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AN ASSESSMENT OF STAKEHOLDERS' MANAGEMENT PRACTICES AND CHALLENGES: THE CASE OF ETHIO INTERNATIONAL FOOTWEAR CLUSTER COOPERATIVE SOCIETY (EIFCCOS)

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DECLARATION

I declare that this study entitled "*AN ASSESSEMENT OF STAKEHOLDERS MANAGEMENT PRACTICES & CHALLENGES: THE CASE OF ETHIO INTERNATIONAL FOOTWAEAR CLUSTER COOPERATIVE SOCIETY (EIFFCOS) PROJECT"* is my original work. This project has not been presented for any other university and is not concurrently submitted in candidature of any other degree, and that all sources of material used for the thesis have been duly acknowledged.

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STATEMENT OF CERTIFICATION

I certify that I have read the final project in its final form for submission and have found it satisfactory. Thus, the candidate has successfully completed an approved paper of study as required.

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Acronym

ASP	Active Stakeholders Participation
CSA	Central Statistics Agency
DBE	Development Bank of Ethiopia
E.C	Ethiopian Calendar
EIFCCOS	Ethio International Footwear Cluster Cooperative Society
FDRE	Federal Democratic Republic of Ethiopia
GDP	Gross Domestic Product
LIDI	Leather Industry Development Institute
PM	Project management
PMBOK	Project Management Body of Knowledge
SH	Stakeholders
SME	Small and Medium Scale Enterprise
UNIDO	United Nation Industrial Development Organization

Abstract

This study aims on Assessment of Stakeholders Management Practices and Challenges in the Case of EIFFCOS project. The research used descriptive research design and a mixed method of qualitative and quantitative approaches. The study also used both primary and secondary data sources. A questionnaire survey was carried out among project stakeholders project site. Thirty five question items were distributed to two hundred thirty four stakeholders; one hundred sixty eight questionnaires were received with a 71.8% response rate. While assessing stakeholders' management practice most of the participants disagree that all key stakeholders know the intended goal of the project; key stakeholders were communicated at the planning stage, expectations of stakeholders acknowledged and managed and key stakeholders share common understanding in the project. The most prevalent challenges of stakeholders management in the project among the others as per the respondents are managing cultural difference in communicating, reluctance in sharing important information, managing expectations of shareholders and creating empathy among them. Stakeholders have also influences in the success of the project directly or indirectly. The above mentioned facts have brought the project to be out of the planned time, cost, and quality and failed to satisfy the stakeholders. Finally it is recommended that Projects should be planned well in advance in terms of stakeholder management and the project management team should involve all key stakeholders in all phases of the project starting from conception up to the operation to improve the execution of the project.

Keywords: EIFCCOS, Challenges, Practices, Project stakeholder management

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CHAPTER 1: INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Project stakeholders are groups which are actively taking part in a project or those likely their interests can be affected by the consequences of project implementation or completion (PMI, 2008).

Stakeholder management is the process of identifying stakeholder groups, the interests they represent, the amount of power they possess, and determining if they represent inhibiting or supporting factors toward the transformation (Kassinis, G., and N. Vafeas, 2006).
Forman, J. B. & Discenza, R. (2012) stated that stakeholder management is a critical process for the success of every project. It is a strategic discipline that successful project managers use to make their project competent and survive in the midst of stiff competitive environment.

Stakeholder management is used to gain support from both internal and external stakeholder for the successful completion of the project (Forman & Discenza, 2012).
The main task in the stakeholder management process is to understand the relationships, know the power and interests and then manage the stakeholders for the success of the project and organization (Freeman & McVea, 2001).

The objective of stakeholder management is determining who the stakeholders are and how they should be dealt with (Kassinis, G., and N. Vafeas, 2006).

To this end, it is obvious that wise use of the principles of stakeholders' management is fundamental for the success of a project. As the role of each stakeholder, whether it is internal or external, may not be substituted one by another, it is paramount to define their roles, communicate and create good understanding among them at the planning stage projects.

Rao et al. (2003) suggest that Small and medium scale enterprises (SMEs) are mainly identified based on the lack of standardized and formal working relation; they normally function based on a flat company structure with limited employees and development. However, these attributes enable SMEs to be more flexible to the changes in the environment, and studies show that smaller companies are normally regarded as being prominently more "flexible" compared with larger companies (Rao et al., 2003).

Regarding SMEs' benefit, Humphrey & Schmitz (1995) mentioned that; (a) they facilitate the development of external economies such as the existence of unique raw materials and components, suppliers, or the growth of skill-sets, which are particularly needed in a sector; (b) they influence the development of unique services in administrational, financial, and technical processes.

Small and medium scale enterprises (SMEs), however, are grouped into cluster based on their specialty. Because such categorization is suitable grounds for the growth of a network for private and public domestic institutions that support the local economy's growth which promotes group learning and innovative behavior via coordination carried out both implicitly and explicitly) Humphrey & Schmitz (1995). Clusters have gained increasing prominence in debates on economic development in recent years. Governments worldwide regard clusters as potential drivers of enterprise development and innovation. Cluster initiatives are also considered to be efficient policy instruments in that they allow for a concentration of resources and funding in targeted areas with a high growth and development potential that can spread beyond the target locations (spillover and multiplier effects) (UNIDO, 2013).

Meriam Ali. (2012) described that there are two main types of industrial clusters in the world. The first types are natural cluster that spontaneously grow out of the concentration of economic activities based on market forces over a long period of time. These types of clusters are common throughout the world among different sectors such as the surgical instruments cluster in Sialkot, Pakistan, and the electronics cluster at Silicon Valley.

The second type of clustering is government created clusters that is induced through deliberate policy actions such as the establishment of industrial parks and export processing zones to attract certain industries to specific locations. African's industrial clusters are government created though very few in number, there are incidences where government created industrial parks and export processing zones have turned into successful clusters with strong local inter-firm linkages. Few examples are the Mauritian textile cluster in Mauritius, which evolved from an export-processing zone (Zeng 2008), and clusters that grow out of special economic zones such as the information and communication technology clusters in Beijing and the electronics and biotech clusters in Shanghai (Zeng, 2011).

Industrial clusters has the role in helping micro and small enterprises to overcome their size constraints and enhance their business performance in Africa by cluster-level economies of scale, external market linkage and networks. At the same time, industrial clusters of micro and small enterprises may face competition and congestion, skills and innovation, the availability of factors necessary for production (skilled labor, access to finance), growth and transformation and competition among clusters under new spatial developments. (World Bank, 2011)

The vital functions of stakeholders' management especially in SMEs are to notify and enable stakeholders to share the responsibility and authority for making decisions about the SMEs management, to reduce the ostracize behavior of most stakeholders from participating in mobilization, planning and management of resources and to enable stakeholders to deal with the challenges facing the industry, especially those related to the export market and its impact on the livelihoods of SMEs.

The SMEs in Ethiopia, especially the shoe cluster, were created with the support of government. Akoten, Otsuka, and Sonobe (2006), in the context of a shoe cluster in Addis Ababa, Ethiopia, observed that the cluster's growth has been driven not only by the entry of new enterprises, but also by the growth of innovative enterprises and followers; moreover, highly educated entrepreneurs introduce new ideas on product design, production methods, production and labor management, procurement, and marketing, because they face fierce competition from a swarm of micro enterprises that are highly efficient producers of standard products.

Ethiopia is one of the countries suitable for leather and footwear industries. Because the country is highly endowed with livestock resources; ranking first in Africa and is among the top ten countries in the world. It has more than 55.03million heads of cattle, 27.35 million sheep, and 28.16 million goats (CSA, 2013). Livestock is an integral part of the agricultural Gross Domestic product (GDP) and serves the Ethiopian economy as sources of food traction, manure, raw materials, investment, cash income, security, foreign exchange earnings, and social and cultural identity. Consequently, an increasing trend of livestock populations shows the country has substantial resource potential to attract investment and consequently foster the development of the leather industry (USAID, 2013).

The East African nation is ramping up sourcing capabilities, positioning the region (includes neighboring Kenya) as an up-and-coming hub for footwear manufacturing. Low-cost labor pool, abundant raw materials, low electricity costs and shorter lead times to the United States market can be seen as opportunities to Ethiopia. In 2016, Ethiopia exported a little more than 2 million pairs of shoes to the U.S., which represented about a 24 percent increase over the previous year (GREG DUTTER, 2017).

However, the local footwear productions in our country have been largely dominated by cottage level and small shoe factories that produce, low priced mostly men's shoes; and are characterized by low productivity (material and labor), poor working conditions, and improper utilization of resources, weak relationship with customers and suppliers and poor management. They are focused on the local market with a great threat of losing the local market share to cheap imported shoes from China. They are locational in interspersing with so crowded residential houses, and on very small spaces. Their production systems are very far from being modern and produce hand- made shoes, supported by rudimentary technology.

Taking into consideration, the above fact, FDRE launched a pilot EIFCCOS project to reverse the above facts, utilize untapped resources of the country by integrating key stakeholders and duplicate the lesson learned to the regions. Few studies have been carried out on the management and operation of the aforementioned clusters. However, there is no information regarding the stakeholders' management practices and challenges of these SMEs and this motivates to do the research.

1.2 BACKGROUND OF THE ORGANIZATION

EIFCCOS was established in 2003 E.C as a pilot project by FDRE to rehabilitate, give support, transform them to modern producers and export their products with an objective in cluster small and micro enterprises engaged in foot wear production in a pool to address their problem of working area, technology, finance and training.

1.3 STATEMENT OF THE PROBLEM

Different stakeholders have power and interest on the organisations that they have direct and indirect relationship. Stakeholders' management deals with managing these powers and interests for the best interest of the organisation.

The preliminary study indicated that the stakeholders of EIFCCOS are Addis Ababa Small and Medium scale Enterprise, Yeka Sub City Cooperatives Promotion Agency, UNIDO, DBE, suppliers of input and machineries, transporters, designers, market facilitators and those engaged in foot wear production, there has been gap in stakeholder management and the roles and responsibilities of stakeholders were not clearly defined. The root causes of the above mentioned problems were (a) the implementation phase, low level of trust is associated with the culture of imitation that makes enterprises reluctant to share information. (b) The maximum period that MSEs can operate in the government created clusters is 5 years. Whereas the first batch is still working in the shade (a deviation of 80%) and the delay will continues. (c) There were 1088 members currently the number decreased to 229 (a decrease of 275%).The aim of the cooperative society is to have one vertically integrated production unit that would be able to produce 12,500 pairs of shoes per day to be sold largely to the export market but currently the daily average production is around 3,000 pair of shoes which is below a quarter of the planned and supplied locally. Moreover this poor integration between stakeholders (especially key stakeholders' i.e Yeka Sub City Cooperatives Promotion Office, DBE and LIDI) and lack of sufficient assessment of their degree of influence on the project aggravated the problem. In view of the above, the expectation and perception of the stakeholders with concerns given to the project high or low affects the project positively or negatively.

Due to the above mentioned problems, the researcher motivated to study on what were the role of stakeholders' management practices and the challenges that contributed for the project of EIFCCOS.

Despite these facts, so far, to the best of the researcher knowledge there is no study conducted in stakeholders' management especially in the shoe cluster

This study examined to what extent stakeholders' management practice have been carried out effectively, challenges in managing stakeholders and their contribution to support the success of the project deliverables.

1.4 RESEARCH QUESTIONS

I. What are the stakeholder management practices are used in EIFCCOS project?

II. What challenges are there in managing Stakeholders in EIFCCOS project?

1.5 OBJECTIVES OF THE STUDY:

1.5.1 GENERAL OBJECTIVE

The general objective of the study is to assess stakeholders' management practices and challenges in EIFCCOS.

1.5.2 SPECIFIC OBJECTIVES

Specific objectives of this research can be summarized as follows:

1. To assess the stakeholder management practices in EIFCCOS project.
2. To examine the challenges of stakeholder management in EIFCCOS project.

1.6 SIGNIFICANCE OF THE STUDY

The importance of this study is assessing stakeholders' management practices, examining the challenges related to it in EIFCCOS project to attain its intended objectives. As the success of this project will have great contribution in modernizing the footwear industry by integrating key stakeholders and duplicate in the regions since the government has a continual plan at large scale in the future taking the lesson learned.

The outcomes of this study contribute to provide a better understanding and inform policy makers how stakeholder management concepts can be more successfully implemented in this footwear industry and how it can improve the success of project completion. This understanding is based on the views of stakeholders about the practical approaches which can maximize the effectiveness of their involvement which will help to accomplish targeted outcome and best practice processes to be applied to these projects. It also informs to policy makers.

1.7 SCOPE OF THE STUDY

The scope of the research delimited in terms of geographic location because the researcher takes only to examine one specific pilot footwear cluster found in Yeka sub city.

Two hundred thirty four stakeholders representing eleven key stakeholders group comprised of four governmental agencies (represented by one staff in the organization), one international office represented by one staff, one hundred fifty two producers, twenty five machine leasers, one stamper, forty eight suppliers, two designers and one market facilitator.

Most of the stakeholders incorporated have distinct features, representative or unit assigned for this project work only. Therefore, the results of this study may not be generalized outside of the EIFCCOS project.

1.8 LIMITATION OF THE STUDY

The researcher faced the following major challenges (limitations) during this research project work: lack of willingness from some stakeholders to offer the researcher the information needed for political and other reasons (most of key stakeholders are governmental institution), and limited to key stakeholders without evaluating their role.

1.9. ORGANIZATION OF THE STUDY

The research report is organized into five chapters as follows:

- Chapter 1: Introduction, this chapter deals with introductory part consisting of background of the study, EIFCCOS project history, statement of the problem, basic research questions, objectives of the study, definition of terms, significance of the study and scope of the study.

- Chapter 2: Literature review, this chapter discusses the definition of stakeholder, stakeholder management, identify the stakeholders based on their attitude and influence, stakeholder management process, challenges of stakeholder management and describe the relationship between project success and stakeholders management.

- Chapter 3: Methodology, this chapter defines the process of the methodology part consisting of the research design and approach, data types, sources and data collection method, target population and design, and finally data analysis and presentation in acquiring the necessary information to answer the research questions.

- Chapter 4: Results and Discussion, this chapter presents the results of the study and discusses them in details.

- Chapter 5: Conclusions and Recommendations, this chapter states the summary of findings, conclusions, limitations of the study and recommendations.

CHAPTER 2

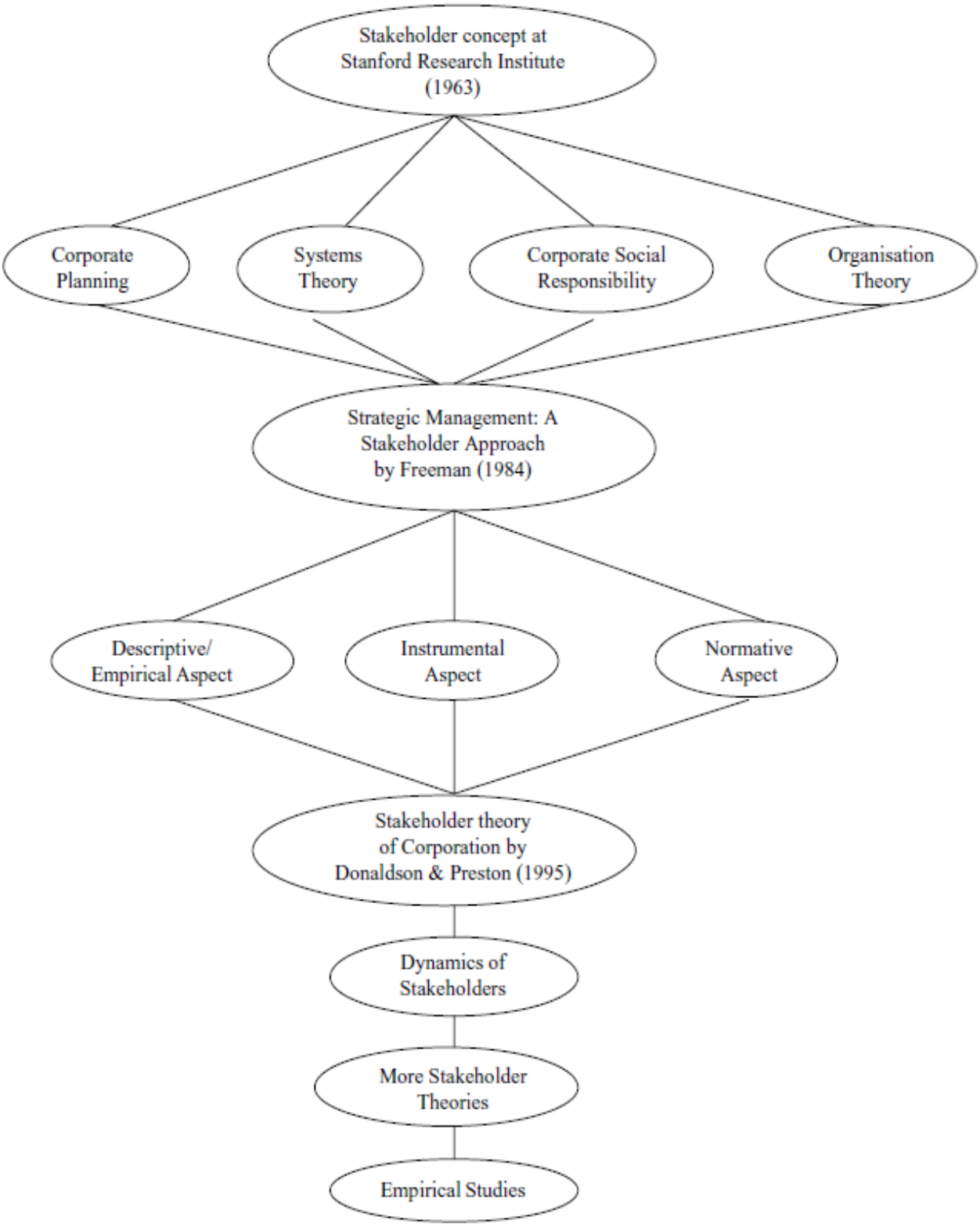
LITERATURE REVIEW

This chapter focused on the definition of project, project manager, project management, history of the stakeholder concept, project stakeholders, stakeholders' importance, stakeholders identification, stakeholders classification, stakeholders analysis, stakeholders behaviors, project stakeholders management, stakeholder management–the stakeholder circle tool, challenges of stakeholders management in a project, stakeholder effect on the success of a project and Stakeholder involvement in cluster projects.

2.1. History of the stakeholder concept

Elias et al. (2002) summarised the development of the stakeholder concept in the form of a literature map (Figure 2.1). The first three levels of the map were developed by Freeman (1984). The map depicts Stakeholders concept emerged at Stanford Research institute in 1963 and then the concept divided into four namely corporate planning, systems theory, corporate social responsibility and organisation theory. The second land mark was developed by Freeman in 1984 in its strategic Management: A Stakeholders Approach book. Then the theory was classified into descriptive/empirical, instrumental and normative aspect by Donaldson & Preston in 1995 by their book Stakeholders Theory of Corporation. After then, Stakeholders theory was further developed and reached to the current empirical Studies.

Figure 2.1 Stakeholder literature map, (source Elias, 2002)



2.2. Project stakeholders

Various authors defined stakeholders in different ways. (Freeman, 1984) defined as "any group or individual who can affect or is affected by the achievement of the organisation objectives"; the second was "those groups without whose support the organisation would cease to exist". The same writer in 2004 defined as "those groups who are vital to the survival and the success of the corporation. On the other hand, Gibson (2000) explained as "A person or a group of people who have a vested interest in the success of a project and the environment within which the project operates." In addition to this; Gardiner (2005) stated it as "individuals, groups and organisations who are actively involved in the project, or whose interests may be positively or negatively affected as a result of the project." Other writer, (El-Gohary, et.al.2006) narrated as "individuals or organisations that either are affected by or affect the deliverables or outputs of a specific organisation." More over this, Bourne and Walker (2006) described as "Individuals or groups who have an interest, or any aspect of rights or ownership, in the project, and can contribute to, or be impacted by, either the work or the outcomes of the project and /or an ability to exert influence." It is also narrated as individuals and organisations "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" (Project Management Institute, 1996). On the other hand Tres Roeder (2013) states as people, who are subject to, are part of, or have decision making over a project. Last but not least, Stakeholders are also defined as 'Individuals or groups who will be impacted by, or can influence the success or failure of an organisation's activities' (Bourne 2009).

2.3. Stakeholders' importance

As ASP, we need to work with our stakeholders to identify what they think they want, produce something which reflects that understanding, get feedback from our stakeholders, and then update our solution to reflect our improved understanding.

2.4. Stakeholders identification

It is essential to identify as many as stakeholders as possible at the beginning and throughout the project and categorize them into different segments according to their level of interest, influence, importance, position, and expectations at the earliest stages of the project as much as possible. (Cleland, 1986; Karlsen, 2002). Tres Roeder (2013) discuses four attributes power (the stakeholder's level of authority), impact (the stakeholder's ability to affect changes to the project's planning or execution), interest (the stake holder's level of concern regarding the project outcomes) and influence (the stakeholder's level of active involvement in the Project). (Briner. et.al, 1996) identified four sets of stakeholders: client; project leader's organisation; outside services; and invisible team members. Cleland (1995) also recognised the need to develop an organisational structure of stakeholders through understanding each stakeholder's interests and negotiating both individually and collectively to define the best way to manage stakeholder needs and wants. Cleland (1999) offers, after the first step of identifying stakeholders has been achieved, it is a simple way to visualise stakeholders and their likely impact and influence. As Donaldson and Preston (1995) and Yang, J., Shen, Q. and Ho, M, 2009 stated major contribution to stakeholder is the identification of stakeholders on the basis of its descriptive accuracy, instrumental power, and normative validity. The descriptive approach seeks to explain the methods and ways in the management of stakeholders. The instrumental approach seeks to explore the impact of the stakeholders' management to achieve organisational objectives and describe its impacts.

The normative approach seeks to address the ethical and philosophical guidelines for the management. These aspects of stakeholders are mutually supportive and that the normative base of the theory, which includes the modern theory of property rights, is fundamental and conformed that giving equal importance to stakeholders is the best way to achieve a company's success.

An important fact in stakeholder influence identification is that neither the resources nor the network positions of stakeholders are static (Pajunen, 2006). Thus, a permanent identification and prioritization of stakeholder's throughout the project lifecycle is considered as good practice (Eskerod & Jepsen, 2013 and Burke & Barren, 2014).

2.5. Stakeholders classification

Stakeholders in a project can be divided into internal stakeholders those who are members of project or external stakeholders those are affected by the project and some can be very critical to the project and others less critical (Calvert, 1995). Buchholtz and Carroll (2008) also classified stakeholders as either primary or secondary stakeholders. A primary stakeholder group is those who play main role in project and the organisation cannot survive without them. Whereas, secondary stakeholders are those who influence or are influenced by the project but they are not essential to the organisation survival. Some stakeholders are committed to play role and perform particular responsibility by formal contract and the others those have no contracted obligation or formal position (Smith and Love, 2004). Fassin (2009) divides stakeholders into two groups: normative and derivative. Normative stakeholders refer to those stakeholders who are explicitly related to the organisation, and to whom the organisation has an ethical duty (Fassin, 2009).

Derivative stakeholders refers to those stakeholders who have no direct relationship with the organisation; however, they can either hurt the organisation (or its function) or gain from the organisation (or its function) (Fassin, 2009). According to Worsley (2011), the most important stakeholder group is what she refers to as "passives", since the project outcomes are assured if this group is on board. Passives are the stakeholders who do not attend meetings, do not read notices, do not engage, or who do nothing.

However in the final analysis, they do determine whether the project is successful or not. “Mutineers” are those stakeholders who have very strong antagonism and weak synergy; they are insensitive to everything; and their antagonism drives them to prefer to lose everything, rather than let someone else succeed (Herbemont, et.al.1998.). “Schismatics” are those stakeholders who have a very rare characteristic of high levels of synergy and antagonism; they are totally in favour of the project, but they believe it is not progressing in the correct manner (Herbemont et al. 1998). Mitchell et.al.1997, developed a model for stakeholder classification based on three stakeholder attributes: power (influencing firms behavior), legitimacy (base their action based on social legitimacy), and urgency (immediate response to their claims). Therefore Governmental stakeholders can be described as salient stakeholders.

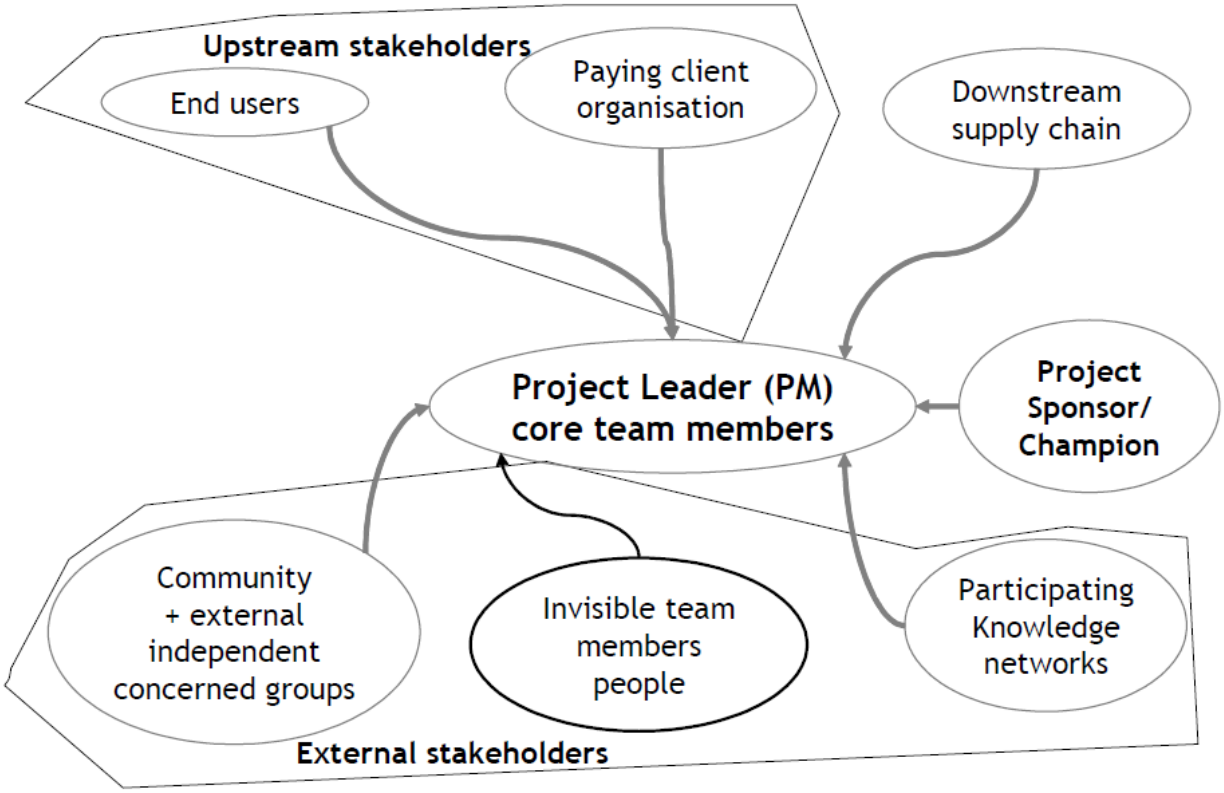
As per Tres Roeder (2013), the stakeholder engagement assessment matrix helps the project manager categorize the current and desired attitudes of stakeholders. The matrix has five categories for attitudes: unsure (not knowledgeable on the project), resistant (opposed to the project), neutral (neither resistant nor supportive), supportive in agreement with the project) and leading (actively supporting the project).

Walker (2003) categorises stakeholders into four groups:-

1. Upstream stakeholders, comprising the paying customer and end users of the product/service.
2. Downstream stakeholders, including suppliers and sub-contractors;
3. External stakeholders, including the general community and independent concerned individuals or groups who are impacted by the project and its outcomes; invisible stakeholders who engage with the project team in delivering the ultimate project benefit, but whose cooperation and support is vital for project success; and also the knowledge network that interacts with the project delivery team in a variety of ways.
4. Highly visible project stakeholders group, comprising the project sponsor or champion as well as the project delivery team.

Scholars like Cleland (1995), Bourne and Walker (2006) Wessinger (2012) suggest that key stakeholders roles on every project include the project manager, customer/user, the performing organization, project team members, sponsors, champions and the project management office (PMO).Nonetheless, all the scholars, of course, make it clear that a complete list of stakeholders is impossible to provide.

Figure 2.2 Stakeholder types Source: Adapted from Walker (2003).



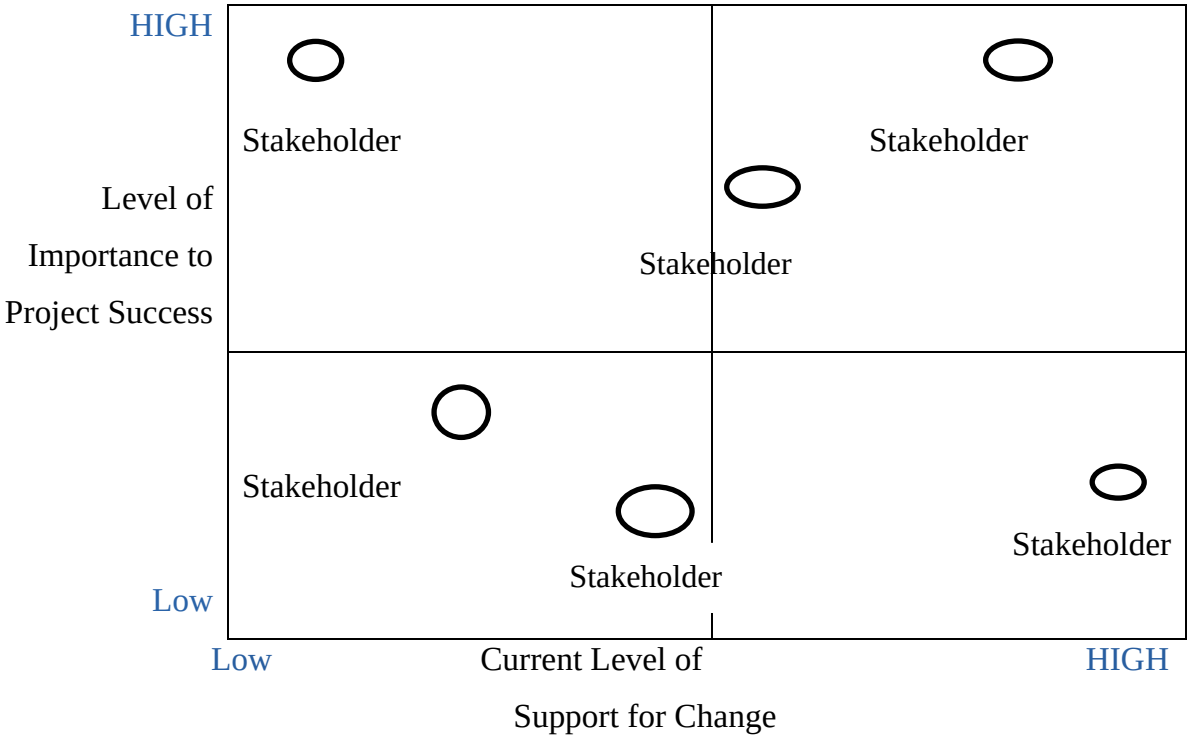
2.6. Stakeholders analysis

Stakeholder analysis is a process of systematically gathering and analyzing all relevant quantitative and qualitative information about the stakeholders in order to prioritize them and determine whose interests should be taken into consideration throughout the project and identification of stakeholder relationships that can be leveraged to build partnerships with stakeholders to increase the probability of project success (Bourne and Walker (2006), Cleland (1986), Karlsen (2002). Stakeholder analysis deals with the identification and prioritization of stakeholders as individuals or stakeholder groups (Freeman 1984).

As Wahl (2019) stated the purpose of stakeholder analysis is to capture important stakeholder information in a way that allows team members to structure stakeholder engagement and target communication strategies to each one's position and interests. The four steps are:

1. Define your stakeholder groups.
2. Assess each stakeholder group along the following two dimensions– level of importance to project success and current level of support for change.

Figure2.3 Assessing stakeholders group: Adapted from Gaylord Wahl



3. Place each stakeholder group on a 2x2 grid.
4. Develop strategies to move the most important stakeholders into the upper-right quadrant where they will become visible advocates of the project.

Whereas Burns, S. (2011) proposed a five-step stakeholder analysis process, and the steps are:

1) identify the key sectors and stakeholders relevant to the project;
2) describe the important characteristics of each stakeholder group;
3) analyse and classify the stakeholders, according to stakeholder attributes;
4) examine the dynamic relationship among the stakeholders; and
5) evaluate generic stakeholder- management strategies.

As per P.Ganesh Prabhu. (2016), Stakeholder analysis helps with the identification of the following:-

- Stakeholders interests
- Mechanisms to influence other stakeholders
- Potential risks
- Key people to be informed about the project during the execution phase
- Negative stakeholders as well as their adverse effects on the project.

A common approach is to map the interest and power or influence of each stakeholder group on a quadrant (Bryson, 1995).

2.7. Stakeholders behaviors

Stakeholder behaviors refer to the willingness of stakeholders to threaten or cooperate with the project management team (Savageet al., 1991).

2.8. Project stakeholders management

APMBoK (2012) defines Stakeholder Management as: “The systematic identification, analysis, planning and implementation of actions designed to engage with stakeholders.” On the other hand, Assuddani and Klopebog (2012) defined project stakeholder management ‘‘is the continuing development of relationships with stakeholders for the project success.’’ Stakeholder management has been one of the core soft skills area that has been highlighted as being necessary for PM to advance (Crawford, 2005; Morris et al., 2006; Winter et al., 2006).

Tres Roeder (2013) states that the discipline of stakeholder management is essential to project success. As part of the Balanced Approach, the successful project manager is an expert on managing the people in the project and harnessing their energy to achieve the desired project goals.

The plan stakeholder management process provides a clear, actionable plan to effectively interact with stakeholders and support project's interest by defining the strategies for building close relationships with stakeholders, who can benefit the project and for minimizing the influence of stakeholders who may have a negative impact. This process is iterative and should be reviewed on a regular basis as the required level of engagement of the stakeholders' changes in the project,(Burke & Barron, 2014 and Karlsen, 2002). This plan contains: current/desired engagement levels, scope and impact to stakeholders, interrelationships, communication requirements and forms, how to update the plan. The plan articulates management strategies to engage stakeholders for the project. Another output of Plan Stakeholder Management is the updates to project documents that include project schedule and stakeholder register.

When managing project stakeholders, a PM should first ensure that all stakeholders fully understand the ultimate goals and deliverables of the project. This might appear to be a redundant or unnecessary step in the process, but many project managers discover too late that some stakeholders, especially those who have not been included in initial meetings or communications, have an incomplete or mistaken understanding of what the project is intended to accomplish (Clarizen).

Cleland (1999) offers a process for managing stakeholders being:

- identifying appropriate stakeholders;
- specifying the nature of the stakeholder's interest;
- measuring the stakeholder's interest;

- predicting what the stakeholder future behaviour will be to satisfy him/her or his/her stake; and
- evaluating the impact of the stakeholder's behaviour on the project team's attitude in managing the project.

The Project Status Report which is used by Project Managers for formal regular reporting on the status of a project to the Steering Committee, Project Sponsor, Senior Manager or other Key Stakeholders, depending on the size of the project. It is important to remember that the role of the Steering Committee, Project Sponsor or Senior Manager is to take responsibility for the business issues associated with the project. Regular status reports also provide an ongoing history of the project, which become useful in terms of tracking progress, evaluation and review (Project status template, 2008).

Stakeholders must be managed in each undertaking to avoid any of their negative influences, especially those that could be opposed to the objectives (Cleland and Ireland, 2002). There is a natural tendency for stakeholder to influence the implementation of projects in line with their individual concerns and needs (Olander and Landin, 2008).

The project's success, or failure, is strongly influenced by both the expectations and perceptions of its stakeholders, and the capability and willingness of project managers to manage these factors and the organisation's politics (Lynda Bourne and Derek H.T. Walker, 2008).Thus, the project leader's challenge is to use a structured approach to identify, influence and manage the key stakeholders within each phase (Burke & Barren, 2014).

Stakeholder integration is vital to achieving project goals since it will maximize collecting all the project definitions and approvals and will help identify stakeholders' expectations and needs. The integration itself is directly related to the teamwork concept that involves an optimum work environment: respect among team members, a common goal (in this case, the project's goal) and team solidarity and cohesion that encourage effective performance and good results. After all, it all comes down to teamwork interaction.(Marcelo A. Briola, 2015)

Aladpoosh, et.al. (2012) stated project requirements are not static but dynamic; there is a need to continue management of the stakeholders' interest and make balance between their needs and expectations as possible. Stakeholders have claims, rights and expectations that ought to be honoured and not taken lightly. Stakeholder management is a process and control that must be planned and guided by underlying principles (Llewellyn, 2009).

2.9. Stakeholder management – the Stakeholder Circle tool

As Derek, et.al. (2007) the Stakeholder Circle tool develops a 'map' of the project's stakeholder community to facilitate decisions about the amount of effort the project team should allocate to managing the relationship with any given stakeholder. Key elements of the Stakeholder Circle are:

- concentric circle lines that indicate distance of stakeholders from the project or project delivery entity; the size of the block, its relative area, indicates the scale and scope of influence; and

- The radial depth can indicate the degree of impact (Bourne and Walker, 2005).

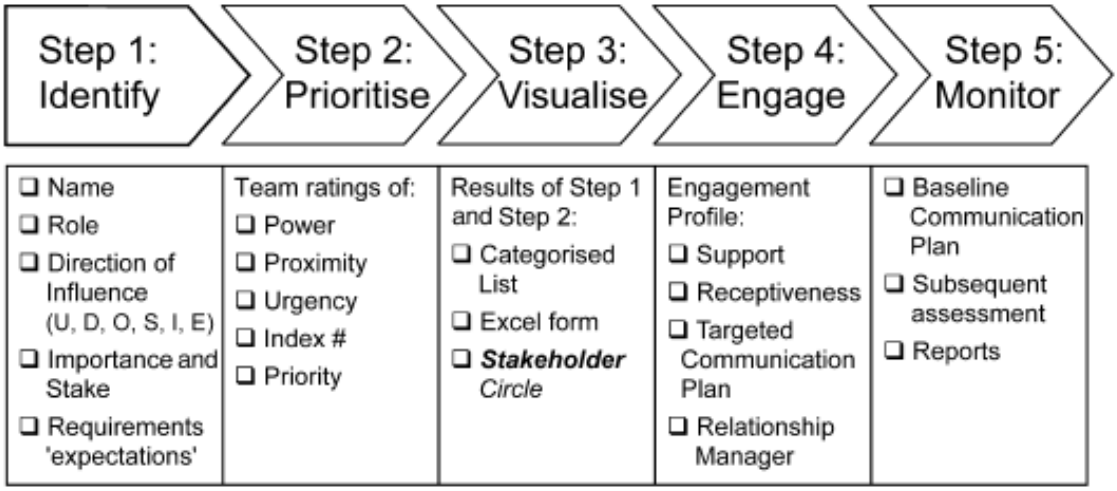
The Stakeholder Circle methodology consists of five parts:

Step 1– identify stakeholders and then categorize into groups indicating how they may influence the outcomes of the project:
Step 2– prioritise stakeholders considering three factors that can assess the relative importance of stakeholders. That is power (to influence significant or relatively limited), proximity (closely associated or relatively remote from the project) and urgency (their stake, preparedness to go to any lengths to achieve their outcomes):
Step 3– visualize stakeholders reflect the project's unique relationships:
Step 4– engage stakeholders centred on identifying engagement approaches tailored to the expectations and needs of these individuals or groups:
Step 5– monitor effectiveness of communication.

Communication can occur across many different channels. The project manager should communicate beyond the typical channels of written and spoken words. Communication also involves emotions and nonverbal cues. A partial list of communication channels includes verbal (in person, on the phone, via online and mobile technologies), nonverbal (facial expression, body language and gestures), written (electronic, notepads or paper, whiteboards and SMART Boards), visual (charts, graphs, pictures or images) and or kinesthetic or experiential (hands-on training, case studies and active simulations of project tasks).

Lynda Bourne, (2015) stated that communication planning process and the resulting communication plan need to be appropriate to the scale and complexity of the work and stakeholder community. However, particularly in the early stages of a project, it is prudent to 'over communicate' and prevent stakeholder issues arising. Once the work of the project is underway and the actual relationships with key stakeholders know, an opportunity to scale back the communication effort may become apparent. This approach has a far lower risk profile (and lower costs) than under communicating and then having to 'fire fight' emergencies and stakeholder issues that could have otherwise been avoided.

Figure 2.4 Stakeholder Circle™ methodology (Bourne & Weaver, 2010, p. 103)



2.10. Challenges of stakeholders management in a project

Scrum, (2019) mentioned managing stakeholders expectation, choosing best way of communicating with stakeholders, demonstrating that you are in control throughout the process and build trust and empathy is important to be able to influence and challenge Stakeholders when necessary. Bpayne and Adrienne Watt also stated that when project stakeholders do not share a common culture, project management must adapt its organizations and work processes to cope with cultural differences.

The three major aspects of cultural difference that can affect a project are communications, negotiations and decision making. Daniel Raymond described three major sources of stakeholder management challenges are unclear stakeholders (those who do not clearly articulate enough or who are not open and honest about their interests and expectations), unidentified stakeholders (those who were not identified early in the project) and unreasonable stakeholders (those who do not embrace what some refer to as “reason” and “the laws of physics”).

2.11. Relationship between project success and stakeholders management

Project success is a function of input and/or the opinions of numerous individuals, including those outside the project team; as a result, project-stakeholder management is one of the most critical responsibilities of a project manager (Karlsen, et.al. 2008). (Frodell, et.al. 2008) stated that the stakeholder view of project success by stating that the perception of project success is subjective, since what constitutes project success may not necessarily be viewed as success by other stakeholders. Project success is linked to the strength of the relationship created by effective, regular, planned and adhoc communication with all members of the project's stakeholder community (Bourn and Walker, 2005).

PM and project success are linked to the triple objectives of time, cost and quality (Abdullah et al., 2006). While some writers considered time, cost, and quality as the main criteria; others suggest that success is more complex (Chan and Chan, 2004) and it depends on more factors. For project success, it is important to know how to work within the organisation's cultural and political environment to ensure that both the project organisation and its stakeholder community meet their needs (Pinto, 2000). The last step for stakeholder analysis is 'analyzing stakeholders' relationships'. Jergeas et al. (2000) consider that "efficient management of the relationship between the project and its stakeholders is an important key to project success".

Similarly, Hartmann (2002) considers that successful project relationships are vital for successful delivery of projects and meeting stakeholder expectations. Project managers are unlikely to deliver project success without paying attention to the expectations and needs of key influence-drivers and the diverse range of project stakeholders that may cumulatively exert a significant impact on the perception of project success. A project that does not meet expectations of influential stakeholders is not likely to be regarded as successful, even if it remains within the original time, budget and scope (Derek H. T. Walker and Steve Rawlinson 2007).

The extant research suggests that project success involves not only the iron triangle factors i.e. cost, time and quality, but also the effective management of the stakeholders involved (Jepsen and Eskerod, 2008). Relationship between a project and the management of its stakeholders is central to the success of projects (Jergeas, Williamson, Skulmoski and Thomas, 2000). Various researchers assert the imperative role of influential stakeholders in the successful management of projects (Aaltonen, 2011).

The effect that stakeholders have on project processes influences the success of the project directly and / or indirectly. Some authors claim that project success is dependent on the appropriate management of the stakeholders (Jergeas et al., 2000). This includes knowing who they are, what their motives are, and what expectations they have for the project. Serrador & Turner (2015) mentioned the importance of knowing what project stakeholders actually expect from the project as one of the aspects that would determine an overall project success. It is not easy to say that every project that are delivered on time, within budget and meet scope specification may not necessarily be perceived to be successful by key stakeholders. Because, the project product does not solve a problem it was meant to (Jepsen and Eskerod, 2013).

Baker, et al (1988) strongly confirmed the importance of including client satisfaction within any measure of project success: "If the project meets the technical performance specifications and or mission to be performed and if there is a high level of satisfaction concerning the project outcome among the people in the client organization and key users or clients of the project effort, the project is considered on the overall successful."

2.12. Stakeholder involvement in cluster projects

Clusters refer to the agglomeration of the inter-related firms and the related institutions. Cluster is utilized to show a geographical and a sectoral focus of firms which produce and sell a range of related or complementary goods and services, and normally experience the same challenges as well as opportunities. The clusters are assisted by a spectrum of supportive institutions situated within spatial proximity including business-related associations or technical or training service providers. Robust clusters are the home for companies focused on innovation that benefit from the integrated support system and a robust range of business networks (Ceglie & Dini, 1999).

Cluster development programs have become increasingly widespread tools in fostering innovation and growth of a competitive private sector in developing countries, including Ethiopia. Under the framework of a cluster development project, UNIDO identifies and trains institutional counterparts in the beneficiary country and project staff that will be engaged in project formulation and implementation. (UNIDO, (2013))

As part of the MSE\ Development Strategy of the Government of Ethiopia, industrial clusters are considered as the main tool for spurring income and employment growth among micro- and small-scale enterprises (Meriam Ali, 2012). Thus, EIFCCOS established as a pilot project for the purpose.

Industrial clusters include not only the concentration of output producing stakeholders, but also input suppliers, output buyers, various service providers and in some cases government and non-governmental institutions . Industrial clusters provide a wide range of advantages that enable enterprises to become competitive and profitable (Schmitz and Nadvi, 1999).

In general clustering has two dimensions (Martin and Sunley, 2003). The first one is the functional dimension that includes local inter-firm linkages and forward and backward linkages with interconnected stakeholders like input suppliers and output buyers. Such linkages often result in social interrelationships that are manifested through trust and collaborative networks that develop over a long period of time. The second one is the physical dimension that indicates the physical co-location of stakeholders close to each other (geographic proximity) in the cluster. While geographic proximity helps promote the functional dimensions of clustering, it alone does not provide a direct view about the future and strength of local inter-firm linkages and social networks.

This study attempted to fill the gap that what looks like the stakeholders management practice and challenges by exploring and rating the success of the pilot project developed by FDRE under Yeka sub city SME EIFCCOS project which is collocated stakeholders in a cluster (i.e government created clusters) aimed with to be bench mark based on its lesson learned to continue or not.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. RESEARCH DESIGN AND APPROACH

The researcher used descriptive research designs which describing particular practices at one point in time. This study is mainly a survey one that combines secondary data sources with primary data (mixed approach) which has been collected from the field using structured and semi-structured questionnaire as well as analyzing reports, letters, memorandum of understanding, reviewing documents and others avail in the project office also used.

The researcher assessed the stakeholder management practices in EIFCCOS project and examined the challenges of stakeholder management in EIFCCOS project. The research questionnaire constructed based on literature review.

The study used mixed approach. Qualitative approach is used for in-depth understanding of individual's response and narrate opinions of respondents for open ended question and Quantitative approach gathers data in a numerical form which can be put into categories, or in rank order, or measured in units of measurement. This type of data can be used to construct graphs and tables of raw data and lends further statistical analysis such correlation and others.

Moreover, because it is possible to obtain the information the researcher needed from all relevant stakeholders of the projects simultaneously, the time dimension of the study is cross-sectional. A cross-sectional study can examine current attitudes, beliefs, opinions, or practices. Attitudes, beliefs, and opinions are ways in which individuals think about issues, whereas practices are their actual behaviors (Creswell, 2012).

3.2. DATA TYPES AND SOURCES

Both qualitative and quantitative data types collected. Primary data collected using structured and semi-structured questionnaires. Secondary data collected from analyzing reports, letters, publications, memorandum of understanding, reviewing documents and others avail in the project office records also be used.

3.3. DATA COLLECTION METHODS

Questionnaires 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. Questionnaires have been widely used for descriptive methods because it enhances confidentiality, supports internal and external validity, facilitates analysis, and saves resources. Most of the questions of this research were closed-ended to enable the researcher obtain the exact information needed for the study purpose, the rest of the questions are open ended to elicit information. In addition to this, taking into consideration their academic status, questionnaires designed for producers, suppliers' designers and market facilitators was in Amharic, while others will be prepared in English language.

Secondary data obtained by reviewing the relevant documents such as analyzing reports, letters, memorandum of understanding, reviewing documents and others avail in the project office. The reason for choosing to use the documents of this periodic interval is because the researcher believes that these documents can disclose the current state of affairs of the organizations as far as their stakeholder management practice is concerned. To sum up, the researcher used questionnaire and workplace observations (as appropriate) accompanied by secondary data analysis (historical method).

3.4. TARGET POPULATION

The target population for the data collected using the survey questionnaires were two hundred thirty four comprised of four governmental agencies (represented by one staff in the organization), one international office represented by one staff, one hundred fifty two producers, twenty five machine leasers, one stamper, forty eight suppliers, two designers and one market facilitator.

Most of the stakeholders incorporated in the target population represent distinct features, representative or unit assigned for this project work only. Taking into consideration the size of the population and response rate, the researcher designed to use census.

3.5. DATA ANALYSIS AND PRESENTATION

To transform the raw data into information for useful and meaningful purposes, there was the need to put the data into manageable form, thus creating summaries and categories and applying Statistical inferences. Data edited to ensure consistency and as well as identify and remove them of all forms of errors and omissions which could come up in the course of the data collection.

Statistical methods used to analyze quantitative data. We applied descriptive designs. Descriptive analysis involves summarizing the data using measures of central tendencies (i.e., arithmetic mean, median and mode), measures of variation or dispersion (e.g., standard deviation) and presents the data with the help of frequency tables, and figures or diagrams. Likert scaling was used for ranking questions that have an agreed level. Then, the Relative Importance Index was computed using the following equation:

Where W is the weighting given to each factor by the respondent, ranging from 1 to 5, (n

1 = number of respondents for strongly disagree, n

2 = number of respondents for Disagree, n

3 = number of respondents for Neutral, n

4 = number of respondents for Agree, n

5 = number of respondents for strongly agree). "A" is the highest weight (i.e. 5 in the study) and N is the total number of samples. The relative importance index ranges from 0 to 1 and suitable to demonstrate the level of stakeholders' influence on the project to achieve the objectives of this study. Qualitative aspect will be analyzed and interpreted by way of transcription as well as logical and deductive narratives mainly with the aid of tables, graphs and charts.

3.6. RELIABILITY AND VALIDATY

Reliability refers to the degree of consistency in measuring by an instrument (Tavakol & Dennick, 2011: 53). The reliability of an instrument is closely associated with its validity, as an instrument cannot be valid unless it is reliable; however, the reliability of an instrument does not depend on its validity (Tavakol & Dennick, 2011: 53). The reliability of the questionnaire instrument and that of the entire questionnaire instrument scale is tested in table 3.1. The content validity of the questionnaire instrument is also tested in table 3.2.

Table 3.1 Case Processing Summary

	N	%
Valid	168	100.0
Excluded	0	.0
Total	168	100.0

Table 3.2 Reliability Statistics

	Cronbach's Alpha	N of Items
Overall Reliability	.856	168

3.6.1. Reliability of scale test

Internal consistency and the reliability of the questionnaire instrument used in this study were confirmed statistically in this section. Cronbach's coefficient alpha (α) is the most widely used objective measure of reliability (Saunders et al., 2009: 374; Tavakol & Dennick, 2011: 53). Alpha was developed by Lee Cronbach in 1951 to provide a measure of the internal consistency of a test or scale; it is expressed as a number between 0 and 1 (Tavakol & Dennick, 2011: 53; Tharenou, Donohue & Cooper, 2007: 152). Internal consistency describes the extent to which all the items in a test measure the same concept or construct (Assessment of stakeholders management practice and challenges in EIFCCOS projects); and hence, it is connected to the interrelatedness of the items) within the test (Tavakol & Dennick, 2011: 53).

There are different reports on the acceptable values of alpha, ranging from 0.70 to 0.95; however, alpha values greater than 0.7 are regarded as an adequate confirmation of the reliability of a questionnaire instrument (Hyndman, 2008: 66; Tavakol & Dennick, 2011: 54; Tharenou et al., 2007: 152; Yang, 2010: 106). The Cronbach reliability coefficient alpha (α) for the entire scale (questionnaire) of this study is 0.856 is reliable.

3.6.2. Content validity test

Content validity is the extent to which the content aspects of the questionnaire instrument cover the concept being measured (Goddard & Melville, 2006: 47; Saunders et al., 2009: 592; Yang, 2010: 107). The respondents were asked to indicate their views whether the issues in the questionnaire adequately covered all aspects of stakeholder management in stakeholders management practice and challenges in EIFCCOS projects with an open ended question. That is, to give their views on the content validity of the questionnaire instrument.

CHAPTER 4

DATA ANALYSIS AND DISCUSSIONS

4.1. INTRODUCTION

The primary objective of this study has been to assess stakeholders' management practices and challenges in EIFCCOS. Three secondary study objectives that culminate in this primary objective are: to assess the stakeholder management practices and to examine the challenges of stakeholder management.

This chapter fulfills the study objectives by analyzing and interpreting the empirical data collected through the process prescribed in Chapter 3, discussing and linking key findings (practice) to theory.

The research empirical data are presented and analyzed on the basis of four sections, out of thirty eight closed and six open ended questions. Questionnaires are attached in Appendix i. The four sections are: (1) the background and demographic information of the respondents; (2) the stakeholder management practice of respondents; and (3) the respondents' views on stakeholder management challenges. The key findings are discussed and linked to the theory, as critically reviewed in Chapters 2 (Literature review).

4.2. Demographical Information

Questionaries' has been distributed to two hundred thirty four respondents and one hundred sixty eight (72%) responded as per table 4.1 representing eleven key stakeholders group representation namely from DBE, Yeka Sub city Cooperative Coordination Office, UNIDO, EIFCCOS management, LIDI, Market facilitator, Designer, Supplier, Producer, Machine leaser and Stamper.

Table 4.1: Respondents' response rate

Variables	No of representatives	No of response	Response rate
DBE	1	1	100
Yeka Sub city Cooperative Coordination Office	1	1	100
UNIDO	1	1	100
EIFCCOS management	1	1	100
LIDI	1	1	100
Market facilitator	1	1	100
Designers	2	2	100
Suppliers	48	33	68.75
Producers	152	115	75.65
Machine leasers	25	10	40
Stamper	1	1	100
Total	234	168	71.79

Source: Own survey 2019

Table 4.2: Respondents' Profile

Variables	Frequency	%
1. SEX		
a) Male	141	84
b) Female	27	16
Total	168	100
2. AGE PROFILE		
20-29	32	19
30-39	47	28
40-49	89	53
Total	168	100
3. EDUCATIONAL STATUS		
Completed high school	64	38
Completed preparatory school	92	55
First degree	10	6
Master's degree	2	1
Total	168	100
4. WORK EXPERIEIENCE		
Below 5	45	27
5 to 10	62	37
10 to 15	44	26
More than 15	17	10
Total	168	100

Source: Own survey 2019

As can be seen from the Table 4.2 above, in the respondent cases, 84% of the respondents are male and the remaining 16% are females. This is due to low female available in all positions. However, it has no effect on the result desired.

Table 4.2 also depicted the age of the respondents the largest proportion of respondents (53%) was with the age group of 40 to 49, the others comprises 28% 30 to 39 and the remaining 19% 20 to 29. The data indicates that most of the respondents of this study were mature enough to know what has been happening in the EIFCCOS project and hence were able to provide pertinent and detail information about the study.

Table 4.2 also summarizes the data regarding educational qualification of respondents' characteristics in terms of educational qualification, 38% has high school certificate, 55% has got Preparatory certificate, 6% obtained BA and the remaining 1% MA holders out of the total one hundred sixty eight respondents. On the other hand, only one of them have training related to project (ie project financing) and might have a negative influence on the perception of what a project is.

Table 4.2 also shows the data regarding the respondents years of experience indicate that 27% of the employee respondents had 0-5 years of service, 37% had 5-10 years, 26% had 10-15 years and the remaining 10 % had 15 or more years of experience in general and in projects. Looking in to the experiences they had, generally, the respondents can be identified as experienced.

4.3. STAKEHOLDERS MANAGEMENT PRACTICE

Table 4.3 represented stakeholders management practice in EIFCCOS response expressed in terms of frequency, percentage, mean and standard deviation of each from strongly disagree (SD) to strongly agree (SA) in terms of percentage of the total respondents.

Table 4.3: Stakeholders management practice frequency by percent

Value	St. disagree		Disagree		Neutral		Agree		St. agree		Mean	SD	N
	f	%	f	%	f	%	f	%	f	%			
SH know well the project goal	25	15	31	18	48	29	64	38	0	0	2.89	1.07	168
SH communicated about the project at the planning stage	42	25	39	23	18	11	69	41	0	0	2.67	1.24	168
SH expectations understood, acknowledged & managed	27	16	39	23	45	27	57	34	0	0	2.78	1.08	168
SH share common understanding	47	28	54	32	35	21	31	18	1	1	2.31	1.09	168
Project implemented as intended	39	23	63	38	46	27	14	8	6	4	2.31	1.03	168
Good communication among them exist	46	27	59	35	28	17	15	9	20	12	2.42	1.30	168
Key stakeholders identified well at the planning stage	17	10	81	48	30	18	39	23	1	1	2.55	0.97	168
Risk policy exist	54	32	87	52	22	13	5	3	0	0	1.86	0.74	168
SH power and influence defined well	37	22	96	57	27	16	5	3	3	2	2.05	0.81	168
Progress status report sent periodically to SH	49	29	68	40	44	26	7	3	0	0	2.05	0.88	168
SH Integrated well	30	18	43	26	85	51	10	3	0	0	2.44	0.85	168
Sufficient formal stakeholders management exist	23	14	61	36	66	39	17	10	1	1	2.47	0.85	168

Source: Own survey 2019

When managing project stakeholders, a PM should first ensure that all stakeholders fully understand the ultimate goals and deliverables of the project. This might appear to be a redundant or unnecessary step in the process, but many project managers discover too late that some stakeholders, especially those who have not been included in initial meetings or communications, have an incomplete or mistaken understanding of what the project is intended to accomplish (Tres Roeder, 2013). With this regard 38% of respondents agree, 29% neutral, 18% disagree and 15% strongly disagree that it is in place.

Adherence to a system of regular and focused communication can prevent misunderstandings and delays that can cause failure in any project (Bourn and Walker, 2005). But respondents regarding stakeholders have been communicated about the project at the planning stage; 41% agree, 11% neutral, and 23% disagree and 25% strongly disagree that it is in practice.

An understanding of the managing stakeholder's process elements allows the project manager to engage with the project stakeholder expectations and needs and to generate actions plans to be used when conflicts are arisen and issues are appeared (Cleland, 1999). According to the respondents 34% agree, 27% neutral, 23% disagree and 16% of them strongly disagree that it is in place.

Project managers shall ensure stakeholders share common understanding about the project. Without that the PM must constantly be checking that everyone is doing what they are supposed to (Bpayne & Watt). Respondents response related to stakeholders common understanding in the project were 1% strongly agree, 18% agree, 21% neutral, 32% disagree and the others 28% strongly disagree that it is in place in the project.

Project is implemented as intended when activities are carried out as proposed in the application form with the aim to achieve project objectives and deliver results and outputs with expected quality (Jepsen and Eskerod, 2008). With reference to this implementation within the plan 38% disagree, 27% neutral, 23% strongly disagree and the others 8% and 4% agree and strongly agree. This may be due to DBE failed to finance the project duet to legal form and other issues connected with the project.

Good communication ensures that stakeholders receive information that is relevant to their needs and builds positive attitudes to your company or project (Bourn and Walker, 2005) .Concerning this, 35% of respondents disagree, 27% strongly agree, 17% neutral, 12 % strongly agree and the remaining 9% agree that good communication exist among them.

Stakeholders are identified as part of the project initiation, and this list requires be reviewed and updated as the project progresses. Identifying all stakeholders in the initial stage itself helps in better manageable projects as it helps in factoring all stakeholders' interests at the planning stage itself (Freeman 1984). In relation to identification of key stakeholders at the planning stage; 48% disagree, 23% agree, 18% neutral, 10% strongly disagree and the remaining 1% strongly agree that it exists in the project.

A risk mitigation plan is designed to eliminate or minimize the impact of the risk events occurrences that have a negative impact on the project (Ben Aston, 2017). With regard to this 52% and 32% of respondents disagree and strongly disagree, 16% neutral and 3% agree that the policy exist with the least mean value of 1.86.

Power (the level of authority) and influence (the level of involvement the person has) of stakeholders be defined at the early stage of the project. The Power/Influence grid helps you focus on the key project stakeholders who can make or break your project. In turn, this helps you in stakeholder prioritizations (Bryson, 1995). Most of the respondents disagree (57% and 22 % disagree and strongly disagree), 16% neutral, 3% and 2% agree and strongly agree disagree for power and influence defined well in the project.

Project status reporting is a regular, formalized report on project progress against the project plan. Its purpose is to ensure that the objectives of the project are being met by monitoring and measuring progress regularly to determine variances from the plan for early rectification of deviation (Ben Aston2017). With regard to EIFCCOS project 40% disagree, 29% strongly disagree, 26% neutral and the remaining 5% of respondents agree that it is exercised.

Stakeholder integration is vital to achieving project goals since it will maximize collecting all the project definitions and approvals and will help identify stakeholders' expectations and needs. Communication becomes a key variable to achieve effective integration and should be applied through project management (Marcelo A. Briola, 2015). In connection with it, 51% of respondents selected to be neutral, 26% and 18% disagree and strongly disagree and the other 5% of respondents agree.

Stakeholder management is the systematic identification, analysis and planning of actions to communicate with, negotiate with and influence stakeholders (Crawford, 2005). Regarding to this most of the respondents (39%) become neutral, the others 50% disagree in general (39% disagree and 36% strongly disagree while the remaining 11% agree that it exists.

With regard to open ended question, respondents incorporated that better planning should exist, responsibility of stakeholders be defined well, periodic status be communicated to all stakeholder except that produced annual on the overall performance and risk identification and mitigation be given priority for the success of the project.

4.4. Challenges of Stakeholders management in the project

Project managers can encounter numerous problems when communicating and managing stakeholders. Among this an increase in the number of stakeholders adds stress to the project and influences the project's complexity level. More over this, communicating lightly when managing a project and communicating effectively expected from project managers to stakeholders (Scrum, 2019).

Table 4.4: Challenges of stakeholders' management

Question	Value	Mean	SD	N
What challenges are there in managing stakeholders in EIFCCOS project?	Managing SH cultural difference	3.74	0.71	168
	SH reluctance to share information	3.66	1.05	168
	Efficiently managing SH expectations	3.26	1.15	168
	Creating empathy among SH	3.55	1.10	168
	SH have conflicting interest	2.42	1.23	168
	Communicating with SH	4.15	0.78	168
	Increase in number of SH	4.25	0.96	168
	SH have difference in project success looks like	3.60	1.26	168
	Building trust among SH	2.91	1.35	168
	Selecting common communication channel	3.18	1.37	168
	Lack of good communication	3.25	1.39	168

Source: Own survey 2019

Table 4.4 illustrated that the most challenges in managing stakeholders in EIFCCOS as per respondents are increase in the number of shareholders and communicating with stakeholders are the first two with mean value of 4.25 and 4.15.

When project stakeholders do not share a common culture, project management must adapt its organizations and work processes to cope with cultural differences. With this issue the mean value is 3.74.

Respondents' response for Stakeholders may be reluctant to share information among them was with mean value of 3.66. It might be Perhaps they had a negative experience in the past since they were doing their business alone (especially suppliers, producers and designers separately) scattered and don't see the importance of sharing due to knowledge gap about a project.

Moreover this they have also differences what a project success and treating your project as if it has its own feelings and emotions that would have to be considered if it were a person (empathy) which is reflected by mean value of 3.6 and 3.55 respectively. This may be due to lack of training and also most of them have educational background below or equivalent to certificate.

The next three challenges as per respondents with the mean value between 3.5 and 3.0 are efficiently managing their expectation, lack of good communication among them and selecting common communication channel. This may be due to lack of good planning and training related to a project.

In addition to this the least two challenges represented by mean value below average of three with 2.91 and 2.42 are building trust among shareholders, and managing conflicting interest

In general, most of the challenges are crucial and with a mean value above 3.5 might have adverse effect on the success of the project.

CHAPTER 5

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

In this chapter, the researcher disclose summary of the study findings, conclusions and recommendations. It also makes suggestion for further researchers. The researcher summarizes the findings parallel with the objective of the study which was "An Assessment of Stakeholders management practices and challenges in the context of EIFCCOS Project".

5.2. Summary of major findings

1. Stakeholders management practice

Stakeholders management practice of EIFCCOS project assessed with twelve factors among the others based on whether stakeholders (SH) know well the project goal, SH communicated about the project at the planning stage, SH expectations understood, acknowledged and managed, SH share common understanding, Project implemented as intended, Good communication among them exist, Key stakeholders identified well at the planning stage, Risk policy exist, SH power and influence defined well, Progress status report sent periodically to SH, SH Integrated well and Sufficient formal stakeholders management exist in place at the project. In general, based on cumulative frequency percentage on table 4.2; 24% marked neutral, 19% above neutral (17% agree and 2% strongly agree) and 57% below neutral (36% and 21% disagree and strongly disagree). Nine of the factors show below the average. Especially regarding risk policy, power and influence defined well and progress status report are least three practiced below the mean value of below or equal to 2.05 which are far below the average 2.5.

2. Challenges of Stakeholders management in the project

Challenges of stakeholders' management in the EIFCCOS project evaluated with eleven factors among the others. These are Managing SH cultural difference, SH reluctance to share information, Efficiently managing SH expectations, Creating empathy among SH, SH have conflicting interest, Communicating with SH, Increase in number of SH, SH have difference in project success looks like, Building trust among SH, Selecting common communication channel and Lack of good communication. In general, most of the challenges are crucial and with a mean value of above 3 and might have adverse effect on the success of the project except share holders have conflicting interest and building trust among them.

5.3. Conclusions

This research had two objectives, which were achieved through the data collection using survey techniques and the detail analysis of the survey results. Based on the results obtained from the study, most of findings show the stakeholders' management practices were not managed well and challenges exist and are addressed.

5.4. Recommendations

Based on the aforementioned discussion, the following recommendations are proposed:

- Projects shall be planned well , key stakeholders be identified based on their interest, cost and attitude and Profiling of stakeholders may be carried by project managers for formulation of an effective stakeholder management strategy and communicated about the project and their responsibilities on time and integrate them. Involving all key stakeholders in all phases of the project starting from conception up to the operation improves the success of the project.

- Project managers need to assess stakeholder attributes properly to fully understand the dynamics of a project address well the challenges on time.
- To ensure enhanced Stakeholder management, it is recommended that there is the need to train stakeholders and create the necessary awareness on the project and clear communication from the beginning to ensure better understanding among all stakeholders to reduce delays in decision making, reduce cultural differences in communication, and share common understanding.
- The project managers need to devise effective strategies regarding influence and relationship of stakeholders to amicably manage the stakeholders during the course of project.
- The company should develop distinct project management methodologies in project management knowledge areas, i.e., methodologies in project cost management, methodologies in project integration management, project risk management, and other to manage them on time.
- All stakeholders should always look at the holistic development and avoid seeking individual or personal gains as the reasons for their participation in project implementation.
- Create and develop the sense of ownership in all stakeholders level about the project results and at the same time this develop sense of responsibility and accountability,
- Periodic progress report shall be prepared and send to key stakeholders.
- Periodic monitoring of the project, variance analysis be made to rectify the problems associated with each project stakeholders and plans be modified for the success of the project.
- Periodic meeting be made on time with key stakeholders.

5.5. Direction for Future Research

This study was conducted to assess stakeholders' management practice and challenges in EIFCCOS project, aspect considered in this study was limited and does not cover all possible issues. Thus this study may be limited in its generalizability of the findings to the overall organization. So, future research should have to draw in all aspects for the sake generalizing the results of the study.

The practice of project management is in its early ages in Ethiopia and only few researches were conducted that are relevant to project management. Concerning the overall project management practice of an organization, the researcher could not find researches conducted in EIFCCOS context. Thus, future researches can be conduct in detail and on other cluster based project management process and knowledge areas to contribute for project management growth in Ethiopia.

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Appendix I

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE

PROJECT MANAGEMET DEPARTMENT

Dear Participants,

First of all I appreciate for giving me your time to fill this questionnaire. The main purpose of this questionnaire is to collect data for the MA thesis paper entitled "An Assessment of Stakeholders Management Practices and Challenges: The Case of EIFCCOS". We ask your kindly cooperation in answering the questions as truthfully and as complete as possible. Your honesty and genuine responses are the basic for the success of research. In order to keep your response as confidential as possible, please don't write your name and be assured that all answers you provide will be kept in the strictest confidentiality. The questionnaire may take approximately 15-20 minutes to complete.

If you have any questions pertaining to this, please contact the student with telephone number 0935-99-79-82 or email habteauditor@gmail.com

Thank you in advance for your assistance.

Habtewold Menkir

I. General profile of the respondent (Demographical Information)

Please use [x]

1. Which stakeholder do you represent?
   A) DBE ☐ B) EIFCCOS ☐ C) LIDI ☐ D) Designer ☐ E) Yeka sub city COOP. office ☐ F)Supplier ☐ G)Producers ☐ H) Machine leaser ☐ I)stamper ☐ J) UNIDO ☐ K) Market facilitator ☐

2. Your gender
   A) Male ☐ B) female ☐

3. Your age group
   A) 20-29 ☐ B)30-39 ☐ C) 40-49 ☐ D)above 49 ☐

4. Your academic status
   A) high school ☐ B) Preparatory ☐ C) BA ☐ D) MA ☐

5. Do you have project related training/ certificate/specialization or other?
   If yes, please specify …….
6. Your work experience
   A) 0-5 years ☐ B) 5 to 10 years ☐ C) 10-15 years ☐

7. Your position for the project
   A) Manager ☐ B) Coordinator ☐ C) Representative ☐

8. How did you got the position? (for DBE, EIFCCOS, LIDI and Yeka sub city COOP. office staff only)
   A) Vacancy ☐ B) Assignment ☐

9. How did you joined the project (for Designers, Suppliers, Producers, Machine leaser and stampers only)

   A) Government selection ☐ B) By my own accord ☐

II. What are the stakeholder management practices used in EIFCCOS project?

Please indicate your level of agreement or disagreement with each of these statements using the given scale by placing [x] in the provided space. Please answer all the questions to enhance the objectivity of the research.

		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
10	All key stakeholders identified properly at the planning stage of the project.					
11	Their power and influence defined well.					
12	All stakeholders communicated about the project at planning stage.					
13	Key stakeholders are integrated well in the project.					

14	All key stakeholders know well, why the project established and intended goal.					
15	Key stakeholders share a common understanding in the project.					
16	Project progress status sent periodically to stakeholders.					
17	The project is implemented as intended or as its plan.					
18	The communication between stakeholders is good.					
19	Their expectation are understood, acknowledged and managed.					
20	Formal stakeholders' management (the interaction among each stakeholders) is sufficient enough to achieve the objectives.					

21	The project have risk mitigation policy in place.					

22**.** What other good stakeholders management practice observed in EIFCCOS other than those listed from number 12-23 above? ……
…….....**.....**

.....

……

……

23. What other stakeholders management practice that should be improved observed in EIFCCOS other than those listed from number 12-23 above?
……..

…….....**.....**

……

……

III. What challenges are there in managing Stakeholders in EIFCCOS project?

Please indicate your level of agreement or disagreement with each of these statements using the given scale by placing [x] in the provided space. Please answer all the questions to enhance the objectivity of the research.

		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
24	Effectively managing expectations of stakeholders is a challenge					
25	Selecting common communication channel (phone, email, video					

	conferencing, face to face meeting, and mail) is a challenge in stakeholders' management to build good relation.					
26	Building trust on a project by stakeholders is a challenge.					
27	Creating empathy among stakeholders is a challenge in stakeholders' management.					
28	Lack of good communication is a challenge in stakeholders' management.					
29	Project stakeholders have conflicting interests.					
30	Managing stakeholders' cultural difference (Communications, Negotiations and Decision making) can affect stakeholders' management.					
31	Communication is perhaps the most visible manifestation of culture. Project managers encounter cultural differences in communication in language, context, and openness					

32	Increase in the number of stakeholders adds stress to the project and influences the project's complexity level.					
33	Stakeholders have a different idea of what project success looks like.					
34	Stakeholders are reluctant about sharing important information.					

35**.** What other challenges observed in stakeholders management practice observed in EIFCCOS project other than those listed from number 26-36 above? If there is any,

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ለ ኢትዮ-ኢንተርናሽናል ፉትዌር ክላስተር ኃላ/የተ/የህብረት ሥራ ማህበር

አዲስ አበባ

ጉዳዩ፡- የማሽን ኪራይ ግዥ ብድር ጥያቄን መልስ መስጠት ይመለከታል

የኢትዮ-ኢንተርናሽናል ፉትዌር ክላስተር ሁለገብ ኃ/የተ/የኅ/ሥ/ማህበር በደብዳቤ ቁጥር EIFCCOS/0063/09 ቀን 19/03/2009ዓ.ም ማህበሩ ለተቋቋመበት የቆዳና የቆዳ ውጤቶች ማምረት ስራ የሰላሣ ሚሊዮን ብር የማሽን ግዥ ኪራይ ለመጠቀም ባንካችንን በሊዝ ማሽን ግዥ ኪራይ ለመስተናገድ መጠየቁ ይታወቃል ሆኖም ግን ማህበሩ የአመሰራረት ደረጃ ላይ ያለውን የማህበር አወቃቀር በተመለከተ ከህግ ባለሙያ ሊሟሉ የሚገቡ ሰነዶችን እንዲሁም የቀረበልን የማሽን ፕሮፎርማ የፍላጎት መጠን ላይ ሊሟሉ የሚገቡ ሰነዶች በመኖራቸው በህዳር 30 ቀን 2009ዓ.ም፤የካቲት 20 2009ዓ.ም እና ሚያዝያ 18 2009ዓ.ም በደብዳቤ ማህበሩን ያሳወቅን መሆኑ ይታወቃል፡፡ በዚህ መሰረት የተወሰኑት መስፈርቶች በማህበሩ ተስተካክለው የቀረቡ ቢሆንም ሙሉ በሙሉ የባንኩን መስፈርት ሊያሟላልን አልቻለም፤

ሆኖም ግን ባንካችን ማህበሩ ከተዋቀረበት መልካም ስራ አንጻር ሊያደርግ የሚገባውን ድጋፍ በመቀጠል ለረጅም ግዜ ሲጠባበቅ የቆየ ቢሆንም ከላይ በገለጽናቸው መስፈርቶች ግን ሊያሟላልን ስላልቻለ የማሽን ግዥ ኪራይ ብድር ሒደት ለማቆም ተገደናል፡፡ ስለሆነም የጠቀስናቸውን ክፍተቶች ሲሟሉ ቅርንጫፉ የሚያስተናግዳችሁ መሆኑን እየገለፅን ያስገባችሁትን የማህበሩን ማንኛውንም ሰነድ እንድትወስዱ እናሳውቃለን፡፡

ከሰላምታ ጋር

ፍፁም ተስፋሁነኝ
ምክትል አዲስ አበባ
ቅርንጫፍ ሥራ አስኪያጅ

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ኢትዮ-ኢንተርናሽናል ፉትዌር ክላስተር ሁለገብ ኃ/የተ/የ/ን/ሥ/ማ/ንበር
Ethio-International Footwear Cluster Co-operative Society Ltd.

ቁጥር:
Ref. No: EIFCCOS/0056/2019
ቀን:
Date 28/08/19

To:- Addis Ababa University school of commerce

Subject:- Approval of disseminating Research questioners

Ato Habetewold Menker has been prepared the questioners under the titles of "an assessment of stake holder management practices and challenges in the case of EIFCCOS". We approved that he was disseminating 230 questioners to our [illegible] and out of 230 questioners return 164 questioner to the researcher.

Best regard

Mesfin G/Tsadik
General Manager

ኢትዮ-ኢንተርናሽናል ፉትዌር ክላስተር ሁለገብ ኃላፊነቱ የተወሰነ ሥ/ማህበር
Ethio-International Footwear Cluster Multi-Purpose Co-operative Society With Limited Liability (EIFCCOS)