ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

SCHOOL OF COMMERCE

Assessment of the effect of Stakeholder Management on Project performance: The Case of Commercial Bank of Ethiopia, Building Construction Management Department

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By: Rahel Mekuria

A Research Project submitted to the Addis Ababa University College of Business and Economics School of Commerce in Partial Fulfillment of the requirement for the award of Masters of Arts Degree in Project Management

Advisor: Fesseha Afewerk (A/Professor)

June, 2023

Addis Ababa, Ethiopia

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DECLARATION

I, Rahel Mekuria Demeke, declare that this research project entitled "**Assessment of the Effect of Stakeholder Management on Project Performance: The Case of Commercial Bank of Ethiopia, Building Construction Management Department**" is my own work and is the outcome of my effort with the guidance and assistance of my research advisor. I have duly acknowledged all the sources of information used in this study. This research has not been previously submitted, either in part or in full, for any other degree at this university or any other higher institution. It is being presented as a partial fulfillment of the requirements for the degree of Master of Arts in the School of Commerce at Addis Ababa University.

Declared by: Rahel Mekuria Demeke

Signature _____

Date _____

LETTER OF CERTIFICATE

This is to certify that this research project, undertaken by Rahel Mekuria Demeke, entitled "Assessment of the Effect of Stakeholder Management on Project Performance: The Case of Commercial Bank of Ethiopia, Building Construction Management Department" is her own original work and it has not been submitted to any other institution.

_____

Fesseha Afewerk (A/Professor)

Research Advisor

APPROVAL BY BOARD OF EXAMINERS

Members of the Board of Examiners approve that this research project entitled "Assessment of the Effect of Stakeholder Management on Project Performance: The Case of Commercial Bank of Ethiopia, Building Construction Management Department," undertaken by Rahel Mekuria Demeke, fulfils the requirements for the degree of Master of Arts in Project Management and is acceptable with regards to the standards and regulations of the university.

Board of Examiners

	_____	_____
Internal Examiner	Signature	Date
	_____	_____
External Examiner	Signature	Date
Fesseha Afewerk(A/Professor)	_____	_____
Advisor	Signature	Date

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LIST OF ABBREVIATIONS AND ACRONYMS

ANOVA – Analysis of Variance

BCM – Building Construction Management Department

CBE – Commercial Bank of Ethiopia

PM - Project Management

PMI – Project Management Institute

PMBOK – Project Management Body of Knowledge

Std. D. – Standard Deviation

SPSS - Statistical Package for Social Science

ABSTRACT

*The objective of the study was to assess the effect of stakeholder management on project performance in the case of Commercial Bank of Ethiopia, Building Construction Management Department. The variables for managing stakeholders that are taken into account are stakeholder identification, planning stakeholder management, managing stakeholder engagement, and monitoring stakeholder engagement. The research used both descriptive and explanatory research designs using questionnaires as the primary data gathering technique. A census study was conducted with a total population of 37 professional project team members from the CBE -BCM Department. Of these, 35 questionnaires were submitted back for analysis, representing a response rate of 94.6%. Both descriptive and inferential analysis was conducted. SPSS version 27 (Statistical Package for Social Science) was employed as a statistical tool to conduct the analysis. Descriptive analysis was performed using frequency, percentage, mean, and standard deviation values, while Pearson's correlation and multiple regression analysis were used to examine the relationship between variables. The findings of the study indicate a positive correlation between all project stakeholder management variables and project performance. The results from the regression analysis also indicated that stakeholder identification (β=*0.065*), plan stakeholder engagement (β=0.367), manage stakeholder engagement (β =0.399), and monitor stakeholder engagement (β =0.438) had a positive relationship with project performance and predicted 69.2% of the performance of CBE -BCM Department projects with an adjusted R square value of 0.645 and p<0.05. The remaining 30.8% may be explained by other factors beyond this research. The author recommends employing effective stakeholder management approaches to increase the efficiency of project performance within the constraints of cost, time, and scope.*

Keywords: *Stakeholder engagement, Stakeholder identification, Stakeholder management, Stakeholder monitoring, Project performance*

CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

The field of project management is concerned with overseeing the different tasks within a project with the goal of achieving the desired outcomes. Projects are temporary entities separate from the main organization, and they adhere to specific timeframes, budgets, and quality standards. Typically, projects follow a sequential process from initiation to completion (Mumbi,2015). The performance of a construction project depends on many factors than just the classic iron triangle of time, cost, and quality. Several other variables also come into play, including information, technology, and innovation as well as safety and health, the environment, customer satisfaction, financial success, and internal and external stakeholders (Sowein & Chinda, 2018).

During the past few decades, stakeholder management has become an essential step in the project management process. PMI has included stakeholder Management in its PMBOK 5th version as a knowledge area. Since then, it has been given more attention. According to (Mumbi, 2018; Olander, 2006; Bourne and Walker, 2005; Murwanashyaka and Shukla, 2017), project failures can be attributed to a lack of or insufficient stakeholder management throughout the project. Therefore, it is crucial to effectively manage stakeholders during project activities in order to achieve project performance.

Project success is often determined by project performance, which is assessed and quantified through performance measurement. Performance measurement is a common approach used to gather and report information about the inputs, efficiency, and effectiveness of a project. These measurements are essential for monitoring, predicting, and controlling important variables to ensure project success (Leong, Zakuan, Saman, Ariff, and Tan,2014). The three key variables for measuring project performance are project scope, time, and cost. Time refers to the extent to which the project is on schedule, including the estimated time required for project completion and the creation of deliverables. Cost refers to the allocated budget for the project, including detailed predictions of expenditure. Scope refers to the extent to which the project meets objectives, requirements, and functionality (Stewart, 2015).

Stakeholder management in construction projects must include key success elements in order to achieve the intended outcomes and project success (P & Sunny, 2018). According to Project

Management Institute (2021), identifying, analyzing, and proactively engaging with stakeholders from the beginning to the completion of the project benefits project success.

Project Stakeholder Management, according to Project Management Institute (2021), includes the procedures necessary to identify the individuals, teams, or organizations that could affect or be affected by the project, to examine stakeholder expectations and their impacts on the project, and to produce the necessary management strategies for successfully engaging stakeholders in project decisions, planning, and execution. As outlined in PMI (2013), the four processes of stakeholder management are stakeholder identification, planning stakeholder management, managing stakeholder engagement, and monitoring stakeholder engagement.

Studies conducted by (Olander and Landin, 2008; Murwanashyaka and Shukla,2017; Demmise 2021; Moulid et al. ,2021; Hirpa ,2022; Abebe,2022) has offered evidence and analysis to support the importance of effective stakeholder management in achieving successful project outcomes. According to Winch & Bonke (2002), the project manager must successfully handle the competing interests of stakeholders during this process. Interactions with the stakeholder community must occur often throughout the project to reduce or eliminate risk and create trust. This leads in cost savings and increased project success.

Watt (2012) suggests that for a project to be successful, it is crucial to identify stakeholders and understand their needs at the early stages. This information helps in recognizing the necessity for effective communication with stakeholders, which can then be addressed through the development of a stakeholder management plan. Failure to manage stakeholders adequately often results in conflicts and controversies during the implementation of construction projects. To prevent such issues, project managers should make an effort to acknowledge the concerns of all stakeholders and strive to find common ground to resolve conflicting interests (Olander and Landin, 2005). Yet, different issues have been noticed on construction projects across the world owing to a lack of adequate stakeholder management, which results in decreased project performance, increased costs, and schedule overruns.

Commercial Bank of Ethiopia (CBE) is one of Ethiopia's largest financial institution, owned by the government of Ethiopia. As a leading commercial bank, CBE has started construction of its own building complexes in different regional states all over Ethiopia as well as Addis Ababa in order to utilize the buildings as a district and branch offices. Accordingly, for constructing its own buildings, the bank collaborates with several stakeholders, which

necessitates good stakeholder management practice by its project management teams.

Stakeholder management is one of the most tough responsibilities that CBE project managers encounter which needs to be studied. As a result, the purpose of this research is to evaluate the effect of stakeholder management on project performance of CBE Projects under Building Construction Management Department because comparable studies have not been conducted in the case of CBE, Building Construction Management department thus far. Additionally, this research concentrates on the stakeholders who are directly engaged in the CBE Projects managed by the Building Construction Management Department as they form the central part of the project. Therefore, the author anticipates that these stakeholders will have a significant impact on the success of the project, whether it is beneficial or detrimental.

1.2. Background of the Organization

The Commercial Bank of Ethiopia (CBE) was founded in 1942 as the State Bank of Ethiopia. In 1963, CBE was formally incorporated as a share company and it is one of the largest financial institutions in Ethiopia, which is owned by the government of Ethiopia. Since then, it has contributed significantly to the growth of the country. According to data gathered from CBE's official website, in its 1842 branches, CBE currently has over 37.9 million account holders, while its mobile and internet banking users total more than 6.6 million and 37,000, respectively. There are currently 17.3 million CBE Birr users and more than 8.3 million active ATM cardholders.

The Bank is working to realize its vision to become a world class Commercial Bank driving Ethiopia to futures. So as to match its ambition of reaching every corner of the country and make its services accessible to all, CBE has started construction of its own building complexes in different regional states all over Ethiopia as well as Addis Ababa in order to utilize the buildings for headquarter, district offices, branch offices and other different purposes.

There are primarily twelve divisions in the bank and one of them is the facilities management division. Building Construction Management (BCM) department is under this division, which is responsible for the construction of the various buildings. CBE has numerous ongoing building projects that are being carried out with a wide range of scope which will be utilized as a Branch office buildings and District Office Buildings. The bank also introduced the country's first high-rise building (4B+G+48) built for its headquarter, which is found around the Ambassador Theater next to the Ethiopia Hotel and is now on the final stage of construction.

To achieve its goal of constructing effective projects within the expected timeframe, budget, and specification, the bank conducts a bidding process and signs binding contract agreements with Grade One Contractors and Consultants that specify roles and responsibilities for the construction and consultancy works.

1.3. Statement of the Problem

In contrast to other industries, the construction industry has a large number of stakeholders, such as clients, contractors, consultants, regulators, and others, which makes it very complex (El-Sawalh & Hammad, 2015). According to Winch & Bonke (2002), stakeholders are actors in the project's environment who are not necessarily formal members of the project coalition but may affect or be affected by the project.

According to studies conducted by Mitiku, (2015); and Alemu and Mekonnen, (2017), the construction industry in Ethiopia has been growing rapidly in recent years, with many big clients undertaking multiple construction projects simultaneously. However, as per researches conducted by Murwanashyaka and Shukla, 2017; Demissie, 2021; and Abebe, 2022), construction projects continuously face time overrun, budget overrun, unmet end-product specifications, unmet customer needs and requirements and unmet management objectives. Besides the success of these projects is often dependent on effective stakeholder management. Moreover, the number of stakeholders involved in a construction project has also big impact on the performance of these projects (Karlsen ,2002). CBE has many stakeholders involved in the construction of its buildings. The stakeholders in CBE's construction projects include, but are not limited to, the client (CBE), the project teams, the project managers, consultants, contractors, sub-contractors, insurance companies, Ethiopian Electric Power, Addis Ababa Water and Sewerage Authority, Addis Ababa City Administration Bureau, cement factories, and other governmental municipal authorities. However, the key stakeholders in CBE -BCM projects are contractors and Consultants.

The number of project participants and how information flows between them are important factors influencing project performance (José R. San Cristóbal et al, 2018). Successful completion of a project is determined by achieving its objectives and meeting the expectations of those involved. The significance of stakeholders in the planning and implementation of projects has been widely acknowledged in research. According to Molwus et al, (2017), in order to complete construction projects successfully, stakeholder management is crucial. Understanding and managing stakeholder expectations during the project decision-making

process is essential to ensuring a project's success and achieving its goals. (Olander & Landin, 2005). According to Klaus-Rosi ´nska & Iwko, (2021), Identification of stakeholders, evaluation of their expectations and concerns, and implementation of a management strategy appear to be essential for a project's success.

Numerous studies have explored the effect of managing stakeholders on the performance of projects. (Mumbi, 2018; Olander, 2006; Bourne and Walker, 2005; Murwanashyaka and Shukla, 2017; Demissie, 2021; and Abebe, 2022). Although there have been previous studies and literatures regarding the subject, the lack of proper stakeholder management continues to pose challenges and negatively impact project performance. Previous researchers have observed that project stakeholder management studies have not been widely implemented, leaving room for further research to be conducted in order to translate their findings into practical applications.

As a result, further research on the subject is needed to determine the stakeholder management processes that must be properly implemented to ensure project performance and effective stakeholder collaboration. Therefore, this study contributes to project managers at Commercial Bank of Ethiopia, fills a knowledge gap, and advances current knowledge by assessing the effect of stakeholder management on the performance of CBE building construction projects.

1.4. Research Questions

I. What is the stakeholder management practice of CBE, Building Construction Management department?
II. What is the effect of stakeholder identification on the performance of projects under CBE, Building Construction Management department?
III. What is the effect of planning stakeholder management on the performance of projects under CBE, Building Construction Management department?
IV. Does stakeholder engagement have an effect on the project performance of CBE Building Construction Management department projects?
V. Does monitoring stakeholder engagement have an effect on the project performance of CBE Building Construction Management department projects?

1.5. Research Objectives

1.5.1. General Objective

- To assess the effect of stakeholder management on project performance in the case of Commercial Bank of Ethiopia, Building Construction Management department

1.5.2 Specific Objective

I. To assess the stakeholder management practice of CBE, Building Construction Management department
II. to assess the effect of stakeholder identification on project performance of CBE Building Construction Management department projects
III. to assess the effect of planning stakeholder management on project performance of CBE Building Construction Management department projects
IV. to assess the effect of stakeholder engagement on project performance of CBE Building Construction Management department projects
V. to assess the effect of monitoring stakeholder engagement on project performance of CBE Building Construction Management department projects

1.6. Significance of the Study

This study discusses the effect of stakeholder management on the performance of CBE building construction projects. The implementation of any project can be a difficult task due to the involvement of diverse stakeholders who possess different and often conflicting requirements. These stakeholders hold varying levels of influence and their needs must be addressed to ensure successful project performance. Therefore, it is imperative for project managers to manage stakeholder needs and influences effectively, as this is a critical responsibility in project management.

The significance of this study lies in its potential to contribute to the improvement of project performance in the construction industry, particularly in Ethiopia. the study will provide insights into the current stakeholder management practices of CBE-BCM and evaluate their impact on project performance. This will help project managers and other stakeholders involved in construction projects to identify areas for improvement and implement effective stakeholder management strategies. In addition, the study will add to the body of knowledge on project stakeholder management, particularly as it relates to Ethiopia's construction sector. The findings of the study will add to the body of knowledge on stakeholder management and provide a basis for further research in this area.

The study will also help the company's policymakers, as it will provide evidence-based recommendations for improving stakeholder management practices and enhancing project performance. Overall, the study has potential to make a significant contribution to the construction industry by improving stakeholder management practices and enhancing project performance.

1.7. Scope of the Study

The construction industry has a larger stakeholder base than most other industries in the nation. As a result, it is determined that the scope of the study is bounded to the assessment of the effect of identifying stakeholders, planning stakeholder management, engaging and monitoring stakeholders on project performance under CBE -BCM department only. The conceptual scope of the study focuses on examining the relationship between stakeholder management and project performance. In this study, project performance is the dependent variable, while stakeholder management is the independent variable. The study aims to investigate how effectively managing stakeholders can impact the overall performance of a project. The dependent variable, project performance encompasses dimensions such as cost efficiency, schedule adherence, quality outcomes, and overall project success. The study seeks to measure and assess these performance indicators to determine the extent to which stakeholder management influences project outcomes.

This study used Commercial Bank of Ethiopia Building Construction Management Department as a case study. The group of respondents for this research were only the client (CBE) which is Building Construction Management Department that is involved in the contract administration and supervision of building construction projects of the Bank.

1.8. Limitation of the Study

It is accepted that there are several factors identified as limitations of this study. The study focused on the construction industry in Ethiopia and the case of CBE-BCM, which may not be representative of other industries or contexts. The results of the study may not be applicable to other construction companies or projects outside of the Ethiopian context. The study may not also account for other external factors that could impact project performance since it is limited to the assessment of the effect of stakeholder management on project performance.

1.9. Organization of the Study

The study is divided into five chapters that follow each other. In chapter one, the study's background, problem statements, research questions, objectives, significance, scope, and

limitations are introduced. The second chapter focuses on literature review of related topic and various researchers' descriptions. Chapter three discusses the research methodology, including design, data sources, target population, sampling technique and size, validity and reliability of the research instrument, and ethical considerations during data collection and analysis. The fourth chapter presents data analysis, presentation, and discussions. Lastly, chapter five concludes the study and provides recommendations.

1.10. Definition of Key Terms

Stakeholder: A stakeholder is any group or individual who can affect, or is affected by, the achievement of a corporation's purpose, excluding individuals who are unable to affect an organization's activities and those who are not affected by those actions (Freeman, 1984).

Project Stakeholder: Stakeholders are individuals, people, or organizations that could have an impact on, are impacted by, or believe they have an impact on a portfolio, program, or project are considered stakeholders. (PMI, 2021).

Stakeholder Management: involves the process of systematically identifying, analyzing, planning, and implementing actions to engage with stakeholders.(APM, 2019).

Project: is a short-term endeavor performed to develop a one-of-a-kind product, service, or outcome (PMI, 2021).

Project Management: involves the planning, organization, direction, and control of resources to achieve specific goals and objectives within limited time, cost, and quality constraints, with the ultimate aim of meeting the client's requirements.(Kerzner, 2009).

Project Performance: Project Performance is the overall evaluation of whether or not a project has achieved its goals and complied with all schedule, cost, and scope constraints (Njogu, 2016).

CHAPTER TWO: REVIEW OF RELATED LITERATURE

2.1. Theoretical Literature Review

2.1.1. Project and Project Management

Several scholars have provided various definitions of the term "project," with many of them having similar meanings. The definition of a project provided by the project management body of knowledge is frequently used and referenced by different researchers. "A project is a temporary endeavor undertaken to create a unique product, service, or result." (PMI, 2017 p. 4) Depending on its complexity, a single person or hundreds can manage it. According to Wysocki (2013), a project is a series of distinct, complicated, and interconnected operations with a single objective or purpose that must be accomplished by a set deadline, within a specified budget, and according to specified standards.

Projects are endeavors that are launched in response to requests or issues faced by organizations or society. They are used by organizations to address demands that cannot be handled within their usual constraints. Projects usually have specific milestones or decision points at which the organization assesses progress and determines whether to continue or not(Antvik & Sjoholm, 2007). The initial stage of projects that involve various stakeholders, such as the customer, sponsor, government body, private institution, and others, is the creation of a legally binding agreement that outlines the specific tasks and responsibilities involved in the project. (Antvik & Sjoholm, 2007).

According to Kerzner (2009), Project management involves planning, organizing, directing, and controlling resources to achieve specific objectives and goals while adhering to time, cost, and quality constraints to meet client requirements. It encompasses various management roles, such as information/communications, contract/procurement, human resources, and risk, and involves stakeholders and constituents based on the project's specific needs throughout the project life cycle. Project management is known for applying different knowledge, tools, and skills to manage projects effectively. It is the process of planning, arranging, directing, and regulating resources to achieve short-term goals and objectives.(Kerzner, 2009).

Project management is a well-structured and logical approach that involves engaging clients to achieve sponsor goals and deliver anticipated business value (Wysocki, 2013). It emphasizes the importance of incorporating stakeholders' feedback systematically, prioritizing efforts,

resolving trade-offs, and working collaboratively across all project aspects in multi-functional teams(Alotaibi, 2016). Consequently, project management is no longer considered a specialized form of management but is increasingly becoming a standard way of conducting business(Larson, 2011).

Eskerold and Jepsen (2016) suggest that while most projects are intended to generate profits through their deliverables, they may also produce unintended consequences known as side effects. These side effects can be positive, negative, or neutral and are considered project outcomes along with the benefits. In project management, it is widely recognized that considering the interests of key stakeholders, if not all stakeholders, is crucial to achieving project success.

2.1.2 Project Management Processes

The integration of processes, their interconnections, and the purposes they serve can be used to explain project management procedures which are classified into five groups known as Project Management Process Groups according to PMI 2017. These groups include initiating, planning, executing, monitoring and controlling, and closing. The Process Groups describe the project in terms of phases but are not the same as project phases. They cover a wide range of project management applications known as Project Management Knowledge Areas.

According to PMI 2017, the first process group which is initiating Process Group, entails methods that are utilized to establish a fresh project or a new stage for an ongoing project by obtaining permission to commence the project/phase. The second process group which is planning process group includes techniques that are employed to define the goals and boundaries of a project, as well as to outline the steps necessary to accomplish those objectives. And the third process group which is executing process group involves methods that are utilized to implement the project tasks as specified in the project management plan, in order to fulfill the project requirements. The fourth process group which is Monitoring and Controlling Process Group comprises procedures that are employed to oversee, assess, and facilitate the progress and effectiveness of a project. These procedures are also utilized to detect the necessity for modifications and put them into action.

The last process group which is outlined in PMI, (2017) is closing process group which involves techniques that are utilized to formally conclude the activities of a project or phase. The Process Groups describe the project in terms of phases but are not the same as project

phases. They cover a wide range of project management applications known as Project Management Knowledge Areas.

2.1.3. Project Management Knowledge Area

The Project Management Body of Knowledge (PMBOK) is a set of essential technical subjects necessary for effective project management. This standard is regularly updated by the Project Management Institute (PMI). The 5th edition of the PMBOK includes 10 knowledge areas, including Project Integration Management, Project Scope Management, Project Schedule Management, Project Cost Management, Project Quality Management, Project Resource Management, Project Communications Management, Project Risk Management, Project Procurement Management, and the newly introduced Project Stakeholder Management.

2.1.4 Stakeholder Theory

Stakeholder definition attempts have been made by many scholars and publications over time. In an internal memorandum at the Stanford Research Institute (the now SRI International, Inc.), the term "stakeholder" was first used in management literature to refer to “all groups on which an organization is dependent for its survival.”

A stakeholder is any group or individual who can affect, or is affected by, the achievement of a corporation's purpose, excluding individuals who are unable to affect an organization's activities and those who are not affected by those actions (Kelbessa, 2016). It should also be noted that a stakeholder might be influenced by the firm without being able to influence it back (and vice-versa).

Mitchell et al. (1997) attempted to end the debate over the identity of stakeholders once and for all. The authors proposed that the issue be simplified to the following question: who truly counts for the firm? Evidently, the scholars regard stakeholder theory solely in terms of its use to the firm. Individuals, people, or organizations that could have an impact on, are impacted by, or believe they have an impact on a portfolio, program, or project are considered stakeholders. Stakeholders also directly or indirectly influence a project, its performance, or outcome in either a positive or negative way. (PMI, 2021). According to common definition, stakeholders are defined as individuals or groups who can impact or be impacted by the project. This includes clients, colleagues, team members, local communities, investors, funders, internal business divisions, regulators, the media, end-users, and others. The Society of

Chartered Surveyors Ireland (2017) suggests that stakeholders can also be referred to as those who are important or relevant to the project.

Stakeholders in project management are people or groups who can be affected by the project or can affect it in some way, whether positively or negatively. According to IFC,(2007) this includes government authorities, politicians, religious leaders, civil society organizations, academics, and other businesses with a vested interest in the project's outcome.

2.1.5 Types of Stakeholders

To effectively engage with stakeholders, it is important to prioritize them based on their level of relevance to the project. This will ensure that the necessary resources are allocated for consultation, communication, and engagement in a timely manner. Stakeholders can be categorized and re-categorized to aid in this prioritization process. By understanding the needs and expectations of each stakeholder group, the project leadership team can develop strategies to manage these needs accordingly (Lutchman, 2011).

Stakeholders can be categorized into three groups based on their stake in the project. The first group, called Primary Stakeholders, includes individuals or teams who are part of the project crew and have a legal or contractual obligation to manage and allocate resources according to time, cost, and technical performance goals. The second group, known as Secondary Stakeholders, as defined by mining (2019), consists of people who are not formally contracted with the project but have a keen interest in its progress. Finally, Tertiary Stakeholders, as defined by Carol (2020), are individuals who do not make decisions regarding the project or directly benefit from its outcome but can still exert influence on project decisions.

Stakeholders can also be classified based on their involvement in the project (Gifford and Lesser, 2016). The first category is Internal Stakeholders, which includes individuals or groups within a company or organization such as employees, managers, investors, and the board of directors. Their financial well-being is directly affected by the success of the project or business. The second category is External Stakeholders, which comprises persons or groups outside of the company or organization, including consumers, regulators, suppliers, and the community. Although they may not be directly involved in the project or business, their interests are impacted by its performance.

Stakeholders can further be grouped according to their degree of participation (Gifford and

Lesser, 2016). Direct Stakeholders are those who are involved in the day-to-day activities of the project, while Indirect Stakeholders are those who are not involved in the day-to-day activities but have an interest in the final outcome of the project.

2.1.6. Key Stakeholders in Construction Projects

Like other businesses, construction projects include a lot of different stakeholders (Ahmed, 2015). the general public, government institutions, visitors, customers, regional development organizations, designers, shareholders, project managers, facilities managers, employees, subcontractors, suppliers, process and service providers, competitors, banks, insurance companies, media, community representatives, neighbors, each of these would eventually have an effect on a project's trajectory, with some having a bigger effect than others.

According to Chinyio and Olomolaiye (2010), the complexity and ambiguity of a project can greatly increase with the number of stakeholders involved or interested in it. Therefore, the construction sector must be capable of managing all stakeholders when there are many participating in construction projects, as stated by Salah (2013). Construction project's main stakeholders include the client, consultant, contractor/subcontractors, funding body/donor, international/nongovernmental organizations, government, beneficiary/end user, general public, and local landowners/neighborhood.

The client can be either from the public or private sector, and in the case of a government-initiated reconstruction housing project, the beneficiary may differ from that of a private construction project (Salah, 2013). The consultant provides guidance on matters related to design, cost evaluation, and technical aspects. The contractor/subcontractors are responsible for carrying out the actual construction work in accordance with the designs, specifications, and contractual documents. The funding body/donor addresses humanitarian challenges while ensuring that funds are used for their intended purpose. International/nongovernmental organizations act as intermediaries between the funding body and the government. The government formulates and enforces regulations and policies, monitors compliance, and develops guidelines for delivering housing reconstruction projects (Landing, 2000). The beneficiary/end user communicates their needs and requirements and is involved in designing the house while also providing skilled or unskilled labor during construction. The general public may volunteer to assist in clearing debris and providing labor during the construction phase of housing. Local landowners/neighborhoods ensure that their interests are not adversely affected by the project and may have concerns about a decline in amenities.

Owners, clients, suppliers, and employees are examples of internal stakeholders who are actively involved in a company's decision-making process. On the other hand, external stakeholders are those who are significantly influenced by the company's operations (e.g. Neighbors, local community, the general public, local authorities). Several authors put forth a similar taxonomy of construction stakeholders. There are two categories of stakeholders, internal and external, direct and indirect, according to Newcombe (2003). In addition, there is a difference between primary and secondary stakeholders (Salah, 2013).

2.1.7. Stakeholder Management

Stakeholder Management involves a systematic approach to identify, analyze, plan, and implement actions to engage with stakeholders (APM, 2019). This process helps project teams assess stakeholder expectations, influence or be influenced by the project, and develop strategies to involve stakeholders in support of project choices and planning and execution of activities(PMI, 2017). While Stakeholder Engagement involves various actions such as consultation, communication, negotiation, compromise, and building relationships to achieve different outcomes. (APM, 2019). Stakeholder Engagement encompasses a range of activities, including consulting with stakeholders, communicating with them, negotiating, compromising, and establishing relationships, all of which are aimed at achieving desired outcomes. In contrast, Stakeholder Management refers to the overall framework or model that guides the process. Building construction is the process of constructing structures, specifically buildings or additions to existing ones, which can occur in both personal and commercial contexts. The majority of building construction projects involve adding to existing structures.

It is critical to understand the stakeholders' expectations and challenges to address them and ensure the project's success. Stakeholder management is the practice of managing the expectations of everybody interested in or affected by a project. While intuitive information is useful, there is a need for a more structured and systematic approach in this field of expertise, which justifies the introduction of the new PMI knowledge area.

2.1.8. Processes in Stakeholder Management

To effectively manage stakeholders, it is necessary to adopt a structured and methodical approach that includes a well-defined communication plan. This approach helps establish and sustain relationships with stakeholders, mitigate risks, align business objectives, and prevent delays. By investing time in identifying and prioritizing stakeholders and evaluating their

interests, a solid foundation can be laid for developing an effective stakeholder engagement strategy (Salah, 2013). In order to develop an effective stakeholder engagement strategy, it is important to follow a structured approach outlined by PMI (2013), which involves four key steps.

Stakeholder Identification – Identification and classification of stakeholders is one of the most important issues that should be considered by project managers to allow them and to understand the factors that motivate stakeholders and the various types of demand they may produce. (Olander & Landin, 2005). The first step is to identify the stakeholders involved in the project (Petegem, 2008). identifying every individual, group, or organization that could influence or be influenced by a project decision, activity, or outcome; analyzing and documenting all pertinent information about their interests, level of engagement, interdependencies, influence, and potential impact on the project's success.

To identify projects, it is necessary to analyze the project landscape and assess the potential impact of the project on individuals or groups, as well as the potential influence of these stakeholders on the project's performance and outcome. Therefore, it is recommended to continuously identify and prioritize stakeholders throughout the project lifecycle, depending on the project's complexity and scope. This is considered a best practice according to Eskerod and Jepsen (2016). In contrast to other experts and authors who view Stakeholder Identification as the initial step in Stakeholder management, Karlsen (2002) presents a different perspective. According to Karlsen (2002), Stakeholder Identification is considered a subsequent step that follows the initiation of the process. The identification process primarily focuses on recognizing stakeholders, encompassing both those already involved in the project and potential stakeholders. Various techniques, such as expert interviews, group brainstorming sessions, and the use of checklists, can be employed to facilitate this process. It is important to note that what one team member identifies as a potential stakeholder may not be immediately apparent to others. Therefore, this identification procedure should ideally take place within a diverse group of participants with different backgrounds, as this can enhance support and ownership of the stakeholder management process.

To achieve project goals, stakeholders are identified and categorized based on their potential, interests, and power. Karlsen (2002) emphasizes the importance of identifying as many stakeholders as possible at the beginning and throughout the project, and segmenting them

based on their level of interest, influence, importance, position, and expectations. It is crucial to consider every stakeholder who may have a direct or indirect impact on the project output when identifying stakeholders.

According to Carroll (2006), stakeholders are individuals or organizations that are impacted by or have an impact on the outputs or deliverables of a particular organization. Additionally, Takim (2009) explains that stakeholders are those who can influence the activities or final results of a project, those whose lives or environment are affected by the project, and those who obtain direct or indirect profits from the project.

Stakeholder Analysis is a method utilized to gather and interpret the expectations of stakeholders that should be taken into account throughout the entire project duration. It categorizes the interests, expectations, and effects of stakeholders to align with the project's objectives (PMI, 2013). According to Palmer (2004), the stakeholder analysis phase should always commence with identification of the project.

Plan Stakeholders management - Stakeholder management planning entails designing suitable management approaches to successfully engage stakeholders during the project life cycle. According to Everitt (2020), having a well-defined plan for managing stakeholders is crucial to ensure that their interests and expectations are understood and properly addressed. Such a plan enables you to communicate effectively with the project team, outlining who needs to be informed about what and when.

Stakeholder management is an essential strategic practice employed by effective project managers to secure and maintain support for their projects from various individuals, both internal and external to the project and its organization. A crucial characteristic of successful project managers is their ability to fully engage all project stakeholders through the utilization of diverse communication techniques and tools, all guided by a well-defined strategy and plan. The stakeholder management plan serves as a documentation of the approach that aims to enhance support and minimize negative impacts from stakeholders throughout the project's duration. This plan should outline the strategies and actions that will be implemented to effectively manage stakeholders based on their level of influence and interest in the project (Forman & Discenza, 2012).

The essential components of a stakeholder management plan should include the following:

- Prioritization of stakeholders: This involves ranking stakeholders according to the potential impact they put on the project and their level of interest in its success
- Stakeholders expectations - Without knowing the expectations of stakeholders, it is impossible to manage them. Everything, including how they want to communicate and what activities they want to participate in, must be documented.
- Communication guidelines- Each stakeholder's level, frequency, and type of communication should be outlined in the strategy, along with the one responsible to contact with
- Action plan: This section of the plan should detail how the project team will manage stakeholders and address any issues that arise

Managing Stakeholder engagement - The process of managing stakeholder engagement involves effective communication and entails meeting stakeholders' needs and expectations, addressing issues as they arise, and encouraging appropriate participation. According to the 2018 study on stakeholder engagement plans by the World Bank, the goal of stakeholder engagement is to enhance and facilitate decision-making by creating a culture of comprehension in which individuals and groups affected by the project, as well as other stakeholders, are actively engaged and provided with ample opportunities to express their opinions and concerns that can impact decisions during project lifecycle. To effectively communicate with stakeholders, organizations use a method that involves identifying, tracking, and prioritizing stakeholders to determine the highly effective follow up tactics when optimizing accessible assets. By engaging with stakeholders, companies can forestall their needs and preferences, which helps to build relationships, establish trust, instill confidence, and gain support for their business. Sedmak (2011) highlights the importance of stakeholder engagement in fostering connections, faith, and sureness.

Managing stakeholder engagement involves effectively communicating and collaborating with stakeholders to ensure alignment with project requirements. This entails addressing their needs, expectations, and concerns as they arise. The most effective approach is to involve stakeholders in project decision-making and execution at the appropriate level and timing. The stakeholder engagement plan serves as a tool to guide and manage stakeholder engagement based on the

strategies developed. Throughout the process of managing stakeholder engagement, the stakeholder engagement plan is regularly updated to incorporate any new or modified management strategies necessary for effectively engaging stakeholders (Sanghera, 2019).

Monitoring stakeholder engagement - It monitors the progress of the many project stakeholders, adjusting strategies as needed to maintain high levels of involvement. According to Roseke (2018), the process of monitoring stakeholder interactions for projects and modifying tactics for including stakeholders through revision of engagement strategies and plans. The key advantage of this procedure is that as the project progresses and its environment changes, it maintains or improves stakeholder engagement activities' efficiency and effectiveness. By monitoring and managing stakeholder participation, we can keep our engagement initiatives at a high level and even improve their quality and efficacy.

If the opinions of project stakeholders are not expressed and they are not involved in the development of the project, it is unlikely that the outcome of the project will provide the most worth to every stakeholder. Project management must find the correct balance between involving stakeholders and shielding the project from outside influence to accomplish cost delivery and time management (Vogwell, 2003).

Every projects must have a specific set of deliverables if they are to meet their agreed-upon objectives. In order to guarantee that all stakeholders are aware of the project's progress, this information should be shared with them. To provide stakeholders an opportunity to influence the project's outcome in relation to the first stated plans, the quality and technical requirements of the product must also be described upfront.

2.1.9. Project Performance

Project Performance is the overall evaluation of whether or not a project has achieved its goals and complied with all schedule, cost, and scope constraints. The emphasis of project performance indicators is on the project's impact at a certain moment in time or over a set period. (Njogu, 2016). The successfulness of a project is closely correlated with its performance. The project management methodology principles, the implemented control mechanisms, and the project teams' expertise all play a role in the success of the project. The project Triangle refers to a set of conditions that must be met for a project to be considered successful. These conditions include completing the project on time, achieving the intended purpose by meeting the set goals and objectives, and staying within the allocated budget.

(Hammad, 2013). Despite the availability of literature that educates project managers on various tools and techniques to increase the chances of success, seven out of ten projects are still considered unsuccessful (Taherdoost & Keshavazsaleh, 2015). A project is deemed unsuccessful if it is not completed or if it is completed but not seen as successful (Ayatah, 2012). Effective project management takes into account any potential factors that may impact a project's performance, whether positively or negatively.

Project managers gain essential insights into whether they are executing a project as planned and within the approved budget, timeframe, and scope by monitoring its performance (Karanja, 2012). Performance measurement not only motivates the project team but also provides the organization with a clear understanding of the project's status. To be effective, a performance assessment tool must align with the expectations of the major project stakeholders, the project's goals, and the users' needs.

2.1.10. Project Stakeholder Management and Project Performance

Stakeholders must be managed to make sure they are aware of the project's objectives, advantages, dangers, and how their participation will contribute to the project's success.

In order to secure, confirm, or maintain stakeholders' continuing commitment to the project's success, effective stakeholder engagement involves including them at the appropriate project phases. Moreover, it involves addressing any risks or prospective concerns associated to stakeholder management, managing stakeholder expectations through negotiation and communication, and foreseeing potential future issues that stakeholders may raise. Clarifying and addressing concerns that have been found may also be part of it. Stakeholder management is crucial because successful project interactions rely on it (Gifford & Lesser, 2016). Knowing your stakeholders and understanding their particular communication needs at different project phases are both important parts of this. These prerequisites include forming a trusting connection, feeling important and relevant, and understanding how their work affects the project's success.

Due to the varying aims and interests of multiple stakeholders, having more stakeholders or groups involved in a project can lead to increased conflicting expectations. It is the duty of the project manager to understand the objectives and interests of each stakeholder so that to effectively handle their requests and needs during the project lifecycle.

Sutterfield et al (2006) suggest that utilizing a project stakeholders management framework can aid project teams in maximizing constructive influence and minimizing undesirable effects on performance of a project. he also argues that identifying and managing the diverse and often conflicting goals of project stakeholders at the outset of a project is crucial to its success, as failure to do so can result in project failure.

2.2. Empirical Literature Review

The researcher conducted an empirical literature review by examining various articles and journals that were relevant to the topic under investigation.

In Rwanda, Murwanashyaka and Shukla (2017) conducted study on how stakeholder management affects project performance. The results showed that the management of stakeholders had a positive effect on the success of the Kigali-Gatuna road rehabilitation project. The findings also showed a favorable association between project performance and contract management procedures, communication management practices, and conflict management practices, which together predicted 57.8% of the Kigali - Gatuna Road rehabilitation project performance. Additionally, according to the researchers, adequate planning should be done by consulting with all project stakeholders in order to improve project performance. The project's financiers, who guarantee the funding source, trained and competent implementers, environmental considerations, political considerations, and many other elements are included among the stakeholders to ensure helpful project planning. Effective communication is also recommended by the study in order to provide stakeholders the impression that they are included in project activities. The authors also highlighted that in order to construct the project contract for efficient contract administration and management, the stakeholders, especially the government, should employ a capable legal team and specialists.

Mumbi (2018) conducted a research study titled "Stakeholder Management and Project Performance of Open-Air Market Projects" which aimed to investigate the influence of stakeholder management on project performance in Open air upgrading projects in Nyeri County, Kenya. The study used a descriptive and exploratory research design, distributing questionnaires to project managers, vendors, general public, project staffs, and local authorities. The study revealed that identifying stakeholder needs and expectations, effective communication, conflict management, and stakeholder participation positively influenced project performance. The study recommends involving stakeholders during the feasibility

study and adopting a proactive approach to identify and solve issues. Further research is recommended to assess the influence of stakeholder management on Open air upgrading projects in other counties in Kenya.

The study found that stakeholder need and expectation identification, communication, conflict management, and stakeholder participation had a positive and significant effect on project performance. The study recommends that stakeholders should be adequately involved during the feasibility study of the intervention, and project management should adopt a proactive approach in determining highly susceptible issues and identifying possible solutions. Further assessments are also recommended.

A study entitled "assessment on the Relationships Between Stakeholders Management and Project Performance" conducted by Hirpa (2022) investigates the relationship between stakeholder management and project performance on ICT project. The study used a descriptive research design and a quantitative methodology. The primary finding of the study demonstrated a positive correlation between stakeholder management factors, stakeholder management techniques, and stakeholder management characteristics and project performance. Nevertheless, the study found that the process for project monitoring and assessment is not done adequately. The researcher suggests that to prevent issues arising from ineffective project management, it is advisable to utilize project management tools and techniques, establish clear communication channels and support between stakeholders and higher authorities, involve users in the project implementation process, and implement robust monitoring methods. This proactive approach can help to mitigate potential problems and ensure successful project outcomes

A study conducted by Klaus-Rosi ´nska & Iwko (2021) titled Stakeholder Management - One of the Clues of Sustainable Project Management as an Underestimated Factor of Project Success in Small Construction Companies found that small construction companies have a low level of maturity in managing project stakeholders, which is a surprising result given that the literature on the subject emphasizes the importance of project stakeholder management. and associating it with the project's success.

A study conducted by Demirkesen & Reinhardt (2021) on the effect of stakeholder involvement on the performance of government projects in Poland found that stakeholder involvement positively and significantly affects project performance. The study recommends involving

stakeholders in decision-making and implementation processes, consulting with community members before launching projects, and selecting project participants based on merit rather than nepotism or tribalism. One limitation of the study is the potential for bias in the data collected, as stakeholders may have different perceptions of the project's performance. The study may also be limited in generalizability to other industries or contexts and may not account for external factors that could impact project performance.

Abebe (2022) conducted a study on the influence of stakeholder management on project success, using the ICT Incubation Center Building Project as a case study. The research design approach employed was descriptive and explanatory, and 52 self-administered questionnaires were distributed to ECWC employees who were involved in the project. The study revealed that effective stakeholder management, including identifying stakeholders, planning and managing their engagement, and monitoring their involvement, was moderately and positively correlated with the success of the project. The multiple regression analysis revealed that all four practices of stakeholder management had a significant effect on project success. Based on Abebe's research findings, it is recommended that the ECWC develops a more appropriate strategy for engaging stakeholders in order to effectively interact with them and enhance their level of involvement, ultimately leading to a successful outcome for the ICT Incubation Center Building Project.

According to the study conducted by Mageto. et al, (2021) the impact of stakeholder management on the performance of road construction projects in Mombasa County, Kenya was examined. It used a census design to survey project managers, engineers, supervisors, inspectors, surveyors, and contractors from KeNHA. The study found that stakeholder identification, mapping, analysis, and risk management had a positive and significant effect on project performance. The study recommends that KeNHA should adopt stakeholder identification in all their road construction projects, policymakers should develop stakeholder management policies, road construction agencies should consider stakeholder mapping, and project personnel should be trained in sustainable stakeholder risk management strategies.

2.3. Conceptual Framework

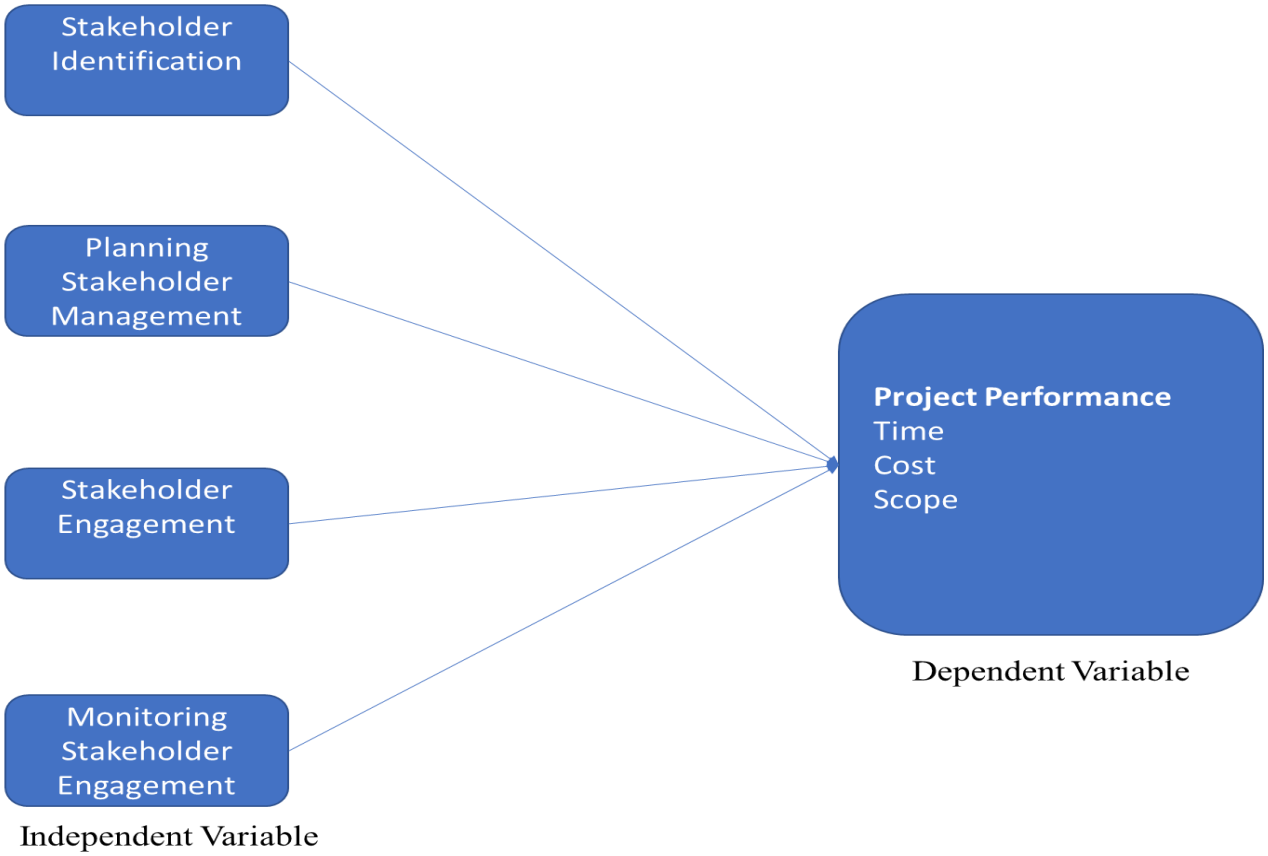

Figure 2. 1. Conceptual Framework of the relationship between stakeholder management and project performance adopted from (Mumbi, 2018)

CHAPTER THREE: RESEARCH METHODOLOGY

This chapter outlines the methodology used in the research. It includes sub-sections that describe the research design, research approach, the sampling design, the data sources and collection methods, the research instrument, the method of data collection, and the procedures for data analysis. The study area is focused on the Building Construction Management Department in Commercial Bank of Ethiopia. The study area is selected since CBE has more than twenty ongoing and completed construction projects across the country. And there is a large number of stakeholders involved.

3.1. Research Design

The primary objective of this research is to assess whether stakeholder management has effect on project performance in the CBE Building Construction Management Department. To achieve this, the study has assessed the influence of identifying stakeholders, planning stakeholder management, managing stakeholder engagement, and monitoring stakeholder engagement on the organization's project performance. Both descriptive and explanatory research designs were used in the analysis. The descriptive aspect aims to provide an account of the organization's stakeholder management practices and interpret the findings to draw conclusions. On the other hand, the explanatory component seeks to predict, describe, and explain the relationship between stakeholder management and project performance. Explanatory research is useful in identifying the cause-and-effect relationship between variables, as noted by Jackson S. L. (2009). Accordingly, to evaluate the impact of stakeholder management, which is the independent variable, on project performance, the dependent variable, this study has employed both descriptive and explanatory research designs.

3.2. Research Approach

Quantitative research as a type of educational research in which the researcher selects the subject matter to investigate, formulates specific questions, gathers numerical (numbered) data from participants, utilizes statistics to analyze the data, and conducts the study in a neutral, unbiased manner (Creswell, 2009). Therefore, this study employed a quantitative approach to collect, arrange, and examine data.

3.3. Sampling Design

The target population consisted of all the 37 (thirty- seven) professional project team members

from the CBE -BCM Department who are involved in the building construction management of projects. Census method was used because the population is small and easily accessible and hence the target population consisting of all the 37 (thirty-seven) professional project team members (project managers, senior civil/quality engineers, associate engineers, junior engineers, manager and director) was used in the study. The researcher distributed questionnaires to the entire target population in order to gather data. As a result, 37 questionnaires were distributed.

3.4. Sources of Data Collection

Primary and secondary data sources were used in this study. Primary data was obtained using a structured questionnaire. Questionnaires were developed and distributed to all involved professional team members of CBE -BCM Department in CBE -BCM projects, the collection of secondary data involved obtaining information from sources other than the primary source, such as organizational publications, websites, and other relevant documents.

3.5. Research Instrument

The research instrument used was a questionnaire. A structured Likert-type questionnaire adapted from (Mumbi, 2018) was distributed to and completed by the professional staffs of the CBE Building Construction Management Department. The survey utilized a set of predetermined answers for each topic, known as standard fixed-response alternative questions. The questionnaire was structured to be evaluated on a five-point Likert scale, with scores ranging from 1 (strongly disagree) to 5 (strongly agree). The questions were designed to measure the impact of stakeholder management on the performance of CBE-BCM projects. During the study, participants were requested to indicate their level of agreement with each statement or question based on their project management experience by selecting a number. The questionnaire also contained inquiries regarding the educational background, job title, and tenure of the respondents within the organization.

3.6. Method of Data Collection

The primary data source for this study was structured questionnaires, which were distributed to and completed by professional staff members of the CBE Building Construction Management Department. In addition to this, the researcher also gathered data from various sources such as project data, published and unpublished books, and relevant reports of the projects. By combining these two data sources, the researcher was able to obtain the necessary information to draw a valid conclusion about the study and address the research questions.

3.7. Data Analysis Methods

The research approach used in this study was quantitative, and as such, quantitative data analysis techniques were employed. The data collected was analyzed using the SPSS version 27 software package. To evaluate the impact of project stakeholder management on project performance, the researcher conducted descriptive data analysis, including frequencies, percentages, mean, and standard deviation. Additionally, Pearson's correlation and multiple regression analysis were utilized to determine the magnitude and direction of the independent variables (identification of stakeholders, planning stakeholder management, managing stakeholder engagement, and monitoring stakeholder engagement) and quantify their effects on the measured variable (project performance).

3.8. Reliability and Validity

Validity

Validity pertains to the degree of accuracy of an instrument in measuring its intended purpose. In this regard, the content or validity of the data collection tool was established by consulting with the research advisor.

Reliability

One means to determine whether the measure you are using is effective or not is to assess its reliability. Reliability refers to the consistency or stability of a measuring instrument. (Jackson S. L., 2009) To measure the consistency of the Questionnaires, the reliability analysis was done using Cronbach’s Alpha (α), the most common measure of scale reliability test. According to Hulin et al,2001, it is generally accepted that a value between 0.6 and 0.7 indicates an acceptable level of reliability and a value between 0.8 and larger, a very good level. However, values greater than 0.95 may indicate redundancy.as cited by (Ursachi, Horodnic, & Zait, 2015) . Table 3.1 displays the Cronbach's alpha coefficient, which measures the reliability of the variables used in the study. The alpha values for each variable are all greater than 0.7, indicating that the instrument was deemed acceptable.

Table 3. 1 Cronbach's Reliability test of the Study

Scale	Number of items	Cronbach ‘s Alpha
Stakeholder Identification	6	.785
Planning Stakeholder Management	6	.806
Managing Stakeholder Engagement	9	.780
Monitoring Stakeholder Engagement	6	.784
Project Performance	6	.709

Source: Researcher’s Survey SPSS result, 2023

3.9. Ethical Consideration

Any research endeavor that aims to ensure ethical consideration must also assure the accuracy and reliability of the work. In order to avoid any destruction or violations of ethical behavior, this study has taken research ethics into consideration when building and using data collection methods and techniques. The researcher provided an explanation of the study's objective to the participants through an introductory letter that accompanied every questionnaire. The respondents were also informed that the information would be kept private and utilized only for the study.

CHAPTER FOUR: DATA ANALYSIS

4. Data Collection, Analysis and Interpretation

This chapter focuses on the examination and explanation of the research findings through data analysis and interpretation. It includes various sections such as descriptive statistics, correlation results, tests for assumptions of the linear regression model, and regression results.

4.1. Introduction

Of the 37 questionnaires that were distributed to respondents, 35 (94.6%) were completed and returned, while only 2 (5.4%) were not returned. The analysis was conducted using the 35 returned questionnaires, resulting in a response rate of 94.6%.

4.2. Demographic Information of Respondents

The appropriateness of the respondents in completing the questionnaire on the effect of stakeholder management on project performance of CBE-BCM Projects was evaluated by examining the background information of the participants, as indicated in Table 4.1 below.

Table 4. 1. Demographic Information of Respondents

Demographic Data		Count	Column N %
Respondent's gender	Female	17	48.60%
	Male	18	51.40%
Educational level	Degree	19	54.30%
	Masters	16	45.70%
Experience in Building construction work (in years)	> 10 years	6	17.20%
	1 - 3 years	7	20.00%
	3 - 5 years	11	31.40%
	5 -10 years	11	31.40%
Experience in Commercial Bank of Ethiopia (in years)	> 10 years	3	8.60%
	1 - 3 years	7	20.00%
	3 - 5 years	9	25.70%
	5 -10 years	16	45.70%
Current position in CBE	Associate Engineer	11	31.40%
	civil engineer	1	2.90%
	Director	1	2.90%
	Junior Engineer	6	17.10%
	Manager	1	2.90%
	Project Manager	4	11.40%
	Senior Engineer (Civil Engineer /Quality Management Engineer)	11	31.40%

Source: Researcher's Survey SPSS result, 2023

As shown in the Table 4.1 below, 18 (51.4%) of the respondents were male with the rest 17 (48.6%) being female. Both genders were well represented in the study. Following the demographic questions, the education level of the participants was assessed. The findings revealed that 16 respondents (45.7%) held a master's degree, while 19 respondents (54.3%) held a bachelor's degree.

When we come to experience of respondents in building construction work, respondents who have 3 - 5 years and 5 - 10 years each take 11(31.45%) being the majority of the participants. Whereas, respondents with more than 10 years of experience take 6(17.2%). And the remaining 7 respondents have 1- 3 years of experience. This implies that 80% of the respondents have more than 3 years of experience in building construction work. This indicates that the respondents have enough experience with construction project and the evidence they provided can be trusted on.

Respondent’s Experience in Commercial Bank of Ethiopia is the other demographic information requested. The results indicate that the participant respondents who had 1-3 years of work experience in CBE is 7(20%). respondents who had 3-5 years of work experience in CBE represented 9(25.7%) of the respondents. And 16(45.7%) of the participants had 5-10 years of experience in CBE. The remaining 3(8.6%) of the respondents in the study had more than 10 years experience of work in CBE. This implies that 80% of the respondents have more than 3 years of experience in CBE which implies that the respondents are eligible for this research.

The last demographic item is respondent’s current position in CBE. The respondents' current job titles are categorized as Director, Manager, and Civil Engineer. each taking 1(2.9%), Project Manager 4(11.4%), Junior Engineer 6(17.1%), Associate Engineer and Senior Engineer (Civil Engineer /Quality Management Engineer) each take 11(31.45%) being the majority of the participants.

4.3. Descriptive Results and Analysis

4.3.1. Responses for Identification of Stakeholder

Table 4. 2. Descriptive statistics for stakeholder identification

	Strongly Disagree Count	Disagree Count	Neutral Count	Agree Count	Strongly Agree Count
All the parties involved in a decision, activity, or outcome of the project that may be affected or have an impact have been recognized and identified as stakeholders.	0 (0%)	1 (2.9%)	4 (11.4%)	23 (65.7%)	7 (20%)
The stakeholders have been identified with the participation of the members of the project team.	1 (2.9%)	2 (5.7%)	2 (5.7%)	23 (65.7%)	7 (20%)
Stakeholders are categorized into different segments based on their level of interest, influence, importance and expectation at earliest stage of projects.	0 (0%)	1 (2.9%)	3 (8.6%)	23 (65.7%)	8 (22.9%)
Prior to the commencement of the project, research was carried out.	0 (0%)	1 (2.9%)	4 (11.4%)	25 (71.4%)	5 (14.3%)
Identifying key stakeholders is done effectively during the planning phase.	0 (0%)	1 (2.9%)	5 (14.3%)	22 (62.9%)	7 (20%)
The process of Stakeholder Analysis is performed to recognize and evaluate the impact and significance of stakeholders during the entire duration of the project.	0 (0%)	1 (2.9%)	4 (11.4%)	25 (71.4%)	5 (14.3%)

Source: Researcher's Survey Data, 2023

Table 4.2 displays the descriptive results for the stakeholder identification variable, indicating that the respondents generally agree with the items on the Likert scale. This suggests that the respondents consider stakeholder identification and the associated procedures to be important and applicable in managing construction projects.

4.3.2. Responses for Planning Stakeholder Management

Table 4. 3. Descriptive statistics for Planning Stakeholder Management

	Strongly Disagree Count	Disagree Count	Neutral Count	Agree Count	Strongly Agree Count
The project management team develops appropriate management strategies to effectively engage stakeholders.	0 (0%)	3 (8.6%)	2 (5.7%)	27 (77.1%)	3 (8.6%)
Stakeholders are prioritized based on their ability to influence your projects.	0 (0%)	1 (2.9%)	3 (8.6%)	25 (71.4%)	6 (17.1%)
The stakeholders have a mutual comprehension of the project	0 (0%)	3 (8.6%)	5 (14.3%)	25 (71.4%)	2 (5.7%)
A communication strategy including the level, frequency, and type of communication with each stakeholder is adopted in projects.	0 (0%)	3 (8.6%)	2 (5.7%)	27 (77.1%)	3 (8.6%)
Procedures are established to revise and enhance the stakeholder management plan as the project advances and evolves.	0 (0%)	3 (8.6%)	6 (17.1%)	23 (65.7%)	3 (8.6%)
The stakeholder management plan explicitly outlines the regulations for interaction and responsibilities of every stakeholder.	2 (5.7%)	3 (8.6%)	3 (8.6%)	24 (68.8%)	3 (8.6%)

Source: Researcher's Survey Data, 2023

Table 4.3 displays the descriptive findings for the planning stakeholder management variable, indicating that the responses for the items lean towards agreement on the Likert scale. It suggests that the participants perceive planning stakeholder management and the associated processes as valuable and applicable in managing construction projects.

4.3.3. Responses for Managing Stakeholder Engagement

Table 4. 4. Descriptive statistics for Managing Stakeholder Engagement

	Strongly Disagree Count	Disagree Count	Neutral Count	Agree Count	Strongly Agree Count
Stakeholder engagement is considered important for project performance and sustainability.	0 (0%)	4 (11.4%)	9 (25.7%)	18 (51.4%)	4 (11.4%)
Project progress reports are available.	0 (0%)	1 (2.9%)	1 (2.9%)	13 (37.1%)	20 (57.1%)
Stakeholders are reluctant about sharing project information.	0 (0%)	4 (11.4%)	7 (20.0%)	23 (65.7%)	1 (2.9%)
Stakeholder meetings are held frequently.	0 (0%)	1 (2.9%)	1 (2.9%)	18 (51.4%)	15 (42.9%)
Stakeholder expectation is understood, acknowledged and managed.	0 (0%)	1 (2.9%)	2 (5.7%)	18 (51.4%)	14 (40%)
The stakeholders have knowledge about the project progress.	0 (0%)	1 (2.9%)	1 (2.9%)	18 (51.4%)	15 (42.9%)
Feedback mechanisms are adequate and appropriate.	0 (0%)	1 (2.9%)	7 (20.0%)	22 (62.9%)	5 (14.3%)
Stakeholders maintain effective communication through established communication channels.	0 (0%)	1 (2.9%)	7 (20.0%)	22 (62.9%)	5 (14.3%)
Project team is well committed to the stakeholder engagement process.	0 (0%)	0 (0%)	5 (14.3%)	25 (71.4%)	5 (14.3%)

Source: Researcher's Survey Data, 2023

Table 4.4 displays the descriptive findings for the managing stakeholder engagement variable, indicating that the responses for the items lean towards agreement on the Likert scale. It suggests that the participants perceive managing stakeholder engagement and the associated processes as valuable and applicable in managing construction projects.

4.3.4. Responses for Monitoring Stakeholder Engagement

Table 4. 5. Descriptive statistics for Monitoring Stakeholder Engagement

	Strongly Disagree Count	Disagree Count	Neutral Count	Agree Count	Strongly Agree Count
Each stakeholder group has been found to have a gap in their knowledge.	0 (0%)	3 (8.6%)	5 (14.3%)	25 (71.4%)	2 (5.7%)
Requests from stakeholders are addressed promptly.	0 (0%)	1 (2.9%)	4 (11.4%)	25 (71.4%)	5 (14.3%)
The project is taking into account the needs and expectations of stakeholders.	0 (0%)	3 (8.6%)	5 (14.3%)	25 (71.4%)	2 (5.7%)
There are established procedures for documenting and disseminating information to stakeholders.	0 (0%)	1 (2.9%)	4 (11.4%)	25 (71.4%)	5 (14.3%)
Stakeholders are kept informed about project progress and any modifications, and they are collaboratively engaged in revising plans.	0 (0%)	0 (0%)	7 (20.0%)	23 (65.7%)	5 (14.3%)
A platform is available for receiving feedback from stakeholders.	0 (0%)	1 (2.9%)	4 (11.4%)	23 (65.7%)	7 (20.0%)

Source: Researcher's Survey Data, 2023

Table 4.5 displays the descriptive results for the monitoring stakeholder engagement variable, indicating that the respondents generally agree with the items on the Likert scale. This suggests that the respondents consider monitoring stakeholder engagement and the associated procedures to be important and applicable in managing construction projects.

4.3.5. Responses for Project Performance

Table 4. 6. Descriptive statistics for Project Performance

	Strongly Disagree Count	Disagree Count	Neutral Count	Agree Count	Strongly Agree Count
Projects are executed and finished on time and within the budget assigned to them.	1 (2.9%)	4 (11.4%)	6 (17.1%)	22 (62.9%)	2 (5.7%)
Projects are implemented and completed within the specification and quality standard.	2 (5.7%)	1 (2.9%)	3 (8.6%)	14 (40%)	15 (42.9%)
The implementation of the project is consistently aligned with its intended goals and objectives.	0 (0%)	2 (5.7%)	2 (5.7%)	11 (31.4%)	20 (57.1%)
Effectively engaging stakeholders at the appropriate project phases is important.	0 (0%)	1 (2.9%)	2 (5.7%)	11 (31.4%)	21 (60%)
Seeking project feedbacks from stakeholders improves performance.	0 (0%)	2 (5.7%)	2 (5.7%)	11 (31.4%)	20 (57.1%)
Stakeholder management affects project performance.	0 (0%)	1 (2.9%)	2 (5.7%)	11 (31.4%)	21 (60%)

Source: Researcher's Survey Data, 2023

Table 4.6 displays the descriptive results for the project performance variable, indicating that the respondents generally agree with the items on the Likert scale. This suggests that the respondents consider project performance and the associated procedures to be important and applicable in managing construction projects and project performance.

Table 4. 7. Descriptive statistics for variables

		Project Performance	Stakeholder Identification	Planning Stakeholder Management	Managing Stakeholder Engagement	Monitoring Stakeholder Engagement
N	Valid	35	35	35	35	35
	Missing	0	0	0	0	0
Mean		4.2429	4.1029	3.8967	4.0645	4.0647
Std. Deviation		0.5518	0.45008	0.41634	0.42468	0.4351
Minimum		2.67	3	2.9	2.8	3
Maximum		5	5	4.83	4.67	4.83

Source: Researcher's Survey Data, 2023

Table 4.7 presents the mean scores, standard deviation, minimum and maximum scores for both the independent and dependent variables of the study, as per the study results. The standard deviation scores for all variables indicate that the deviation of responses from the mean is minimal. The mean score for project performance (mean = 4.24) indicates that the respondents agree that stakeholder management has an impact on project performance. It is crucial to effectively engage and manage stakeholders throughout the execution of projects to achieve project success. The results are consistent with theory in the literature review. According to Sutterfield et al. (2006), implementing a framework for project stakeholder management can aid project managers in maximizing positive influence and minimizing negative impact on project performance.

As per the study results, the mean score for stakeholder identification (mean = 4.1) indicates that the respondents consider stakeholder identification to be crucial and that the identification process is being implemented. The projects have established mechanisms for identifying stakeholders, and stakeholder analysis is conducted. These findings align with the literature review, which suggests that the stakeholder analysis phase should commence with identification, as stated by Palmer (2004).

The study's findings reveal that the mean scores for managing stakeholder engagement and monitoring stakeholder engagement (mean = 4.06) suggest that the respondents perceive stakeholders to be managed and monitored efficiently. The project teams are dedicated to the stakeholder engagement process, and they are addressing the stakeholders' needs and expectations in the project.

The study's results indicate that the mean scores for planning stakeholder management (mean = 3.89) are relatively lower than the mean scores for stakeholder identification, managing stakeholder engagement, and monitoring stakeholder engagement. This suggests that there is room for improvement in the planning steps of stakeholder management to enhance project performance. Project teams should take proactive measures to emphasize these steps and improve their planning of stakeholder management.

4.4. Correlation Analysis

This section presents the correlation analysis, in which the level of association between variables is sought. The study findings were subjected to correlation analysis to determine the relationship between independent variables (identification of stakeholder, plan stakeholder

management, manage stakeholder engagement, and monitor stakeholder engagement) and dependent variable (project performance). In order to assess whether there is a relationship between variables, the Pearson's correlation coefficient has been applied, and the results are presented in Table 4.8.

Table 4. 8. Pearson's Correlation result

Correlations						
		Project Performance	Stakeholder Identification	Planning Stakeholder Management	Managing Stakeholder Engagement	Monitoring Stakeholder Engagement
Project Performance	Pearson Correlation	1	.615**	.729**	.735**	.750**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	35	35	35	35	35
Stakeholder Identification	Pearson Correlation	.615**	1	.593**	.531**	.658**
	Sig. (2-tailed)	.000		.000	0.001	.000
	N	35	35	35	35	35
Planning Stakeholder Management	Pearson Correlation	.729**	.598**	1	.637**	.617**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	35	35	35	35	35
Managing Stakeholder Engagement	Pearson Correlation	.735**	.531**	.637**	1	.623**
	Sig. (2-tailed)	.000	0.001	.000		.000
	N	35	35	35	35	35
Monitoring Stakeholder Engagement	Pearson Correlation	.750**	.658**	.617**	.623**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	35	35	35	35	35

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Researcher's Survey Data, 2023

The correlation analysis not only determines if there is a connection between variables, but it also helps to identify the direction and strength of the relationship. The direction of the relationship can be positive, negative, or zero. The correlation coefficient, which ranges from -1 to +1, measures the strength of a linear relationship between two variables. According to Dancey and Reidy (2007), a correlation coefficient of +1 or -1 represents a perfect relationship, whereas coefficients ranging from -/+ 0.9 to -/+ 0.7 indicate a strong correlation. Coefficients ranging from -/+ 0.7 to -/+ 0.4 indicate a moderate correlation, while coefficients ranging from -/+ 0.4 to -/+ 0.1 indicate a weak correlation. A zero coefficient indicates that there is no correlation between the variables.

Table 4.8 shows that the correlation coefficient suggests a strong correlation between the three variables of stakeholder management (planning stakeholder management r = 0.729; managing stakeholder engagement r = 0.735; and monitoring stakeholder engagement r = 0.750) and project performance. Whereas, stakeholder identification (r = 0.615) is moderately correlated with project performance. The positive correlation indicates that there is a direct relationship between stakeholder management and project performance in CBE-BCM projects, with a significance level of 1%. This means that as the level of the variables increases, project performance will also increase. Monitoring stakeholder engagement has the strongest correlation, while stakeholder identification has the weakest correlation with project performance.

4.5. Regression Analysis

The researcher conducted multiple regression analyses to determine the effect of stakeholder management on project performance, as this was the primary objective. To ensure the validity and reliability of the regression analysis results, the researcher checked for assumptions of linearity, homoscedasticity, no autocorrelation, multicollinearity, and normality. These assumptions are based on the classical linear regression model, as stated by Brooks (2014).

4.5.1 Linearity

In addition to the figure 4.1 below linearity test, correlation analysis determines the linear relationship between variables. Therefore, in this research, the association between project stakeholder management and project performance is a straight-line relationship.

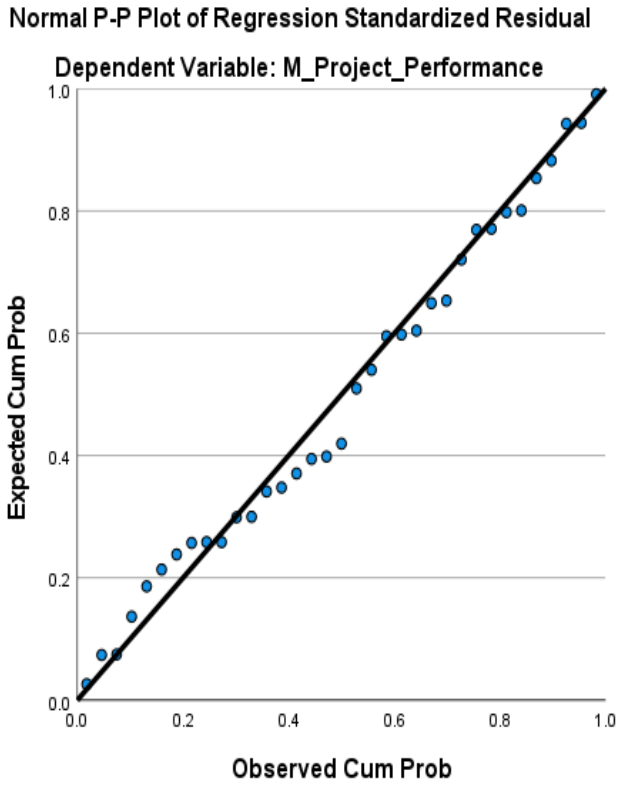

Figure 4. 1. Linearity Test

Source: Researcher's Survey Data, 2023

4.5.2 Assumption of Normality

To comprehend the distribution of a dependent variable in relation to independent variables in the model, the researcher performed a normality test. The purpose of this test was to determine whether the error term distribution was normal or not. Based on the histogram figure 4.3, it can be concluded that the assumption of normality was not violated and the distribution was completely normal with a bell-shaped curve.

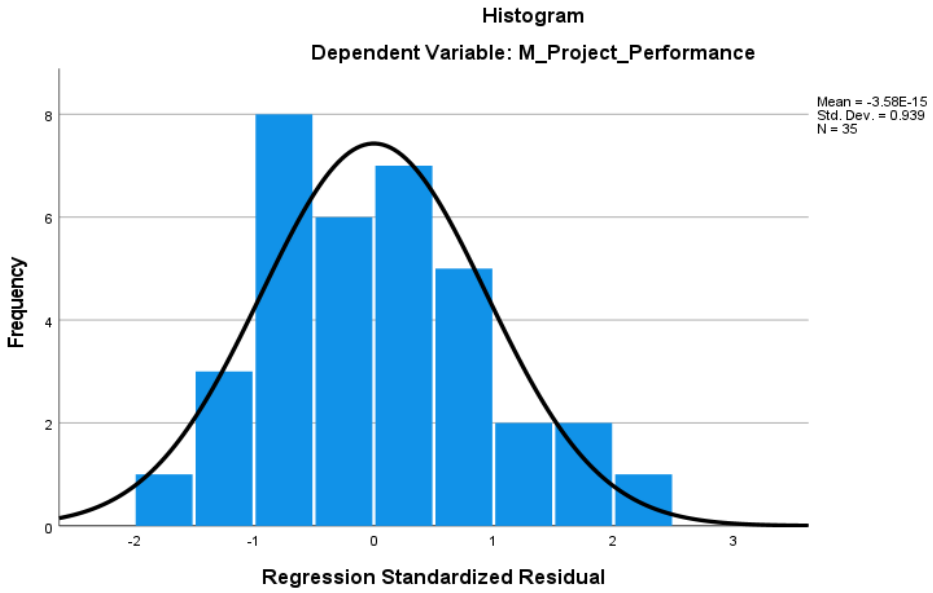

Figure 4. 2. Normality Test

Source: Researcher's Survey Data, 2023

4.5.3 Multicollinearity Test

Researchers deployed different techniques to detect the collinearity problem. (Syed-Ikhsan & Rowland, 2004) used the Pearson correlation coefficient to check the pattern of relationships between independent variables. They argue that multi collinearity is not a problem if there is no correlation above 0.9 in a correlation matrix. Multi collinearity refers to the correlation among predictor variables. High multi collinearity lowers the significance levels of best coefficients. In order to confirm that there was no issue of multi-collinearity, a diagnostic test was conducted. The results revealed that the tolerance ranges were between 0.441 to 0.507, and none of them were below 0.2. Additionally, the Variance Inflation Factor (VIF) ranged from 1.974 to 2.268, which was below 10. This indicates that there was no multi-collinearity among the independent variables, and thus, one of the fundamental assumptions of regression was met.

Table 4. 9. Multicollinearity Test

Model	Tolerance		VIF
1	Stakeholder Identification	.507	1.974
	Planning Stakeholder Management	.481	2.079
	Managing Stakeholder Engagement	.505	1.980
	Monitoring Stakeholder Engagement	.441	2.268

a. Dependent Variable: Project Performance

Source: Researcher's Survey Data, 2023

4.5.4 Autocorrelation test

Independence of error terms, which implies that observations are independent, was assessed through the Durbin-Watson test. Durbin Watson (DW) test check that the residuals of the models were not auto correlated since the independence of the residuals is one of the basic assumptions of regression analysis. Durbin-Watson statistic can vary from 0 to 4. According to (Kinyua et al,, 2015) , DW scores between 1.5 and 2.5 indicate independent observations. Results from Table 4.10 shows a calculated DW statistic of 2.187 which falls in the range of 1.5 to 2.5. The results shown in the Table 4.13 below suggests that residuals were auto – correlated.

Table 4. 10. Autocorrelation test

Model	Durbin-Watson
1	2.187

a. Predictors: (Constant), Stakeholder Identification, Planning Stakeholder Management, Managing Stakeholder Engagement, Monitoring Stakeholder Engagement

b. Dependent Variable: Project Performance

Source: Researcher's Survey Data, 2023

4.5.5 Homoscedasticity test

Another fundamental assumption of regression is homoscedasticity, which can be determined by creating a scatterplot that compares the residuals against the dependent variable. Based on the scatterplot output in the figure 4.3 below, it appears that the spots are diffused and do not form a clear specific pattern, so it can be concluded that the regression model does not have a heteroscedasticity problem.

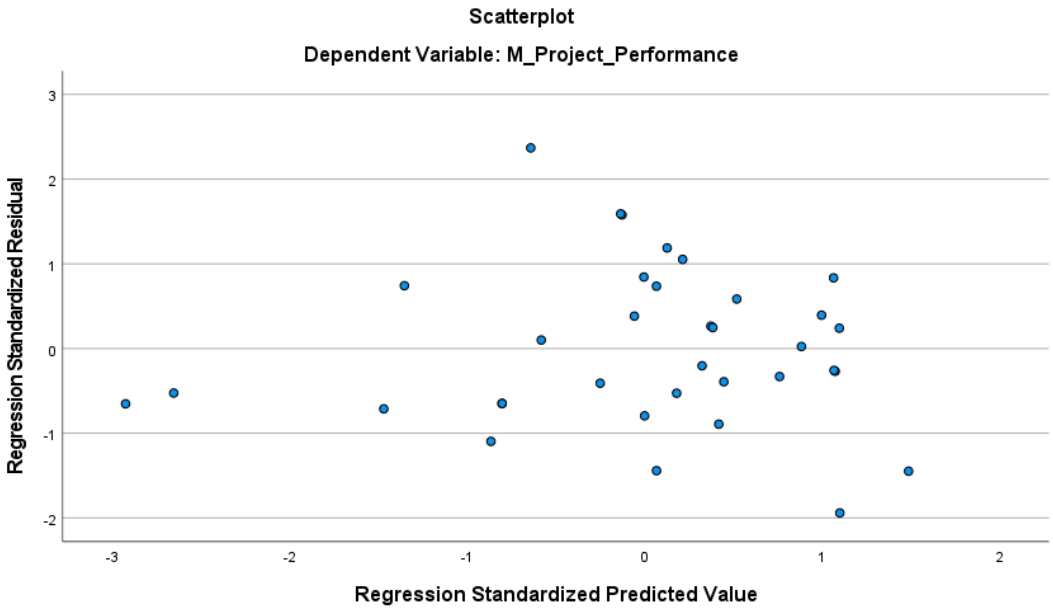

Figure 4. 3. Homoscedasticity Test

Source: Researcher's Survey Data, 2023

4.5.6 Model Summary

According to Table 4.11, the adjusted R squared value was 0.692, which implies that approximately 69.2% of the changes in CBE-BCM project performance could be accounted for by the explanatory variables (such as stakeholder identification, planning stakeholder management, managing stakeholder engagement, and monitoring stakeholder engagement). The remaining 30.8% of the variation in project performance could be attributed to other factors that were not included in the model.

Table 4. 11. Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.853[a]	.728	.692	.30626

a. Predictors: (Constant), Stakeholder Identification, Planning Stakeholder Management, Managing Stakeholder Engagement, Monitoring Stakeholder Engagement

Source: Researcher's Survey Data, 2023

4.5.7 ANOVA

To check the statistical significance of the regression model, ANOVA test was conducted. ANOVA helps to determine the overall significance of the regression model and whether it is useful for predicting the dependent variable. The model is effective in explaining the connection between the independent and dependent variables. Table 4.12 demonstrates that the significance value is below 0.05, indicating that there is a linear relationship between Stakeholder management (identification of stakeholder, plan stakeholder management, manage stakeholder engagement, and monitor stakeholder engagement) and project performance. This suggests that the model is appropriate and valid.

Table 4. 12. Summary of ANOVA

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.539	4	1.885	20.093	.000[b]
	Residual	2.814	30	.094		
	Total	10.352	34			

a. Dependent Variable: Project Performance

b. Predictors:(Constant), Stakeholder Identification, Planning Stakeholder Management, Managing Stakeholder Engagement, Monitoring Stakeholder Engagement

Source: Researcher's Survey Data, 2023

4.5.8 Multiple Regression Coefficients

The below Table 4.13 displays the standard error, Beta coefficient, and p-value of each independent variable. The Beta coefficient measures the strength of the relationship between each predictor or independent variable (such as stakeholder identification, plan stakeholder management, manage stakeholder engagement, and monitor stakeholder engagement) and the dependent variable (project performance) in the model. The independent variables, namely stakeholder identification, plan stakeholder management, manage stakeholder engagement, and monitor stakeholder engagement, have Beta values of 0.065, 0.367, 0.399, and 0.438, respectively.

Table 4. 13. Multiple Regression Coefficients

Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.859	.582		-1.475	.031
	Stakeholder Identification	.065	.164	.053	.399	.032
	Planning Stakeholder Management	.367	.174	.289	2.104	.044
	Managing Stakeholder Engagement	.399	.174	.307	2.295	.029
	Monitoring Stakeholder Engagement	.438	.182	.345	2.409	.022

a. Dependent Variable: Project Performance

Source: Researcher's Survey Data, 2023

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

The chapter is presents summary of findings, conclusion and recommendations based on the research findings.

5.1. Summary of Findings

The objective of this study was to look into the effect of stakeholder management on project performance in CBE -BCM Department Construction projects. Questionnaires were issued to all professional staff of the CBE -BCM Department who participate in building construction management. 35 of the 37 distributed questionnaires were returned for analysis, yielding a response rate of 94.6%.

The descriptive analysis presents the frequency, percentage, mean, and standard deviation of each variable, including their minimum and maximum values. Stakeholder identification has a mean of 4.1029 and a standard deviation of 0.45008. Planning stakeholder management has a mean of 3.8967 and a standard deviation of 0.41634. Managing stakeholder engagement has a mean of 4.0645 and a standard deviation of 0.42468. Monitoring stakeholder engagement has a mean of 4.0647 and a standard deviation of 0.43510. Lastly, project performance has a mean of 4.2429 and a standard deviation of 0.55180. The mean scores for planning stakeholder management show a relatively lower score, which implies that there is a need for improvement in the stakeholder management planning procedures. The standard deviation values for all variables vary from 0.42 to 0.55, indicating that the response dispersion from the mean is low. This indicates that replies from respondents are consistent. The variables' mean values vary from 3.89 to 4.20. This suggests that there is a moderate level of consensus among employees regarding the company's stakeholder management practices, and there is not much variation in their responses.

To determine whether there is a relationship between independent variables and a dependent variable, a Pearson's correlation analysis was conducted. The results of the analysis showed a positive correlation between the four proxies of stakeholder management (stakeholder identification, planning stakeholder management, managing stakeholder engagement, and monitoring stakeholder engagement) and project performance. The correlation coefficient indicates that the three variables of stakeholder management (planning stakeholder management with $r = 0.729$ and $p = 0.000$, managing stakeholder engagement with $r = 0.735$

and p = 0.000, and monitoring stakeholder engagement with r = 0.750 and p = 0.000) are strongly correlated with project performance. Additionally, stakeholder identification (with r = 0.615 and p = 0.000) is moderately correlated with project performance. The positive correlation suggests that there is a direct positive relationship between stakeholder management and project performance in CBE-BCM projects, with a significance level of 1%.

The results of the study are in agreement with existing theories and literature, as well as previous studies conducted by Sutterfield et al. (2006), Murwanashyaka and Shukla (2017), Demmise (2021), Moulid et al. (2021), Hirpa (2022), Abebe (2022), Demirkesen & Reinhardt (2021), and Mumbi (2018). These studies have demonstrated that stakeholder management has a positive and significant impact on project performance. The findings of this study are also consistent with relevant theoretical literature.

The model summary indicates that the explanatory variables (stakeholder identification, planning stakeholder management, managing stakeholder engagement, and monitoring stakeholder engagement) can account for 69.2% of the variation in CBE-BCM project performance, as reflected by the adjusted R square value. The remaining 30.8% of the variation in project performance may be attributed to unobserved variables that are not included in the model.

Additionally, the ANOVA test was used to evaluate the significance of the model in explaining the relationship between the independent and dependent variables. The results indicate that the significance level is below 0.05, which suggests that there is a linear relationship between stakeholder management (including stakeholder identification, planning stakeholder management, managing stakeholder engagement, and monitoring stakeholder engagement) and project performance. This indicates that the model is appropriate and valid. The SPSS regression output indicates that the stakeholder management practices implemented by the CBE-BCM department have a significant and positive impact on project performance. The results suggest that monitoring stakeholder engagement has the greatest influence on the variation in project performance, as indicated by its beta value of 0.438. This means that if the effects of other predictors are held constant, a one-unit increase in monitoring stakeholder engagement will result in a 43.8% improvement in project performance. The other predictors, including stakeholder identification, planning stakeholder management, and managing stakeholder engagement, contribute to the total variation in project performance by 0.065, 0.367, and 0.399, respectively.

5.2. Conclusion

This study was set out to investigate the effect of stakeholder management on project performance in CBE-BCM Department construction projects. The primary aim of the study was to examine how the independent variables of stakeholder identification, planning stakeholder management, managing stakeholder engagement, and monitoring stakeholder engagement impact the dependent variable of project performance.

A Five-point Likert Scale Questionnaire was distributed to all the 37 professional staffs of CBE -BCM Department. Of these, 35 questionnaires were submitted back for analysis, representing a response rate of 94.6%. Both descriptive and inferential analysis was conducted. The returned questionnaires were analyzed using SPSS version 27, a statistical tool. Descriptive analysis was conducted using frequency, percentage, combined mean, and standard deviation values. To examine the relationship between variables, Pearson's correlation and multiple regression analysis were performed.

The study's descriptive analysis revealed that the independent variables had a moderate mean value, suggesting that CBE-BCM has effective stakeholder management practices. However, the mean scores for planning stakeholder management showed a relatively lower score, suggesting that the stakeholder management planning procedures need to be improved. Hence the organization must pay greater attention to it in order to improve project performance.

The correlation results indicate a positive relationship between the four proxies of stakeholder management and project performance. The multiple regression analysis also shows that all independent variables of stakeholder management have a significant and positive impact on project performance. Therefore, this research concludes that stakeholder identification, planning stakeholder management, managing stakeholder engagement, and monitoring stakeholder engagement are essential for improving project performance. It is recommended that appropriate processes be implemented to address stakeholder issues effectively, as stakeholder management plays a critical role in project performance and management.

5.3. Recommendation

After analyzing relevant research and the results of this study, it was concluded that project stakeholder management is a crucial factor in determining project performance. Each of the four aspects of project stakeholder management examined in this study each play a role, both individually and collectively, in influencing project performance. To achieve optimal project performance, project teams must effectively manage the entire process of project stakeholder management. Effective stakeholder management is essential for project performance, and it is recommended to use stakeholder management approaches to efficiently manage different interests and attitudes.

The author of this study suggests the following recommendations to improve stakeholder management practices and achieve better project performance in the CBE-BCM Department. To ensure successful stakeholder management and improved project performance, all components of stakeholder management should be given attention, with a particular focus on practices that are not well-implemented within the organization. Based on the results of descriptive, correlation, and regression analyses, the researcher identified the practices that require improvement and recommends the following actions accordingly: -

- ✓ Planning stakeholder management has a slightly lower mean value than the other stakeholder management components, according to the descriptive analysis. Planning stakeholder engagement is a critical aspect of stakeholder management that plays a vital role in establishing and maintaining strategic cooperation with all project stakeholders, which is essential for achieving successful project performance. To achieve this, stakeholder management planning should be carried out with expertise to develop suitable strategies and action plans for interacting with stakeholders based on their levels of interest and impact.

- ✓ According to the correlation analysis, the phase of stakeholder identification has a relatively low correlation with project performance. Therefore, it is recommended that stakeholder identification be given priority in projects as it helps to review all current stakeholders who have a direct or indirect impact on project performance. This process assists in profiling and categorizing stakeholders according to their level of impact, interests, or timing of involvement. To ensure that potential changes in stakeholder

profiles are monitored and new stakeholders who may be relevant to the project are evaluated, it is recommended to identify and document all stakeholders.

- ✓ According to the results of the regression analysis, the primary factor responsible for the variation caused by the model is the monitoring of stakeholder engagement. It is suggested that monitoring and evaluating stakeholder engagement is necessary to make necessary adjustments or revisions to the current project stakeholder management practices. Therefore, it is advisable to assess the involvement of stakeholders to determine whether the stakeholder management approach in the project is having a positive impact on project performance or if it requires enhancement.

In general, the CBE-BCM Department has a satisfactory stakeholder management practice, but there is room for improvement to achieve better results in their project performance.

5.4. Limitation and Implications for Further Research

Although the findings are valuable, it is important to acknowledge the limitations of the study. The research was centered on the construction sector in Ethiopia and the specific case of CBE-BCM, which may not be applicable to other industries or situations. The results of the study may not be applicable to other construction companies or projects outside of the Ethiopian context. The study may not also account for other external factors that could impact project performance since it is limited to the assessment of the effect of stakeholder management on project performance. The gap that has been identified can be filled by future research by including more dimensions and contextual variables in the model.

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APPENDICES

Appendix 1 - Research Instrument

ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
SCHOOL OF COMMERCE

RESEARCH INSTRUMENT (QUESTIONNAIRE)

Dear Respondent,

I am an individual named Rahel Mekuria, enrolled in the Project Management master's program at the School of Commerce in Addis Ababa University. As part of my degree requirements, I am presently engaged in research titled "Assessment of the effect of Stakeholder Management on Project Performance," with a focus on the Commercial Bank of Ethiopia Building Construction Management Department.

The purpose of this survey is to gather information from the client responsible for project management regarding the impact of Stakeholder Management on Project Performance in the Commercial Bank of Ethiopia Building Construction Management Department. The data collected through this questionnaire is crucial to achieving the goals of this research. I kindly request that you complete and return the questionnaire. Please note that the information you provide will be used solely for academic purposes and will be kept confidential. Thank you for your cooperation in advance. If you have any questions or comments, please don’t hesitate to contact me.

Section A: General Information About Respondents

1) Respondent's gender

   a) Male

   b) Female

2) Educational level

   a) Diploma
   b) Degree
   c) Masters
   d) Others, Specify_____

3) Experience in Building construction work (in years)

   a) 1 – 3 years
   b) 3 – 5 years
   c) 5 -10 years
   d) > 10 years

4) Experience in Commercial Bank of Ethiopia (in years)

   a) 1 – 3 years
   b) 3 – 5 years
   c) 5 -10 years
   d) > 10 years

5) Current position in CBE

   a) Junior Engineer
   b) Associate Engineer
   c) Senior Engineer
   d) Project Manager
   e) Manager
   f) Director
   g) Other: _____

Section B: Stakeholder Management of Commercial Bank of Ethiopia Construction Projects

Pleasemark(x)insidetheboxforeachofthestatementtoindicateyourresponse. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements. The choices given are: **Strongly Disagree, Disagree, Neutral, Agree and Strongly Agree**.

Stakeholder identification		Strongly disagree (1)	Disagree (2)	Neutral(3)	Agree (4)	Strongly agree (5)
1	All the parties involved in a decision, activity, or outcome of the project that may be affected or have an impact have been recognized and identified as stakeholders.					
2	The stakeholders have been identified with the participation of the members of the project team.					
3	Stakeholders are categorized into different segments according to their level of interest, influence, importance, position, and expectations at the earliest stages of projects.					
4	Prior to the commencement of the project, research was carried out.					
5	Identifying key stakeholders is done effectively during the planning phase.					
6	The process of Stakeholder Analysis is performed to recognize and evaluate the impact and significance of stakeholders during the entire duration of the project.					

Planning Stakeholder Management		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
1	The project management team develops appropriate management strategies to effectively engage stakeholders.					
2	Stakeholders are prioritized based on their ability to influence your projects.					
3	The stakeholders have a mutual comprehension of the project					
4	A communication strategy including the level, frequency, and type of communication with each stakeholder is adopted in projects.					
5	Procedures are established to revise and enhance the stakeholder management plan as the project progresses and evolves.					
6	The stakeholder management plan explicitly outlines the regulations for interaction and responsibilities of every stakeholder.					
Managing Stakeholder Engagement		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
1	Stakeholder engagement is considered important for project performance and sustainability.					
2	Project progress reports are available.					
3	Stakeholders are reluctant about sharing project information.					

4	Stakeholder meetings are held frequently.					
5	Stakeholder expectation is understood, acknowledged and managed.					
6	The stakeholders have knowledge about the project progress.					
7	Feedback mechanisms are adequate and appropriate.					
8	Stakeholders maintain effective communication through established communication channels.					
9	Project team is well committed to the stakeholder engagement process.					
Monitoring Stakeholder Engagement		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
1	Each stakeholder group has been found to have a gap in their knowledge.					
2	Requests from stakeholders are addressed promptly.					
3	The project is taking into account the needs and expectations of stakeholders.					
4	There are established procedures for documenting and disseminating information to stakeholders.					
5	Stakeholders are kept informed about project progress and any modifications, and they are collaboratively engaged in revising plans.					
6	A platform is available for receiving feedback from stakeholders.					

Section C: Project Performance of Commercial Bank of Ethiopia Construction Projects

Project Performance		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
1	Projects are executed and finished on time and within the budget assigned to them.					
2	Projects are implemented and completed within the specification and quality standard.					
3	The implementation of the project is consistently aligned with its intended goals and objectives.					
4	Effectively engaging stakeholders at the appropriate project phases is important.					
5	Seeking project feedbacks from stakeholders improves performance.					
6	Stakeholder management affects project performance.					