result implies that, effectively communicate and managing relationships with the various stakeholders of the project is highly contribute to Project success.

“Mutual trust and respect amongst the stakeholder” was ranked in the fourth position by the respondents under this group as a critical factor affecting continuous support with 3.82 the mean value. Mutual trust is a facilitator of positive relationships among AAHDPO stakeholders. Trust is argued to enhance a variety of stakeholder relationships, including the HDPO staffs, contractor, consultant, beneficiaries, and other stakeholder that building mutual trust among project stakeholder as an important factor which has a positive impact on the project success.

CHAPTER FIVE: CONCLUSION AND RECOMMENDATION

INTRODUCTION

This chapter contains the conclusion and recommendations regarding the findings of this study. The aim of this study is to assess project stakeholder management practice adapted in AAHDPO at Bole Arrabesa condominium project and the implication of current stakeholder management practice on project success. This research purpose has been achieved by answering the question and satisfying all the stated objectives. The following section provides a summary of the findings.

5.1 CONCLUSION

Effective stakeholder engagement will facilitate project success. Failure to adequately and holistically address the critical success factors for stakeholder management in construction projects will prevent stakeholder management efforts from achieving the desired results project success. The result indicates that effective project stakeholder management is a critical process for project success when it is poor the result is failure.

Based on the result obtained from this research, the following conclusions of the stakeholder management practice in AAHDPO at Bole Arrabesa project are drawn;

In AAHDPO at Bole Arrabesa project, personal past experience, professional service, workshops, and questionnaires and surveys are effective approaches to analyze stakeholders' needs and concerns. From those approaches, the personal past experience (mean=4.40) is the most effective approach from respondents' point of view. And, also the result specifies that the respondent did not agree to use interview for analyzing stakeholders' needs and concerns in AAHDPO at Bole Arrabesa project.

Workshop, meetings, interviews, social contacts and negotiations are effective methods for engaging the stakeholders in AAHDPO at Bole Arrabesa project. Workshop (mean=4.04) is the most effective method to use for engaging the stakeholders in AAHDPO at Bole Arrabesa project. The compromising strategy, influence strategy, and adaptation strategy are effective in response to the stakeholders' claims. On the other hand, they refused to use both the

avoidance and dismissal strategy in dealing stakeholders. At the same time the respondents think that the compromised strategy (mean=4.27) is the most effective approach to deal with the stakeholders claim.

Based on the result obtained from this research, the following conclusions of the critical success factor that influence stakeholder management process in AAHDPO at Bole Arrabesa project are drawn;

The factors that influence the stakeholder management process were grouped in to six(6) groups, in which thirty (30) factors are contributing. The finding from the study shows that eighteen (18) success factors are influencing project stakeholders management in AAHDPO at Bole Arrabesa project from total thirty (30) success factors based on the agreements of most respondents, the mean value 3.82 and above.

The finding has collected from a representative sample of expert AAHDPO(Contractors, Consultants and Community). To identify the major success factors that influence stakeholder management process in AAHDPO at Bole Arrabesa project were the top three are ranked based on their mean value; Implementing the strategy based on schedule plan (mean=4.36), Ensuring effective communication between the project and its stakeholder (mean=4.29), and Determine the stakeholder knowledge (mean=4.29).

5.2 RECOMMENDATION

To ensure effective project stakeholder management practice in AAHDPO the following recommendation is forwarded out of the research findings;

This study therefor recommended that at every phase of the project life cycle, the critical success factor should be addressed, with probably more dynamism than in other situations there is better management experience. The AAHDPO project managers should be aware of the stakeholder management process to manage stakeholders effectively. So, they have to keep communication with stakeholders and build relationship based on the mutual trust, in the same time to involve them in the decision making according to their interest issue. Finally, the AAHDPO should be select the potential critical success factor in Bole Arrabesa project and mange effectively to increase the project performance.

5.3 LIMITATION AND IMPLICATIONS FOR FURTHER RESEARCH

This study like others has its limitations. While these results are valuable, the limitation of this study must also be considered. The research is limited to the HDPO, contractors and consultant as key players whom are implementing the major construction project in AAHDPO. However the private project was not considered in the targeted populations. Since the questionnaire survey instrument was employed through Likert rating scale only.

Based on the limitations of the research, I suggestion for future studies. The necessity to be conduct additional research on the private construction projects, since this type of project is growing rapidly, as a result of the demand for the private housing projects is increased in the Addis Ababa.

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APPENDIX

APPENDEX A

Addis Ababa University School of Commerce

Department of Project Management

Post Graduate Program

QUESTIONNAIRE

Project title

Assessment of stakeholders management practices in Addis Ababa Houses Development project at “Bole Arrabesa” site .

Program: Master of project management

Name of student: Kaleab Bezuneh

Dear sir/Madam

I would like to present my appreciation and thanks you for taking part of your time and effort to complete this questionnaire. This questionnaire is being carried out as part of my MA Degree project work entitled: Assessment of Project Stakeholder Management Practices in Housing development project office at bole Arrabesa project site.

NB: Your response will be completely anonymous and confidential, will not be identified by individual. All responses will be compiled together & analyzed as a group.

If you have any questions, please contact me at (+251 967 417 670) or via email at kaleabbezuneh@gmail.com

Yours Sincerely,
Kaleab Bezuneh

SECTION 1 : BACKGROUND INFORMATION

Please choose the appropriate response for each item:

1. Please indicate your years of professional experience in construction.
 1. From 1 to 5
 2. From 6 to 10
 3. From 11 to 15
 4. From 16 to 20
 5. Greater than 21

2. Please indicate your Job title
 1. General manager
 2. Project manager
 3. Supervisor
 4. Engineering
 5. Other:

3. Please indicate your institution.
 1. Government
 2. Contractor
 3. Consultant
 4. Other

4. Gender
 1. Male
 2. Female

SECTION 2. STAKEHOLDER MANAGEMENT PRACTICE

Based on your experience in the field of project management, please give feedback to the following questions.

Please tick(√) the appropriate response for each items

1 = Strongly Disagree(SDA); 2 = Disagree(D); 3 = Neutral(N); 4 = Agree(A) and 5 = Strongly Agree(SA)

1. To what extent do you think the following methods are effective to analyze stakeholders' concern and need?						
No.	Methods	SA	A	N	DA	SDA
		5	4	3	2	1
1	Personal past experience					
2	Interviews					
3	Questionnaires and surveys					
4	Professional services					
5	Workshops					

2. To what extent do you think the following methods are effective to engage with stakeholders?						
No.	Methods	SA	A	N	DA	SDA
		5	4	3	2	1
1	Meetings					
2	Social contacts					
3	Negotiations					
4	Workshops					
5	Interviews					

1. To what extent do you think the following Response strategy types are effective to deal with the stakeholder claims ?						
No.	Strategy Types	SA	A	N	DA	SDA
		5	4	3	2	1
1	Adaptation strategy: Obeying the demands and rules that are presented by stakeholders.					
2	Avoidance strategy: Loosening attachments to stakeholders and their claims in order to guard and shield oneself against the claims.					
3	Compromising strategy: Negotiating with the stakeholders, listening to their claims related to the project and offering possibilities and arenas for dialogues.					
4	Dismissal strategy: Ignoring the presented demands of stakeholders. Not taking into account the stakeholder related pressures					
5	Influence strategy: Shaping proactively the values and demands of stakeholders.					

SECTION 3. FACTORS AFFECTING THE STAKEHOLDER MANAGEMENT IN THE CONSTRUCTION PROJECT

Based on your experience in the field of project management, please give feedback to the following questions.

Please tick(√) the appropriate response for each items

1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree and 5 = Strongly Agree,

To what extent do you think that the following factors are effective in managing the stakeholders?

No.	Factors	SA	A	N	DA	SDA
		5	4	3	2	1
	Management Support					
1	Managing stakeholder with corporate social responsibilities					
2	Flexible project organization					
3	Project manager competences					
	Information input					
4	Setting common goal and objective of the project					
5	Identifying stakeholders					
6	Exploring the stakeholder need and expectation					
	Stakeholder assessment					
7	Assessing stakeholders' attitude					
8	Understanding area of stakeholders' interests					
9	Predicting the influence of stakeholders					
10	Analyzing conflicts and coalitions among stakeholders					
11	Evaluate the stakeholder power					
12	Evaluating the stakeholder legitimacy					
13	Understand the stakeholder urgency					
14	Determine the stakeholder proximity					
15	Determine the stakeholder Knowledge					
	Decision making					
16	Transparent evaluation of the alternative solution based on stakeholder concern					
17	Ensuring effective communication between the project and its stakeholder					
18	Formulate appreciate strategy to deal with stakeholder					
	Action and evaluation					
19	Implementing the strategy based on schedule plans					
20	Flexibility in the implementing strategy to deal with stakeholder' reaction					
21	Evaluation the stakeholder satisfaction in terms of achievement of the stakeholder pre – project expectation					
	Continuous support					
22	Communication with the engaging stakeholder properly and frequently					
23	Stakeholder involvement in decision-making					
24	Keeping and promoting an ongoing relationship with stakeholder					
25	Analyzing the change of multiple stakeholder engagement and the relation					
26	Obtain support assistant from higher authorities					
27	Mutual trust and respect amongst the stakeholder					
28	Reduce the uncertainty					
29	Maintain alignment between or among the stakeholder					
30	Access to resource and knowledge					

SECTION FOUR; IMPLICATION OF STAKEHOLDER MANAGEMENT PRACTICE IN PROJECT SUCCESS

Please indicate your level of agreement with the following statements about stakeholder management: "Relating stakeholder management to project success measures"

Please tick(√) the appropriate response for each items

1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree

No.	Success Measures	SDA	DA	N	A	SA
		1	2	3	4	5
1	Effective stakeholder management can lead to timely completion of projects					
2	Effective stakeholder management can lead to cost savings on projects					
3	Effective stakeholder management can lead to acceptable quality standard					
4	Effective stakeholder management can lead to completion of projects to stakeholder satisfaction					

Thank you!